Postal Regn.No. DL(C)-01/1251/09-11
Licence to Post without
Prepayment U(C)-30/09-11
RNI No. 42906/84

WORLD TRADE SCANNER

ISSN: 0971-8095

Single copy Rs. 20 $2

Vol. XXVI No 29 14-20 October 2009

Promoted by Indian Institute of Foreign Trade, World Trade Centre,
Academy of Business Studies

Annual subscription Rs 650

Brazil May Host Parallel Doha Meet at Geneva Ministerial

Brazil, the EU and the US are engaging in high-level political manoeuvres on the WTO's Doha Round of trade talks this week, maintaining at least some of the momentum generated by the G20's recent call for swift progress in the negotiations. Meanwhile, trade officials back at WTO headquarters in Geneva continue to plough through some of the technical details of the talks.

Brazil is planning to host a meeting of trade ministers to focus on the Doha Round talks, sources said this week. The meeting, which is set to take place somewhere in the Geneva area just before the WTO's full ministerial conference kicks off on 30 November, will bring together trade ministers from the WTO's G20 coalition of developing countries (not to be confused with the G20 economic grouping that met in Pittsburgh last month). Ministers from countries that coordinate other developing-country negotiating coalitions will also be invited to participate, as will Pascal Lamy, the director-general of the WTO, one source said.

The agenda for the meeting, set for 28 and 29 November, has not yet been finalised, the source continued, but for the time being, the talks are set to focus on the WTO's agriculture negotiations. However, it is possible that the scope of the discussions will expand, the source said.

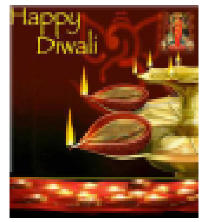
The Doha Round will officially be off of the agenda of the WTO's three-day ministerial conference, and will instead focus on the WTO's 'regular work'. The organisation's membership decided earlier this year that the mandated meeting should not centre on the negotiations, which have suffered numerous setbacks since they were launched in the Qatari capital in November 2001. But with so many trade ministers in town for the conference, sideline meetings devoted to the Doha talks are inevitable, said one trade source, who expected that many of the WTO's negotiating coalitions would hold meetings similar to the one now being organised by Brazil.

Technical Discussions

The US held quiet bilateral meetings with Brazil in Paris on Tuesday and Wednesday of this week to discuss various unresolved Doha Round issues, an informed source said. Negotiators hope that such bilateral sessions between the major players in the Doha Round will be able to generate a breakthrough in the technical discussions that are now in full swing back at WTO headquarters.

Trade Facilitation Consolidated Text Ready

The negotiating group on trade facilitation - the committee tasked with cutting the red tape that can impede cross-border commerce -has meetings scheduled for Monday through Friday of this week. The talks, which this week are focused on freedom of transit and the publication and administration of trade regulations, "showed some progress," one delegate said.



Wishing You A Peaceful and Prosperous Deepavali

The chair of the talks, Sperisen Yurt of Guatemala, is urging the committee to come up with a 'consolidated text' by the end of the group's next set of meetings, which are set to take place the week of 9 November. Given the progress made thus far, that goal seems within reach, the trade official said.

The talks on trade facilitation were officially launched when the WTO's General Council enacted the 'July Package' on 1 August 2004. Members are mandated to clarify and improve the sections of the General Agreement on Tariffs and Trade (the GATT) that cover freedom of transit (Article V), fees and formalities associated with exporting and importing (Article VIII), and the publication and administration of trade regulations (Article X). The talks also aim to improve technical assistance and capacity building and streamline interactions among customs authorities.

Dollar Share in Reserves Falls to 37% from 63%

Central banks flush with record reserves are increasingly snubbing dollars in favor of euros and yen, further pressuring the greenback after its biggest two- quarter rout in almost two decades.

Policy makers boosted foreign currency holdings by $413 billion last quarter, the most since at least 2003, to $7.3 trillion. Nations reporting currency breakdowns put 63 percent of the new cash into euros and yen in April, May and June, the latest Barclays Capital data show. That's the highest percentage in any quarter with more than an $80 billion increase.

World leaders are acting on threats to dump the dollar while the Obama administration shows a willingness to tolerate a weaker currency in an effort to boost exports and the economy as long as it doesn't drive away the nation's creditors. The diversification signals that the currency won't rebound anytime soon after losing 10.3 percent on a trade-weighted basis the past six months, the biggest drop since 1991.

Sliding Share

The dollar's 37 percent share of new reserves fell from about a 63 percent average since 1999. Englander concluded in a report that the trend "accelerated" in the third quarter. He said in an interview that "for the next couple of months, the forces are still in place" for continued diversification.

America's currency has been under siege as the Treasury sells a record amount of debt to finance a budget deficit that totaled $1.4 trillion in fiscal 2009 ended Sept. 30.

Intercontinental Exchange Inc.'s Dollar Index, which tracks the currency's performance against the euro, yen, pound, Canadian dollar, Swiss franc and Swedish krona, fell to 75.77 last week, the lowest level since August 2008 and down from the high this year of 89.624 on March 4. The index, trading at 76.489 on 12 October, is within six points of its record low reached in March 2008.

Foreign companies and officials are starting to say their economies are getting hurt because of the dollar's weakness.

Dollar's Weighting

Developing countries have likely sold about $30 billion for euros, yen and other currencies each month since March, according to strategists at Bank of America-Merrill Lynch.

That helped reduce the dollar's weight at central banks that report currency holdings to 62.8 percent as of June 30, the lowest on record, the latest International Monetary Fund data show. The quarter's 2.2 percentage point decline was the biggest since falling 2.5 percentage points to 69.1 percent in the period ended June 30, 2002.

"The diversification out of the dollar will accelerate", an expert says. "People are buying the euro not because they want that current, but because they want to get rid of the dollar. In the long run, the U.S. will not be the same powerful country that it once was".

Central banks' moves away from the dollar are a temporary trend that will reverse once the Fed starts raising interest rates from near zero, according to Christoph Kind, who helps manage $20 billion as head of asset allocation at Frankfurt Trust in Germany.

'Flush' With Dollars

"The world is currently flush with the U.S. dollar, which is available at no cost," Kind said. "If there's a turnaround in U.S. monetary policy, there will be a change of perception about the dollar as a reserve currency. The diversification has more to do with reduction of concentration risks rather than a dim view of the U.S. or its currency."

America's economy will grow 2.4 percent in 2010, compared with 0.95 percent in the euro-zone, and 1 percent in Japan, median predictions show. Japan is seen keeping its rate at 0.1 percent through 2010.

Central bank diversification is helping push the relative worth of the euro and the yen above what differences in interest rates, cost of living and other data indicate they should be. The euro is 16 percent more expensive than its fair value of $1.22, according to economic models used by Credit Suisse Group AG. Morgan Stanley says the yen is 10 percent overvalued.

Reminders of 1995

Sentiment toward the dollar reminds John Taylor, chairman of New York-based FX Concepts Inc., the world's largest currency hedge fund, of the mid-1990s. That's when the greenback tumbled to a post-World War II low of 79.75 against the yen on April 19, 1995, on concern that the Fed wasn't raising rates fast enough to contain inflation. Like now, speculation about central bank diversification and the demise of the dollar's primacy rose.

The currency then gained 26 percent versus the yen and 25 percent against the deutsche mark in the following two years as technology innovation increased U.S. productivity and attracted foreign capital.

Dollar Forecasts

The median estimate of more than 40 economists and strategists is for the dollar to end the year little changed at $1.47 per euro, and appreciate to 92 yen from 90.13 on 12 October.

Englander at London-based Barclays, the world's third- largest foreign-exchange trader, predicts the U.S. currency will weaken 3.3 percent against the euro to $1.52 in three months. He advised in March, when the dollar peaked this year, to sell the currency. Standard Chartered, the most accurate dollar-euro forecaster for the six quarters that ended June 30, sees the greenback declining to $1.55 by year-end.

The dollar's reduced share of new reserves is also a reflection of U.S. assets' lagging performance as the country struggles to recover from the worst recession since World War II.

Lagging Behind

The growth of global reserves is accelerating, with Taiwan's and South Korea's, the fifth- and sixth-largest in the world, rising 2.1 percent to $332.2 billion and 3.6 percent to $254.3 billion in September, the fastest since May. The four biggest pools of reserves are held by China, Japan, Russia and India.

China, which controlled $2.1 trillion in foreign reserves as of June 30 and owns $800 billion of U.S. debt, is among the countries that don't report allocations.

Follow the Money

Englander's conclusions are based on IMF data from central banks that report their currency allocations, which account for 63 percent of total global reserves. Barclays adjusted the IMF data for changes in exchange rates after the reserves were amassed to get an accurate snapshot of allocations at the time they were acquired.

Investors can make money by following central banks' moves, according to Barclays, which created a trading model that flashes signals to buy or sell the dollar based on global reserve shifts and other variables. Each trade triggered by the system has average returns of more than 1 percent.

Russia Needs 15 Years to Reduce Reliance on Energy

Russia will need as long as 15 years to free itself of its reliance on raw materials and become a modern economy, President Dmitry Medvedev said.

