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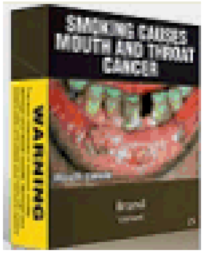
Australia for Plain Paper Packaging of Cigarettes – Tobacco Producers Object at WTO

Brazil, Chile, Ecuador and China described the issue as complex, requiring balance and a closer examination. Switzerland said it understands both sides of the debate and expects Australia to abide by its TRIPS obligations.

In this new agenda item, the Dominican Republic objected to a draft Australian law requiring cigarettes to be sold in plain packaging without logos or trademarks. The brands would be identified simply in a standard typeface with large graphic health warnings.

Australia originally notified the draft and the public consultation on it under the Technical Barriers to Trade (TBT) Agreement, in document G/TBT/N/AUS/69, which contains details of the requirements. (See also this Australian government web page, which includes images of samples of the proposed packaging.).



Support or sympathy for the Dominican Republic came from Honduras, Nicaragua, Ukraine, the Philippines, Zambia, Mexico, Cuba and Ecuador.

The Dominican Republic said it has "serious and grave" concerns that the proposed law would also violate the WTO's intellectual property agreement and the linked Paris Convention. Among the legal concerns was that it would be a "special requirement" that would "unjustifiably" encumber the use of trademarks "in a manner detrimental to its capability to distinguish the goods or services of one undertaking from those of other undertakings" (TRIPS Article 20).

The proposed law, the Dominican Republic argued, would hurt tobacco producers in small and vulnerable economies. It would fail to reduce smoking because the lower costs of the packaging and the competition on price — the only remaining marketing tool available — would make cigarettes cheaper and encourage higher consumption. It would also make counterfeiting easier, it said. But it added that it does recognize countries' right to protect public health.

Australia explained why the law has been proposed — as the next available step in the campaign to deal with a major and lethal health hazard. Higher excise duties and the possibility of using anti-counterfeiting labelling would make the cigarettes more expensive and prevent smuggling, it said. Australia will do this in a way that complies with its international obligations, it added.

New Zealand, Uruguay and Norway said Australia's draft law is justified. India did not comment on the law specifically but said studies show that plain packaging does reduce smoking. India, Brazil and Cuba stressed their view that countries have the right to implement public health policies without intellectual property being an obstacle — referring directly or indirectly to the 2001 Doha Declaration on TRIPS and Public Health.

The World Health Organization (WHO), an observer in the TRIPS Council provided information on its policies and on the WHO Framework Convention on Tobacco Control.

The 'triplets': Article 27.3(b), biodiversity and traditional knowledge

Positions remained unchanged.

Bolivia repeated its call for the TRIPS Agreement to be amended to ban patenting of all life forms. The proposal is has been developed further and is now in an official document, IP/C/W/554. Bolivia said TRIPS Article 27.3(b) allows life forms to be patented, which is immoral and only encourages transnational corporations and the rich to exploit local communities and their traditional knowledge (details in the paper). Methods other than patents can be used to encourage research and development into inventions that will benefit humankind, Bolivia said. Venezuela supported the call.

Japan and Switzerland opposed the proposal, arguing that patents are needed as incentives to develop biotechnology for health and food security and to tackle climate change.

Article 27.3(b) deals with permitted exceptions to patenting plant and animal inventions, and the protection of plant varieties. Broadly speaking, it allows governments to exclude some kinds of inventions from patenting, ie, plants, animals and "essentially" biological processes (but micro-organisms, and non-biological and microbiological processes have to be eligible for patents). However, plant varieties have to be eligible for protection either through patent protection or a system created specifically for the purpose ("sui generis"), or a combination of the two.

In other words, Art.27.3(b) offers countries the choice of whether to protect or not in some circumstances, and requires them to provide protection of some kind in others. Bolivia's proposed ban, first presented in March 2010, would overturn that.

The latest version of the "disclosure" proposal is now a proposed draft TRIPS Agreement amendment, in document TN/C/W/59 of 19 April 2011, submitted to the Trade Negotiations Committee by Brazil, China, Colombia, Ecuador, India, Indonesia, Peru, Thailand, the African, Caribbean and Pacific (ACP) Group, and the African Group. It is described as a draft decision to enhance the "mutual supportiveness" between the

Bangladesh Signs Para 6 – Doha on Compulsory Pharma Licensing

Bangladesh is the latest member to have accepted the amendment to the TRIPS Agreement on the "Paragraph 6 system", bringing the number of notifications to 34, counting the EU as one.

TRIPS Agreement and the UN Convention on Biological Diversity.

Members continued to argue their different positions. They agree that the objective is to prevent patents being granted wrongly, and to promote authorized access (before researchers can obtain local genetic resources) and equitable benefit sharing. They disagree on whether the way to achieve these objectives is a “disclosure” amendment or the use of databases or contracts or both.

Members also continued to disagree on whether the secretariats of the World Intellectual Property Organization and UN Convention on Biological Diversity (CBD) should be invited to brief the council on work in their organizations. Some said they should. Others had reservations. The WIPO Secretariat is a TRIPS Council observer and the concern raised was about timing: some said inviting WIPO would be premature since work on these issues in that WIPO is still in an early stage. The CBD Secretariat is not an observer, and some said it should be up to members to describe how they are implementing the CBD and its recently agreed Nagoya Protocol.

EU Extends Emission Scheme to Airlines

Tensions are building over the EU’s decision to extend their Emissions Trading Scheme (ETS) to aviation. Under the new plan, all airlines inbound to and outbound from the 27-member bloc would be covered under the system - an announcement that drew criticism from airplane groups and non-EU countries alike.

The inclusion of airlines, which became public on Monday, would be fully implemented from 1 January 2012 onward. As the 27 EU members, the European Parliament, and the European Commission have all adopted the ETS, EU Climate Commissioner Connie Hedegaard insists that including the airline industry is within the EU’s rights.

The Emissions Trading Scheme would oblige airlines to pay for carbon permits if they exceeded a certain emissions cap. This requirement would apply to all flights entering the 27-member bloc, for both EU and non-EU airlines.

China, US express frustration

Chai Haibo, vice president of the China Air Transport Association (CATA), stated that “if the EU presses ahead with its plan, the friendly relations between Chinese airlines and European airlines and aircraft manufacturers will surely be affected.” The impact of the legislation on Chinese airlines could be up to €84.5 million in the first year, estimated the CATA.

According to the Wall Street Journal, several US airline carriers have also banded together to contest the decision’s legality.

Argentina, Brazil Narrow Differences on Automatic Licensing

Farm equipment, footwear, tyres, olive oil, glass, and powdered milk were some of the 529 Brazilian products affected by the removal of automatic licensing that will now receive expedited issuance. Automobiles and auto parts from Argentina, which comprise over 50 percent of Brazilian car imports, will receive “fast track” licensing.

Last week’s agreement guarantees that Argentine automobile imports will be reviewed within 10 days of their license application; Businessweek reports that, prior to this agreement, the process could take up to two months.

Argentina also agreed to make special considerations for Brazilian farm equipment. In the upcoming weeks Argentina will look at making similar arrangements for footwear, auto parts - such as batteries and brakes - textiles, dishes, appliances, and electronics.

Argentina and Brazil have agreed to “fast track” import licenses for cars, food, and appliances that have stocked up along their borders since February due to a contentious trade dispute between the two nations. The clash between the Mercosur partners originated with Argentina’s cancellation of automatic licensing for imports in February 2011.

Argentine Minister of Industry, Débora Giorgi, and her counterpart at the Brazilian Ministry of Trade, Fernando Pimentel, met on 2 June in Brasilia to settle the issue of expediting import licensing for certain detained goods. However, no solution was presented on how to solve disputes in the future, besides an agreement to meet bilaterally for trade discussions every 30 days.

The meeting culminated with the Ministers’ announcement of their “willingness to facilitate the approval of import licenses and the release of products currently on the border.”

Giorgi said her Ministry suspects that Argentina’s actions in the dispute only affected 20 percent of Brazilian exports to Argentina, in comparison with the much larger impact that Brazil’s decisions had on Argentine exports. Argentina’s trade deficit with its neighbour grew by 79 percent from January to May, according to the Wall Street Journal.

Dollar-Rupee Rate at NSE Futures

Trade Date	Open Price	High Price	Low Price	Close Price	Daily Settlement Price	Open Interest	No. of Contracts	Value (Rs. lakhs)	RBI Reference rate
13-Jun-11	44.9500	45.0350	44.9450	44.9950	44.9950	1219960	2279713	1025644	44.8700
10-Jun-11	44.8450	44.8950	44.7950	44.8550	44.8550	1226761	1991667	893302	44.7200
9-Jun-11	44.8475	44.9100	44.7775	44.8825	44.8825	1212957	2535070	1137005	44.7200
8-Jun-11	44.8725	44.9200	44.7450	44.8650	44.8650	1191988	3178226	1424511	44.6100
7-Jun-11	44.9700	45.0075	44.8300	44.8550	44.8550	1150818	2885128	1295247	44.7400

[Source: NSE and RBI Website]

December Package for WTO Ministerial under Assembly

WTO members have agreed to try to strike deals this year on certain issues within the long-running Doha Round of global trade talks, while postponing attempts for a comprehensive multilateral accord.

