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. XXVII No 32 03-09 November 2010

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

Annual subscription Rs 750

India - Malaysia CECA will be Signed by 31 January 2011

Anand Sharma, Minister for Commerce & Industry and the Malaysian International Trade & Industry Minister signed an 'Agreement towards implementing Comprehensive Economic Cooperation Agreement (CECA) between India and Malaysia' on 27 October at Kuala Lumpur in the presence of the Prime Ministers of India and Malaysia.

In trade in goods, the Agreement proposes that the CECA commitments between India and Malaysia would be more liberal than those under the ASEAN-India Trade in Goods Agreement. In trade in services, the Agreement envisages that, under the CECA, trade in services will be progressively liberalized on a preferential basis, with substantial sectoral coverage, including Movement of Professionals and Skilled Persons, Cross-border Supply, and Telecommunications Services to provide commercially meaningful market access to both parties.

Similarly, the investment chapter under the CECA will include commitments leading to progressive liberalisation of investment regimes in order to promote investments and create a liberal, facilitative, transparent and competitive investment regime. The CECA will also include economic cooperation in areas such as infrastructure development, creative industries, tourism, SMEs, business facilitation, science and technology, and human resource development.

The proposed Agreement also stipulates CECA implementation timelines. The entire CECA with legal texts would be signed by 31.1.2011 and would be implemented on 1.7.2011. It may be recalled that India and Malaysia are parties to the India-ASEAN Trade in Goods Agreement signed in August 2009 and both countries have implemented it with effect from 1st January 2010.

The India-Malaysia CECA envisages being more liberal compared to the commitments under the ASEAN FTA. The CECA is envisaged to lead to growth in bilateral trade and investment resulting in economic benefits to both India and Malaysia.

Malaysia is the 3rd largest trading partner of India amongst ASEAN (Association of South East Asian Nations) countries. India – Malaysia trade increased from US$ 3.38 billion to US$ 8.01 billion between 2004-05 and 2009-10 after reaching a peak of US$ 10.60 billion in 2008-09.

The main exports of India include petroleum products, metals, machinery, meat, chemicals, spices and cereals; our main imports include petroleum products, electronic goods, edible oil, wood, chemicals and metals.

Highlights

India-Malaysia agreed on 11 August 2007 to adopt the recommendations of the India-Malaysia Joint Study Group Report; and

The respective officials have concluded the negotiations towards the India-Malaysia Comprehensive Economic Cooperation Agreement which includes trade in goods, services and investment, and economic cooperation;

Trade In Goods

The market access commitments under the CECA provide for more liberal tariff concessions, including faster timelines and reduced exclusion lists, than in the ASEAN-India Trade in Goods Agreement. The CECA contains trade facilitative provisions covering Rules of Origin, SPS/TBT Measures, Customs Cooperation and Trade Remedies.

Trade in Services

The CECA will progressively liberalise trade in services on a preferential basis, with substantial sectoral coverage, including Movement of Professionals and Skilled Persons, Cross-border Supply, and Telecommunications Services to provide commercially meaningful market access.

Investment

The CECA includes commitments leading to progressive liberalisation of investment regimes in order to promote investments and create a liberal, facilitative, transparent and competitive investment regime. The CECA would also serve to strengthen cooperation in investment, improve transparency of investment rules and regulations, and provide for the protection of investments.

Areas of Economic Cooperation

The CECA includes economic cooperation in areas such as infrastructure development, creative industries, tourism, SMEs, business facilitation, science and technology, and human resource development.

Timeframes

The Parties will sign the CECA by 31 January 2011 and shall implement the CECA by 1 July 2011.

RBI Subbarao Goes against World Trend, Raises Repo Rate by Quarter Points

India's central bank raised interest rates for a sixth time this year in Asia's fastest round of increases and said the chance of further policy tightening in the "immediate future is relatively low."

The Reserve Bank of India boosted the repurchase rate by a quarter-point to 6.25 percent and the reverse repurchase rate by a similar margin to 5.25 percent with immediate effect, according to a statement in Mumbai.

Governor Subbarao's move comes as counterparts in nations from Japan to the U.S. are considering additional monetary stimulus, increasing the risk of an influx of capital into India that might exacerbate inflation. The yield advantage of Indian 10-year government bonds over similar maturities of U.S. Treasuries is hovering near a decade high.

The rate increase is aimed at making sure that inflation doesn't get out of hand.