"That is a perfectly plausible time frame in which to create a new economy, an economy that will be competitive with other major world economies," Medvedev said in a television interview last night. "Once a significant portion of our revenue is generated by something other than energy exports, let's say at least 30 or 40 percent of it, then we would already be living in a different economy and a different country."

Russia entered the credit crisis with its budget and current account in surplus and with the government assuming the world's third-biggest currency reserves would shield it from the worst of the global recession. Slumping commodity prices shattered that assumption and helped plunge the economy into its worst decline for a decade, forcing the central bank to manage a 35 percent ruble decline in the six months through January.

Volatile commodity prices have continued to undermine stability in the world's biggest energy exporter. Urals crude oil, Russia's main export blend, fell $100 a barrel between its peak in July last year and the beginning of 2009.

'Everything Was OK'

Energy, including oil and natural gas, accounted for 69.1 percent of exports to countries outside the former Soviet Union and the Baltic states in the first seven months, according to the Federal Customs Service. About 30 percent of Russian gross domestic product comes from oil and gas, the government says.

"Everything was okay as long as prices for energy and raw materials were high," Medvedev said. "Then those prices fell. Our economy was hit hard. Our citizens were hit hard."

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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
12-Oct-09	46.6400	46.7150	46.4125	46.4950	46.4950	417564	1693759	788893.4	46.5800
9-Oct-09	46.3625	46.6900	46.3300	46.4950	46.4950	398628	1556203	724344.7	46.5000
8-Oct-09	46.5000	46.5100	46.2575	46.3925	46.3925	340916	1808714	838842.3	46.2800
7-Oct-09	46.8700	47.0400	46.5600	46.7050	46.7050	310117	2055012	961265.6	46.8200

[Source: NSE and RBI Website]

Modalities Barrier on Ag Talks at WTO

Discussions on creating schedules for com mitments kept WTO agriculture delegates busy during the last week of September. Although the discussions were largely technical, a cloud that has recently been hanging over the scheduling talks has lifted. Officials have "laid to rest" the idea of 'skipping modalities' in the farm talks, meaning that they will continue to negotiate a broad framework deal instead of jumping straight into the nitty gritty of finalising tariff line schedules and other commitments.

At the meetings last week, members discussed proposals from Uruguay, the United States, and the Cairns Group of agriculture exporting countries. In the proposal put forward by Uruguay, the country laid its vision for how the scheduling process should proceed.

The proposal put forward by the US largely addressed market access, while the Cairns Group submitted detailed documents on areas of domestic support - the blue box, total aggregate measures of support (AMS), product-specific AMS, and overall trade-distorting support.

Officials agree that the committee will likely continue to focus on such technical work in the absence of a political breakthrough in the Round. In the coming week, chair Walker is expected to begin a series of consultations on sensitive products and other market access areas to gauge the membership's standing on those issues.

China's annual transitional review, in which members analyse the country's role in agriculture, also took place during the meeting. The review is required by under its membership agreement for the first eight years, and once more after 10 years. In the face of criticism from the US on its domestic support for pork, China said that its agricultural sector was still developing and needed support. In response to a question about whether a value-added tax was discriminatory against imports, China argued that it was not, since imports and production for farmers' use are exempt from this tax.

China Leads the World in Wind Turbines and Solar Panels

Key players in the climate change puzzle are negotiating a deal that could eliminate duties on environmental goods in China and the 30 rich-country members of the Organization for Economic Cooperation and Development (OECD). The EU and the US are spearheading the closed-door talks in an attempt persuade China to make hefty emissions reduction commitments during December's climate talks in Copenhagen.

Reuters reports that the proposed deal would phase out import tariffs on goods such as wind turbines, renewables, and green technologies - excluding environmentally friendly hybrid cars - in the 30 OECD countries and China. There is no word on how this would affect trade with countries that are not a part of the deal.

Reuters quotes an unnamed EU diplomat as describing the talks to be at an advanced stage. "Brussels and Washington hope this could be one of the incentives needed to get China on board in the lead up to the Copenhagen climate change talks," the diplomat said.

Doha frustrating efforts on EGS

Many key businesses involved in environmental goods and services (EGS) say they are frustrated by the slow pace of Doha Round negotiations at the WTO. Several US companies have called on US President Barack Obama to pursue alternatives to help boost EGS trade.

And while the current deal suggests Washington is doing exactly that, the office of the US Trade Representative says that it remains committed to the Round. "We remain eager to move ahead with negotiations to eliminate tariff barriers on climate-friendly technologies and spur momentum on a larger WTO Doha package on environmental goods and services," said USTR spokeswoman Carol Guthrie.

Paragraph 31 (iii) of the Doha Ministerial Declaration calls for a reduction, or as appropriate, elimination of tariff and non-tariff barriers (NTBs) on EGS. However, because the mandate does not define environmental goods or indicate the pace, depth or sequencing of liberalisation vis-à-vis 'other' goods and services, WTO members are deadlocked over what environmental goods to liberalise.

China in position to profit from deal

Chinese manufacturing of the machinery needed to create renewable energy surged in recent years. The country is poised to become the world's largest producer of wind turbines this year and the its skyrocketing production of solar panels has triggered competition concerns among manufacturers in the West.

Milk Prices Plunge, EU Farmers to get 15,000 Euros

As dairy farmers continued to pour millions of litres of milk onto their fields in protest, agriculture ministers from across the EU met in Brussels on Monday to discuss the recent plunge in milk prices that has stunned dairy producers. The lunchtime gathering, which was called by the Swedish government, was not intended to provide a final solution to the crisis. But the gathering did provide EU farm commissioner Mariann Fischer Boel with an opportunity to brief ministers ahead of a more formal meeting high-level meeting scheduled for 19 October.

In addressing ministers, Fischer Boel lamented that expectations of the meeting were too high and that they were unlikely to be met by the proposals offered. She described three proposals that would allow EU member states to pay individual dairy farmers •15,000 as a crisis measure, change rules on buying up milk quotas to raise prices, and include the dairy sector in existing European measures to address market disturbances. For the longer term, Fischer Boel said she would like to create a 'High-Level Group' of experts to make policy recommendations on the transition to reduced EC support on dairy.

European farmers were not satisfied with the outcome of the Tuesday, 6 October meeting. The European Milk Board (EMB), the largest organisation of dairy producers in the EU, has repeatedly called for a 'reasonable dairy policy'. Sieta van Keimpema, Vice President of the EMB, told that European policymakers should bring the supply of milk into balance with demand, reduce production quotas, and otherwise overhaul the bloc's policies so that dairy farmers would not continue to lose 30 to 50 percent of their incomes, as they have since last year.

The EU's proposals attempt to address fundamental problems in the dairy sector. As such, the proposed 'High-Level Group' will be chaired by the EU Director-General for Agriculture and Rural Development, Jean-Luc Demarty, and will discuss the possibility of creating a futures market in dairy products, strengthening farmers' bargaining power in the supply chain, and implementing new policies to increase competitiveness, among other measures. The EMB commented that the involvement of farmers groups, such as itself, would be essential to finding solutions that are tenable to farmers.

But Micheal Mann, spokesperson for EU Commisioner Fischer Boel, told that the Commision proposed the •15,000 figure because it was at a level that they deemed would help the farmers without causing too much disruption in the market.

The EU, which is engaged in an ambitious plan to reform its Common Agricultural Policy (CAP), has come under sharp criticism from some farmers for recently enacted cuts in agricultural support. According to the EMB, the decline in milk prices, which was triggered by both a strong euro and a fall-off in global demand, demonstrates the EU's now-limited ability to shield farmers from volatility in international markets.

But European officials say their policies have had some positive impact. Citing the increase in average EU milk prices, which rose from 25 cents per litre in July to 26 cents in August, Fischer Boel declared that the EU's "measures are working!"

European farmers are members of one of the world's most subsidised and protected agriculture sectors. Earlier this year, under the threat of declining dairy and poultry prices, the EU reinstituted export subsidies to help farmers. However, under a draft trade deal now being negotiated at the WTO, the EU would have to phase out these measures by 2013. The current CAP reform process requires the EU to reduce quotas by one percent each year, and eliminate production quotas for dairy by 2015.

WIPO Meets with No Deal on TK

The recent annual meeting of the World Intellectual Property Organization (WIPO) signalled the organisation's eagerness to be at the centre stage of efforts to address challenges facing the global IP system. This year's General Assemblies, which lasted from 22 September to 1 October, were chaired by Ambassador Alberto Dumont of Argentina. For the first time ever, the meetings included a high-level segment that brought together more than 40 ministers, who shared their perspectives and national priorities on the role of IP in economic growth and development.

In his opening statement, WIPO Director-General Francis Gurry provided an overview of the changes he has introduced in the organisation since assuming his post last year. He also discussed some of the ways that WIPO could address several of the global challenges facing the IP system, which is in the midst of a "long term trend of steady intensification in the use of intellectual property," he said.