Governments are aiming to reach the issue-specific deals in time for the WTO’s ministerial conference in mid-December, allowing themselves about five months, given the global trade body’s August holiday.

In his remarks to a TNC meeting last week, Lamy pointed to the limited time available, urging members to refrain from seeking a “Christmas tree” of multiple issues for a December early harvest. On the basis of consultations with members, he suggested that top priority be given to a package of issues for least-developed countries (LDCs): duty- and quota-free access for their products, improved rules of origin, a waiver allowing countries to discriminate in favour of LDC services exports, and “a step forward” on cotton. At the other end of the spectrum, he suggested that market access in industrial goods, agriculture and services, trade remedies, and intellectual property issues be placed in a “slow lane,” since agreement did not seem possible this year.

The US argued that new rules limiting government support to the fisheries sector were ready for inclusion in a December package, but Japan and Korea, which have resisted strong disciplines on fisheries subsidies, disagreed. Other topics put on the table for December included trade facilitation, updating provisions on special and differential treatment for developing countries, agricultural export support, provisions on regional trade agreements or liberalised trade in environmental goods and services.

No Fruits and Vegetables Import from EU without FSSAI Clearance on E.Colli Infection

[Ref: CBEC Instruction F.No. 450/60/2011-Cus. IV dated 8th June, 2011]

Subject: Monitoring of fresh Fruit and Vegetable Import from Europe for E.Colli bacterial contamination

Following the recent detection of many cases of E.Colli bacterial outbreak due to contamination of fresh Fruits and Vegetables in European countries like Germany, Austria, Denmark, the Netherlands, Norway, Spain, Sweden, Switzerland, Russia and the U.K, there is a need to increase surveillance of fresh Fruit and Vegetable imports into India from Europe to ensure that they are safe for consumption.

2. Accordingly, it has been decided, as precautionary measure, that Food Safety and Standards Authority of India (FSSAI) would test samples of fresh Fruits and Vegetables consignments imported from Europe into India for E.Colli bacteria. FSSAI has directed their Authorised Officers to have the food articles tested for E.Colli bacterial contamination before issuing 'No Objection Certificate' to Customs.

3. In view of the above, it is directed that all officers in charge of Ports, Airports, ICDs / CFSs, Land Customs Stations should ensure that clearance of such fresh Fruits and Vegetables imported from Europe is allowed only after complying with the above requirements and obtaining 'No Objection Certificate' from FSSAI.

4. A suitable Public Notice and Standing Order may be issued for the guidance of the trade and staff.

5. Difficulties faced, if any, in implementation of these instructions may please be brought to the notice of the Board.

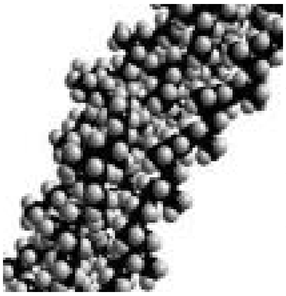
Anti-Dumping investigation Terminated on Polypropylene from Korea, Taiwan and USA at Domestic Industry Request

Subject: Termination of Anti-Dumping investigation concerning imports of Polypropylene originating in or exported from Korea RP, Taiwan and USA

[Ref: DGAD Termination Notification No.14/26/2009-DGAD Dated 25th May 2011]

No.14/26/2009-DGAD. Having regard to the Customs Tariff Act 1975 as amended from time to time (hereinafter referred to as the Act) and the Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 as amended from time to time (hereinafter referred to as the AD Rules), thereof:

2. Whereas M/s Reliance Industries Ltd. filed an application before the Designated Authority (hereinafter referred to as the Authority) in accordance with the Act and the AD Rules for initiation of Anti-Dumping investigation concerning imports of 'Polypropylene (i.e., homo-polymers and co-polymers of Propylene)' (hereinafter also referred to as the subject goods) originating in or exported from Korea RP, Taiwan and USA (hereinafter referred to as the subject countries).



3. And whereas, the Authority after notifying the subject countries in accordance with Rule 5(5) of the AD Rules, initiated the Anti-Dumping investigation concerning imports of the subject goods from the subject countries vide Notification 14/26/2009-DGAD dated 10th February 2010.

4. Whereas the Domestic Industry vide letter dated 12th May 2011 has now requested for termination of the investigation as per Rule 14(a).

5. In view of the request of the domestic industry for termination of this investigation, the Authority hereby terminates the investigation concerning imports of the subject goods from the subject countries in accordance with Rule 14(a) of the AD Rules.

Wheat Flour Quota of 35K MT and 38K MT for the Year 2012 and 2013 for Maldives through MMTC

Subject: Exemption for export of wheat flour to Maldives for the years 2011-12, 2012-13 and 2013-14.

53-Ntfn(RE) 07.06.2011 (DGFT) In exercise of the powers conferred by Section 5 of Foreign Trade (Development & Regulation) Act, 1992 (No.22 of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-2014, the Central Government hereby substitutes, with immediate effect, the existing para 2.12 of Notification No. 43(RE-2010)/2009-2014 of 20.04.2011 as under:

"2.12 The prohibition imposed by Notification No. 33(RE-2007)/2004-2009, dated 08.10.2007 on export of wheat products shall not be applicable to export of the following quantities of wheat flour to Maldives through the PSUs indicated below:

Item	Year	Quantity in MTs	Name of PSU
Wheat Flour	2011-12	32,095	MMTC Ltd
	2012-13	35,304	MMTC Ltd
	2013-14	38,835	MMTC Ltd

2. Effect of this notification:

Export of 32,094.70 MTs of wheat flour to Maldives for the year 2011-12 was permitted through Notification No. 43 of 20.04.2011. Now, the quantity of wheat flour, as indicated above, is permitted to be exported for the years 2011-12, 2012-13 and 2013-14 to Maldives under the Bi-lateral Trade Agreement between Government of India and the Republic of Maldives, through the designated PSUs, mentioned against each year.

River Sand Exports Quota of 1.18 mn MT to Maldives for the Year 2011-12

Sub: Export of River Sand to Maldives under Bi-lateral Trade Agreement between Government of India and Government of the Republic of Maldives.

55-Ntfn(RE) 07.06.2011 (DGFT) In exercise of powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-2014,, as amended from time to time, the Central Government hereby **adds Export Licencing Note 2 in Chapter 25** of ITC(HS) Classification of Export and Import items, as below:

"Export Licensing Note 2:

(i) Export of River Sand to Maldives permitted as per ceiling mentioned below subject to issue of No Objection within the annual ceiling by CAPEXIL who shall monitor the ceiling and send a quarterly report to Export Cell in DGFT.

For the Financial Year 2011-12 (on annual basis): 1,185,455 MTs.

(ii) For the export of above quantity of River Sand, CAPEXIL shall ensure that the suppliers/extractors have obtained appropriate clearances and mining of the sand is not undertaken in the Coastal Regulation Zone Area, which is prohibited under the Coastal Regulation Zone notification.

(iii) In addition to above, export of River Sand will be allowed subject to the exporter obtaining necessary environmental clearances/No Objection Certificate from the designated nodal authority of respective State Governments from where the River Sand is obtained."

3. Effect of this notification:

Export of the quantities of River Sand with the annual ceiling indicated in Export Licensing Note 2 (i) above has been permitted for export to the Republic of Maldives under Bi-lateral Trade Agreement between Government of India and Government of the Republic of Maldives.

Stone Aggregate Exports Quota of 5 Lakh MT to Maldives for Three Years Notified

Sub: Export of Stone Aggregate to Maldives under Bi-lateral Trade Agreement between Government of India and Government of the Republic of Maldives.

54-Ntfn(RE) 07.06.2011 (DGFT) In exercise of powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-2014,, as amended from time to time, the Central Government hereby **substitutes** the Export Licencing Note 1 and 2 as appearing in para-2 of Notification No.45/2009-2014 dated 21.05.2010 with **Export Licencing Note 1**, as below:

"Export Licencing Note 1

(i) Export of Stone Aggregate to Maldives permitted as per ceiling mentioned below subject to issue of No Objection within the annual ceiling by CAPEXIL who shall monitor the ceiling and send a quarterly report to Export Cell in DGFT:

SNo.	Item	Annual Ceiling of Quantity in MTs		
		2011-12	2012-13	2013-14
1.	Stone Aggregate	5 lakh	5.5 lakh	6 lakh

(ii) For the export of above quantity of Stone Aggregates, CAPEXIL shall ensure that the suppliers/extractors have obtained appropriate clearances".

3. Effect of this notification:

Export of the quantities of Stone Aggregate with the annual ceiling indicated in the respective columns in Export Licencing Note 1(i) above has been permitted for export to the Republic of Maldives under Bi-lateral Trade Agreement between Government of India and Government of the Republic of Maldives.