The rupee gained 0.2 percent to 44.39 per dollar as of 11:48 a.m. in Mumbai, while the benchmark Sensex index of stocks was little changed at 20,344.

"The current rate of inflation is still above the comfort zone of the Reserve Bank," Subbarao said in the statement and cited surging asset prices for today's move. He said the equity market is close to a record and residential prices in cities have risen "beyond the pre-crisis peak level."

Accordingly, the governor ordered commercial banks to increase the "risk weight" on home loans of 7.5 million rupees and above to 125 percent from between 75 percent and 100 percent, the central bank statement showed. He also increased the provisioning requirement for lenders against the so-called "teaser" housing loans to 2 percent.

Inflation Outlook

"On balance, inflation is expected to moderate from the present level, reflecting in parts, some easing of supply constraints and concerted policy action," Subbarao said. "Based purely on current growth and inflation trends, the Reserve Bank believes that the likelihood of further rate actions in the immediate future is relatively low."

The governor today reiterated the central bank's inflation and growth forecasts made in July. He expects the benchmark wholesale-price inflation to slow to 5.5 percent by March 31 from 8.6 percent in September as per the new series of the index released on Sept. 14, and the Indian economy to expand 8.5 percent in the year ending March 31.

Since Subbarao's first rate increase on March 19, the spread between India's debt due in a decade and 10-year Treasuries widened 131 basis points, or 1.31 percentage points, to 551 on 1 November 2010. The gap, which has averaged 317 in the past decade, reached a 10-year high of 567 basis points on Oct. 20.

Investment Inflow

Higher yields spurred an unprecedented $10 billion inflow into rupee debt this year. Overseas funds also poured a record $25 billion into Indian stocks on prospects of faster growth in the South Asian nation, strengthening the rupee and driving the Bombay Stock Exchange's Sensitive Index to near a record.

Since Jan. 1, the rupee has risen 4.5 percent to 44.48 against the dollar while the Bombay Stock Exchange's Sensitive Index has jumped 16.5 percent.

The climb threatens software exporters, including Infosys Technologies Ltd., which said last month the currency's move will "kill" them. Infosys said it suffers a 0.4 percentage- point drop in its operating margin for every 1 percent of appreciation in the rupee versus the dollar.

Subbarao said "excess global liquidity" along with the "significant" growth and interest-rate differentials between advanced countries and India may result in an "intensification" of capital flows into India.

'Volatile Capital'

"We will take action as warranted with a view to mitigating any potentially disruptive effects of lumpy and volatile capital flows and sharp movements in domestic liquidity conditions, consistent with the broad objectives of price and output stability," Subbarao said.

The central bank, which last intervened to buy or sell rupee in the market in 2009, says that the currency's strength will be limited by the nation's deteriorating trade balance. The current-account deficit widened to a record $13.7 billion in the three months through June, the Reserve Bank said Sept. 30.

Even so, the bank isn't in favor of the currency appreciating past 43 against the dollar, a finance ministry official with direct knowledge of the matter said on Oct. 15.

Meeting Rush

The Fed's Open Market Committee gathers for a two-day meeting starting on 2 November and will announce a plan to restart purchases of securities to aid the economy. About 18 hours after the Fed's move, the Bank of England announcement comes. The European Central Bank will go public with its decision 45 minutes later.

The Bank of Japan cut rates on Oct. 5 and brought forward the date of its next policy meeting to Nov. 4 and 5 to discuss purchases of exchange-traded funds and real-estate investment trusts. By contrast, Australia's central bank today raised its benchmark rate for the first time since May.

Economists including HSBC Group Plc's Frederic Neumann expected the Indian central bank to pause its rate-increase cycle because of a jump in short-term borrowing costs after investors drained cash for initial public offerings.

Rates for three-month corporate debt almost doubled to 8.4 percent this year as investors pulled money from banks to buy stock in Coal India Ltd.'s 152 billion rupee ($3.4 billion) offering, the nation's biggest-ever initial share sale.

The Reserve Bank said on Oct. 29 it would inject funds into the banking system by conducting special repurchase auctions to ease the cash crunch after overnight lending rates touched 12.25 percent the same day, the highest level since Nov. 1, 2008.