Enforcing TK

Traditional knowledge proved to be the most contentious issue in this year's meetings. The Intergovernmental Committee on Genetic Resources, Traditional Knowledge and Traditional Cultural Expressions (known as the IGC) was not able to agree on its future mandate at its July session, leaving the matter to be decided at the Assemblies. Discussions in the IGC have been taking place for several years but have thus far not delivered any tangible results in terms of norm setting.

Against this backdrop, the African Group maintained that, under the committee's new mandate, negotiations should move towards a "legally binding" instrument, a position supported by many Latin American and Asian countries. But developed countries were of the view that the mandate should not predetermine the nature of the instrument to be discussed. In the view of the United States, for example, the committee should simply "work towards a convergence of views." For its part, the EU had submitted a proposal for a renewed mandate that included the adoption by the General Assembly of a declaration on the value of traditional cultural expressions and genetic resources and their protection against misappropriation.

After intense consultations, a compromise was finally reached in which the IGC would undertake "text based negotiations" with the objective of reaching agreement on an international "legal" instrument (or instruments) that would ensure the effective protection of genetic resources, traditional knowledge, and traditional cultural expressions. The 2011 session of the General Assembly would then decide whether to convene a diplomatic conference on the matter.

Ambani Feud Deters Exploration Bids in Oil Auction

A legal dispute between India's billionaire Ambani brothers may deter bidders in the nation's biggest oil-field auction on concern a ruling may strengthen government control over energy pricing.

The auction of 80 oil, gas and coal-seam gas areas ended on 12 October with very weak bids. Exxon, Shell and Chevron stayed away. India's top court is to hear a lawsuit over a natural gas contract between the Ambanis. At stake in the case is the government's contention that it alone has the power to fix gas prices and assign customers.

A failure to attract bids from global companies would be a setback for India's efforts to explore for new energy sources and reduce dependence on imports. Exxon Mobil Corp. and Royal Dutch Shell Plc, the world's biggest oil companies, may invest in countries where they can sell fuels at market prices.

Manoj Warrier, a spokesman for Mukesh Ambani's Reliance Industries Ltd., declined to comment on whether the dispute would influence the outcome of India's oil auction. Jayarama Chalasani, chief executive officer of Reliance Power Ltd., an Anil Dhirubhai Ambani Group company, didn't respond to questions e-mailed to him.

Reliance Industries won the field in an auction a decade ago. Anil says he has an agreement that requires Mukesh's company to supply gas from the field to Reliance Natural Resources Ltd., which procures fuel for his group's power projects, including one planned in north India.

Ambani Dispute

Reliance Natural has said the accord called for 28 million cubic meters a day of gas to be sold at \$2.34 per million British thermal units for 17 years. Reliance Industries, which started production at the field in April, said the gas can't be sold at less than \$4.20 per million Btu, a price set by the federal government in 2007.

India's government said in a Supreme Court filing that the production-sharing contract it signed with Reliance Industries, the operator of the field, must prevail over any private arrangement the company has for the sale of gas. The company has no right to sell the fuel without the state's approval, it said in the affidavit.

Deepwater Technology

The government has said it wants to explore for oil and gas in deep waters in the Krishna-Godavari river basin in the Bay of Bengal and the coast off the Andaman and Nicobar islands to meet demand in the world's second-fastest growing major economy.

International companies have a better chance of finding oil in Nigeria, Brazil and the Gulf of Mexico and would prefer to drill there rather than in India, where the pricing risks are higher, Tri-Zen's Regan said.

Last year, India's offer of 57 blocks got bids for 45 areas after a seven-year income-tax holiday for gas production was scrapped and retained only for oil projects. The tax waiver has been restored for the 2009 auction. Of the 181 bids received in 2008, about 55 percent were for 10 areas.

Rice Imports Advanced by Philippines after Storms

The Philippines, the world's biggest rice importer, brought forward planned purchases after storms hurt local crops and global stockpiles were forecast to decline, highlighting potential tightness in worldwide supplies.

The National Food Authority on 12 October issued an invitation to suppliers for 250,000 metric tons at an Oct. 30 tender, according to a notice on its Web site. That's the earliest date the agency has set to fill next-year requirements, about two months ahead of usual practice, spokesman Rex Estoperez said.

The Philippine decision may help to drive rice prices higher, curbing a 12 percent decline in Chicago this year. Rice imports by the Philippines last year, coupled with export curbs by some suppliers, helped to send the contract to a record and sparked concern that there may be a global food crisis.

The early tender "sends a strong signal to the market," said Safder Hussain Mehkri, a member of the Rice Exporters' Association of Pakistan. Pakistani shippers would make offers for the order, said Mehkri, vice chairman of the South Group, which accounts for about 95 percent of the nation's exports.

Rice futures, which gained 0.8 percent to \$13.505 per 100 pounds on 12 October, surged to a record \$25.07 on the Chicago Board of Trade in April 2008 as India and Vietnam held back shipments. Rice is the staple food for billions in Asia and Africa.

Peter McGuire, managing director at CWA Global Markets Pty, said on Oct. 8 that so-called rice riots may reappear next year as prices surge on lower output in India and increased imports. Protests over high food prices swept the world last year from Haiti to Bangladesh.

The Philippines, which raised its estimate for damage from the storms to 8.6 percent of fourth-quarter rice output, may boost overseas rice purchases by 13 percent to 2 million tons in 2010, National Food Authority Assistant Administrator Jose Cordero said on Oct. 9.

Tropical Storm Ketsana struck the Philippines' largest rice-growing region on Sept. 26, causing the heaviest rainfall in more than four decades around Manila and surrounding provinces. Typhoon Parma hit parts of Luzon on Oct. 3, including Nueva Ecija, the largest rice-producing province, and Ilocos Sur, Ilocos Norte, La Union, Pangasinan, and Cagayan.

Declining Stockpiles

Worldwide rice stockpiles may drop 3 per-

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CBEC Clarifications on FTP 2009-14

Sub: Foreign Trade Policy (FTP), 2009-14.

I. New Schemes

(1) Status Holder Incentive Scheme (SHIS)

(2) Agri-Infrastructure Incentive Scrip (AIIS)

(3) Zero Duty Export Promotion Capital Goods (EPCG) Scheme

II. Changes in the Existing Export PromotionSchemes

(1) Duty Free Credit Entitlement (DFCE) Scheme and Target Plus Scheme (TPS)

(2) Served From India Scheme (SFIS)

(3) Vishesh Krishi and Gram Udyog Yojana (VKGUY)

(4) Focus Market Scheme (FMS)

(5) Focus Product Scheme (FPS)

(6) Advance Authorization Scheme

(7) Duty Free Import Authorization (DFIA) Scheme

(8) Export Promotion Capital Goods (EPCG) Scheme

(9) DEPB Scheme

III. Deleted Schemes

IV. Miscellaneous Changes

26-CBEC 30.09.2009 (DoR) The Foreign Trade Policy (FTP), 2009-2014 (herein after referred to as the Policy) and the Handbook of Procedures (Vol.I) (herein after referred to as the Handbook) have been notified by the DGFT vide notification No. 1 / 2009-2014 dated 27th August 2009 and Public Notice 1/2009-14 dated 27th August 2009 respectively. The Department of Revenue has since issued notifications Nos. 91/09-Cus to 103/09-Cus all dated 11.9.09, 104/09-Cus & 105/09-Cus both dated 14.9.09, 109/09-Cus dated 24.9.09, 23/09-CE(NT) dated 25.9.09 and 112/09-Cus dated 29.9.09 to implement the Policy and the Handbook. The Policy, Handbook and the above mentioned notifications may please be perused for details. The salient features of the changes are discussed below:

I. New Schemes

(1) Status Holder Incentive Scheme (SHIS)

The scheme has been introduced vide paragraph 3.16 of the Policy. Under the scheme, Status Holders are entitled to incentive scrip @1% of FOB value of export of goods of certain specified sectors made during 2009-10 and during 2010-11. The scrips will be valid for a period of 2 years for import of capital goods with actual user condition. The status holders who avail the benefits under Technological Up gradation Fund Scheme (TUFS) (a scheme administered by the Ministry of Textiles, Government of India) or zero duty EPCG scheme in a particular year shall not be eligible for Status Holders Incentive Scrips for that year. Notification No. 104/2009-Cus dated 14.9.2009 has been issued to operationalize the SHIS. This may be perused for details.

(2) Agri-Infrastructure Incentive Scrip (AIIS)

Para 3.8.6 of FTP (04-09) permitted issue of scrips against exports of agricultural exports for import of specified capital goods. This was part of the Vishesh Krishi and Gram Udyog Yojana (VKGUY) scheme. A new name has been given to such scrips in the Policy. In terms of para 3.13.4 of the Policy such scrips will now be known as Agri-Infrastructure Incentive Scrip (AIIS). The scrips issued under the scheme would be allowed for import of specified agri-equipments with actual user condition, as was the case earlier. One important change is that now, transferability of the scrips amongst status holders has been permitted for import of cold chain equipment only without breaking the actual user condition. Notification No. 94/2009-Cus dated 11.9.2009 has been issued to operationalize the scheme and may be perused for details.