MEP on Onions Raised to US$200/MT from US$170/MT

Subject:- Minimum Export Price of Onions

56-Ntfn(RE) 08.06.2011 (DGFT) In exercise of powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-2014, the Central Government makes the following **amendment** in Notification No 41(RE – 2010)/2009-2014 dated 31.03.2011 read with Notification No 24(RE – 2010)/ 2009-2014 dated 18.02.2011. The amendment is made with immediate effect.

2. The "Minimum Export Price(MEP) of US$ 170 per Metric Ton F.O.B. or as notified by DGFT from time-to-time" as appearing in para 2 of Notification No 41(RE – 2010)/2009-2014 dated 31.03.2011 for the item description at Serial Number 44.01 of Notification No 24(RE–2010)/ 2009-2014 dated 18.02.2011 is replaced by the "Minimum Export Price(MEP) of US$ 200 per Metric Ton F.O.B. or as notified by DGFT from time-to-time".

3. Effect of this notification:

Minimum Export Price (MEP) of onions other than Bangalore Rose Onions and Krishnapuram onions will be US$ 200 per Metric Ton F.O.B. It was US$ 170 per Metric Tonne as notified on 31.03.2011. There shall be no change in the MEP of Bangalore Rose Onion and Krishna-puram onion which continues to be USD 350 per Metric Tonne F.O.B.

Organic Pulses Export Quota of 10,000 MTs Released

Subject: Export of Organic Pulses.

51-Ntfn(RE) 03.06.2011 (DGFT) In exercise of the powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No.22 of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-2014 (as amended from time to time), the Central Government hereby amends, with immediate effect, Para 3 of Notification No. 35 (RE-2010)/2009-2014 dated 23.03.2011 read with Notification No.15 (RE-2006)/2004-2009 dated 27.6.2006, as amended from time to time.

2. The entries relating to export of organic pulses as mentioned in amended Para 3 (i) (2) in para 3 of Notification No. 35 (RE-2010)/2009-2014 dated 23.03.2011 will read as under:

"3 (i) (2) 10,000 MTs of organic pulses and lentils per annum. Export of organic pulses and lentils shall be subject to following conditions:

(a) Quantity limit shall be 10,000 MTs per annum;

(b) It should be duly certified by APEDA as being organic pulses and lentils;

(c) Export contracts should be registered with APEDA, New Delhi prior to shipment;

(d) Exports shall be allowed only from Customs EDI Ports."

3. Effect of this notification:

Export of Organic Pulses was earlier exempted from the ban on export of pulses with a ceiling of 10,000 tonnes upto 31.03.2012 and subject to certain conditions. Now exemption on export of organic pulses and lentils will be per annum ; but with the ceiling of 10,000 MTs and subject to conditions mentioned above.

Centralised Billing for Smart Cards Allowed

14-CE(NT) 03.06.2011 (DoR) In exercise of the powers conferred by sub-rule (2) of rule 9 of the Central Excise Rules, 2002, the Central Board of Excise and Customs hereby exempts from the operation of said rule, every manufacturing unit engaged in the manufacture of recorded **smart cards** falling under sub-heading **8523** where manufacturer of such goods has a centralized billing or accounting system in respect of such goods manufactured by different manufacturing units and opts for registering only the premises or office from where such centralized billing or accounting is done.

[F.No. 332/3/2011 –TRU]

Organic Edible Oils Export Quota of 10,000 MTs Released

Subject: Exemption for export of 10,000 MTs of organic edible oils.

50-Ntfn(RE) 03.06.2011 (DGFT) In exercise of the powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No.22 of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-2014 (as amended from time to time), the Central Government hereby amends, with immediate effect, Notification No. 85 dated 17.03.2008 read with Notification No. 7 dated 30.09.2010, as amended from time to time.

2. The export of edible oils was initially prohibited for a period of one year with effect from 17.03.2008 vide Notification No. 85 dated 17.03.2008 which was extended from time to time. This extension is upto 30.09.2011 in terms of Notification No. 7 dated 30.09.2010.

3. In relaxation of above prohibition, certain exemptions have been granted through various notifications issued from time to time namely (a) export of Castor Oil (b) export of coconut oil from Cochin Port (c) Deemed export of edible oils(as input raw material) from DTA to 100% EOUs for production of non-edible goods to be exported (d) export of oil produced out of minor forest produce even if edible, ITC(HS) Code 15159010, 15159020, 15159030, 15159040, 15179010 and 15219020 and (e) export of edible oils in branded consumer packs of upto 5 Kgs subject to a ceiling of 10,000 MTs upto 31.10.2011. In addition, the prohibition on export of edible oils will also not apply to export of 10,000 MTs of organic edible oils, per annum, duly certified by APEDA, subject to following conditions:

(a) Quantity limit shall be 10,000 MTs per annum;

(b) It should be duly certified by APEDA as being organic edible oils;

(c) Export contracts should be registered with APEDA, New Delhi prior to shipment;

(d) Exports shall be allowed only from Customs EDI Ports.

4. Effect of this notification:

Prohibition on export of edible oils is upto 30.09.2011. But, the same will not apply to export of Organic edible oils (new addition now) in addition to other relaxations/exemption granted earlier; but with a ceiling of 10,000 MTs per annum and subject to certain conditions mentioned in para (3) above.

Organic Sugar Export of 10,000 MTs Released

Subject: Exemption for export of 10,000 MTs of organic sugar.

52-Ntfn(RE)
03.06.2011
(DGFT)

In exercise of the powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No.22 of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-2014 (as amended from time to time), the Central Government hereby adds, with immediate effect, Export Licensing Note 2 in Chapter 17 of Schedule 2 of ITC(HS) Classification of Export and Import Items, as amended from time to time.

2. The requirement of obtaining release order from the Chief Director(Sugar), Directorate of Sugar for export of sugar as mentioned in the Export Licensing Note 1 in Chapter 17 of Schedule 2 of ITC(HS) Classification of Export and Import Items will not apply to export of 10,000 MTs, per annum of organic sugar, duly certified by APEDA. Accordingly, Export Licensing Note 2 is **inserted in Chapter 17 of Schedule 2** of ITC(HS) Classification of Export and Import Items which will read as under:

"Export Licensing Note 2:

The requirement of obtaining release order from the Chief Director(Sugar), Directorate of Sugar for export of sugar as mentioned in the Export Licensing Note 1 above will not apply to export of 10,000 MTs of organic sugar, per annum. Export of organic sugar shall be subject to following conditions:

(a) Quantity limit shall be 10,000 MTs per annum;

(b) It should be duly certified by APEDA as being organic sugar;

(c) Export contracts should be registered with APEDA, New Delhi prior to shipment;

(d) Exports shall be allowed only from Customs EDI Ports."

3. Effect of this notification:

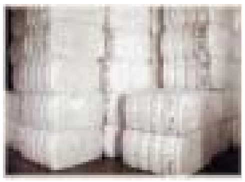
Export of sugar is free subject to obtaining release order from the Chief Director(Sugar), Directorate of Sugar. But, the same is not required for export of Organic sugar with a ceiling of 10,000 MTs per annum and subject to certain conditions mentioned above.

Cap on Cotton Exports Raised to 65 Lakh Bales from 55 Lakh Bales for Current Season

Subject: Quantity restriction of 65 lakh bales on export of cotton during Cotton Season, 2010-11.

57-Ntfn(RE)
09.06.2011
(DGFT)

In exercise of the powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No.22 of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-14, the Central Government hereby amends the "Nature of Restriction" as appearing in para 2 of Notification No. 32(RE-2010)/2009-14 dated 14.03.2011 read with Notification No. 12(RE-2010)/2009-14 dated 16.12.2010, as under:.



"Nature of Restriction"

"The contracts for export of cotton shall be registered with the Directorate General of Foreign Trade prior to shipment. During the Cotton Season, 2010-11(upto 30.09.2011) the export of cotton will be subject to a cap of 65 lakh bales or as notified by DGFT from time to time. Clearance of cotton consignments by Customs should be after verifying that the contracts have been registered."

2. The effect of this notification:-

Cap on export of cotton during the current Cotton Season is increased to 65 lakh bales from 55 lakh bales as was notified earlier. Other conditions remain unchanged.

Special Clearance Drive to Correct EGM Errors from EDI 1.0 to EDI 1.5 ver at JNCH

The following Standing Order was published by the Commissioner of Customs (Exports), JNCH on 3 June 2011

Subject: Special Clearance drive to remove / correct EGM errors pending on account of migration from EDI 1.0 to EDI 1.5 version

48-SO
03.06.2011

Due to migration from EDI 1.0 version to EDI 1.5 version, there were difficulties faced by shipping lines in filing EGM during the period from 5th April to 20th May, 2011. A substantial number of shipping bills are in EGM error queue which need to be rectified / corrected. It has been, therefore, decided to conduct a special drive to remove / correct such EGM errors on top priority.