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
1-Nov-10	44.5975	44.7150	44.5600	44.6775	44.6775	759042	2509075	1120403.64	44.4200
29-Oct-10	44.8325	44.8725	44.7125	44.7425	44.7425	671821	2247792	1007054.59	44.5400
28-Oct-10	44.8575	44.8775	44.7900	44.8400	44.8400	718262	1624269	728137.02	44.4900
27-Oct-10	44.9100	45.0050	44.8325	44.8725	44.8725	717165	2262458	1016139.88	44.5200
26-Oct-10	44.7400	44.7950	44.7100	44.7775	44.7775	570347	386337	172924.73	44.4300

[Source: NSE and RBI Website]

Uncooperative Currency Policies Could Jeopardise Economic Recovery:Lamy

Global economic recovery could be "put in serious jeopardy" if governments do not cooperate on exchange rate policies, WTO Director-General Pascal Lamy warned this week.

The WTO chief said Tuesday that while major economies had done a good job at resisting protectionist pressures through the worst economic downturn in decades, he had "heard recently warnings that this stability could be put at considerable risk" by disorderly currency movements that "some perceive as a pursuit of an exchange-rate-induced comparative advantage."

Lamy was reporting on his recent discussions with world leaders to a session of the Trade Negotiations Committee, the WTO body that oversees the Doha Round trade talks. His remarks marked a rare intervention on the subject of exchange rates, an issue that he has generally left to the International Monetary Fund and finance ministers. He acknowledged as much, saying that the IMF and other institutions were better positioned than the WTO to deal with "uncooperative currency behaviour." Neverthe-

Cont'd..368

32 WTO Members Use Anti-Dumping

The following members notified anti-dumping actions taken during the period 1 January – 30 June 2010: Argentina; Australia; Botswana; Brazil; Canada; Chile; China; Colombia; Costa Rica; Egypt; European Union; India; Indonesia; Israel; Jamaica; Korea; Lesotho; Mexico; Namibia; New Zealand; Pakistan; Panama; Paraguay; Peru; Philippines; South Africa; Swaziland; Chinese Taipei; Thailand; Turkey; Ukraine and the United States.

In a WTO meeting on 26-27 October, Chile said it was following closely Brazil's investigation on sea salt, which started last March.

The United States questioned the extension and increase of Brazil's anti-dumping duty on ethylene glycol.

Brazil assured Chile that the investigation would follow WTO rules, and explained to the United States that Brazilian law on sunset review provided for both extension and modification of level of duty.

On Japan's concern regarding China's treatment of a Japanese exporter of chloroprene rubber in an anti-dumping investigation, China said that it found a discrepancy between the exporter's answer in the questionnaire and the result of an on-spot investigation.

In reply to questions from the United States and the European Union, China said it would follow WTO rules in its investigation on optical fibre. In a general statement, China said that despite being the number one target of anti-dumping and countervailing-duty measures, it was prudently using the anti-dumping instrument.

The European Union, in its answer to China, said that its simultaneous safeguard, anti-dumping and countervailing-duty investigations on wireless wide area networking modems, and a separate investigation on ironing boards, are justified and would follow WTO rules.

Turkey expressed serious concern that Indonesia's investigation on wheat flour has not been concluded two years after it had started.

China questioned the United States' methodology in its anti-dumping investigation on tubular goods. Japan expressed concern that the average duration of US measures on 19 Japanese products is 15 years. The United States said it would refer China's question to capital.

G-20 Meet Puts Pressure on China to Revalue Yuan, ±4% Band for Current Account Balance

Officials from the world's leading economies, meeting in South Korea, agreed over the weekend to cooperate on reducing global trade imbalances and calming exchange-rate tensions, but stopped short of establishing numerical targets for countries' current account surpluses and deficits.

Finance ministers and central bankers from the Group of 20 large industrialised and developing nations also agreed on a set of reforms aimed at shifting the balance of power and influence within the International Monetary Fund away from Europe and towards fast-growing developing countries, particularly China. The changes accompany an enhanced role for the IMF in monitoring government policies affecting exchange rate policies and trade balances.

The senior policymakers met in Gyeongju on 22-23 October against the backdrop of months of increasingly sharp exchanges among the world's major economies over currency policy and export competitiveness. The US and the EU have been urging China to let its currency, the yuan, rise, and lawmakers in Washington are threatening Beijing with sanctions for alleged currency manipulation.