(3) Zero Duty Export Promotion Capital Goods (EPCG) Scheme

The scheme has been introduced vide Para 5.1 of the Policy and is applicable to certain specified sectors. The benefits under this scheme shall be available only if the importer is not currently availing any benefits under TUFS and /or does not avail the benefit under Status Holder Incentive Scheme (SHIS) in the year of import of the goods. All imports of capital goods under this scheme have to be completed within 9 months from the date of issue of the authorization. The scheme requires that Export Obligation (EO) of 6 times the duty saved has to be fulfilled within 6 years with one extension of 2 years. The scheme shall be valid up to 31.3.2011.

Notification No. 102/2009-Cus dated 11.9.2009 & Notification No. 101/2009-Cus dated 11.9.2009 have been issued to operationalize Zero Duty EPCG Scheme and Zero Duty EPCG Scheme for Common Service Providers. The notifications may be perused for details.

II. Changes in the Existing Export Promotion Schemes

(1) Duty Free Credit Entitlement (DFCE) Scheme and Target Plus Scheme (TPS)

The exporters of the marine sector have been allowed to import 36 additional items, specified in list 50 of notification No. 21/2002-Cus against the scrips issued to them under TPS and DFCE schemes vide DGFT Policy circular No. 03/2009-14 dt 27.8.09. The notification Nos. 53/2003-Cus dated 1.4.2003, 32/2005-Cus dated 8.4.2005 and 73/2006-Cus dated 10.7.2006 issued under DFCE scheme and TPS have been amended vide notification No. 105/2009-Cus dated 14.9.2009 in this regard. There are no other changes in the schemes. The notification may be perused for details.

(2) Served From India Scheme (SFIS)

The scheme as it existed under FTP (2004-09) was operationalized vide notification number 92/04-Cus dated 10.9.2004. There is no change in the scheme. Notification No. 91/2009-Cus dated 11.9.2009 has been issued to operationalize the scheme under the new Policy. The notification may be perused for details.

(3) Vishesh Krishi and Gram Udyog Yojana (VKGUY)

The scheme as it existed under FTP (2004-09) was operationalized vide notification number 41/05-Cus dated 2.5.2005. There is no change in the scheme except that the scrips earlier issued under erstwhile para 3.8.6 of the FTP (04-09) shall now be issued as AIIS already mentioned above. Notification No.95/2009-Cus dated 11.9.2009 has been issued to operationalize the scheme under the new Policy. The notification may be perused for details.

(4) Focus Market Scheme (FMS)

The scheme as it existed under FTP (2004-09) was implemented vide notification number 90/06-Cus dated 1.9.2006. There is no change in the scheme. Notification No. 93/2009-Cus dated 11.9.2009 has been issued to operationalize the scheme under the new Policy. The notification may be perused for details.

(5) Focus Product Scheme (FPS)

The scheme as it existed under FTP (2004-09) was implemented vide notification number 91/06-Cus dated 1.9.2006. There is no change in the scheme. Notification No. 92/2009-Cus dated 11.9.2009 has been issued to operationalize the scheme under the Policy. The notification may be perused for details.

(6) Advance Authorization Scheme

The scheme as it existed under FTP (2004-09) was implemented vide notification numbers 91/04-Cus dated 10.9.2004 (Advance Authorization for deemed Exports), 93/04-Cus dated 10.9.2004 (normal Advance Authorization scheme) and 94/04-Cus dated 10.9.2004 (Advance Authorization for Annual requirement). Notification Nos. 96/2009-Cus and 99/2009-Cus both dated 11.9.2009 and 112/09-Cus dated 29.9.09 have been issued to operationalize the Advance Authorization, Advance Authorization for Annual requirement and Advance Authorisation for deemed export schemes respectively under the new Policy. The following changes have been made in these schemes:-

(i) In respect of imports made after the discharge of export obligation,-

(a) if the exporter has availed the facilities in respect of inputs used in the manufacture of export goods as specified in para (v) of notification No. 96/2009-Cus dated11.9.2009, para (v) of notification No. 99/2009-Cus dated 11.9.2009 and para (v) of notification No. 112/09-Cus dated 29.9.09, then the importer at the time of clearance of the imported materials shall execute a bond that the imported materials will be used in his factory or in the factory of the supporting manufacturer for the manufacture of dutiable goods. Further, he shall submit a certificate from the jurisdictional Central Excise officer or a specified Chartered Accountant within 6 months from the date of clearance of the said materials, that the imported materials have been so used. It may be noted that in case this condition is violated, then the importer would be required to pay all duties of Customs i.e. duty of Customs,the additional duty, safeguard duty and anti dumping duty specified under sections 2,3,8B,and 9A of the Customs Tariff Act,1975 respectively and cess as aplicable which have been exempted under the notification Numbers 96/2009-Cus,99/2009-Cus and 112/2009-Cus. The term 'dutiable goods' has been defined in the explanation to the notifications and would mean all excisable goods which are not exempt from Central Excise duty and which are not chargeable to 'nil' rate of central excise duty; the term specified chartered accountant has been defined in the explanation to the notifications.

In this regard, it is clarified that, the there is no need to furnish any Bank Guarantee ordinarily along with the bond, as the imports are taking place after fulfilment of Export Obligation. However, if the assessing officer, based on past record of the importer, feels that some revenue safe guarding measure is necessary, then a bond backed with sufficient bank guarantee may be taken.

(b) the importer also has an option to pay additional duty of customs on the imported materials and clear the goods without furnishing any bond as specified above. This additional duty of customs so paid shall be eligible for availing CENVAT Credit under CENVAT Credit Rules, 2004.

(c) if the facility under rule 18 (rebate of duty paid on materials used in the manufacture of resultant product) or sub-rule (2) of rule 19 of the Central Excise Rules, 2002 or CENVAT credit under CENVAT Credit Rules, 2004 has not been availed, then the imported materials can be cleared without furnishing a bond specified above. However, the importer will have to furnish a proof to the assessing officer to the effect that the 'said facilities' have not been availed.

In this regard, it is clarified that, in case the importer is not registered with the Central Excise then he may be allowed clearance based on a self declaration that the facilities specified in the above referred conditions have not been availed. The jurisdictional Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, may carry out random checks to verify the correctness of the above declarations. However in case the importer is registered with the Central Excise then he may be allowed clearance based on a certificate issued by the jurisdictional Superintendent of Central Excise that the facilities specified in the above referred conditions have not been availed.

(ii) In case of imports made before the discharge of export obligation in full, the importer has to execute a bond, at the time of clearance, binding himself to the conditions specified in the notifications and to pay the leviable customs duties along with interest @15% in case the conditions of the notification are not complied with. It may be noted that this condition was also present earlier in notification numbers 91/04-Cus dated 10.9.2004 93/04-Cus dated 10.9.2004 and 94/04-Cus dated 10.9.2004

The above changes are in line with para 4.1.5 of the Policy. It may be noted that the conditions are similar to those incorporated in the Duty Free Import Authorization (DFIA) scheme vide notification No. 40/06-Cus dated 1.5.06 as amended vide notification No.17/2009-Cus. dated 19.2.2009. The only change is that the importers have been permitted to submit certificates from Specified Chartered Accountants also under the Advance Authorization scheme.

(iii) Condition (v) of notification No. 91/04-Cus dated 10.9.2004, condition No.(vii) of notification No.93/04-Cus dated 10.9.2004 and condition No 10 of notification No. 94/04-Cus dated 10.9.2004 provided that the duty free material imported under these notifications could be transferred to any manufacturer for processing under actual user condition only after the bond filed under the afore mentioned notifications had been redeemed i.e. after the fulfilment of export obligation. The Policy and the Handbook, however, did not have the condition of permitting job work only after fulfilment of export obligation. Para 4.16 of the Handbook states that the imported material may be used in any unit of jobber / supporting manufacturer provided the same is endorsed on the authorisation by the Regional Authority. If, the authorisation holder is registered with Central Excise, he has the option of getting names of the jobber endorsed by Central Excise as per central excise rules in lieu of RA endorsement. In case the manufacturer exporter holding the authorisation is not registered / not required to be registered with central excise authority, job work may be allowed as per central excise rules and regulations without insisting for endorsement of supporting manufacturers' name.

The new customs notifications have been aligned with the provisions of the Policy and the Handbook. Condition (x) of Notification Nos. 96/2009-Cus, 99/2009-Cus and 112/09-Cus may kindly be referred to in this regard.

(iv) Para 4.5 of the Handbook provides that the duty free material imported or procured against an authorisation can be taken to the project site as per the provisions of the ANF-4A and the DOR guidelines in this regard. This provision has been implemented vide condition (xi) of the notification No 112/09-Cus dated 29.9.09. The following guidelines are prescribed in this regard:-

The facility, for the present, shall be restricted to only finished components and parts required to manufacture final goods which are fully exempted from payment of terminal excise duty in terms of a central excise notification read with the provisions of the para 8.3(c) of the FTP for supply to projects specified in para Nos.8.2 (d), (e), (f) and (g) of the FTP, (i.e. where supply is made under ICB procedure). These goods shall be allowed to move directly from the port of import to such project site subject to the following conditions:-

(a) the details of such finished components and parts are mentioned in the authorisation;

(b) the address of the site shall be mentioned on the authorisation;

(c) importer shall execute an undertaking at the time of clearance of the imported finished components and parts with the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, to the effect that he shall take the finished components directly to the site and shall produce a certificate to this effect from the Jurisdictional Superintendent of Central Excise /executive head of the Project Authority within a period of 60 days from the date of clearance of the goods. If however, he fails to produce the certificate, then he shall pay an amount equal to the duty which was otherwise leviable on the imported goods, but for the exemption contained in the notification, along with interest from the date of clearance of the said materials to the date of payment as prescribed in the notifications.