2. A list of shipping bills which are under various errors have been obtained from ICEGATE.

3. The total number of shipping bills with 'R' error shall be divided equally amongst each AC / DC of the 8 Clusters. A list of such shipping bills with 'R' error shall be handed over in hard copy by the Superintendent / ECU to each Cluster AC / DC. The respective AC / DC shall circulate the list amongst the Superintendents posted in his shed / CFS and ensure that the 'R' errors in the said shipping bills allotted to him are rectified by 15.06.2011.

4. The entire list of shipping bills with 'RQNC / QNC / Q' errors, which have occurred due to non-feeding of stuffing reports, shall be handed over in hard copy by the Superintendent / ECU to each Cluster AC / DC. The respective AC / DC shall circulate the list amongst the Superintendents posted in his shed / CFS. The shed Superintendents shall cross-verify the shipping bills pertaining to their sheds / CFS from their stuffing report registers with the shipping bills which are reflected in the given list. Shipping bills with 'RQNC / QNC / Q' error shall be rectified / corrected by the respective Superintendent of the shed / CFS. It shall be ensured that the said 'RQNC / QNC / Q' errors in the said shipping bills allotted to the AC / DC are rectified by 15.06.2011.

5. A list of shipping bills with 'G' errors which is available with the ECU shall be rectified by the Superintendent / ECU. The AC / ECU shall ensure that the errors in the said shipping bills

Supdt Excise to Personally Verify EPCG Installation

The following Public Notice was issued by the Commissioner of Customs (Exports), JNCH on 1 June 2011

Subject: Verification of Manufacturer Exporter status under EPCG scheme

84-PN
01.06.2011

Attention of all Importers / Exporters / CHA's and EPCG Licence Holders and all concerned is invited to Facility Notice No. 79/2009 and Public Notice 81/2011. In view of the difficulties faced by the importers for verification of Manufacturer Exporter status, Public Notice 81/2011 is hereby amended as mentioned below, with immediate effect. The following entries shall be **added** immediately after serial no. (iv) to Public Notice 81/2011.

"(v) Installation Certificate pertaining to locally procured capital goods issued by A Chartered Engineer with Pan Card of the importer. In all such cases Manufacturing Premises shall be post verified by the Jurisdictional Supdt. of Central Excise.

(vi) In case of SSIs which earlier fell under the purview of Central Excise, earlier Permanent Central Excise Registration Certificate duly certified by Jurisdictional Supdt. of Central Excise along-with Pan Card of importer. In all such cases Manufacturing Premises shall be post verified by the Jurisdictional Supdt. of Central Excise."

F. No. S/26-Misc- 479/2011 EPCG JCH

are rectified / corrected by 15.06.2011.

6. All AC / DCs are directed to take up this clearance drive on top priority and ensure compliance to the deadlines stipulated hereinabove.

7. Any difficulty noticed in the implementation of this Standing Order may be brought to the notice of the undersigned.

F. No: S/6-Gen-1400/2011 D'Node

Alloy Steel HR Coils/Plates SION Modified

Non Alloy Steel Allowed as Input in Alloy Steel HR Coils SION

Subject: MODIFICATION OF SION C-593 under Engineering Product Group.

51-PN(RE) 02.06.2011 (DGFT) In exercise of the powers conferred under Paragraph 2.4 of the Foreign Trade Policy, 2009-14, the following amendment is made in SION C – 593 in the Handbook of Procedure Vol. II.

2. Sl No. 1 of import list of SION C-593 is at present described as "Non Alloy HR Coil /Plates". Herein after it will be modified to read as "Non Alloy/Alloy Steel HR Coil/Plates, whether of alloy steel or non-alloy steel of relevant grade & thickness". Corresponding export product "Carbon Steel Submerged Arc Welded Pipes as per API Grades/ASTM Grade or equivalent OR Hot Formed Steel Bends as per API, ASTM Grade or equivalent grade Degree; 0-180 Degree" is modified to read as "Non Alloy/Alloy Steel submerged arc Welded Pipes as per API Grades/ASTM Grade or equivalent OR Hot Formed Steel Bends as per API, ASTM Grade or equivalent grade Degree: 0-180 Degree". There is no other change pertaining to this SION, and hence both the number of inputs permitted as well as the respective quantities permitted would remain unchanged.

Effect of this modification:

Under SION C-593, till now only HR coil/plates made of non-alloy steel were permitted input at Sl No. 1 of the SION. Now the definition of this input is modified to permit HR coil/plates made out of Alloy steel also. Description of export product has accordingly been amended to reflect the usage of Non alloy/alloy steel in the export product. There is no other change.

New User Friendly Application Form for SFIS Benefits Notified

52-PN(RE) 03.06.2011 (DGFT) In exercise of the powers conferred under Paragraph 2.4 of the Foreign Trade Policy, 2009-14, the Director General of Foreign Trade hereby makes an amendment in the Hand Book of Procedures, Vol.1; specifically in the ANF 3B (which is being revised now).

2. Aayat Niryat Form 3B (ANF 3B) is required to be filled up for claiming benefits under Served From India Scheme (SFIS). The ANF 3B as given in annexure to this Public Notice shall replace the existing ANF 3B in the Hand Book of Procedures, Vol.1 (Appendices and Aayat Niryat Forms), 2009-14.

3. Earlier SFIS benefit was granted for services listed under Appendix 10 which has now been amended to Appendix 41 (vide Public Notice No.25 of 18th January 2011). Therefore applicants who have earned foreign exchange upto 31/12/2010 for the services listed in Appendix 10 and applicants who earn foreign exchange w.e.f. 1/1/2011 for services listed in Appendix 41, will file their applications for SFIS in this revised ANF 3B only.

4. These changes will take **effect from 1st July, 2011.**

Purpose of this Public Notice:

A new EDI and user friendly format of ANF 3B has been introduced to facilitate easy filing of applications for grant of SFIS benefits.

Annexure to Public Notice No. 52 (RE2010)/2009-14

ANF 3 B

Application Form for Served From India Scheme (SFIS)

[For Foreign Exchange Earned with effect from 1.1.2011 as per Appendix 41 of HBPv1/

Foreign exchange earned upto 31.12.2010 as per Appendix 10 of HBPv1, as applicable]

1. Applicant Details:

i IEC No.:

2. RCMC Details :

i. RCMC Number

ii. Valid upto [dd-mm-yyyy] :

iii. Issuing Authority:

iv. Products / Services for which registered – in terms of main line of business:

3. Category of Service Provider (Please specify from Appendix 10 / Appendix 41, as applicable):

4. Frequency of Application [please tick the relevant option]

Monthly:

Quarterly:

Half Yearly:

Annually:

Note: Applicants are to exercise the option of applying on Monthly / Quarterly / Half Yearly / Annual basis along with the first application for the current financial year, and this frequency cannot be changed for application made on the basis of Foreign Exchange earnings of the current financial year.

5. Foreign Exchange Earned for rendering of Service From India to outside India or in India – as per frequency of application:

Supply of Service by Service Provider:

Free Foreign Exchange:

Equivalent Indian Rupees:

i. Supply of a 'service' from India to any other country under Para 9.53 (i) of FTP.

ii. Supply of a 'service' from India to service consumer of any other country in India under Para 9.53(ii) of FTP.

iii. Supply of a 'service' from India through commercial or physical presence in territory of any other country under Para 9.53(iii) of FTP.:

iv. Supply of a 'service' in India relating to exports paid in free foreign exchange or in Indian Rupees which are otherwise considered as having being paid for in free foreign exchange by RBI, under Para 9.53(iv) of FTP:

Total (Rs):

Entitlement = 10% of Total (Rs):

6. Port of Registration (for purpose of imports):

7. Number of Split Certificates required (in multiples of Rs.5 lakhs each)

8. Application Submission Details (In case of electronically submitted applications):

i. ECOM Reference Number

ii. Date of Submission on Server

iii. Name of Regional Authority to which submitted

iv. File Number as generated

v. Date on which File Number was generated

Declaration / Undertaking

1. I / We hereby certify that:

(i) that particulars and statements made in this application are true and correct and nothing has been concealed or held therefrom. I/We fully understand that any information furnished in the application if found incorrect or false will render me/us liable for any penal action or other consequences as may be prescribed in law or otherwise warranted.

(ii) that under Foreign Trade (Development and Regulation) Act (FTDR Act) 1992, my/our firm / company have not been debarred from undertaking any export import business or activity by way of suspension or cancellation of IEC number.

(iii) that my/our firm / company has not defaulted from export obligation under any provisions of FTP and has not been placed under the Denied Entity List (DEL).

(iv) that foreign exchange earned on account of services rendered from India alone in terms of Para 9.53 of FTP has been taken into account for this application under SFIS as per Para 3.12 of FTP 2009-14 and these do not fall under any category or service which are not eligible as per Para 3.6.1 of HBP v1 2009-14.

