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Indian ASEAN FTA comes into Effect on 1 Jan 2010

Trade Minister Anand Sharma Signs Deal

Anand Sharma, Union Minister of Commerce & Industry, signed ASEAN-India Free Trade Agreement in Goods following the meeting of the ASEAN-India Economic Ministers, held in Bangkok on 13 August. ASEAN is a major trading partner for India and accounts for about 10% of its global trade. In the last financial year, bilateral trade between India and ASEAN was more than US $ 40 billion. India and ASEAN have set an ambitious target of achieving bilateral trade of US $ 50 billion by 2010. India initiated the "Look East" policy in 1992 under the PM Narasimha Roa. Negotiations for the India FTA began in 2005 to culminate in the August deal.

The Trade in Goods agreement focuses on tariff liberalization on mutually agreed tariff lines from both the sides and is targeted to eliminate tariffs on 80% of the tariff lines accounting for 75% of the trade starting from 1st January, 2010. India has excluded 489 items from the list of tariff concessions and 590 items from the list of tariff elimination to address sensitivities in agriculture, textiles, auto, chemicals, crude and refined palm oil, coffee, tea, pepper etc. ASEAN countries have also maintained similar exclusion list from the proposed tariff concessions or eliminations.

Indian exporters of Machinery and machine parts, Steel and steel products, agriculture products such as Oilcake, Wheat and Buffalo Meat, Auto Components, Chemicals and Synthetic Textiles expect additional market access as a result of tariff liberalisation by ASEAN. Indian manufacturers would also be able to source products at competitive prices from the ASEAN countries.

The Agreement also provides for bilateral safeguard mechanisms to address sudden surge in imports after the Agreement comes into force. In such an eventuality if it hurts a domestic industry, safeguard measures including imposition of safeguard duties may be put in place for a period up to 4 years. The flexibility to invoke the safeguard measures will remain available for both the sides for a period of 7 years to 15 years from the date, the Agreement comes into force.

India-ASEAN trade was around US$ 40 billion during 2007-08 making ASEAN the 4th largest trading partner of India (after EU, US and China). The India-ASEAN trade has grown rapidly in recent years (27% CAGR since 2000).

WTO Report Upholds U.S. Trade Claims against China

U.S. Trade Representative Ron Kirk welcomed the results of a World Trade Organization (WTO) dispute settlement panel report made public on 12 August. The report found that major Chinese restrictions on the importation and distribution of copyright-intensive products such as theatrical films, DVDs, music, books and journals are inconsistent with China's WTO obligations.

The WTO panel called on China to come into compliance with its obligations to allow U.S. companies to import these products into China and to eliminate the discriminatory requirements faced by imported products and their U.S. distributors in China.

"Today, a WTO panel handed a significant victory to America's creative industries," said Ambassador Kirk. "These findings are an important step toward ensuring market access for legitimate U.S. products in the Chinese market, as well as ensuring market access for U.S. exporters and distributors of those products. We will work tirelessly so that American companies and workers can fully realize the market opening benefits that this decision signals."

The United States initiated the WTO dispute process against China because of serious concerns about shortcomings in China's legal regime governing the importation and distribution of copyright-intensive products. After unsuccessful consultations, the United States moved to institute panel proceedings. The result of those proceedings, released in on 12 August WTO report, clearly addresses these shortcomings.

In addition to addressing discriminatory requirements on American importers and distributors, the findings also call on China to allow U.S. companies to partner with

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Chinese enterprises in joint ventures to distribute sound recordings over the Internet.

Ambassador Kirk noted, "This decision promises to level the playing field for American companies working to distribute high-quality entertainment products in China, so that legitimate American products can get to market and beat out the pirates. To me, that is a clear win. We believe that this report will help pave the way toward more open trade between China and America."

Background

The United States initiated this WTO dispute in April 2007. Consultations throughout the spring and summer failed to resolve U.S. concerns, and a panel was established to examine the matter in November 2007.

In this dispute, the United States sought to address three significant market access concerns. The United States claimed that the measures at issue were inconsistent with China's obligations under China's WTO Protocol of Accession, the General Agreement on Trade in Services (GATS) and/or the General Agreement on Tariffs and Trade 1994 (GATT 1994).

First, the WTO panel examined prohibitions on the rights of foreign companies and individuals to import products including reading material, audiovisual home entertainment products, sound recordings, and films for theatrical release into China. The WTO panel report found that China's key importation restrictions on foreign reading materials, films, DVDs and sound recordings are inconsistent with its obligations under its Accession Protocol.

Second, the WTO panel addressed prohibitions and restrictions on the rights of foreign suppliers to distribute most of these products in China. The WTO report found that China's key prohibitions and discriminatory operating requirements imposed on foreign-invested distributors of reading materials, DVDs and sound recordings are inconsistent with China's obligations under the GATS. However, the panel also found that certain restrictive procedures included in China's discriminatory measures noted in the U.S. complaint, such as burdensome approval processes requirements for foreign distributors, were not within the panel's terms of reference and therefore issued no finding with respect to those requirements.

Third, the WTO panel reviewed discriminatory treatment of imports of most of these products in China's market. The panel found that China discriminates against imported reading materials in several significant ways in breach of the national treatment obligation in the GATT 1994. However, the panel also found that certain claims relating to this issue were outside the scope of the panel's review. For example, the panel found that China's restrictions on subscribers of imported reading materials, as well as its restrictions on imported electronic publications, were not within the scope of the panel's review. In addition, the panel found that there was not enough evidence to demonstrate that China's censorship regime for music transmitted over the Internet discriminates against the imported hard copy CDs from which the electronically-transmitted music is derived, or that China offered fewer distribution opportunities for imported films than for domestic films.

Both the United States and China have an opportunity to appeal today's report.

India Plans 'Simpler' Mining Law to Boost Investment

India aims to cut permit delays and attract overseas capital through "simpler" resource investment laws to help double mining's contribution to the nation's $1.2 trillion economy to at least 4 percent.

"We hope to increase it to 5 percent but expect it to increase to at least 4 percent in five years," Mines Minister B.K. Handique said in an interview in New Delhi on 17 August. The legislation will be presented to parliament in the winter session this year, he said.

Delays in securing mining licenses have undermined India's efforts to win more investment, holding up construction of $32 billion projects announced ArcelorMittal and Posco, the world's largest and sixth-largest steelmakers. The new law will develop the changes to the mineral policy last year that have so far failed to unlock development.

India, which holds the world's fourth-largest bauxite deposits and the fifth-largest iron ore reserves according to McKinsey & Co., currently regulates mining through the five- decade old Mines & Minerals (Development & Regulation) Act.

Posco, ArcelorMittal

Land disputes and delays in allocating mining licenses have stopped South Korea-based Posco from proceeding with potentially the biggest overseas investment in India. The company is yet to begin building a $12 billion, 12 million metric ton steel plant in eastern Orissa state, planned for more than five years.

"The policy is aimed to make the rules more transparent and simpler," Handique said. "Posco is a bad precedent but we know that overseas companies want to invest in India and transparent policy will help that," he said, adding that he also expects the law changes to spark investment from domestic companies.

ArcelorMittal has proposed setting up two mills in India, one in Orissa and another in Jharkhand – with a total capacity of 24 million tons. It signed an accord for the Jharkhand mill in mid- 2005, followed by the one in Orissa.

Besides companies, countries including South Africa, Namibia and Colombia have shown interest in investing in the mining sector, Handique said.

Sugar's 86% Price Jump May Spur Surplus, LMC Says

The 86 percent surge in sugar prices this year will encourage farmers worldwide to increase plantings, potentially leading to a large surplus in two years, said Martin Todd, managing director of LMC International Ltd.

Sugar has soared to a 28-year high as India, the biggest user, had its driest June in 83 years and parts of Brazil, the largest exporter, had rainfall four times more than normal, making the cane too wet for milling. World demand may exceed supply by 5 million tons in 2009-2010 after a record deficit of 7.8 million tons in the current year, said Peter Baron, executive director of the International Sugar Organization.

The market may show signs of "substantially cooling off" early next year with the first forecasts for India's 2010-2011 crop, said John Reeve, director for agricultural commodities at Standard Chartered Bank in Singapore. Any price spike above 15 cents a pound has usually been followed by "a big sell-off within 18 months," Reeve said in an interview.

The most active futures contract in New York has stayed above 15 cents a pound since early June, reaching a peak of 23.33 cents Aug. 12. Sugar for delivery in October 2011 now costs almost 5 cents a pound less than October 2009, showing traders expect a price decline.