(d) The importer shall also inform his jurisdictional Central Excise authorities of such movement, in case he is registered with Central Excise.

(v) Under para 8.3(c) of the Policy, it has been provided that, exemption from payment of Terminal Excise duty (TED) shall also be available for supplies made by an Advance authorization holder to a manufacturer holding another Advance authorization if such manufacturer, in turn, supplies the resultant product(s) to an ultimate exporter in terms of para 8.3(c) of the FTP. Notification No. 44/01-CE has been amended vide 23/09-CE(NT) dated 25.9.09 to incorporate the above change.

(vi) The period to re-export the defective and unfit for use materials imported under the advance authorization scheme has been lowered from the existing period of three years to six months, which is extendable, by a maximum period of six more months by the Jurisdictional Commissioner of Customs.

(vii) The importer was required to produce evidence of discharge of export obligation to the customs within 30 days of the expiry of EO period under the existing notifications. This period has been extended to 60 days.

(7) Duty Free Import Authorization (DFIA) Scheme

The scheme as it existed under FTP (2004-09) was implemented vide notification No. 40/06-Cus dt 1.5.2006. The notification as amended last vide notification no 17/2009-Cus dated 19.2.2009. It was later given effect to retrospectively vide clause 92 of Finance Bill 2009. The scheme has been operationalized in the new Policy vide notification No. 98 /2009-Cus dated.11.9.2009. The following changes have been made in this scheme in the new Policy / customs notification:-

(i) The duty free replenishments imported under the scheme cannot be transferred to the units located in areas, which are availing the area specific exemptions of Central Excise Duty. (para 4.34 of Handbook refers).

(ii) The period to re-export the defective and unfit for use materials imported under the advance authorization scheme has been lowered from the existing period of three years to six months, which is extendable, by a maximum period of six more months by the Jurisdictional Commissioner of Customs. This is in line with similar provision under the Advance Authorization scheme.

(iii) The importer was required to produce evidence of discharge of export obligation to the customs within 30 days of the expiry of EO period under notification No 40/06-Cus dt 1.5.2006. This period has been extended to 60 days under notification No.98 /2009-Cus dated.11.9.2009. This is in line with similar provision under the Advance Authorization scheme.

(8) Export Promotion Capital Goods (EPCG) Scheme

The scheme as it existed under FTP (2004-09) was implemented vide notification numbers 97/04-Cus dated 17.9.2004 and 64/08-Cus dated 9.5.2008. The EPCG scheme for Common Service Providers was implemented vide notification No.136/08-Cus dated 24.12.2008. The scheme has been operationalized in the new Policy vide notification Nos. 100/2009-Cus, 101/2009-Cus., 102/2009-Cus and 103/2009-Cus. all dated 11.9.2009. The following changes have been made in these schemes in the Policy / customs notifications:-

(i) A new para (5.2A) has been added to the Policy to provide that in the case of import of moulds, dies, jigs, fixtures, tools and spares e.t.c. specific EO shall be 50% of the normal EO i.e. 4 times instead of normal specific EO of 8 times the duty saved amount in case of 3% EPCG scheme and 3 times instead of 6 times the duty saved amount in case of zero duty scheme. In both cases it will be subject to the condition that the value of spares will be limited to 10% of the value of the capital goods imported under the EPCG scheme or 10% of the book value of the plant and machinery in case they were not imported under EPCG scheme

(ii) The definition of "Aquaculture" has been expanded to include fisheries also in Para 5.7.6 of the Handbook, thereby exempting fisheries from the requirement of maintaining average EO. However, this exemption from maintenance of average EO shall not be allowed for import of fishing trawlers, boats, ships and other similar items.

(iii) Para 5.2A of the new Policy allows import of refractory only for initial lining and catalyst for initial charge. Hence the import of these items shall not be allowed for existing plant and machinery under the EPCG scheme.

(iv) Para 5.3 of new HBP Vol.1(2009-14) provides that reasonable wastage if any anticipated at the time of installation of capital goods and certified by the Chartered Engineer in the nexus certificate would be allowed to be sold on payment of applicable Customs duties.

(v) Para 5.14 of new HBP Vol.1 (2009-14) provides that in the event of non-fulfilment of EO, the EPCG Authorization holder may pay duties of customs through the scrips issued under reward /DEPB scheme also. The interest on such duty and penalties, if any, however shall be paid in cash.

(9) DEPB Scheme

The scheme as it existed under FTP (2004-09) was implemented vide notification number 89/05-Cus dated 4.10.05. There is no change in the scheme except that the notification mentions the date upto which it will be valid viz. 31.12.10. Notification No. 97/2009-Cus dated 11.9.2009 has been issued to operationalize the scheme under the new Policy. The notification may be perused for details.

III. Deleted Schemes

The Hi-Tech Products Export Promotion Scheme (HTPEPS) has been deleted in the new Policy. The products covered under the said scheme have been shifted to the Focus Product scheme (FPS).

IV. Miscellaneous Changes

(i) The exports / imports under export promotions (EP) schemes are currently permitted from specified ports mentioned in the notifications issued under the EP schemes. In other words, the benefits under the export promotion schemes are available only if the exports and Imports under the concerned export scheme takes place through the seaports/airports/ICDs/ LCSs specified in the said EP notification.

In some of the EP notifications which were issued to operationalize the FTP (04-09), the Jurisdictional Commissioners of customs were empowered to permit imports and exports under EP schemes through any other seaport, airport, ICD, or LCS in their jurisdiction even if the said port / ICD e.t.c. was not specifically mentioned in the concerned EP notification. This facility has been extended to all EP notifications. The jurisdictional Commissioners have now been empowered, in cases of exigency, to permit imports and exports under all EP schemes through any other seaport, airport, ICD, or LCS in their jurisdiction even if the said port / ICD e.t.c. has not been specifically mentioned in the concerned EP notification.

(ii) The notifications issued under reward schemes under FTP (2002-07 &2004-09), contained a proviso which states that 'exemption from duty shall not be admissible if there is insufficient credit in the duty credit certificate for debiting the duty leviable on the goods, but for this exemption'. The said proviso had raised doubts in the field formations though the Board had clarified the matter vide Circular number 34/97 dt 10.9.97. In order to set at rest the doubts, the said proviso has been deleted in the notifications issued under reward schemes. The position however remains the same-thus exemption from duty is not to be extended to that portion of the duty assessed, which is in excess of the credit available. The excess amount of duty assessed not covered by credit may be allowed to be paid in cash.

(iii) The DGFT vide Public Notice No 151/2009 dated 26.2.2009 had clarified that the freely transferable duty credit scrips issued under reward schemes shall be granted on FOB value of exports, including commission, discounts, if any. The Public Notice had created confusion whether reward scrips would also be issued on 'discounts' and whether unlimited commissions would be permitted in case of reward schemes. The matter had been taken with the DGFT. The DGFT has clarified vide Policy circular no 98 dt 10.8.2009 that, the 'discounts' would be excluded for computation of benefits under the reward schemes. As regards 'commissions', the Policy vide para 3.17.3, has clarified that the foreign agency commission will be restricted to 12.5% of FOB value for computation of rewards. It is therefore clarified that the duty credit scrips pending for registration may be decided as per the above position and the said scrips may be permitted to be utilised.

(iv) The number of duty free commercial / gem & jewellery samples has been increased from the existing limit of 15 to 50 pieces without changing the value limits prescribed in the notification No. 154/94-Cus dated 13.7.94 as amended subject to compliance of terms and conditions specified therein. The notification No. 154/94-Cus has been amended vide 109/09-Cus dated 24.9.09.

(v) The notification Nos. 92/04-Cus, 41/05-Cus, 90/06-Cus, 91/06-Cus, 64/08-Cus and 136/08-Cus issued to operationalize EPCG and reward schemes provided that, 'the foreign exchange counted towards fulfilment of export obligation (over and above the average) under the Export Promotion Capital Goods scheme shall not be

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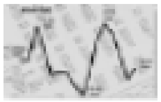
World Bank Pink Sheet – September 2009 Prices

World Bank Pinksheet issued in October 2009 covers price movements in 43 energy and non-energy products is published by the World Bank every month. This Pink Sheet focuses on price movements in September 2009.