2. I / We undertake to abide by provisions of FT (D&R) Act, 1992, as amended in 2010, the

Rules and Orders framed thereunder, FTP and HBPv1 2009-14.

3. I/We hereby certify that I am / we are authorized to verify and sign this declaration as per Paragraph 9.9 of FTP.

Signature of the Applicant:

Name:

Designation:

Official Address:

Flat/Plot/Block No:

Street/Area/Locality:

City:

State:

PIN Code:

Telephone No.

Country Code – Area Code – Phone number

Fax No.:

Email:

Place:

Date:

Documents to be submitted:

i. One Copy of ANF 3B duly filled up and signed
ii. CA / ICWA / CS certificate in format given in annexure to ANF 3B
iii. Documentary evidence of earnings in Indian Rupees which are otherwise considered as having being paid for in free foreign exchange by RBI.

Note: Each page of application has to be signed

Annexure to ANF 3B

Certificate of Chartered Accountant (CA) / Cost and Works Accountant (ICWA)/ Company Secretary (CS)

I have examined prescribed registers and also relevant records of M/s........… having IEC number……… for period ……… of the current financial year ….. and certify that:

1. Bills, Invoices, Forward Inward Remittance Certificates (FIRCs), Bank Realization Certificates, Certificate from international credit card companies, and evidences of foreign exchange earnings have been examined and verified by me.

2. Services for which benefits is claimed does not include ineligible services and remittances as listed under Para 3.6.1 of HBP v1 2009-14.

3. Neither I, nor any of my / our partners is a partner, director, or an employee of abovenamed entity, its Group companies or its associated concerns.

4. Details of Foreign Exchange Earned for Supply of Service From India to outside India or in India, for the period ……… (as per frequency of application as at Sr.No.4 of ANF 3B) , is as under:

Category of Service Provider	Sl. No. of Appendix 10 / 41 of HBPv1	Free Foreign Exchange	Equivalent Indian Rupees
a. Para 9.53 (i) of FTP			
b. Para 9.53 (ii) of FTP			
c. Para 9.53 (iii) of FTP			
d. Para 9.53 (iv) of FTP			
Total (Rs)			

I fully understand that any statement made in this certificate, if proved incorrect or false, will render me liable to face any penal action or other consequences as may be prescribed in law or otherwise warranted.

Signature of CA/ICWA/CS:

Name of the Signatory:

Designation:

Membership No.:

Official Address-

Flat/Plot/Block No:

Street/Area/Locality:

City:

State:

PIN Code:

Telephone No.

Country Code – Area Code– Phone Number

Fax No.:

Email:

Place:

Date:

Revised Powers of Adjudication and Show Cause for Customs Cases

Subject: Revision in the powers of adjudication of the officers of Customs.

24-CBEC 31.05.2011 (DoR) Attention is invited to Board Circular No.23/2009-Customs dated 1.9.2009 which provides for monetary limits of adjudication of cases by officers of various grades where SCNs are issued under section 28 of the Customs Act, 1962.

2. References have been received from the field formations for specifying the 'proper officer' for issuance of show cause Notice and adjudication of cases of export under the drawback and Export Promotion Schemes.

3. Further, as per Board's Circular No.23/2009-Customs dated 1.09.2009, whereas the monetary limits of adjudication are prescribed in terms of duty involved, in respect of notices involving extended period of limitation, the monetary limit is specified based on the value of goods involved. This when worked out in accordance with the duty rates prescribed gives rise to an anomalous situation.

4. The matter has been examined in the Board. In order to streamline guidelines on monetary limit for adjudication of cases by different grades of Customs Officers, it has been decided that henceforth, cases where SCNs are issued under section 28 of the Customs Act, 1962, these will be adjudicated as per following norms:

Level of Adjudication officer	Nature of cases	Amount of duty involved
Customs		
Commissioner	All cases	Without limit
ADC/JC	All Cases	Upto Rs.50 lakhs
AC/DC	All cases	Upto Rs. 5 lakhs

5. Further, it has been decided that the proper officer for the issuance of Show Cause Notice and adjudication of cases under the provisions of Rule 16 of the Customs, Central Excise and Service Tax Drawback Rules, 1995 shall, henceforth, be as under:

(i) In case of simple demand of erroneously paid drawback, the present practice of issuing Show Cause Notice and adjudication of case without any limit by Assistant / Deputy Commissioner of Customs shall continue.

(ii) In cases involving collusion, wilful misstatement or suppression of facts etc., the adjudication powers will be as under:

Level of Adjudication Officer	Amount of Drawback
Additional / Joint Commissioner of Customs	Without any limit
Deputy / Assistant Commissioner of Customs	Upto Rs.5 lakhs

6. In case of Export Promotion Schemes i.e. DEPB / Advance Authorization / DFIA / Reward Schemes etc. the adjudication powers shall be as under:-

Level of Adjudication officer	Duty Incentive amount
Commissioner of Customs	Without any limit.
Additional / Joint Commissioner of Customs	Upto Rs.50 lakhs.
Deputy / Assistant Commissioner of Customs	Upto Rs.5 lakhs.

7. It is clarified that notwithstanding this revision, in all cases where personal hearing has been completed, orders will be passed by adjudicating authority before whom the personal hearing has been held. Such orders will normally be issued within a month of date of completion of the personal hearing. In all cases where personal hearing is yet to be commenced, the adjudications should be done by the appropriate level of officers as per the revised instructions. An immediate exercise should be undertaken to take stock of the present pendency and transfer of relevant files and records to respective adjudicating authorities and the exercise of transfer of case records should be completed by 15.06.2011 under proper receipt.

8. Board Circular No.23/2009 – Customs dated 1.9.2009 stands amended to the above extent.

9. Difficulty faced, if any, may be brought to the notice of the Board immediately.

F.No.450/117/2009-Cus.IV

World Bank Pink Sheet – June 2011

World Bank Pinksheet issued in June 2011 covers price movements in 43 energy and non-energy products. This Pink Sheet focuses on price movements in May 2011.