Supply Response

Not all traders are betting on a price drop. The number of options to buy the commodity for March at 40 cents a pound in New York has jumped six-fold in less than five months. A call option gives the right, not the obligation, to buy a commodity at a set price.

The sweetener may climb a further 80 percent to as high as 40 cents a pound, Singapore-based hedge fund manager Michael Coleman said in a Television interview Aug. 14.

The rally may prompt farmers in Brazil, the biggest producer, to harvest a "bumper" crop as cane output jumps by as much as 35 million tons in the year starting May from 600 million tons this year, ISO economist Leonardo Bichara Rocha said in Bangkok.

Indian Harvest

Sugar production in India, the second-largest grower, may be as high as 18 million tons in the year from October after rains, S.L. Jain, director general of the Indian Sugar Mills Association, said on 18 August. That's more than a 16.5 million ton prediction last week from the Maharashtra State Cooperative Sugar Factories Federation Ltd.

In two years time, Indian output may jump as much as 52 percent to 25 million tons, according to Prakash Naiknavare, managing director of the federation.

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Dumping Investigation Initiated on Phenol from Japan and Thailand

[Ref: F. No. 14/27/2009-DGAD dated 11th August 2009]

Sub: Initiation of anti-dumping investigation concerning imports of Phenol originating in or exported from Japan & Thailand.

Whereas Hindustan Organic Chemicals Ltd. (herein after referred to as applicant) have filed an application before the Designated Authority (hereinafter referred to as the Authority), in accordance with the Customs Tariff Act, 1975 as amended in 1995 (herein after referred to as the Act) and Customs Tariff (Identification, Assessment and Collection of Anti Dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (herein after referred to as the Rules), alleging dumping of Phenol, (hereinafter referred to as subject goods), originating in or exported from Thailand and Japan, (herein after referred to as "subject countries") and requested for initiation of Anti Dumping investigations for levy of anti dumping duties on the subject goods. The request is supported by M/S S I Group-India Ltd.

2. AND WHEREAS, the Authority finds sufficient prima facie evidence of dumping of the subject goods from the subject Countries, injury to the domestic industry and causal link between the dumping and injury exist, the Authority hereby initiates an investigation into the alleged dumping, and consequent injury to the domestic industry in terms of the Rules 5 of the said Rules, to determine the existence, degree and effect of any alleged dumping and to recommend the amount of antidumping duty which, if levied, would be adequate to remove the injury to the domestic industry.

Product Under Consideration

3. The product under consideration for the investigation is Phenol, also known as Carbolic Acid. The product is marketed in two grades Crystalline and Hydrated. The two grades are differentiated on the basis of flow characteristics of Phenol. Phenol is used in the manufacture of Phenol formaldehyde Resins, Laminates, Plywood, Particle Boards, Bisphenol-A alkyl Phenols Pharmaceuticals, Dephenyl Oxide etc.

4. Phenol is a basic organic chemical, normally classified under Chapter 29 of the Customs Tariff Act. However, imports are reported under Chapter 27 also. The product is classifiable under Customs Tariff heading no. 2907.11 and 2707.60. The Customs classifications are, however, indicative only and in no way binding on the scope of the present investigation.

Domestic Industry and Standing

5. The application has been filed by M/s. Hindustan Organic Chemicals Limited and supported by M/S S I Group-India Ltd. There are only two known producers of the subject goods in the Country. According to the information provided in the application, the production of Hindustan Organic Chemicals Limited constitute 58% of Indian production during Apr'08-Sept'08 and 55% during Oct'08-Mar'09 and along with the supporter, it constitutes 100% of the Indian Production. Thus, the applicant shall constitute "domestic industry" for the purpose of the present investigations.

6. The Authority, after examining the above, determines that the applicant constitutes domestic Industry within the meaning of the Rule 2 and the application satisfies the criteria of standing in terms of Rule 5 of the Rules supra.

Countries Involved

7. The countries involved in the present investigation are Thailand and Japan.

Like Article

8. Applicant has claimed that there is no significant difference in Phenol produced by the applicant and Phenol exported from subject countries. Both products are comparable in terms of characteristics such as physical & chemical characteristics, manufacturing process & technology, functions & uses, product specifications, pricing, distribution & marketing and tariff classification of the goods. Both the products are technically and commercially substitutable and hold closely resembling characteristics. It is further claimed that the consumers have used the two interchangeably. Therefore, for the purpose of present investigation, subject goods produced by the applicant are being treated as "Domestic Like Article" to the subject goods imported from subject countries within the meaning of the Anti Dumping Rules.

Normal Value

9. In the absence of availability of data in respect of the domestic sales in Thailand and Japan, the applicant has constructed normal value on the basis of constructed cost of production of subject goods in subject countries. The Authority has prima-facie considered the normal value of subject goods in subject countries on the basis of constructed values as made available by the applicant, subject to adjustment in the higher interest cost claimed in respect of Thailand, and the same has been considered by the Authority for the purpose of initiation.

Export Price

10. The export price of the subject goods from the subject Countries has been claimed on the basis of data obtained from International Business Information Services (IBIS), Mumbai. Price Adjustments have been claimed on account of Ocean Freight, Marine Insurance, Port Expenses and Inland Freight etc. and scaling down the same to reasonable limits normally adopted by the Authority. There is sufficient evidence of export prices claimed by the applicant for the subject goods from the subject countries.

Dumping Margin

11. Normal value and export price have been compared at ex-factory level in respect of the subject countries. There is sufficient evidence that the normal value of the subject goods in Thailand and Japan, so arrived is significantly higher than the ex-factory export price indicating, prima facie, that the subject goods are being dumped by exporters from subject countries into the Indian market.

Injury and Causal Link

12. The applicant has claimed that injury to the domestic industry has not been caused due to the factors other than the dumped imports, as shown below:

i. The subject goods are being imported primarily from Japan, Thailand and the countries already attracting duty. The imports from other countries are minimal.

ii. There is some decline in demand in 2008-09 as compared to preceding year but it was significantly higher than 2005-06 and 2006-07. While demand declined, subject imports increased significantly in absolute terms and in relation to demand and production.

iii. The pattern of consumption with regard to PUC has not undergone any change and therefore could not have contributed to the injury.

iv. There is no trade restrictive practice, which could have contributed to the injury to the domestic industry.

v. Technology for production of subject goods has not undergone any change and therefore, not a factor of injury.

vi. The applicant does not have significant export activities for the product concerned. The export performance of the applicant therefore, has not caused any injury to the domestic industry.

vii. The productivity of the applicant has declined solely due to dumping.

13. Applicant has submitted that once it is shown that there is an adverse volume and price effect from dumped imports, and the effects of injury caused by dumped imports then, the only basis on which to conclude that the injury is not caused by the dumped imports is through non-attribution analysis, i.e., that other factors have caused the injury. As listed known other factors do not establish that injury has been caused by these other factors, the only inescapable conclusion is that the injury to the domestic industry has been caused by the dumped imports from a number of sources including subject countries. While the above parameters establish that injury to the domestic industry has not been caused by the other factors, applicant has submitted that the following parameters establish that the injury to the domestic industry has been caused by the dumped imports.

a. Imports from the subject countries were undercutting the prices of the domestic industry. As a direct consequence, the volume of imports increased significantly.

b. Increase in the volume of dumped imports resulted in decline in sale volumes of the domestic industry.

c. Decline in the sales volumes of the domestic industry resulted in decline in the market share of the domestic industry.

d. Decline in prices of the domestic industry resulted in deterioration in profits, and consequently cash flow and return on capital employed for the domestic industry.

14. There is sufficient evidence that the dumped imports of subject goods from subject countries are, prima facie, causing material injury to the domestic industry.

Initiation of Antidumping Investigation

15. The Designated Authority, in view of the foregoing paragraphs, initiates anti-dumping investigations into the existence, degree and effect of alleged dumping of the subject goods originating in or exported from the subject Countries.

Period of Investigation

16. The Period of Investigation for the purpose of the present investigation is 1st October 2008 to 30th June2009 (9 months). The injury investigation period will, however, cover the period 2006-07, 2007-08, 2008-09 and the POI.

Submission of Information

17. The exporters in the subject Countries, their Government through the Embassy, the importers in India known to be concerned with this investigation and the domestic industry are being addressed separately to submit relevant information in the form and manner prescribed and to make their views known to the Designated Authority at the following address:

The Designated Authority
Directorate General of Anti Dumping & Allied Duties, Ministry of Commerce & Industry, Department of Commerce, Government of India, Room No. 240, Udyog Bhavan,
New Delhi – 110107.