Edible Oils and Food Grains Down

- Crude oil and Coal down. Natural gas up.
- Cocoa and Coffee up. Tea up.
- Copra and Coconut oil down. Groundnut oil down. Palm oil, Palmkernel oil, Soybean meal, Soybean oil and Soymeans down.
- Thai Rice down, Barley down, Maize and Sorghum down.
- Wheat down. Bananas EU and Oranges up.
- Shrimp steady. Meat, beef down, Fishmeal up, Meat, chicken and Meat, sheep down.
- World sugar on the rise.
- Logs up. Plywood down. Sawnwood, Malaysia and Woodpulp up.
- Cotton and Rubber up.
- DAP, TSP and Phosphat e rock steady, Urea and Potassium Chloride down.
- Gold and Silver on the rise.
- Aluminium and Nickel down. Copper, Lead and Zinc up.Tin steady.
- Iron ore steady. Steel steady.

	Monthly averages			Quarterly averages					Annual averages		
	2009			2008		2009			2007	2008	2009
	July	Aug	Sep	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Dec	Jan-Dec	Jan-Sep
Energy											
Coal, Australia $/mt	73.80	72.50	67.64	162.80	92.97	71.93	66.48	71.31	65.73	127.10	69.91
Crude oil, average $/bbl	64.67	71.63	68.35	115.68	56.00	44.11	59.19	68.21	71.12	96.99	57.17
Crude oil, Brent $/bbl	64.91	72.50	67.69	115.60	55.89	44.98	59.13	68.37	72.70	97.64	57.49
Crude oil, Dubai $/bbl	64.97	71.32	67.91	113.47	53.67	44.56	58.93	68.07	68.37	93.78	57.19
Crude oil, West Texas Int. $/bbl	64.12	71.06	69.44	117.98	58.45	42.80	59.52	68.21	72.28	99.56	56.84
Natural gas Index 2000=100	123.0	123.0	123.2	284.1	266.2	198.2	142.9	123.1	186.5	267.9	154.7
Natural gas, Europe $/mmbtu	6.67	6.92	7.13	14.62	15.75	11.94	8.18	6.91	8.56	13.41	9.01
Natural gas, US $/mmbtu	3.39	3.15	2.96	9.03	6.40	4.57	3.70	3.17	6.98	8.86	3.81
Natural gas LNG, Japan $/mmbtu	7.55	7.75	7.90	13.33	14.62	10.90	7.60	7.73	7.68	12.53	8.75
Beverages											
Cocoa ¢/kg	277.5	295.7	313.3	282.6	224.1	259.7	258.7	295.5	195.2	257.7	271.3
Coffee, Arabica ¢/kg	310.6	330.2	327.5	321.2	267.8	283.9	320.2	322.7	272.4	308.2	308.9
Coffee, robusta ¢/kg	158.0	159.5	162.7	244.8	192.6	175.8	165.3	160.1	190.9	232.1	167.1
Tea, auctions (3) average ¢/kg	295.9	299.2	315.7	272.3	206.6	218.0	266.1	303.6	203.6	242.0	262.6
Tea, Colombo auctions ¢/kg	346.0	345.8	379.1	303.2	208.8	261.7	299.1	357.0	252.2	278.9	305.9
Tea, Kolkata auctions ¢/kg	274.4	270.5	267.2	260.9	220.2	177.4	271.3	270.7	192.1	225.5	239.8
Tea, Mombasa auctions ¢/kg	267.3	281.4	300.7	252.8	190.8	214.9	228.0	283.1	166.5	221.8	242.0
Fats and Oils											
Coconut oil $/mt	685	747	701	1,246	772	677	779	711	919	1,224	722
Copra $/mt	448	492	466	817	520	447	513	469	607	816	476
Groundnut oil $/mt	1,149	1,131	1,120	2,417	1,773	1,283	1,166	1,133	1,352	2,131	1,194
Palm oil $/mt	639	723	674	928	512	577	743	679	780	949	666
Palmkernel oil $/mt	666	729	704	1,114	609	577	763	700	888	1,130	680
Soybean meal $/mt	429	438	425	450	320	365	424	431	308	424	406
Soybean oil $/mt	836	886	846	1,353	830	755	863	856	881	1,258	825
Soybeans $/mt	462	474	430	566	377	394	461	455	384	523	437
Grains											
Barley $/mt	140.3	122.2	103.5	216.6	129.5	116.3	129.5	122.0	172.4	200.5	122.6
Maize $/mt	151.6	152.0	150.4	244.7	168.4	166.9	176.0	151.3	163.7	223.1	164.7
Rice, Thailand, 5% $/mt	572.0	526.3	518.8	703.0	564.4	586.3	552.4	539.0	326.4	650.2	559.2
Rice, Thailand, 25% $/mt	463.5	432.8	428.0	669.5	449.9	469.4	458.7	441.4	306.5	n.a.	456.5
Rice, Thailand, 35% $/mt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	300.1	n.a.	n.a.
Rice,Thai, A.1 $/mt	320.3	305.5	303.3	478.6	314.1	323.4	326.3	309.7	272.3	482.3	319.8



	Monthly averages			Quarterly averages					Annual averages		
	2009			2008		2009			2007	2008	2009
	July	Aug	Sep	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Dec	Jan-Dec	Jan-Sep
Sorghum $/mt	133.8	142.4	141.8	214.7	151.0	145.3	155.8	139.3	162.7	207.8	146.8
Wheat, Canada $/mt	288.4	266.0	259.3	390.2	322.1	321.9	325.6	271.2	300.4	454.6	306.2
Wheat, US, HRW $/mt	224.9	210.4	190.4	317.7	228.1	231.6	250.5	208.6	255.2	326.0	230.2
Wheat, US SRW $/mt	175.6	161.7	158.4	241.5	182.7	187.4	195.6	165.2	238.6	271.5	182.7
Other Food											
Bananas EU $/mt	1,147	1,076	1,130	1,123	944	1,142	1,288	1,118	1,037	1,188	1,182
Bananas US $/mt	827	834	818	775	847	891	858	826	676	844	859
Fishmeal $/mt	1,207	1,272	1,348	1,198	1,023	1,013	1,097	1,276	1,177	1,133	1,129
Meat, beef ¢/kg	273.4	273.4	272.7	372.4	268.0	245.2	262.8	273.2	260.3	313.8	260.4
Meat, chicken ¢/kg	177.5	173.9	170.1	177.1	174.7	173.5	174.1	173.9	156.7	169.6	173.8
Meat, sheep ¢/kg	453.7	456.0	450.1	477.3	410.0	378.5	428.7	453.3	412.0	458.5	420.2
Oranges $/mt	715	836	1,007	1,163	842	799	870	853	957	1,107	840
Shrimp, Mexico ¢/kg	970	970	970	1,048	1,014	976	970	970	1,010	1,069	972
Sugar EU ¢/kg	55.63	56.34	54.30	74.70	51.97	51.44	53.76	55.43	68.09	69.69	53.54
Sugar US ¢/kg	50.74	57.46	63.74	51.52	44.72	43.82	47.89	57.31	45.77	46.86	49.67
Sugar, world ¢/kg	40.63	49.47	50.84	31.14	26.28	28.85	33.89	46.98	22.22	28.21	36.57
Timber											
Logs, Cameroon $/cum	408.6	413.8	422.3	548.5	473.8	426.8	394.8	414.9	381.3	526.9	412.1
Logs, Malaysia $/cum	281.4	276.6	280.8	277.7	315.7	313.6	284.5	279.6	268.0	292.3	292.6
Plywood ¢/sheets	561.9	562.0	560.7	648.6	645.5	572.8	565.8	561.5	640.7	645.5	566.7
Sawnwood, Cameroon $/cum	776.0	785.6	775.5	974.5	770.8	689.2	721.2	779.0	759.8	958.3	729.8
Sawnwood, Malaysia $/cum	760.3	769.7	784.3	900.3	859.9	813.7	829.7	771.4	806.3	889.1	804.9
Woodpulp $/mt	596.2	629.2	650.0	848.8	711.0	565.1	550.0	625.1	767.0	820.2	580.1
Other Raw Materials											
Cotton A Index ¢/kg	142.9	141.6	141.2	168.2	126.9	120.8	132.4	141.9	139.5	157.4	131.7
Cotton Memphis ¢/kg	142.2	152.5	154.9	170.0	130.1	129.8	142.4	149.9	142.9	161.5	140.7
Rubber RSS1, US ¢/kg	191.4	223.1	248.7	329.1	202.8	165.8	187.0	221.0	248.0	284.1	191.3
Rubber RSS3, SGP ¢/kg	174.9	205.9	217.2	298.4	159.0	146.0	166.4	199.3	226.3	258.6	170.6
Fertilizers											
DAP $/mt	293.3	318.6	316.8	1,153.7	663.3	362.2	303.6	309.6	432.5	967.2	325.1
Phosphate rock $/mt	90.0	90.0	90.0	409.2	371.3	193.3	113.3	90.0	70.9	345.6	132.2
Potassium chloride $/mt	655.5	432.5	428.9	635.0	766.7	865.2	726.7	505.6	200.2	570.1	699.2
TSP $/mt	224.0	225.0	225.0	1,107.8	658.7	321.7	247.7	224.7	339.1	879.4	264.7
Urea $/mt	243.7	247.1	233.9	745.4	292.2	267.3	241.1	241.6	309.4	492.7	250.0
Metals and Minerals											
Aluminum $/mt	1,668	1,934	1,834	2,787	1,821	1,360	1,485	1,812	2,638	2,573	1,552
Copper $/mt	5,216	6,165	6,196	7,680	3,905	3,428	4,663	5,859	7,118	6,956	4,650
Gold $/toz	934	949	997	870	795	909	922	960	697	872	930
Iron ore ¢/dmtu	101.0	101.0	101.0	140.6	140.6	101.0	101.0	101.0	84.7	140.6	101.0
Lead ¢/kg	167.9	190.0	220.5	191.2	124.5	115.7	149.9	192.8	258.0	209.1	152.8
Nickel $/mt	15,985	19,642	17,473	18,961	10,843	10,471	12,920	17,700	37,230	21,111	13,697
Silver ¢/toz	1,339	1,443	1,648	1,495	1,020	1,265	1,376	1,477	1,341	1,500	1,373
Steel products index 2000=100	211.3	210.3	210.8	338.2	310.4	274.5	215.5	210.8	182.0	289.3	233.6
Steel cr coilsheet $/mt	700	700	700	1,100	1,100	1,033	700	700	650	966	811
Steel hr coilsheet $/mt	600	600	600	1,000	1,000	933	600	600	550	883	711
Steel rebar $/mt	500	500	500	934	630	473	450	500	522	760	474
Steel wire rod $/mt	870	850	850	1,135	1,200	1,200	1,007	857	533	1,010	1,021
Tin ¢/kg	1,404	1,487	1,487	2,051	1,310	1,103	1,351	1,459	1,454	1,851	1,304
Zinc ¢/kg	157.9	182.2	188.4	177.0	118.5	117.2	147.3	176.1	324.2	187.5	146.9