Crude, Wheat and World Sugar Declines

Up ↑

Coffee, robusta

Coconut oil, Palm oil, Palmkernel oil

Barley, Rice Thai A.1, Rice Vietnam, Wheat

Fishmeal, Meat, chicken and sheep

Logs, Plywood, Sawnwood Malaysia and Woodpulp

Potassium chloride, TSP and Urea

Gold; Steel products, Steel wire rod

Down ↓

Crude, Coal and Natural Gas

Cocoa, Coffee, arabica, Tea

Copra, Soybean meal and Soybean oil

Maize, Sorghum, Bananas, Oranges, Meat beef; World Sugar

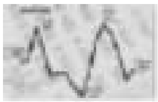
Cotton and Rubber; DAP

Silver, Aluminium, Copper, Iron Ore, Lead, Nickel, Tin and Zinc

Steady ↔

Groundnut oil, Soybeans, Shrimp

Phosphate rock, CR and HR Coil Sheet



	Monthly averages				Quarterly averages					Annual averages		
	2011				2010				2011	2009	2010	2011
	Mar	Apr	May		Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Jan-Dec	Jan-Dec	Jan-May
Energy												
Coal, Australia $/mt	126.13	122.50	119.10	↓	95.19	99.49	93.55	107.63	128.99	71.84	98.97	125.71
Crude oil, average $/bbl	108.65	116.24	108.07	↓	77.06	78.18	75.51	85.42	99.75	61.76	79.04	104.71
Crude oil, Brent $/bbl	114.44	123.07	114.46	↓	76.65	78.69	76.41	86.79	104.90	61.86	79.64	110.44
Crude oil, Dubai $/bbl	108.58	115.70	108.46	↓	75.86	77.98	74.04	84.37	100.40	61.75	78.06	105.07
Crude oil, West Texas Int. $/bbl	102.92	109.96	101.28	↓	78.67	77.85	76.08	85.09	93.95	61.65	79.43	98.62
Natural gas Index 2000=100	162.9	177.0	176.9	↓	170.3	147.5	155.1	151.6	165.5	153.5	156.1	170.1
Natural gas, Europe $/mmbtu	9.37	10.36	10.30	↓	8.84	7.51	8.26	8.54	9.45	8.71	8.29	9.80
Natural gas, US $/mmbtu	3.97	4.24	4.31	↑	5.15	4.32	4.28	3.80	4.18	3.95	4.39	4.22
Natural gas LNG, Japan $/mmbtu	12.50	13.00	12.80	↓	10.32	10.95	11.22	10.91	11.99	8.94	10.85	12.35
Beverages												
Cocoa ¢/kg	339.3	313.4	308.2	↓	329.7	321.0	305.9	296.6	334.3	288.9	313.3	324.9
Coffee, arabica ¢/kg	643.9	661.7	641.7	↓	353.7	392.0	468.5	513.9	620.0	317.1	432.0	632.7
Coffee, robusta ¢/kg	260.4	258.8	268.9	↑	150.8	161.0	183.2	199.4	241.5	164.4	173.6	250.4
Tea, auctions (3) average ¢/kg	275.8	302.2	296.5	↓	279.0	276.4	295.1	303.5	288.7	272.4	288.5	293.0
Tea, Colombo auctions ¢/kg	357.1	337.2	307.5	↓	335.1	316.2	322.1	342.4	356.3	313.7	329.0	342.7
Tea, Kolkata auctions ¢/kg	196.5	302.6	320.7	↑	215.8	274.0	320.6	311.7	229.2	251.5	280.5	262.2
Tea, Mombasa auctions ¢/kg	273.8	266.7	261.5	↓	286.1	238.9	242.7	256.3	280.6	252.0	256.0	274.0
Fats and Oils												
Coconut oil $/mt	1,925	2,089	2,097	↑	834	955	1,159	1,546	2,073	725	1,124	2,081
Copra $/mt	1,280	1,421	1,419	↓	557	634	769	1,038	1,379	480	750	1,395
Groundnut oil $/mt	1,650	1,680	1,680	↔	1,359	1,352	1,301	1,604	1,723	1,184	1,404	1,706
Palm oil $/mt	1,180	1,149	1,159	↑	808	813	875	1,108	1,251	683	901	1,212
Palmkernel oil $/mt	1,977	1,899	1,958	↑	922	1,034	1,161	1,619	2,131	700	1,184	2,050
Soybean meal $/mt	418	403	402	↓	369	342	378	424	437	408	378	423
Soybean oil $/mt	1,307	1,315	1,294	↓	917	875	984	1,242	1,349	849	1,005	1,331
Soybeans $/mt	553	556	556	↔	417	409	452	522	565	437	450	561
Grains												
Barley $/mt	202.6	208.9	209.4	↑	143.6	146.9	161.9	181.1	198.1	128.3	158.4	202.5
Maize $/mt	290.5	319.3	307.9	↓	162.7	157.7	181.7	241.5	282.8	165.5	185.9	295.1
Rice, Thailand, 5% $/mt	492.8	484.3	481.4	↓	535.3	452.4	457.0	510.8	511.2	555.0	488.9	499.8
Rice, Thailand, 25% $/mt	455.5	448.3	448.4	↔	477.0	399.1	418.5	471.4	465.4	458.1	441.5	458.6
Rice,Thai, A.1 $/mt	408.3	409.0	421.2	↑	400.7	333.8	376.9	423.1	411.3	326.4	383.7	412.8

	Monthly averages				Quarterly averages					Annual averages		
	2011				2010				2011	2009	2010	2011
	Mar	Apr	May		Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Jan-Dec	Jan-Dec	Jan-May
Rice, Vietnam 5% $/mt	464.0	484.3	486.4	↑	433.2	366.1	411.1	504.7	479.8	n.a.	428.8	482.0
Sorghum $/mt	266.1	289.6	261.3	↓	156.9	142.6	153.6	208.6	255.2	151.1	165.4	263.3
Wheat, Canada $/mt	432.5	460.9	476	↑	279.0	260.9	326.1	383.6	449.0	300.5	312.4	456.8
Wheat, US, HRW $/mt	316.7	336.1	355.3	↑	195.4	177.4	237.9	283.6	330.5	224.1	223.6	336.6
Wheat, US SRW $/mt	303.1	314.9	308.6	↓	193.5	186.9	253.4	284.9	320.8	186.0	229.7	317.2
Other Food												
Bananas EU $/mt	1246.3	1294.0	1270.4	↓	1014.0	1029.0	932.6	1033.4	1251.4	1144.9	1002.2	1263.7
Bananas US $/mt	996	1,027	1,011	↓	781	862	922	909	964	847	868	986
Fishmeal $/mt	1,796	1,776	1,793	↑	1,660	1,814	1,663	1,613	1,740	1,230	1,688	1,758
Meat, beef ¢/kg	414	425	403	↓	314	342	331	353	410	264	335	411
Meat, chicken ¢/kg	189.8	190.5	190.8	↑	183.9	190.2	193.6	189.3	188.2	188.8	189.2	189.2
Meat, sheep ¢/kg	642.4	662.2	666.0	↑	447.6	486.8	572.5	618.7	637.1	427.6	531.4	647.9
Oranges $/mt	852.4	881.0	836.4	↓	1008.5	1083.6	1162.9	877.9	824.0	909.0	1033.2	837.9
Shrimp, Mexico ¢/kg	1,246	1,246	1,246	↔	827	945	0.0	1221.7	1,246	945	1,004	1,246
Sugar EU ¢/kg	45.78	47.26	46.79	↓	46.38	42.66	43.29	44.38	44.69	52.44	44.18	45.62
Sugar US ¢/kg	87.51	84.28	78.18	↓	84.31	69.62	78.20	84.86	86.56	54.88	79.25	84.43
Sugar, world ¢/kg	57.85	53.70	48.39	↓	51.82	34.93	42.98	58.01	62.70	40.00	46.93	58.04
Timber												
Logs, Cameroon $/cum	462.6	477.5	492.0	↑	431.4	408.0	426.3	448.5	451.6	421.5	428.6	464.9
Logs, Malaysia $/cum	334.8	343.5	385.2	↑	253.6	253.5	293.5	312.1	326.2	287.2	278.2	341.5
Plywood ¢/sheets	592.2	596.3	605.6	↑	557.2	566.3	572.3	580.5	588.5	564.6	569.1	593.5
Sawnwood, Cameroon $/cum	840.1	883.4	862.5	↓	804.1	787.1	811.8	847.8	833.1	748.9	812.7	849.1
Sawnwood, Malaysia $/cum	929.2	946.2	958.1	↑	787.8	832.6	879.8	892.9	921.6	805.5	848.3	933.8
Woodpulp $/mt	909.6	937.4	955.0	↑	780.9	875.5	912.9	897.8	891.5	614.6	866.8	913.4
Other Raw Materials												
Cotton A Index ¢/kg	506.3	477.6	364.9	↓	178.8	199.3	205.2	330.1	456.9	138.2	228.3	442.6
Rubber RSS3 ¢/kg	541.9	585.3	511.6	↓	318.6	372.7	337.5	432.8	573.2	192.1	365.4	563.3
Rubber TSR20 ¢/kg	483.9	497.1	452.3	↓	309.8	302.3	314.4	425.9	525.1	180.0	338.1	504.9
Fertilizers												
DAP $/mt	605.5	617.1	609.8	↓	464.8	458.2	494.1	585.6	601.7	323.1	500.7	606.4
Phosphate rock $/mt	160.0	182.5	182.5	↔	102.1	125.0	125.0	140.0	158.3	121.7	123.0	168.0
Potassium chloride $/mt	380.0	413.8	418.3	↑	334.0	316.1	334.2	343.2	374.2	630.4	331.9	390.9
TSP $/mt	494.0	535.6	547.5	↑	316.9	357.4	389.6	463.8	486.3	257.4	381.9	508.4
Urea $/mt	327.8	340.4	397.4	↑	281.0	237.2	279.2	357.0	353.4	249.6	288.6	359.6
Metals and Minerals												
Aluminum $/mt	2,556	2,678	2,596	↓	2,163	2,096	2,090	2,343	2,501	1,665	2,173	2,556
Copper $/mt	9,503	9,493	8,960	↓	7,232	7,027	7,243	8,637	9,642	5,150	7,535	9,476
Gold $/toz	1,424	1,480	1,513	↑	1,109	1,196	1,227	1,367	1,384	973	1,225	1,429
Iron ore,contract, fob Brazil ¢/dmtu	n.a.	n.a.	n.a.		131.0	n.a.	n.a.	n.a.	n.a.	101.0	n.a.	n.a.
Iron ore, spot, cfr China $/dmt	169.4	179.3	177.1	↓	131.0	159.2	137.4	155.9	178.6	80.0	145.9	178.4
Lead ¢/kg	262.4	270.1	242.8	↓	222.1	195.0	203.2	239.0	260.4	171.9	214.8	258.8
Nickel $/mt	26,710	26,408	24,237	↓	19,959	22,476	21,191	23,609	26,870	14,655	21,809	26,251
Silver ¢/toz	3,595	4,280	3,708	↓	1,693	1,838	1,901	2,647	3,179	1,469	2,020	3,505
Steel products index 2000=100	265.1	272.5	273.5	↑	211.5	241.1	232.4	233.9	250.5	227.1	229.7	259.5
Steel cr coilsheet $/mt	900	900	900	↔	725	838	850	850	867	783	816	880
Steel hr coilsheet $/mt	800	800	800	↔	625	738	750	750	767	683	716	780
Steel rebar $/mt	600	640	640	↔	546	621	533	550	600	486	563	616
Steel wire rod $/mt	700	760	795	↑	751	767	678	653	684	969	712	722
Tin ¢/kg	3,059	3,236	2,868	↓	1,721	1,786	2,055	2,601	2,986	1,357	2,041	3,012
Zinc ¢/kg	234.1	236.2	216.7	↓	228.9	202.6	201.3	231.5	239.3	165.5	216.1	234.2

$ = US dollar; ¢ = US cent; bbl = barrel; cum = cubic meter; dmtu = Dry Metric Ton Unit; kg = kilogram; mmbtu = million British thermal units; mt = metric ton; toz = troy oz; n.a. = not available; n.q. = no quotation

China Ends Subsidy on Wind Farms Following US Challenge

The United States Trade Representative (USTR) Ron Kirk announced on 8 June that China has ended a controversial public fund for wind power manufacturing. The subsidies were the subject of a formal WTO dispute between the US and China that commenced late last year.