18. As per Rule 6(5) of Rule supra, the Designated Authority is also providing opportunity to the industrial users of the article under investigation and to representative consumer organizations, who can furnish information relevant to the investigation regarding dumping, injury and causality. Any other interested party may also make its submissions relevant to the investigation within the time limit set out below.

Time Limit

19. Any information relating to the present investigation should be sent in writing so as to reach the Authority at the address mentioned above not later than forty days from the date of publication of this notification. The known exporters and importers, who are being addressed separately, are however required to submit the information within forty days from the date of the letter addressed to them separately.

Submission of Information

20. In terms of Rule 6(7) of the Rules, the interested parties are required to submit non-confidential summary of any confidential information provided to the Authority and if in the opinion of the party providing such information, such information is not susceptible to summarization, a statement of reason thereof, is required to be provided. In case where an interested party refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes the investigation, the Designated Authority may record findings on the basis of facts available and make such recommendations to the Central Government as deemed fit.

Inspection of Public File

21. In terms of Rule 6(7), the Designated Authority maintains a public file. Any interested party may inspect the public file containing non-confidential version of the evidence submitted by interested parties.

Foreign Agency Commission Included in FOB Value, Eligible for Incentive

Subject: Modification of Policy Circular No. 51 (RE-2008) / 2004-2009 dated 6th January, 2009.

98-Pol.Cir
10.08.2009
(DGFT)

Attention is invited to Policy Circular No. 51 (RE-2008) 2004-2009 dated 6th January, 2009 wherein it was clarified that 'the computation of entitlement is to be done on the FOB value of exports inclusive of commissions and discounts, if any'.

In this regard, it has been observed that discounts (offered to foreign buyers) do not form part of FOB value. Thus, FOB value on which the entitlement would be computed under Chapter 3 reward schemes would exclude 'discounts'. Hence the phrase 'the computation of entitlement is to be done on the FOB value of exports inclusive of commissions and discounts, if any.' in Policy Circular No. 51(RE-2008)/2004-2009 dated 6th January, 2009 is amended to read as **'**the computation of entitlement is to be done on the FOB value of exports inclusive of foreign agency commission'.

This issues with the approval of the DGFT.

Discounts Removed for VKGUY/FMS/FPS Application Form after Clarification on Commissions by PC-98(RE)/10.08.2009

194-PN(RE)
11.08.2009
(DGFT)

In exercise of powers conferred under Para 2.4 of the Foreign Trade Policy, 2004-09, the Director General of Foreign Trade hereby makes the following amendments in the Handbook of Procedures (Vol.1) (RE-2008):

The words 'and discounts, if any'; appearing anywhere in Para 3.23.11 and modifications in ANF3C, 3D, 3E inserted vide Sr. No 1, 2(a)i & iii & (b)i & iii of Public Notice No. 151(RE-2008)/ 2004-09 dated 26.02.2009; is deleted from these references paragraphs and ANF headings.

This issues in public interest.

Another 25% Marble Quota Released for the Year 2009-10

Sub: Guidelines for import of Rough Marble Blocks/Slabs for the year 2008-09.

101-Pol.Cir
13.08.2009
(DGFT)

Attention is invited to Policy Circular No.13 (RE-08)/2004-2009 dated 30.6.2009 on the subject mentioned above.

Representations have been received from trade and industry, who have been granted licences for import of rough marble blocks/ slabs for the year 2008-09 and for the first three months of the year 2009-10 under the aforementioned Policy Circular. The representations request for release of the balance quota of 75% for the year 2009-10.

2. The representations have been examined and with the approval of competent authority, it is informed that it has been decided to grant another 25% of the quota to the erstwhile licencees under the aforementioned Circulars.

3. Accordingly, all licence holders of rough marble blocks/slabs issued to them under the provisions of Policy Circular No.13 (RE-08)/2004-2009, may apply to concerned RA of DGFT for enhancing the quantity in their licence by upto another 25% of the quantity granted to them in the year 2008-09. The import of enhanced quantity shall be subject to all the conditions applicable on import of rough marble blocks/slabs indicated in relevant Circulars.

4. This issues with the approval of Competent Authority.

Rough Marble Import by SIL Holders – Amended

121-Ntfn(RE)
13.08.2009
(DGFT)

In exercise of powers conferred under section 5 of the Foreign Trade (Development and Regulation) Act, 1992 read with paragraph 2.1 of the Foreign Trade Policy, 2004-09, the Central Government hereby makes the following amendments in Schedule-I (Imports) to the ITC (HS) Classifications of Export and Import Items, 2004-09:

1. Import Licensing Note No, (2) inserted at the end of Chapter 25, vide Notification No. 17 (RE-2007)/ 2004-09 dated 26th July 2007, as amended from time to time, will be amended to read as follows:

"Import of marble will be subject to the conditions laid down in Policy Circular No.12 (RE-08) /2004-2009 date 27.06.2008, Policy Circular No.13 (RE-2008)/2004-09 dated 30.6.2008, Policy Circular No.20(RE-2008)/ 2004-09 dated 16.07.2008, Policy Circular No.25 (RE-2008)/2004-09 dated 08.08.2008, Policy Circular No. 28 (RE-2008)/2004-09 dated 20.08.2008, Policy Circular No. 65 (RE-2008)/2004-09 dated 26.02.09, Policy Circular No. 67 (RE-2008)/2004-09 dated 2.03.09 and Policy Circular No. 101 (RE-08/ 2004-2009) dated 13.8.2009".

2. This issues in public interest.

Advance Authorisation for SCOMET Items

Sub: Advance Authorization – Export of SCOMET items – clarification.

99-Pol.Cir
11.08.2009
(DGFT)

Reference is invited to para 4.1.13 of Foreign Trade Policy. It is hereby clarified that in case of applications for Advance Authorisation where export item is a SCOMET item, and where the applicant so requests, Advance Authorisation may be issued prior to issue of SCOMET licence, subject to the following condition :-

"In case SCOMET licence is not granted within four (4) months of the issue of the Advance Authorisation, then the exporter would pay customs duty and applicable interest on the imported goods and thereafter close the Advance Authorisation. This condition would be incorporated in the Advance Authorisation. The applicant would also give an LUT in this regard."

2. The above would be in supercession of Para III (1) (c) of the minutes of the Port Officers' Meeting dated 25.11.2008. Provision regarding EOP as contained in the minutes would, however, remain applicable.

3. This issues with the approval of the Director General of Foreign Trade.

Textile Articles Imported for Jobbing and Re-export Exempted from Testing for Hazardous Dyes

Sub: Condition on import of textile and textile articles as per Para 11 (i) of Chapter 1A of ITC (HS) Classifications of Export and Import Items 2004-09.

100-Pol.Cir
12.08.2009
(DGFT)

Representations have been received requesting to exempt the application of the condition imposed vide Para 11 (i) of Chapter 1A of ITC (HS) Classifications of Export and Import Items 2004-09 on import of such textile and textile articles which are imported for jobbing and re-export purpose under Custom Notification No.32/97-Cus dated 1.4.1997.

2. The matter has been examined in the Department and with approval of competent authority, it is informed that the request has been agreed to. Accordingly, import of textile and textile articles made under Custom Notification No.32/97-Cus dated 1.4.1997 shall be exempt from the testing for hazardous dyes as required under the aforementioned provisions. However, in case any such imported material is retained in the country after execution of export order, the same shall be subject to the testing of the material from any of the agencies notified under Public Notice No.12 (RE-2001)/1997-2002 dated 3rd May, 2001.

3. This issues with the approval of Competent Authority.

Procedure for Factory Stuffed Export Containers into Port Terminals after Let Export Order

The following Public Notice was issued by the Commissioner of Customs (Export) Jawaharlal Nehru Custom House, Maharashtra on 06 August 2009.

Sub: - Entry of factory stuffed (including self sealed) export containers into port terminals after LEO.