$ = 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

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eligible for benefits under the scheme'. The said clause has been deleted in the new notifications issued under the EPCG and reward schemes. Hence now the exports for fulfilment of export obligation (over and above the average) under the Export Promotion Capital Goods scheme shall also be eligible for benefits under the reward schemes

(vi) Para 3.23.8 of the HBP-2008 and para 3.11.8 of the Handbook-2009 provides that the exporters exporting their goods under the reward schemes have to declare, at the time of export, their intent to avail the benefits of the reward schemes. This provision was incorporated in the FTP as it was noticed that many export consignments especially which were exported on free shipping bills were not being examined for valuation / description as the customs department was not aware that the exporter would be claiming the benefits of reward schemes on such shipping bills at a later date. In this regard it is clarified that, the exporters are required to declare their intention to claim benefits under Chapter 3 of FTP by way of endorsement as prescribed in the above paras of the HBP on all copies of duty free shipping bills till suitable modifications are made in the EDI software.

(vii) The new notifications issued under the Advance Authorization, DFIA and EPCG schemes continue to stipulate that the exporter shall submit the proof of discharge of export obligation within the periods specified in the respective notifications. It is needless to stress that the stipulated conditions are required to be adhered to strictly; monitoring mechanism may be put in place and recovery action against defaulters initiated promptly.

VI. These instructions may be brought to the notice of the trade / exporters by issuing suitable Trade / Public Notices. Suitable Standing orders/instructions may be issued for the guidance of the assessing officers. Difficulties faced, if any in implementation of the Circular may please be brought to the notice of the Board at an early date.

F.NO.605/58/2009-DBK

Written Permission from Jurisdictional AC/DC Required for Duty Paid Packing Material into Export Warehouse

Subject: Permission to bring duty-paid packing materials into export warehouse under Rule 20 of Central Excise Rules.

900-CBEC 06.10.2009 (DoR)

Representations have been received from the Trade and the field formations seeking clarification on the issue as to whether or not the duty paid packing material can be allowed to be brought in the export warehouse used for packing of export goods. The clarification has been sought in view of Para 7.2 of the Board's Circular No. 581/18/2001-CX dated 29.06.01 which provides that duty paid goods are not permitted to be brought into the warehouse. It has been stated that packing materials are normally procured in small quantities and the suppliers find it difficult to follow the bond procedure.

2. The matter has been examined. As per the provisions of Rule 20 of the Central Excise Rules, 2002, the goods can be removed from the factory without payment of duty to a warehouse from where the goods are allowed to be exported. The Board's Circular No. 581/18/2001-CX dated 29.06.01 prescribes the procedure to be followed for movement of goods to and from export warehouse. The purpose of allowing export warehouse is to facilitate export from the country. It is a fact that number of times packing material in small quantity is required at a short notice and the supplier may not be interested to follow the detailed procedure of removal of goods without payment of duty. Therefore, it has been decided that duty paid packing material can be brought into the export warehouse, but exporter would not be allowed to claim export benefit like rebate for the duty paid on the said packing material.

3. In view of above, in the above referred Circular, after para 7.2, following is inserted,-

"However, an exporter desirous of bringing duty paid packing material required for packaging of other material in the warehouse, may submit a written request to the jurisdictional AC/DC of the Division, who may grant the permission for a period of one year at a time. The exporter will maintain proper account of such goods and shall not claim any export benefit like rebate of duty paid on the said material."

4. Trade & Industry as well as field formations may be suitably informed.

F.No.261/01/2008-CX-8

Melamine Anti-dumping Duty on China Imports Extended upto 1st April 2010

Ntfn 114 01.10.2009 (DoR)

Whereas, the designated authority vide notification No. 15/29/2008-DGAD, dated the 21st November, 2008, published in the Gazette of India, Extraordinary, Part I, section 1 dated the 21st November, 2008, has initiated review in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) and in pursuance of rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as the said rules), in the matter of continuation of anti-dumping duty on imports of Melamine, falling under tariff item 2933 61 00 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in, or exported from, the People's Republic of China, imposed *vide* notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 107/2004-CUSTOMS, dated the 16th November, 2004, published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (i) vide number G.S.R.748(E), dated the 16th November, 2004, and whereas, the Central Government had extended the anti-dumping duty on the subject goods, originating in, or exported from, People's Republic of China upto and inclusive of the 1st October, 2009 vide notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 6/2009- Customs, dated the 15th January, 2009, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 30 (E), dated the 15th January, 2009 has requested for extension of anti-dumping duty upto 1st April, 2010, in terms of sub-section (5) of section 9A of the said Customs Tariff Act;

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the said Act and in pursuance of rule 23 of the said rules, the Central Government hereby makes the following amendment in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 107/2004-CUSTOMS, published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (i) *vide* number G.S.R.748 (E), dated the 16th November, 2004, namely: -

In the said notification, at the end, the following shall be added, namely: -

"This notification shall remain in force upto and inclusive of the 1st April, 2010, unless the notification is revoked earlier".

[F.No.354/28/2004-TRU]

Anti-dumping on Caprolactam from Japan, EU, Nigeria and Thailand – Notification Rescinded after Five Years

Ntfn 113 30.09.2009 (DoR)

In exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975), read with rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government hereby rescinds the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 109/2004-Customs, dated the 17th November, 2004, published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (i) *vide* number G.S.R. 751(E), dated the 17th November, 2004, except as respects things done or omitted to be done before such rescission.

[F. No. 354/98/2004-TRU]

PVC Paste Resin Anti-dumping from EU Extended upto 6 July 2010 Pending Review

Ntfn 115
06.10.2009
(DoR)

Whereas, the designated authority vide notification No. 15/27/2008-DGAD, dated the 31st March, 2009, published in the Gazette of India, Extraordinary, Part I, Section 1 dated the 1st April, 2009, has initiated review in terms of sub-section (5) of Section 9A of the Customs Tariff Act, 1975 (51 of 1975) and in pursuance of rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 (hereinafter referred to as the said rules), in the matter of continuation of anti-dumping duty on imports of Poly Vinyl Chloride Paste Resin, falling under tariff item 3904 21 10 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in, or exported from, the European Union, imposed *vide* notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 104/2004-CUSTOMS, dated the 7th October, 2004, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R.659(E), dated the 7th October, 2004, and has requested for extension of anti-dumping duty upto 6th July, 2010, in terms of sub-section (5) of Section 9A of the said Customs Tariff Act;

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of Section 9A of the said Act and in pursuance of rule 23 of the said rules, the Central Government hereby makes the following amendment in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. 104/2004-CUSTOMS, dated the 7th October, 2004, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R.659(E), dated the 7th October, 2004, namely: -

In the said notification, at the end, the following shall be added, namely:-

"This notification shall remain in force up to and inclusive of the 6th July, 2010, unless the notification is revoked earlier".

[F.No.354/88/2004-TRU]

Procurement of Spares Beyond 5% by Granite Sector EOUs - Clarification

Subject: Clarification to enable procurement of spares beyond 5% by granite sector EOUs.

Pol.Cir.10
12.10.2009
(DGFT)

Para 6.7 (a) of HBP (04-09) {para 6.6(a) of HBP (09-14)} allows granite sector to take spares up to 5% of the value of the Capital Goods to quarry site.