Although Geithner's letter contained no specific targets, news reports from Gyeongju quoted officials as saying that the US, backed by host South Korea, wanted members of the bloc to run current account surpluses or deficits no larger than 4 percent of annual GDP (with an exception for major commodity exporters, which tend to run outsized surpluses). The current account is a broad measure of the trade balance, including exports minus imports of goods and services, along with net income from foreign investments and transfers (such as aid and remittances).

Countries running surpluses above the 4 percent level include China (4.7 percent of GDP) and Germany (6.1 percent), according to current IMF projections for this year. (Russia and Saudi Arabia also clear the threshold, but resource exports make up a large part of both of their economies.) On the deficit side, Turkey (5.2 percent) and South Africa (4.3 percent) exceed the threshold. The US is projected to run a current account deficit of 3.2 percent this year. India and Brazil are forecast to run current account deficits of 3.1 and 2.6 percent respectively.

Past G-20 communiqués, such as the leaders' declaration issued in Toronto in June, have included similar pledges for deficit countries to boost national savings and restore fiscal order over the medium-term, while surplus economies increase domestic demand. The Gyeongju statement went further in setting out a role for the IMF in identifying the existence and cause of "persistently large imbalances," which are to be "assessed against indicative guidelines to be agreed."

Speaking after the meeting, US Treasury Secretary Geithner said "The most important thing we achieved is agreement on a framework for curbing excess trade imbalances in the future." In Gyeongju, he said, G-20 members agreed on the importance of limiting overall level of external imbalances across the global economy, on cooperating more closely on exchange rate policy, and on giving a greater role to the IMF in making sure they implement these commitments.

Lamy Urges Further Brainstorming, Looks to G-20, APEC for 'Political Signal' on Doha

Informal talks among Geneva-based delegations have helped WTO members build trust and identify specific obstacles to an agreement in the Doha Round of global trade talks, but a "clear political signal" from world leaders would be needed for the struggling negotiations to enter the "final stretch," WTO Director-General Pascal Lamy said Tuesday.

Speaking to the Trade Negotiations Committee, the WTO body that oversees the Doha Round trade talks - and of which he is the chair - Lamy made clear that officials in Geneva were hoping that such signals would emerge from next month's summit of leaders from the Group of 20 leading industrialised and developing nations in Seoul, as well as from an Asia-Pacific Economic Cooperation gathering in Japan.

Declarations of support for a swift conclusion to the Doha Round have in recent years become a fixture of international economic summitry - albeit to little effect on the WTO talks themselves, which have dragged on into what will soon become their tenth year.

In Geneva, WTO member delegations have been meeting with each other in a variety of configurations - bilaterally, in groups of varying sizes, in consultations with Lamy, and in the Doha Round negotiating committees - in an attempt to understand each others' positions and find a way forward. The WTO chief has dubbed this the "cocktail approach."

Trade Finance in Shortage

Countries on the periphery of global trade are finding it hard to access trade finance, hurting their ability to import and export, even though finance flows elsewhere have largely recovered from the credit crunch of late 2008 and 2009, an experts' meeting convened by WTO Director-General Pascal Lamy was told last Friday. In addition, new proposed rules for national banking regulations may risk making trade finance scarcer.

Often called the lifeblood of international commerce, trade finance refers to the short-term credit and insurance to offset the chance that exporters will not get paid, or that the importers will not receive the merchandise as expected.

In the era of modern shipping, trade finance had become one of the lowest-risk, and consequently cheapest, forms of finance - the shipped merchandise often served as collateral. For many poor countries, trade finance was the only source of private-sector funding they could access.

But in late 2008 and early 2009, trade finance fell victim to the worldwide credit crunch. The

Cont'd..366

US Farm Subsidies Jump in 2008

The US last week formally reported its farm subsidy spending for 2008 to the WTO, indicating a slight overall increase over the previous year. The notification demonstrated that while trade-distorting support remains low, in part a function of high farm prices that year, spending on payments delinked from production was higher than ever before.

The notification reports that the US spent $6.25 billion in 'amber box' spending - the most trade-distorting form of permitted support under the WTO's 'traffic light' system for classifying farm subsidies. Washington also spent $6.7 billion in 'de minimis' spending, a category of trade-distorting support that is currently allowed in small amounts under WTO rules so long as it falls below 5 percent of the value of production.

'Green box' spending - allowed without limits, on the basis that it causes no more than minimal trade distortion - was reported to be $81.59 billion, an increase of around $5 billion from the previous year. Other categories of support did not appear to have increased.