The disputed fund provided grants to those Chinese wind turbine manufacturers that used locally-produced input rather than foreign imports. According to USTR Individual grants had ranged from US $6 to 22 million, with several hundred million dollars being spent since the inception of the programme in 2008.

Washington had argued that Beijing's grants were prohibited, as grants were given conditional on the use of local input. This requirement would be in violation of Article 3.1(b) of the Subsidies and Countervailing Measures (SCM) Agreement. The US had also taken issue with China's failure to notify the WTO of these measures.

Moreover, Washington alleged that Beijing had violated the commitments it made when acceding to the WTO by not making available translations of the domestic legislation regarding the grant program in English, French, or Spanish - i.e. the official languages of the global trading body.

In a statement released on 9 June, the Permanent Mission of China to the WTO rejected that version: "China noticed that the US had misunderstandings on the measure at issue, and has made clarifications in the consultations for this dispute. The aim of the measure at issue is to enhance investments on research and development in wind power technology, but not to use domestic goods instead of imported goods," the statement read.

Already in February this year China had decided to formally revoke the legal measure that had created the programme that is known as the Special Fund for Wind Power Equipment Manufacturing. "From 2010, China has terminated the implementation of the program. In order to remove some WTO members' doubt, China announced publicly that the measure at issue was an invalid document in February 2011," the Chinese Mission explained today. While the decision was communicated to the US, it was not part of a formal agreement regarding the dispute between the two parties. At the WTO it is common practice that parties enter into mutually agreed solutions that are then announced to the global trade body, marking a formal end to the dispute.

The announcement by USTR, however, indicates that the US considers the revocation a major victory. "This is the third successful WTO challenge that the United States had brought against Chinese government subsidies. In each of these cases, following formal consultations at the WTO, China agreed to eliminate the subsidies that the United States had challenged," the USTR claimed.

Also the US industry applauded the decision as "one less distortion in the marketplace for clean energy technology products." "With this first green technology issue behind us, we encourage the Administration to continue to work to level the playing field for clean technology companies and American workers to grow sustained employment and good job opportunities," Leo Gerard, president of the United Steelworkers union (USW), commented in a statement. USW had initiated the dispute by submitting a petition to USTR calling for action against Chinese green energy subsidies.

Indeed, the success of the Chinese wind power industry is no longer dependent on the support measures. The wind energy industry in China has grown rapidly over the last decade, with local production support measures being equally successful. While in 2004 82 percent of all wind power equipment installed in China was imported, in 2010 Chinese-made equipment accounted for almost 90percent of new installations. Meanwhile, in 2010 China overtook the US as the country with the greatest installed wind power capacity.

This rapid growth, coupled with support programmes, allowed the major manufacturers to accumulate technology and investment while overcoming challenges in the production of megawatt-level and offshore wind turbines. Chinese wind power manufacturers are now among the top global leaders with increasingly globalised supply chains.

OPEC Cannot Find Consensus on Oil Output

OPEC failed to agree on crude production for the first time in at least 20 years, with six members opposing a Saudi Arabian push to increase output, sending oil prices above $101 a barrel.

Crude in New York jumped 2.7 percent in the 20 minutes after the meeting ended. The split underscores growing divisions within the group that accounts for about 40 percent of the world's crude. Saudi Arabia, OPEC's largest producer, Kuwait, Qatar and the United Arab Emirates proposed increasing group output by 1.5 million barrels a day to 30.3 million barrels. They were blocked by members including Iran and Venezuela, which warned of a "collapse" in prices.

Crude Gains

Crude for July delivery rose as much as 73 cents to $101.47 a barrel in electronic trading on the New York Mercantile Exchange on 9 June and was at $101.31. The contract climbed $1.65 on 8 June to $100.74, the highest settlement since May 31. Prices are up 36 percent the past year.

'Disconcerting' Outcome

OPEC's spare production capacity is poised to dwindle, David Greely, a New York-based analyst at Goldman Sachs Group Inc. (GS), said in an interview. Rising global demand for oil will exhaust the group's surplus capacity next year, said Goldman, which forecast on May 24 that Brent crude will rise to $120 within six months and $130 within a year. Brent climbed as much as 0.3 percent to $118.23 in London after settling 0.9 percent higher at $117.85 on 8 June.

While the lack of coordination appears "disconcerting, the fact remains that the vast majority of OPEC spare capacity remains in Saudi Arabia," Greely said. "Consequently, it still remains a question of Saudi's willingness and ability to raise production to keep pace with world oil demand growth."

Saudi Arabia Stretched

It will be a "stretch" for Saudi Arabia on its own to add the 1.9 million barrels of daily oil out needed to meet the 30.87 million barrels of daily demand OPEC forecasts in the third quarter, JPMorgan Chase & Co. (JPM) analysts including New York- based Lawrence Eagles wrote on 8 June. The bank reiterated its forecast that oil will reach $130 a barrel in 2011.

Crude has gained 11 percent this year, boosting revenue for producers while raising concern that price gains will stunt economic growth and stoke inflation.

The U.S. Labor Department said on June 3 that employers added 54,000 workers to payrolls in May, the fewest in eight months. The International Energy Agency trimmed its 2011 forecast for oil demand last month for the first time, after saying on April 12 that prices above $100 a barrel are starting to hurt the global economy.

Iran, the group's second-biggest producer, has historically taken a harder line on prices than its regional rival Saudi Arabia. Constrained by economic sanctions over its nuclear program, it's pumping at close to full capacity.

New Powerhouse

"Iran has replaced Saudi Arabia as the powerhouse in OPEC," said Olivier Jakob, managing director of Petromatrix GmbH, a Zug, Switzerland-based research group.

Besides Iran and Venezuela, OPEC members opposing a higher production ceiling were Libya, Angola, Ecuador and Algeria. Venezuela was concerned crude prices would tumble if OPEC increased quotas, the country's oil minister said in an interview with state television.

They were "vehemently against increasing production," Saudi Arabia's Naimi said, adding that he and his group tried for several hours to persuade the six of the need for more oil. "In 16 years, I've never seen an obstinate position," he said.

Mohammad Aliabadi, the acting Iranian oil minister and current OPEC president, speaking through a translator, described the meeting as "polite and cordial."

IEA Disappointment

Iran refused to sign on to the agreement that OPEC reached at a 1999 meeting, said Leo Drollas, chief economist at the Centre for Global Energy Studies in London. The last time OPEC adjourned a meeting with no agreement was in the early 1980s, when Iraq and Iran were at war.

The IEA expressed "disappointment" over OPEC's failure to reach an agreement. "Of course what really matters is actual supply, which should move in line with seasonally rising demand, and we urge key producers to respond accordingly," the Paris- based agency said in a statement.

Demand for OPEC crude will rise by 2.1 million barrels a day in the third quarter from the group's total output in April of 28.8 million barrels a day, Naimi said.

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Tariff Value on Brass Scrap and Poppy Seeds Slashed

37-Cus(NT) 31.05.2011 (DoR) In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Board, being satisfied that it is necessary and expedient so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Cus (N. T.), dated, the 3rd August 2001, namely: -

In the said notification, for the Table, the following Table shall be substituted namely:-

Table

S.No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value US $ (Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	447 (i.e. no change)
2	1511 90 10	RBD Palm Oil	476 (i.e. no change)
3	1511 90 90	Others – Palm Oil	462 (i.e. no change)
4	1511 10 00	Crude Palmolein	481 (i.e. no change)
5	1511 90 20	RBD Palmolein	484 (i.e. no change)
6	1511 90 90	Others – Palmolein	483 (i.e. no change)
7	1507 10 00	Crude Soyabean Oil	580 (i.e. no change)
8	7404 00 22	Brass Scrap (all grades)	4346
9	1207 91 00	Poppy seeds	2520

[F. No. 467/2/2011-Cus.V]

Foreign Currency-Rupee Swaps for Hedging IPO

Sub: Hedging IPO flows by Foreign Institutional Investors (FIIs) under the ASBA mechanism

AP(DIR Srs) Cir.68 20.05.2011 (RBI) Attention of the Authorised Dealer Category - I (AD Category - I) banks is invited to A.P. (DIR Series) Circular No. 32 dated December 28, 2010, which delineates the guidelines governing foreign exchange derivative contracts. As per the extant guidelines, Foreign Institutional Investors (FIIs) are allowed to hedge the currency risk on the market value of entire investment in equity and/or debt in India as on a particular date using forward foreign exchange contracts with rupee as one of the currencies and foreign currency-INR options.