F.No.S/43-113/2009 P (G) JNCH

52-PN
06.08.2009

Attention of the Exporters, Importers, Customs House Agents, Members of Trade and all the concerned is invited to the present practice for entry of the factory / warehouse stuffed containers (sealed by Central Excise /Customs officers) in to the port terminals based on the invoice, check list and the examination report of the officers who supervise such stuffing. These documents are verified by the Gate officers at the terminal gates, besides verifying the container no., seal no. and the condition of the seal before permitting the entry of the containers into the port terminal. In fact, the S/B is registered; Examination report is fed and Let Export Order (LEO) is granted based on the endorsement of the Gate officer of the port terminal on the invoice (with stuffing examination report) as a proof of the entry of the containers into the port terminal. Similar direct entry of the self sealed containers under free Shipping Bills(S/B) is also being permitted based on the invoice and check list.

2. The above detailed procedure, being followed at present, is leading to the following irregularities:

(i) There have been instances of loading of containers on Board the vessel and even vessel sail out (Export) prior to LEO to the concerned shipment.

(ii) There have been instances of entry of the containers and exports thereof (with prohibited goods) based on forged / fabricated documents.

(iii) Registration and obtaining LEO based on the forged endorsements, without actual entry of the containers leading to false claims of export benefits.

(iv) Difficulty in exercising proper checks and conducting verification by the Gate officers at the terminal gates, due to heavy inflow of export containers (approx. 2500 nos. per day).

(v) Security concerns associated with the above possibilities.

3. Currently the processing of documents for granting LEO in respect of factory stuffed containers is centralized and is being handled at three CFSs Viz: CFS- Punjab Conware; MSWC and CWC Dronagiri on all working days (10.00 to 18.00 hrs.). At CFS-Punjab Conware, officers are deployed for 2nd shift (2.00 p.m. to 10.00 p.m.) on all working days; and on holidays (Sundays and closed holidays – 10.00 a.m. to 6.00 p.m.). After examining the said present practice and the connected possible irregularities, it has been decided to permit the entry of the factory stuffed containers (including self sealed containers) in to the port terminals only after completion of the Customs formalities, including granting of LEO , except in respect of certain containers of exempted category as detailed in para 6 C , hereunder. The following procedure is prescribed for the factory stuffed export containers:-

Procedure for Factory Stuffed Export Containers

4. All the factory/warehouse stuffed containers (sealed by Central Excise / Customs officers) and all the self sealed containers under free shipping bills are required to enter any of the designated CFSs / Buffer yards with the relevant invoice containing the examination report (on the reverse) issued by the officers who supervised such stuffing and check list of Shipping bill. These documents are verified by the Gate officers at the CFSs entry gates, besides verifying the container no., seal no. and the condition of the seal before permitting the entry of the container into the CFSs / Buffer yards. The S/B is registered; inspection report is fed and Let Export Order (LEO) is granted based on the endorsement of the Gate officer of the CFSs / Buffer yards on the invoice (containing stuffing examination report) as a proof of the entry of the containers into the CFSs / Buffer yards.

5. Once LEO is granted, three copies of the S/Bill (Exporter's copy; Exchange control copy and Customs copy) are generated. The LEO granted container(s) shall move to the terminal, with the exporter's copy of the S/B as well as the gate pass, issued by the CFS. Exporter copy of the S/B duly signed by the Superintendent grant-

Naphtha and Gasoline End Use for Fertilizers subjected to Stricter Excise Control

23-CE
12.08.2009
(DoR)

In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), the Central Government, on being satisfied that it is necessary in the public interest 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. **4/2006-Central Excise, dated the 1st March, 2006** published in the Gazette of India, Extraordinary, vide number G.S.R. 94(E), dated the 1st March, 2006, namely:-

In the said notification, in the Table, against **S. No.7**, for the entry in column (5), the entry **"2 and 3"** shall be substituted.

[F. No.354/147 /2009-TRU]

ing LEO should be presented to the officer at the gate. The gate officer at the port terminal would verify the condition of the container & seal and permit the container to enter the port. The gate officer at the terminal also shall verify the date of granting LEO on the EDI system and/or through Intranet and satisfy himself that the container had received LEO. Verification on the computer system (EDI / Intranet) would help in checking the possible fabricated S/Bs. Besides the S/B, the driver / agent shall handover the gate pass issued by the custodian of the CFS indicating the container no., seal no., time of departure from the CFS etc. to the terminal gate officer. The gate officer would retain such gate passes in order to verify the time of departure of the container from the CFS and its arrival at the terminal gate.

6. For effective implementation and for smooth transition to the new procedure the following changes are made in the existing set up:

A. Re-engineering of administrative set up and re-deployment of staff

(i) De-centralisation of the work pertaining to processing of documents of factory stuffed cargo: In order to introduce the new system of entry of factory stuffed containers into Port terminals after LEO, against the current centralized processing at three locations (CFSs – Punjab Conware; MSWC and CWC Dronagiri), the following CFSs are designated to handle such containers. In other words, the documents can be registered for obtaining LEO at any of the designated CFSs, during regular working hours. Simultaneously, the staff are being deployed for 2nd and 3rd shifts at two locations viz: CFS - CWC- Distripark and DRT-CONCOR, due to the availability of substantial space at the said two locations:

List of CFSs

1. JNP-Speedy Buffer Yard.
2. DRT-CONCOR.
3. Punjab Conware.
4. Hind terminal.
5. CWC Distripark.
6. Balmar Lawrie.
7. Ameya Logistics.
8. JWC Logistics.
9. Asthe logistics.
10. CWC Kalamboli.
11. MSWC

(ii) Granting of LEO on 24x7 basis: Adequate officers are being deployed for attending to registration and granting LEO on 24x7 basis at the two locations Viz: CFS-CWC Distripark and DRT-CONCOR. Officers are being deployed in each shift, at the designated locations and make these operational in three shifts, even on Public and National holidays, for the purpose of registration and granting LEO.

(iii) Deployment of officers in 2nd shift for assessment: In order to ensure that the assessment is not a limiting factor for registration and granting LEO, one AC/DC (Export) is deployed for 2nd shift, on all working days of the week. In order to cater to the urgent needs of the trade, the task of export assessment is being assigned to the AC/DC deployed for holiday duty.

(iv) Pre-shipment / Pre-LEO amendments: The S/Bills filed in advance (prior to factory stuffing) based on the Proforma invoice might require amendments due to variation in the quantity / value after the actual stuffing. Such amendments, based on the examination report, will be permitted prior to LEO by the AC/DC (Exports) of the concerned CFS during the normal working hours. However, the said work will be attended by the AC/DC (Exports) posted in the 2nd shift after the office hours; and the AC/DC deployed for holiday duty.

(v) Inspection of containers / seal nos: The gate officers deployed at various CFSs would verify the container / seal nos. and make suitable endorsement on the documents at the time of entry of factory stuffed containers into the CFS. This would enable registration and granting LEO without further delay. Accordingly, gate officers are being deployed on 24x7 basis (in three shifts) in all the designated CFSs i.e at locations where the factory stuffed containers are permitted.

(vi) Provision to grant LEO in respect of containers at any other CFSs: During the regular office hours, the registration and granting LEO would be attended to by the PO/Supdt.(Exports) attending to similar work in respect of dock stuffed cargo in the respective CFSs. However, such items of work would be attended by the PO/ Supdt. deployed at CFSs – Speedy and CWC Distripark, where the 2nd and 3rd shift is being made operational, beyond regular office hours. The registration and granting LEO would be attended by the officers in 2nd / 3rd shift for the containers entered in to any of the designated CFSs. **EDI permits such processing**. The registration and LEO in respect of any of the CFSs is based on the inspection and endorsement on the Invoice / Checklist, by the gate officers at the designated CFS.

(vii) Expeditious processing of export documents: The work pertaining to the process of registration and grant of LEO for the factory stuffed / self sealed containers would be given priority by the officers. This is to ensure expeditious clearance, so that the on-wheel containers can move out of the CFS within minimum possible time, creating space for subsequent incoming export containers on one hand and saving the avoidable additional expenditure in relation to the trailer holding charges and higher tariff of CFS.

(viii) Responsibility of the officers at the terminal gates: Once LEO is granted, three copies of the S/Bill (Exporter's copy; Exchange control copy and Customs copy) are generated. The LEO granted container(s) shall move to the terminal, with the exporter's copy of the S/B as well as the gate pass, issued by the CFS. Exporter's copy of the S/B duly signed by the Supdt. granting LEO should be presented to the officer at the gate. The gate officer at the port terminal would verify the condition of the container & seal and permit the container to enter the port. The gate officer at the terminal also shall verify the date of granting LEO on the EDI system and/or through Intranet and satisfy himself that the container had received LEO. Verification on the computer system (EDI / Intranet) would help in checking the possible fabricated S/Bs. Besides the S/B, the driver / agent shall handover the gate pass issued by the CFS indicating the container no., seal no., time of departure from the CFS etc. to the terminal Gate officer. The gate officer would retain such gate passes in order to verify the time of departure from the CFS and the arrival at the terminal gate. In case, there is any unusual delay in transit from CFS to Terminal Gate, entry will be allowed but ADC/SIIB & Boarding Officer will be informed.