The increase in green box spending was largely due to a corresponding growth in outlays on 'food stamps', a form of domestic food aid that helps low-income Americans buy food.

The US did not report any spending on 'blue box' support - production-limiting measures that are nonetheless considered to be trade-distorting at the WTO. No blue box spending has been reported by the US since 1995.

Unusually high prices for many agricultural commodities in 2007 and 2008 meant that subsidy spending was correspondingly low. 'Counter-cyclical' support measures in US farm subsidy policy mean that payments increase when prices fall, but drop when they rise again.

Combined spending on amber, blue and de minimis support - known as 'overall trade-distorting support' or OTDS - was less than $7 billion from 2006 to 2008, a figure that is significantly lower than the $14.5 billion ceiling US officials have proposed in the Doha Round of trade talks. However, US OTDS reached $24 billion in 1999 and 2000, and was as high as $19 billion in 2005.

Despite fluctuations in trade-distorting support, green box spending in the US has continued to grow steadily since 1999, and is now at a historic high. Many developing countries remain concerned that the large amounts of support notified in this category do in fact cause more than minimal trade distortion, by providing US producers with a competitive advantage over producers elsewhere.

China Says Japan Ruined Atmosphere for Wen, Kan Talks during Hanoi Summit

Relations between China and Japan Asia's two largest economies soured last month after a ship collision in disputed waters reportedly prompted China to cut exports of rare earth minerals used to make hybrid car engines, missiles and radar.

The two countries Foreign Ministers are in Hanoi to attend the East Asia summit that includes leaders from the U.S., Russia and the 10-member Association of Southeast Asian nations. They met in Brussels at an Asia-Europe summit on Oct. 4 and pledged to mend ties frayed by a spat over uninhabited islands in an area of the East China Sea that contains undersea oil and gas reserves.

Japan arrested the Chinese captain of a fishing boat after it collided with coast guard vessels on Sept. 7, near the islands known as Senkaku in Japan and Diaoyu in China, releasing him 17 days later.

Report Dismissed

China on 28 October 2010 dismissed a report that it agreed to resume talks with Japan on exploration for oil and gas in the East China sea, Xinhua reported.

Japan's statements about the content of talks between the two countries' foreign ministers soured the atmosphere for a possible meeting of Chinese and Japanese leaders in Hanoi, Hu said.

In the meeting with Japan and South Korea, Wen proposed that the countries by 2012 complete their joint study on creating a free-trade area and step up cooperation in science and technology, Xinhua reported on 29 October 2010.

Wen said good relations between China, Japan and South Korea are an important part of cooperation in East Asia, as well as peace in Northeast Asia and the world, and their ties must be handled "from a strategic perspective," Xinhua said.

WIPO Patent Committee Agrees on Issues for Future Work

The World Intellectual Property Organization's main patent committee last week reached an agreement on issues to be addressed in its future work. The future work agenda for the Standing Committee on the Law of Patents (SCP) will cover a number of issues, such as exceptions and limitations to patent rights; quality of patents, including opposition systems; patents and health; client-patent advisor privilege and transfer of technology.

The accord, which was reached late Friday evening after a week of discussions and informal consultations, was hailed as a balanced outcome as it included issues of interest to both developed and developing countries.

The accord marked the first time that the issue of 'patents and health', which was brought forward by the African group, was formally made an independent item on the work programme of WIPO's principal patent body.

The quality of patents was a topic proposed by developed countries. They suggested in their proposal that the SCP establish a work program "elaborating options, measures and conditions, both legal and practical, that would be required to ensure and, where necessary improve, the issuance of high-quality patents". Their proposal also noted "the objectives of the patent system are to promote innovation and foster technological and economic development" and stressed "the importance of a well functioning patent system for countries at all levels of development."

TV Prices Drop 25%, Competition Hots with Samsung

Sony Corp. gave up on 28 October 2010 on a goal to profit from televisions this fiscal year and Panasonic Corp. forecast price drops will deepen this quarter. Earlier, Samsung Electronics Co. predicted "severe" competition for the year-end season, echoing comments from LG Electronics Inc. a day earlier.

Projections from the world's four largest TV makers signal the industry will fail to capitalize on the biggest sales quarter of the year, with some analysts predicting price declines of as much as 25 percent in 2010. Companies from Microsoft Corp. to Intel Corp. are increasingly counting on corporate demand as consumers are reluctant to shop.