2. On a review it has been decided that for Initial Public Offers(IPO) related transient capital flows under the Application Supported by Blocked Amount(ASBA) mechanism, foreign currency-rupee swaps may be permitted to the FIIs subject to the following terms and conditions:

i. FIIs can undertake foreign currency- rupee swaps only for hedging the flows relating to the IPO under the ASBA mechanism.

ii. The amount of the swap should not exceed the amount proposed to be invested in the IPO.

iii. The tenor of the swap should not exceed 30 days.

iv. The contracts, once cancelled, cannot be rebooked. Rollovers under this scheme will also not be permitted.

3. The necessary amendments to Notification No. FEMA.25/RB-2000 dated May 3, 2000 [Foreign Exchange Management (Foreign Exchange Derivatives Contracts) Regulations, 2000] are being notified separately.

4. AD Category - I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

5. The directions contained in this circular have been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions /approvals, if any, required under any other law.

Customs Valuation Exchange Rates

June 2011		Imports	Exports	
Schedule I				
1	Australian Dollar	48.50	47.35	
2	Canadian Dollar	46.95	45.80	
3	Danish Kroner	8.75	8.45	
4	EURO	64.95	63.35	Rate of exchange of one unit of foreign currency equipment to Indian Rupees
5	Hong Kong Dollar	5.85	5.75	
6	Norwegian Kroner	8.35	8.10	
7	Pound Sterling	74.80	73.00	
8	Swedish Kroner	7.30	7.10	
9	Swiss Franc	52.80	51.25	
10	Singapore Dollar	36.85	35.95	
11	U.S. Dollar	45.65	44.85	
Schedule II				Rate of exchange of 100 units of foreign currency equivalent to Indian rupees
1	Japanese Yen	56.20	54.65	

(Source: Customs Notification 36(NT)/27.05.2011)

N. Korea Setting Up Economic Zone on China Border

North Korea said it will set up a new economic zone near its border with China, signaling the nation's deepening dependence on its economic benefactor after leader Kim Jong Il's three visits there in the past year.

North Korea could develop Hwanggumphyong, near its western border with China, into an industrial complex for Chinese companies, similar to the one in Gaeseong where South Korean firms operate using North Korean labor, Cho said. North Korea is also developing the city of Rason on the east coast into a "center for foreign trade."

China would be much more interested in investing in Rason, which has ports facing the Pacific Ocean, said Kim Yong Hyun, a professor of North Korean studies at Seoul-based Dongguk University. It may take a long time until China starts investing in Hwanggumphyong, he said.

The Gaeseong industrial complex is the only project South Korea runs with North Korea after President Lee Myung Bak in May last year cut off trade, accusing Kim's regime of torpedoing a warship that claimed the lives of 46 sailors. The North was also put under tougher United Nations sanctions banning arms trade and restricting financial transactions after its second nuclear test in May 2009.

Overseas sales of coal, North Korea's No. 1 export item jumped 50 percent in value from a year earlier, while exports of steel grew 59 percent, Kotra said. Exports of other mineral resources gained 80 percent.

Fuel including crude oil was the biggest import, increasing 52 percent from a year earlier. North Korean machinery purchases rose 38 percent, while imports of electrical appliances gained 43 percent, the agency said.

US Supports Frenchman for IMF Head

U.S. Treasury Secretary Timothy F. Geithner says France's Christine Lagarde and Mexico's Agustin Carstens are both qualified to run the International Monetary Fund. He may have little choice but to support Lagarde.

Under an unwritten agreement that dates back to the end of World War II, the IMF has always been led by a European while the World Bank has been headed by an American. Backing a non- European for the IMF could mean relinquishing U.S. control of the World Bank – an outcome members of Congress who decide on funding for development banks are not ready to contemplate.

The World Bank, headed by former U.S. Trade Representative Robert Zoellick, finances projects in developing nations, including $1.5 billion in loans to help improve India's rural roads last year. The IMF provides emergency loans to countries in financial distress, committing about $105 billion in aid to Portugal, Greece and Ireland. The U.S. also controls the No. 2 job at the IMF, now held by John Lipsky, a former JPMorgan Chase & Co. executive.

'Very Talented'

Geithner on May 25 said Lagarde, the French finance minister, and Mexican central bank Governor Carstens are both "very talented" candidates to replace Dominique Strauss-Kahn at the IMF. He also said the U.S., the fund's largest shareholder with 17 percent, will play a "significant" role in choosing a successor to Strauss-Kahn, who resigned after his arrest on charges of attempted rape and sexual assault.

Lipsky's position will also be up for grabs when his term as first deputy managing director ends in August, and the U.S. will probably get a guarantee from Europeans to keep the No. 2 post if Lagarde gets the top job, said Nancy Birdsall, president of the Washington-based Center for Global Development, an aid research group.

Failing to Coalesce

Emerging market leaders such as Brazilian Finance Minister Guido Mantega have questioned the division of leadership posts at the two agencies, saying the choice should be made on the basis of merit, not nationality. Yet emerging economies have failed to coalesce around Carstens or another candidate, while European nations have closed ranks behind Lagarde.

Candidates for the post also include Grigori Marchenko, chairman of the central bank of Kazakhstan. Countries have until the end of this week to nominate a candidate. The IMF has said it's aiming to make a choice by June 30.

Geithner has pushed to increase the influence of emerging economies such as China and Brazil at the fund. On May 20, he said the U.S. will back an IMF leader who has "broad support" and stressed the importance of an "open process."

The U.S. also supported having the Group of 20 nations replace the G-8 as the main forum for global economic coordination, in recognition of a shift in power from rich countries to emerging markets.

'Champion of Reform'

The major development banks obtained capital increases from their shareholders after boosting emergency loans during the global financial crisis. The U.S. Congress has yet to approve $1.8 billion for the World Bank, the Inter-American Development Bank, the Asian Development Bank and the African Development Bank for coming years.

Asian Development Bank

The leadership of other development banks is also based on geography. The head of the Asian Development Bank, for instance, is picked by Japan, which is its biggest shareholder alongside the U.S.

U.S. officials haven't mentioned the World Bank presidency in the IMF succession debate.

Still, when Marisa Lago, the Treasury's assistant secretary for international markets and development, was asked at a Senate hearing in September whether the Obama administration would be willing to give up leadership of the World Bank, she replied that any such discussions would have to occur "at the highest political level."

She also told the Foreign Relations Committee that such changes should be made at all international financial institutions at once. "We have been very well served by the U.S. leadership and the World Bank has been well served," she said.

Russia Slaps Ban on E.Coli Infected EU Veggies

In the wake of a fatal E. coli outbreak in Europe, Russia on 2 June imposed an import ban on all fresh vegetable products from the EU, even though Russia's health agencies have not yet signalled any cases of infection in their country. The European Commission- which has been among the stronger supporters of Russia's accession to the global trade body - has criticised the import ban as disproportionate, unscientific, and contrary to WTO rules.

Russian Prime Minister Vladimir Putin has defended the ban, and dismissed criticism that it contravenes global trade rules. "We can't poison our people for the sake of some spirit [of WTO]," he told Russian business executives in the southern Russian city of Sochi.

European Commissioner on Health and Consumer Policy John Dalli "protested to the Russian Federation" and "requested the immediate withdrawal of the measure" in a 2 June letter to Russian authorities.

Blanket ban has repercussions for industry and WTO entry

The Russian ban applies to all fresh vegetables that originate from the 27-country bloc. Russia accounts for a quarter of EU fresh vegetable exports, with the Moscow Times putting that value at €600 million annually. The export market, however, pales in comparison to the EU's own internal trade.

The ban will benefit Russian vegetable producers. The head of the Russian Consumer Protection Agency, Gennady Onishchenko, has publicly urged Russians "to forego imported vegetables in favour of domestic products," arguing that the E. coli outbreak "shows that Europe's lauded health legislation - one which Russia is being urged to adopt - does not work."

The all-encompassing ban is illegal under WTO regulations, Fernando Valenzuela, head of the EU delegation to Russia, argued.

Cont'd..114 – OPEC Cannot Find

Emergency Capacity

OPEC announced its biggest-ever output cuts in December 2008 amid a collapse in global demand, capping production at 24.845 million barrels a day for all members except Iraq, which is exempt from the quota system. The limit has remained unchanged since then.

The 11 nations with production quotas pumped 26.15 million barrels a day in April, according to the IEA. That leaves the group with about 4.5 million barrels a day of spare capacity, most of it in Saudi Arabia, to be tapped in an emergency.

The 50-year-old organization met as fighting in Libya shut off most of the output from Africa's third-largest producer. A rebellion against Libyan leader Muammar Qaddafi has cut shipments from the North African country by almost 90 percent.

WORLD TRADE SCANNER

BIG's WEEKLY INDEX OF CHANGES

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CBEC Circulars

RBI Circulars [AP(DIR Series)]

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