B. Responsibility of the custodians

(i) The custodians shall make *inter alia* due entry of the container no., seal no. and facilitate proper on-wheel inspection at the entry gate. However, in exceptional cases, based on the request from the Customs, they have to facilitate open examination. Based on the S/Bill generated after granting LEO (duly signed by officers granting LEO), the container can be permitted to exit the CFS under a proper gate pass indicating, *inter alia,* the container no., seal no., and the time of exit, as in the case of dock stuffed containers which are destined to terminal gates.

(ii) The service centre shall be made operational on 24x7 basis in order to generate the S/Bs after granting LEO in both CFS Viz: DRT-CONCOR and CWC-Distripark, where the 2nd and 3rd shift of officers are deployed for registration & LEO.

(iii) The custodians of the designated CFSs shall adhere to the committed tariff for factory stuffed Containers as intimated to the Commissioner of Customs (Export) by them and display the same as per the latest guidelines.

(iv) The custodians shall co-operate by organizing the movement of the containers and by deploying the necessary surveyors in order to facilitate early completion of the process and exit of the containers so that the charges payable for factory stuffed containers would be the minimum.

(v) The custodian should organize the entry and exit gates in such a manner that there is a smooth movement of the trailers within the CFS.

C. Exemption from the new procedure

The following category of the factory stuffed Containers are exempted from the above proposed new procedure and would be permitted direct entry in to port terminals as per the present practice, prior to granting LEO.

(i) Refrigerated Containers: All refrigerated factory stuffed container(s) are permitted to enter the port terminals directly as is the present practice, since the port terminals have adequate provision for power supply.

(ii) Over Dimensional Cargo (ODC): The ODC cargo is likely to cause hindrance to the free movement of the containers/trailers. Such cargo perhaps cannot enter some of the CFSs due to the limitation of the entry gates. Further, they may also cause congestion at various CFSs. Therefore direct port entry to ODC containers prior to LEO is permitted.

(iii) Motor Vehicles: The Motor Vehicles (Cars/ Tempos/Mini Buses/Buses etc) which are not stuffed in any container are required to be boarded on the special vessel. Currently such vehicles are permitted to be carted directly inside the port while the S/Bs are under process forwarded by the C. Excise officers. The existing procedure would continue.

(iv) Perishable non-refrigerated cargo: Containers stuffed under the supervision of the Central Excise/Customs officers, containing perishable non-refrigerated cargo like onion, garlic etc. are also extended with the exemption from the proposed new procedure and permitted direct entry into port.

(v) Factory Stuffed Cargo of Exporters having Status Certificate, 100% EOUs and units of SEZs: The Factory stuffed export cargo of Exporters having status certificate (eg: Export House (EH), Star EH, Trading House (TH), Star TH, Premier TH etc.) granted by the Commerce Ministry; 100% EOUs and manufacturing units of SEZs would be exempted from the above procedure and factory stuffed export containers of such exporters would be permitted direct entry into port, as per the procedure detailed in the para 1.

Note: 1. The details (Name, address, IE code and status) of the exporters having Status Certificate, exporting through JNPT are proposed to be made available to the gate officers, to enable them to permit the direct entry of their factory stuffed Containers. All such exporters who are exporting their goods through JNPT are advised to intimate the said details along with a legible copy of the status Certificate duly attested by their authorized signatory, to the Commissioner of Customs (Export), JNCH, Sheva (FSP Cell), by 20.08.2009, for necessary verification.

2. Similarly the 100% EOUs and the units in the SEZs are advised to intimate the above mentioned details along with legible copies of the Letter of Permission issued by the Development Commissioner, EOU card and Central Excise Registration Certificate, as the case may be, duly attested by their authorized signatory, to the Commissioner of Customs (Export), JNCH, Sheva (FSP Cell), by 20.08.2009, for necessary verification.

7. Accordingly , it has been decided to discontinue the direct entry into port terminals for the factory stuffed containers (including self sealed) and to permit the same to enter the port terminals only after completion of the Customs formalities, including granting of LEO, except in respect of the factory stuffed containers of the exempted category (Ref. Para 6 C above).

8. The above procedure would take effect from 1st September, 2009.

9. All the Trade, industry and the concerned Associations are requested to bring the contents of this Public Notice to the knowledge of their members.

Movement Documents and PSI Certificate Must for Six Specified Metal Scrap, Electrical Scrap and Paper Scrap

- Rules 6 of Hazardous Waste Rules on Permit not Applicable on Six Specified Metal Wastes and Paper Wastes
- Paper Wastes Import Freed under Hazardous Wastes Rules 2008
- New Form 9 Notified for Transboundary Movement – Notified

[Ref: Ministry of Environment and Forests Notification dated 21st July 2009]

S.O.(E). 1799 – In exercise of powers conferred by Sections 6,8 and 25 of the Environment (Protection) Act, 1986 (29 of 1986), the Central Government hereby makes the following rules to amend the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, namely:-

1. (1) These rules may be called the Hazardous Wastes (Management Handling and Transboundary Movement) Amendment Rules, 2009.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (hereinafter referred to as the said rules), in rule 16,-

(a) in sub-rule (5), the following shall be inserted, namely:

"Provided that the Port or Customs authorities shall, in case of import of hazardous wastes covered under Basel numbers B1010, B1040, B1050, B1100, B1230 and B 3020 as specified in Part B of the Schedule III, ensure that shipment is accompanied by the Movement Document in Form 9 and preshipment inspection certificate issued by the inspection agency certified by the exporting country.";

(b) after sub-rule (6), the following sub-rule shall be inserted, namely:-

"(6A) Nothing contained in sub-rule (6) shall apply to the hazardous wastes covered under the Basel numbers B1010,B1040,B1050,B1100, B1230 and B 3020 as specified in Part B of the Schedule III:

Provided that the Customs authority may, at any time if it considers necessary, make random inspection of the consignment prior to clearing the consignment.".

3. In the said rules, in rule 18, in sub-rule (5), for the word and figure "Form 10", the word and figure "Form 3" shall be substituted.

4. In the said rule, in Schedule III,-

(i) in Part B, against Basel number B3O20, in the entries under column (2), for the words and signs "Paper, paperboard and paper products wastes ***", the following words and signs shall be substituted, namely:- "Paper, paperboard and paper product wastes **" ;

(ii) after the entries relating to Part B and before the Note, for the signs and words

"** Import permitted in the country without any license or restriction" the following signs and words shall be substituted, namely:-

"** Import permitted in the country by the actual users without any license or restriction."

5. In the said rules, in Form 3, for the words, figures and brackets "See rules 5(6) and 22(1)", the words, figures and brackets" See rules 5(6), 18(5) and 22 (1)" shall be substituted.

6. In the said rule, for the Form 9 and the entries relating thereto, the following Form and entries shall be substituted, namely :-

"Form-9

[See rules 15(5)16(5),16(6)]

Transboundary Movement-Movement Document

SNo.		Description	Details to be furnished by the Exporter/ Importer
1.	(i)	Exporter (Name and Address) Contact person Tel/Fax	:
	(ii)	Waste Generator/Exporter for ** category (name and address) Contact person with Tel ./Fax	:
	(iii)	Site of generation (excluded for**category)	:
2.		Importer/recycler (name and address) Contact person with Tel/Fax Movement subject to single/multiple	
3.		Corresponding to applicant Ref. No. if any	:
4.		Bill of lading (attach copy)	:
5.		Designation and chemical composition of the waste	:
6.		Physical characteristics (3)	:
7.		Actual quantity kg/litre	:
8		Waste Identification code	:

Basel No
OECD No.
UN No.
ITC(HS)
Customs Code (H.S.)
Other (specify)

9. OECD Classification (2)
 (a) amber/red/other [attach details]
 (b) number

10. Packaging Type (3)
 Number

11. UN Classification
 UN Shipping name
 UN Identification No.
 UN Class (3)
 H Number (3)
 Y Number

12. Special handling requirements

13. Exporter's declaration for hazardous waste:

I certify that the information in Sl. No. 1 of 12 above is complete and correct to my best knowledge. I also certify that legally-enforceable written contractual obligations have been entered into and are in force covering the transboundary movement regulations/Rules.