Representations were received from EOUs in granite sector stating that some of the Customs Authorities apply the 5% limit in regard to procurement of spares also under Customs Notification 52/03.

2. The matter was taken up with Department of Revenue, which has clarified vide OM DGEP/FTP/62/2009-EOU dated 12.8.2009 as under:

Customs Valuation Exchange Rates

October 2009	Imports	Exports	
Schedule I			
1 Australian Dollar	42.55	41.40	
2 Canadian Dollar	45.45	44.15	
3 Danish Kroner	9.70	9.35	
4 EURO	71.80	70.00	Rate of exchange of one unit of foreign currency equipment to Indian Rupees
5 Hong Kong Dollar	6.25	6.15	
6 Norwegian Kroner	8.45	8.15	
7 Pound Sterling	79.70	77.75	
8 Swedish Kroner	7.15	6.90	
9 Swiss Franc	47.55	46.20	
10 Singapore Dollar	34.40	33.60	
11 U.S. Dollar	48.60	47.70	
Schedule II			
1 Japanese Yen	53.70	52.20	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

(Source: Customs Notification 146(NT)/25.09.2009)

Commodity Spot Prices in India – 09-12 October 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 09-12 October.

(Rs.)

Commodity	Unit	Market	9-Oct	10-Oct	12-Oct
CER (Carbon Trading)	1 MT	Mumbai	835	865	865
Chana	100 KGS	Delhi	2252	2239	2245
Masur	100 KGS	Indore	4452	4451	4430
Potato	100 KGS	Agra	1404.5	1421.4	1424.9
Potato TKR	100 KGS	Tarkeshwar	1388.3	1392.2	1395.6
Arecanut	100 KGS	Mangalore	8485	8482	8502
Cashewkern	1 KGS	Quilon	298	296	296
Cardamom	1 KGS	Vandanmedu	697.25	694.25	687
Coffee ROB	100 KGS	Kushalnagar	68.5	67.9	67.9
Jeera	100 KGS	Unjha	11442	11482	11481
Pepper	100 KGS	Kochi	14405	14237	14290
Red Chili	100 KGS	Guntur	6112	6112	6101
Turmeric	100 KGS	Nzmbad	8194	8227	8413
Guar Gum	100 KGS	Jodhpur	4875	4850	4900
Maize	100 KGS	Nzmbad	899	899	900
Mentha Oil	1 KGS	Chandausi	554.2	554.4	549.6
Cotton Seed	100 KGS	Akola	1287	1289	1272
Castorsd RJK	100 KGS	Rajkot	2565	2614.5	2601.5
Guar Seed	100 KGS	Jodhpur	2271	2266	2293
Soya Bean	100 KGS	Indore	2005.5	2025	2040.5
Mustrdsd JPR	20 KGS	Jaipur	526.65	533.2	535
Sesame Seed	100 KGS	Rajkot	5688	5650	5525
Coconut Oil Cake	100 KGS	Kochi	1030	1040	1040
RCBR Oil Cake	1 MT	Raipur	6017	6240	6240
Kapaskhali	50 KGS	Akola	573.6	574.3	574.6
Coconut Oil	100 KGS	Kochi	4628	4628	4576
Refsoy Oil	10 KGS	Indore	422.05	425.75	NA
CPO	10 KGS	Kandla	306.1	307.8	311.1
Mustard Oil	10 KGS	Jaipur	511.7	515.6	504.4
Gnutoilexp	10 KGS	Rajkot	646.3	650	645.7
Castor Oil	10 KGS	Kandla	540	545	545
Crude Oil	1 BBL	Mumbai	3318	3337	3337
Furnace Oil	1000 KGS	Mumbai	26219	26219	NA
Sourcrd Oil	1 BBL	Mumbai	3221	3221	3221
Brent Crude	1 BBL	Mumbai	3189	3249	3249
Gur	40 KGS	Muzngr	1101.6	1101.8	1178.2
Sugars	100 KGS	Kolhapur	2736	2738	NA
Sugarm	100 KGS	Delhi	2984	2972	2985
Natural Gas	1 mmBtu	Hazirabad	229.7	221.8	221.8
Rubber	100 KGS	Kochi	10702	10653	10700
Cotton Long	1 Candy	Kadi	22810	22910	22900
Cotton Med	1 Maund	Abohar	2185	2188	NA
Jute	100 KGS	Kolkata	2256	2270	2291
Gold	10 GRMS	Ahmd	15813	15863	15880
Gold Guinea	8 GRMS	Ahmd	12650	12690	12704
Silver	1 KGS	Ahmd	26947	27139	27400
Sponge Iron	1 MT	Raipur	14250	14015	14160
Steel Flat	1000 KGS	Mumbai	30590	30570	30490
Steel Long	1 MT	Bhavnagar	22470	22675	22690
Copper	1 KGS	Mumbai	295.75	290.95	290.95
Nickel	1 KGS	Mumbai	883.9	881.4	890.9
Aluminium	1 KGS	Mumbai	86.6	86.75	87.75
Lead	1 KGS	Mumbai	103.45	104.6	105.1
Zinc	1 KGS	Mumbai	94.25	95.05	95.3
Tin	1 KGS	Mumbai	707	701	709.75

(Source: MCX Spot Prices)

"EOUs in granite sector are allowed to procure capital goods, which are required in connection with processing and manufacture or production of articles of granite for export. Besides these capital goods, these units are also allowed certain specified quarrying equipments and spares up to 5% value of quarrying equipments in each year. These quarrying equipments and spares are allowed to be taken to quarry outside the unit. These quarrying equipments and spares are specified under Annexure V of Notification No. 52/2003-Cus and 22/2003-CE both dated 31.3.03. The capital goods and spares required in the EOU in connection with processing and manufacture or production of articles of granite for export are specified in Annexure I of the notification 52/2003-Cus.

Para 6.7 (a) of HBP v 1 {6.6(a) of HBP (09-14)} puts restriction of removal of spares to 5% to quarrying site. Thus spares allowed duty free for quarrying need to be restricted to that level. However, there is no limit for the spares required for capital goods for use within EOU."

3. Accordingly, Department of Revenue has clarified that there is no limit for spares required for capital goods for use within the EOU.

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

Export Credit of US $30 mn to Mozambique

Sub: Exim Bank's Line of Credit of USD 30 million to the Government of the Republic of Mozambique

AP(DIR Srs) Cir.09 24.09.2009 (RBI)

Export-Import Bank of India (Exim Bank) has concluded an Agreement dated May 6, 2009 with the Government of the Republic of Mozambique making available to the latter, a Line of Credit (LOC) of USD 30 million (USD thirty million) for financing eligible goods and services, machinery and equipment including consultancy services from India for rural electrification projects in the provinces of Gaza, Zambezia and Nampula in Mozambique. The goods and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 85 per cent of the contract price shall be supplied by the seller from India and the remaining 15 per cent goods and services (other than consultancy services) may be procured by the seller for the purpose of Eligible Contract from outside India.

2. The Credit Agreement under the LOC is effective from August 26, 2009 and date of execution of Agreement is May 6, 2009. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date(s) of contract(s) in case of project exports and 72 months (May 5, 2015) from the execution date of the Credit Agreement in case of supply contracts .

3. Shipments under the LOC will have to be declared on GR / SDF Forms as per instructions issued by Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances of his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

WORLD TRADE SCANNER

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cent to 117.4 million tons next year as delays in the onset of rains in parts of Asia curb production in 2009, according to a forecast from the United Nations' Food and Agriculture Organization. The prediction was issued on Sept. 25, before the Philippine storms.

Rice output in India, the world's second-largest producer and consumer, may fall 18 percent to 81 million tons in the marketing year that began Oct. 1 after drought parched crops, Concepcion Calpe, senior economist at the FAO, said last week.

The forecast decline may help to push the stockpiles held by the world's five largest exporters down to 20 million tons at the end of the marketing year on Sept. 30 from 30 million tons a year earlier, Calpe said.

The Philippines will seek the supplies from the Oct. 30 tender from Thailand, Vietnam, China, Pakistan, Australia, the U.S. and India for delivery between January and April, the authority said. Thailand is the world's biggest rice exporter followed by Vietnam.

Without typhoons devastating crops, the Philippines typically has a shortfall equal to about 10 percent of annual rice demand, which is estimated at 12.9 million tons this year, according to Estoperez from the National Food Authority.

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Russia should pursue energy efficiency, including creation of new fuels and energy saving, develop nuclear power, information infrastructure, and produce its own medicines, the president said.

Medvedev, who has called Russia's raw material dependency "humiliating" and "primitive," said the economy will contract a "very serious" 7.5 percent this year, compared with an official government forecast for an 8.5 percent decline.

The government predicted last month that the economy will return to growth in 2010.

Owned, Edited, Published and Printed by Arun Goyal and Printed at Mercury Printers, 602 Choori Walan, Delhi
Published from 24/4866, Sheeltara House, Ansari Road, New Delhi 110002. (INDIA) Phone: 2328 1314, 3018 3435-37; Fax: 3018 3438
Email: academy@vsnl.in, academy.delhi@gmail.com; Website: worldtradescanner.com