Date:.............. Signature:...............

Name:..............

Exporter's declaration for waste paper:

I certify that the information in Sl. No. 1 of 12 above is correct to the best of my knowledge. I also certify that legally-enforceable written contractual obligations have been entered into. I also certify that the consignment does not have any Hazardous waste, Municipal waste or Biomedical waste.

Date:.............. Signature:...............

Name:..............

To be Completed by Importer/Recycler Item No. 7

14. Shipment received by Importer/Recycler
 Quantity received ………………Kg/litres
 Date:.............. Signature:...............
 Name:..............

15. Methods of Recovery
 R Code if applicable Technology
 Temployed (Attached details if necessary)

16. I certify that nothing other than declare goods covered as per HW (M, H and TM) Rules is intended to be imported in the above referred consignment and will be recycled.
 Signature:
 Date :

17. Specific Conditions on Consenting to the Movement if applicable. (attach details)

Notes:-(1) Attach list, if more than one; (2) Enter X in appropriate box; (3) See codes on the reverse (x)Immediately contact Competent Authority;(4) If more than three carriers, attach information as required in S.No. 5.

List of abbreviations used in the Movement Document

Recovery Operations (S. No. 7)

R1 Use as a fuel (other than in direct incineration) or other means to generate energy
R2 Solvent reclamation/regeneration
R3 Recycling/reclamation of organic substances which are not used as solvents
R4 Recycling/reclamation of metals and metal compounds
R5 Recycling/reclamation of other inorganic materials
R6 Regeneration of acids or bases
R7 Recovery of components used for pollution abatement
R8 Recovery of components from catalysts
R9 Used oil re-refining or other reuses of previously used oil
R10 Land treatment resulting in benefit to agriculture or ecological improvement
R11 Uses of residual materials obtained from any of the operations numbered R1 to R 10
R12 Exchange of wastes for submission to any of the operations num bered R 1 to R 11
R13 Accumulation of material intended for any operation numbered R1 to R 12

Means of Transport (SI. No. 5)	Packaging Types (S No. 13)	H Number (S.No.14) and UN Class (S No.14)		
1	2	3		
R = Road	1. Drum	UN Class	H Number	Designation
T= Train/Rail	2. Wooden barrel			
S=Sea	3. Jerrican	1	H1	Explosive
A = Air	4. Box	3	H3	Inflammable liquids
W=Inland Waterways	5. Bag	4.1	H4.1	Inflammable solids
	6. Composite packaging	4.2	H4.2	Constituents or wastes liable to spontaneous combustion
	7. Pressure receptacle	4.3	H4.3	Constituents or wastes which, in contact with Water emit inflammable gases
	8. Bulk			
	9. Other (specify)	5.1	H5.1	Oxidizing
		5.2	H5.2	Organic peroxides
		6.1	H6.1	Poisonous (acute)
		6.2	H6.2	Infectious wastes
		8	H8	Corrosives
		9	H10	Liberation of toxic gases in contact with air or water
		9	H 11	Toxic {delayed or chronic)
		9	H12	Ecotoxic
		9	H13	Capable, by any means, after disposal of yielding another material e.g. leachate, which possesses any of the characteristics listed above

Physical Characteristics (S No 09)
1. Powdery/powder
2. Solid
3. Viscous/paste
4. Sludge
5. Liquid
6. Gaseous
7. Other (specify)

Y Number (S.No. 13) refer to categories of waste listed in Annexure I and II of the Basel Convention as well as more detailed information can be found in an instruction manual available from the Secretariat of the Basel Convention".

7. In the said rules, in Form 10, for the words, brackets and figures "See rules 15 (5) and 16 (5)", the words, brackets and figures "See rule 15(5)" shall be substituted.

[No.23-I7/2006-HSMD]

Input Data Format for All Industry Rates of Duty Drawback

Sub: All Industry Rates of Duty Drawback, 2009-2010.

[Ref: D.O.F.No. 609/67/2009-DBK dated 03 August 2009]

Under the Duty Drawback Scheme administered by this Department the duties (Customs & Central Excise) paid on inputs and service tax paid on input services used in the manufacture of export goods are refunded to the exporters in the form of drawback. The drawback rates are worked out and notified every year after taking into account the budgetary changes in the duty structure and other relevant facts.

2. The exercise is underway in the Ministry to re-work and revise the rates of duty drawback for the year 2009-2010.

3. As you are aware, All Industry Rates of Duty Drawback are worked out by considering the consumption of input materials/ services and the incidence of duties/taxes on these input materials/ services. We would, therefore, request you to provide us with a comprehensive cost and consumption data regarding the various inputs/input services which are used in the manufacture of export products. A proforma in three parts is enclosed. I would like to emphasize that the consumption of input materials/ services and incidence of duties / tax, which is shown against the export of products must be relatable to the actual business activity of exports. Therefore, the second part of this proforma requires information on the actual cost incurred for making the exports and the sales realization on such exports. The third part of the proforma relates to the incidence of service tax on exports.

4. Please ensure that data provided is as representative as possible. Data pertaining to at least five units should be submitted for each export product. The units should be selected from amongst the small, medium as well as large exporters so that the data is truly representative. Needless to say the data should be collected only from the manufacturers/manufacturer exporters. As far as possible, data should be supported by relevant documents such as Bills of Entry, Shipping Bills, invoices etc. Further, while submitting data in respect of a particular export item manufactured by a manufacturer, details of any/all input(s)/service(s) used in the manufacture of all types/styles of that particular export item should be indicated i.e. for instance, data on T-shirt/shoes should include total quantity/ value of inputs/services used by that manufacturer for manufacture of all types of T-shirts/ shoes. Secondly, the data should indicate the total FOB value of T-shirts/shoes exported by that manufacturer.

5. You are also requested to inform regarding anomalies, if any, noticed in the Drawback Schedule, both with reference to description of the goods or the rates. This will help us rationalize the schedule. Your suggestions are also welcome on any other aspect of the drawback scheme which you feel need to be examined.

6. Since, the work is time bound in nature, you are requested to kindly furnish information in the prescribed proforma by 21st August, 2009. The information sought for with regard to anomalies may be sent separately in the form of a note. The information may also be sent by e-mail at mofdbkdatabank@hotmail.com.

7. The government has, like the previous year, constituted a three-member committee consisting of Shri Saumitra Chaudhuri, Member, Planning Commission of India, Shri S. B. Mohapatra, Secretary to the Government of India (retired) and Shri T. R. Rustagi, Chief Commissioner of Customs & Central Excise (retired) for the formulation of All Industry Rates of Duty Drawback, 2009-2010. Should you wish to make a presentation before the committee, you may intimate in advance so that it can be organized.

Proforma 1.1

Data pertaining to April-June, 2009

Name of the Manufacturer/Exporter: ....

Name of item produced and exported: ….………

1. Inputs:
2. Unit:
3. Average Ex factory price of the input during April-June, 2009:
4. Average Domestic purchase price of the input during April-June, 2009:
5. Quantity of domestic material used during April- June, 2009:
6. Value of domestic material (excluding terminal excise duty) used during April-June, 2009:
7. Total Amount of Excise duties paid on the material used during April-June, 2009:
8. Average CIF price of the input:
9. Quantity of Imported material used during April-June, 2009:
10. Total CIF Value of imported material used during April- June, 2009:
11. Total Amount of Customs duties paid on the material used during April-June, 2009:
12. Quantity of goods sold in domestic market during April-June, 2009:
13. Value of goods (excluding Terminal stage Excise Duty) sold in domestic market during April-June, 2009:
14. Qty. of goods exported during April-June, 2009:
15. Total FOB value of goods exported during April-June, 2009:
16. Average FOB value of goods exported during April-June, 2009:
17. Average FOB value of goods exported during July, 2009:

Note: 1. Customs duties to include Basic Customs duty, CVD, Cess and any other duties. Excise duty should include Cess.

2. To be completed by the individual manufacturer exporters.

3. Data should be submitted taking into account all types / models / styles / qualities of the export product.

4. In exceptional cases where the manufacturer is not in a position to submit data for the quarter April-June, 2009, he may submit the same for the preceding quarter i.e. January - March, 2009.

Proforma 1.2

Data pertaining to October, 2008 to June, 2009

For each major item of final product

This should list all the principal material inputs, e.g. steel or other metals or input chemicals or yarn or fabric etc. that go into the manufacture of the said product. It will not include common utilities such as electricity, fuel etc.

1. Inputs:
2. Unit:
3. Total Quantity of Import:
4. Total Quantity of domestic production:
5. Rate of import duty w.e.f. 06.07.2009:
6. Rate of excise duty w.e.f. 06.07.2009:

Note : 1. Customs duties to include Basic Customs duty, CVD, Cess and any other duties Excise duty should include Cess etc.

2. To be completed by the Export Promotion Councils.

Proforma II

Summary Cost Sheet

Rs. per/Unit output

(Average for the most recent quarter (April to June, 2009)

Company's name:

Product name:

A. Material cost

Item 1, 2, 3, ... Provide the list of principal items of material cost

Sub-total...........

B. Fuel, electricity, coal, coke etc. ……..

C. Salaries, Wages & Other overhead expenses (allocated/apportioned as is the costing practice adopted by

the unit for MIS, inventory valuation etc)……..

D. Total cost of sales (as estimated as per the costing practice adopted by the unit for MIS, inventory valuation etc.)………

E. Domestic Sale price ……….

F. FOB realization………..

Note: 1. This data should be provided for major items of export for a number of major Companies which constituted a representative sample.

2. In exceptional cases where the manufacturer is not in a position to submit data for the quarter April-June, 2009, he may submit the same for the preceding quarter i.e. January - March, 2009.

Proforma III

Service Tax

For Major Export Companies in Your Industry to be Provided Separately For each Company

Period:	October, 2008 to June, 2009	Service	Tax Paid
		1)	
Company (Name):		2)	
Products Exported:		3)	
Total Business Turnover (Income):		Service Tax on services directly relatable to export- itemized, such as export commission paid to foreign agents.	
Total value of Sales:			
Of which:-		Service	Tax Paid
Domestic Sales:		1)	
Export:		2)	
Total Service tax paid (Rupees):		3)	
		Sub Total:	______
Break-up of Total Service Tax		To be certified by the Company Auditor	

Tariff Value on Brass Scrap Up by US $116/MT

Poppy Seeds Tariff Value Cut by US $493/MT

122-Cus(NT) 13.08.2009 (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

SNo.	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)	3100
9	1207 91 00	Poppy seeds	2830"

[F. No. 467/14/2009-Cus.V]

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
18-Aug-09	48.9100	49.0000	48.6825	48.7875	48.7875	321345	966218	471416.2	48.7400
17-Aug-09	48.5525	49.0100	48.5475	48.9675	48.9675	395875	996707	486132.3	48.6800
14-Aug-09	48.1900	48.3900	48.1900	48.2825	48.2825	438906	702170	339301.1	48.2700
13-Aug-09	48.2125	48.2525	48.0900	48.1250	48.1250	435976	782215	376777	48.1400
12-Aug-09	48.1500	48.5550	48.1500	48.3625	48.3625	420341	1050052	507976.3	48.3500

[Source: NSE and RBI Website]

Cont'd..250

Thailand, the second-biggest exporter, could boost production by 6.3 percent to 7.64 million tons in the year from December, and by 10 percent in the following year, according to Prasert Tapaneeyangkul, the secretary-general of the Office of the Cane and Sugar Board. Exports may climb to 5.74 million tons in 2010 from 5.29 million tons this year, he said.

Australian Growth

Australia, the third-largest exporter, may increase production by as much as 250,000 tons from 4.5 million tons in the year beginning July 2010, Ian Ballantyne, chief executive officer of Brisbane-based Canegrowers, said Aug. 13.

Still, heavy rain or drought may hamper growers' ability to increase production, LMC's Todd said on 17 August.

Brazil's sugar mills have been processing "34, 35, 36 million tons" of cane every two weeks, said Todd. "They should be able to do 40 million tons." Delays in the cane harvest limit the capacity of mills to produce more sugar and set back planting of the next crop, he said.

At 18 cents a pound or more, consumption will slow, according to Jonathan Kingsman, the chairman of broker and researcher Kingsman SA in Lausanne, Switzerland.

The most active contract in New York has dropped 4.5 percent in the past four trading days to 21.93 cents on 18 August.

Euro Gains against Dollar, Yen Before German Confidence Report

The euro rose for the first time in three days against the dollar before a report that may show German investor confidence improved this month, easing concern the global economic recovery will stall.

The 16-nation currency gained the most in more than a week versus the yen as economists forecast the ZEW Center for European Economic Research will say its index of investor and analyst expectations climbed to a three-year high in Europe's largest economy. The yen fell against all 16 major counterparts on speculation Japanese importers took advantage of its strength to sell the currency. The dollar ended two days of gains versus Australia's currency before a U.S. report that may show housing starts rose in July.

The euro rose to $1.4130 from $1.4082 in New York on 17 August, when it touched $1.4046, the lowest level since July 30. It advanced 1.1 percent, the most since Aug. 7 based on closing prices, to 134.51 yen from 133.08 yen. The euro bought 86.21 British pence from 86.15 pence.

The yen weakened to 95.17 per dollar from 94.50 on 17 August, when it reached 94.21, the strongest level since July 29. The currency dropped 1.4 percent to 78.65 versus Australia's dollar, from 77.54, and weakened 1.4 percent to 63.97 per New Zealand dollar, from 63.10.

Germany's Economy

The ZEW Center for European Economic Research will say its index rose to 45 from 39.5 in July, according to the median of 35 forecasts in a News survey. That would be the highest reading since May 2006. ZEW releases the report, which aims to predict developments six months ahead on 18 August.

Germany's economy grew 0.3 percent in the second quarter from the first, bringing a halt to the worst recession since World War II sooner than forecasters had expected, a report showed last week.

The European Central Bank this month kept its benchmark interest rate unchanged at a record low of 1 percent. ECB President Jean-Claude Trichet said after the Aug. 6 meeting that there are "clearly less negative" economic signs.

The yen declined from near a two-week high versus the dollar on speculation Japanese importers sold the currency and as technical charts signaled its 1.1 percent gain in the past five days was excessive.

Yen Correction

"The yen's recent rise was rapid, so there's probably a correction occurring," said Nobuaki Kubo, vice president of foreign exchange in Tokyo at BBH Investment Services Inc., a unit of New York-based Brown Brothers Harriman & Co. "It's also likely that importers would sell yen at these levels."

The dollar's 14-day stochastic oscillator against the yen was at 12.9 on 17 August, below the 20 threshold that indicates an asset price may have fallen too fast and is poised to gain. In technical analysis, investors and analysts study charts of trading patterns and prices to forecast changes in an asset's value.

Japan's currency also weakened amid speculation investors sold the yen to purchase higher-yielding assets elsewhere. European stock markets opened higher, with the Dow Jones Stoxx 600 Index rebounding from its biggest drop in a month.

Brazil Central Bank Has Room to Cut Rates Further, Mantega Says

Brazil's central bank has room to cut interest rates further because inflation is below the government's target, Finance Minister Guido Mantega said.

The central bank announced the smallest interest-rate cut in five meetings last month on signs that Latin America's largest economy is pulling out of a recession. After slashing the benchmark rate to a record low of 8.75 percent, policy makers said in the minutes of the July 21-22 meeting that the reduction would spur economic growth without sparking inflation.

Mantega said gross domestic product expanded 1.6 percent to 1.7 percent in the second quarter and may grow 4.5 percent to 5 percent next year. He said inflation will remain under control.

The national statistics agency will report second-quarter GDP data on Sept. 11.

Part of the economic recovery stems from government stimulus. The central bank injected about $100 billion into money and currency markets and the government cut taxes on cars, household appliances and other goods to encourage consumer spending.

Brazilian President Luiz Inacio Lula da Silva said last week that the central bank has room to make further cuts in its overnight lending rate.

Inflation Outlook

Annual inflation slowed to 4.5 percent last month, the lowest rate since December 2007 and in line with policy makers' annual target. Monthly inflation, as measured by the IPCA index, slowed for the third straight month in July.

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Customs Valuation Exchange Rates

August 2009	Imports	Exports	
Schedule I			
1 Australian Dollar	40.45	39.20	Rate of exchange of one unit of foreign currency equipment to Indian Rupees
2 Canadian Dollar	45.20	41.05	
3 Danish Kroner	9.40	9.10	
4 EURO	69.55	67.90	
5 Hong Kong Dollar	6.30	6.15	
6 Norwegian Kroner	7.95	7.65	
7 Pound Sterling	80.50	78.65	
8 Swedish Kroner	6.65	6.45	
9 Swiss Franc	45.75	44.45	
10 Singapore Dollar	33.90	33.10	
11 U.S. Dollar	48.70	47.80	
Schedule II			Rate of exchange of 100 units of foreign currency equivalent to Indian rupees
1 Japanese Yen	51.50	50.10	

(Source: Customs Notification 102(NT)/29.07.2009)

Commodity Spot Prices in India – 14-18 August 2009

These commodity prices are taken from Multi Commodity Exchange of India (Mumbai) at 6 pm every day. The weekly prices of commodities from different cities of India will be given in the order of Harmonized System classification.

Commodity Spot Prices covers price movements of 55 commodities (agricultural products and metals) provided on Multi Commodity Exchange of India on a daily basis. This Commodity Spot Prices Table focuses on price movements from 14-18 August.

(Rs.)

Commodity	Unit	Market	14-Aug	17-Aug	18-Aug
CER (Carbon Trading)	1 MT	Mumbai	869	877.5	881
Chana	100 KGS	Delhi	2335	2295	2329
Masur	100 KGS	Indore	4811	4750	4750
Potato	100 KGS	Agra	1036.8	1055	1068.9
Potato TKR	100 KGS	Tarkeshwar	1071.7	1080.6	1085.6
Arecanut	100 KGS	Mangalore	8180	8158	8123
Cashewkern	1 KGS	Quilon	304	302	303
Cardamom	1 KGS	Vandanmedu	801	807.75	810
Coffee ROB	100 KGS	Kushalnagar	67.8	67.4	65.8
Jeera	100 KGS	Unjha	11827	11763	11793
Pepper	100 KGS	Kochi	14294	14498	14838
Red Chili	100 KGS	Guntur	6065	5981	5930
Turmeric	100 KGS	Nzmbad	8339	8125	8100
Guar Gum	100 KGS	Jodhpur	5000	4975	5125
Maize	100 KGS	Nzmbad	930	938	939
Mentha Oil	1 KGS	Chandausi	555.5	555.9	554.1
Cotton Seed	100 KGS	Akola	1429	1456	1455
Castorsd RJK	100 KGS	Rajkot	2541	2541	2609.5
Guar Seed	100 KGS	Jodhpur	2195	2190	2262
Soya Bean	100 KGS	Indore	NA	NA	NA
Mustrdsd JPR	20 KGS	Jaipur	545.9	540.8	543.9
Sesame Seed	100 KGS	Rajkot	6238	6250	6263
Coconut Oil Cake	100 KGS	Kochi	1014	1014	1014
RCBR Oil Cake	1 MT	Raipur	6213	6325	6370
Kapaskhali	50 KGS	Akola	623.8	623.8	623.3
Coconut Oil	100 KGS	Kochi	5044	5044	5044
Refsoy Oil	10 KGS	Indore	475.95	473.55	474.15
CPO	10 KGS	Kandla	360.9	355.2	357.3
Mustard Oil	10 KGS	Jaipur	527.1	522.5	521.6
Gnutoilexp	10 KGS	Rajkot	650	650	648.3
Castor Oil	10 KGS	Kandla	530	530	530
Crude Oil	1 BBL	Mumbai	3395	3259	3350
Furnace Oil	1000 KGS	Mumbai	28320	27278	27162
Sourcrd Oil	1 BBL	Mumbai	3498	3457	3492.5
Brent Crude	1 BBL	Mumbai	3527	3413	3392
Gur	40 KGS	Muzngr	1046.5	1046.4	1050.8
Sugars	100 KGS	Kolhapur	2881	2973	2910
Sugarm	100 KGS	Delhi	3083	3055	2998
Natural Gas	1 mmBtu	Hazirabad	160.6	156.3	154
Rubber	100 KGS	Kochi	10241	10299	10237
Cotton Long	1 Candy	Kadi	23520	23540	23720
Cotton Med	1 Maund	Abohar	2497	2493.5	2497.5
Jute	100 KGS	Kolkata	2076	2040.5	2005
Gold	10 GRMS	Ahmd	14959	14870	14860
Gold Guinea	8 GRMS	Ahmd	11967	11896	11888
Silver	1 KGS	Ahmd	23646	23100	23015
Sponge Iron	1 MT	Raipur	14315	14090	14125
Steel Flat	1000 KGS	Mumbai	30800	30210	30390
Steel Long	1 MT	Bhavnagar	22470	22655	22405
Copper	1 KGS	Mumbai	309.25	301.8	297.35
Nickel	1 KGS	Mumbai	1001.7	923.1	968.8
Aluminium	1 KGS	Mumbai	97.35	92.95	97
Lead	1 KGS	Mumbai	91.85	86.9	88.85
Zinc	1 KGS	Mumbai	90.45	85.45	86.65
Tin	1 KGS	Mumbai	750	710.5	726

(Source: MCX Spot Prices)

Fortescue's Forrest Remains in Financing Talks With China

Fortescue Metals Group Ltd., Australia's third biggest iron ore exporter, remains in talks with Chinese groups to secure as much as $6 billion to expand.

"We have held discussions with major Chinese financiers to extend credit to around $5.5 billion to $6 billion to Fortescue," Chief Executive Officer Andrew Forrest said on 18 August in a TV interview on. Fortescue wants to have the financing secured by the end of September, it said on Aug. 17.

Fortescue has been seeking funding as a cash squeeze and lower iron ore prices forced it to put expansions on hold. The Perth-based company may need between $3 billion and $4 billion to proceed with plans to almost double output, Hunan Valin Iron & Steel Group, its second-largest shareholder, said in May.

Fortescue rose 3.6 percent to A$4.56. Sydney time on the Australian stock exchange. It has more than doubled this year compared with a 19 percent gain in the benchmark index. Forrest wouldn't be specific on who the company is talking to.

Securing financing is a condition of Fortescue's agreement with Baosteel Group Corp., China's largest steelmaker, and the China Iron & Steel Association to cut contract iron ore prices by 35 percent.

The price agreement is deeper than the 33 percent reduction offered by Rio Tinto Group, the largest exporter of Australian iron ore, and 47 percent less than the current spot price for benchmark ore from Australia.

Price Agreement

The steel association said it wants to apply the price agreement to all ore purchased by the nation, eliminating differences between contract and spot prices.

Fortescue will sell 20 million tons of iron ore in the six months ending Dec. 31, and China will give it priority to negotiate 2010 prices, the Perth-based company said. China bought 444 million tons of ore last year from suppliers.

Foreign Direct Investment in China Fell 35.7% in July

Foreign direct investment in China fell for a tenth straight month in July as companies stalled expansion plans amid the global financial crisis.

Investment declined 35.7 percent from a year earlier to $5.36 billion, the Commerce Ministry said at a briefing in Beijing on 16 August. That compared with a 6.76 percent drop in June.

The situation for foreign direct investment in China remains "severe" even as "positive signs" have emerged in the past two months, Vice Commerce Minister Fu Ziying said last week. Japan emerged from its worst postwar recession in the second quarter, the Cabinet Office said in Tokyo, and a News survey of users shows confidence in the world economy surged to a 22-month high in August.

The detention of four Rio Tinto Group staff since July 5 may weigh on business investments in the country, U.S. State Department spokesman Philip J. Crowley said Aug. 13.

The four were formally arrested on charges of trade secrets infringement and bribery, China's Supreme People's Procuratorate said Aug. 11, according to a Xinhua report. Australia's Prime Minister Kevin Rudd said July 15 that the world was "watching closely" how China handles the case.

'Still Healthy'

China's economy will expand 9.4 percent this year, topping the government's official 8 percent target as a 4 trillion yuan ($585 billion) stimulus and record bank lending spurs growth, Goldman Sachs Group Inc. said last week.

Growth rebounded to 7.9 percent in the second quarter, after slowing to 6.1 percent in the first, the weakest pace in almost a decade.

In Asia, Singapore and Hong Kong emerged from recessions last quarter, as did Germany and France in Europe.

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The economy will expand faster than previously expected in 2010, according to a survey of economists published Aug. 17. GDP will grow 3.8 percent in 2010, after contracting an estimated 0.34 percent this year, according to the median forecast in the central bank survey of about 100 analysts. Economists in the prior weekly survey forecast a 3.6 percent expansion for 2010.

Brazil's central bank monetary policy committee next meets on Sept. 1-2.

WORLD TRADE SCANNER

BIG's WEEKLY INDEX OF CHANGES

Foreign Trade Policy

Customs

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