U.S. retailers such as Target Corp. and Wal-Mart Stores Inc. are sweetening discounts ahead of the holiday season to move merchandise as joblessness hovers near a 26-year high. Target, the second-biggest discount retailer behind Wal-Mart, said this month it would lower prices on more than 1,000 toys to attract shoppers. Wal-Mart responded with its own discounts.

Sony Chief Financial Officer Masaru Kato said the maker of Bravia TVs is forecasting a loss from the business this fiscal year and the company is bracing for "harsh" competition. Sales of 3-D sets, projected to account for 10 percent of the 25 million annual TV target, are trailing Sony's previous expectations, he said.

While Tokyo-based Sony raised its full-year net income forecast 17 percent to 70 billion yen ($867 million), on 28 October the world's third-largest TV maker attributed the increase to better-than-expected earnings from games and computers during the quarter ended Sept. 30 and said it's "cautious" on the outlook for the rest of the year.

Cutting Forecasts

Full-year profit at Sony's main electronics unit that makes TVs will be lower than anticipated in July, the company said, without specifying numbers.

Panasonic, the world's biggest maker of plasma TVs, said on 28 October 2010 falling prices, the stronger yen and more expensive raw materials prevented the maker of Viera TVs from raising its full-year profit forecast even though earnings during the first half exceeded the company's projections. The yen trading near a 15-year high against the dollar isn't helping.

South Korea's Samsung and LG, the world's two-biggest TV makers, have voiced similar concerns after the advantage of having a weaker won, the worst-performing major Asian currency from April to June, dissipated. The won's 5.3 percent gain against the dollar since September makes it the region's best performer during the period.

Anti-dumping Review on Weifang Huadong and Qingdao Autochem in Truck Tyres Case

Ntfn 112
28.10.2010
(DoR)

Whereas, in the matter of import of Bus and Truck Radial Tyres, (hereinafter referred to as the subject goods) , falling under item nos. 40112010 (for tyres) and 40131020 and 40129049 (for tubes and flaps respectively) of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) and originating in, or exported from the People's Republic of China(China PR) and Thailand (hereinafter referred to as the subject countries), the designated authority, vide its final findings in notification No. 14/17/2008-DGAD, dated the 1st January, 2010 published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 1st January, 2010, had come to the conclusion that-

(a) there had been increase in the volume of dumped imports from the subject countries, both in absolute terms as also in relation to total production and market demand of the subject goods in India, resulting in a decline in the market share of the domestic industry;

(b) the imports were causing significant price undercutting resulting in price suppressing effect on the domestic industry;

(c) in spite of increase in production and sales, profitability of the domestic industry per unit of sales declined after increasing in 2006-07, resulting in deterioration in profits, cash profits and a decline in the return on capital employed;

(d) decline in the market share had resulted in increase in inventories with the domestic industry in spite of higher capacity utilization;

(e) this had led to domestic industry suffering material injury and imposition of final duty is required to offset dumping and injury;

and had recommended imposition of definitive anti-dumping duty on all imports of the subject goods, originating in, or exported from, the subject countries;

And whereas on the basis of the aforesaid findings of the designated authority, the Central Government had imposed an anti-dumping duty on subject goods falling under Chapter 40 of the First Schedule to the said Customs Tariff Act, originating in or exported from China PR and imported into India vide notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 12/2010-Customs, dated the 19th February, 2010, published in Part II, Section 3, Sub-Section (i) of the Gazette of India, Extraordinary, G.S.R. 93(E) dated the 19th February, 2010;

And whereas, in the said matter, M/s. Weifang Huadong Rubber Co Ltd China PR (Producer), and M/s. Qingdao Autochem International Co. Ltd (exporter) have requested for review in terms of rule 22 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 in respect of exports made by them, and the designated authority, vide new shipper review notification No. 15/13/2010-DGAD, dated the 20th August, 2010 published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 20th August, 2010 has recommended provisional assessment of all exports of Bus and Truck Radial Tyres, made by M/s. Weifang Huadong Rubber Co Ltd China PR (Producer), and M/s. Qingdao Autochem International Co. Ltd (exporter), when imported in to India, till the completion of the said review;

Now, therefore, in exercise of the powers conferred by sub-rule (2) of rule 22 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, after considering the aforesaid recommendation of the designated authority, hereby orders that pending the outcome of the said review by the designated authority, export of Bus and Truck Radial Tyres falling under item nos. 40112010 (for tyres) and 40131020 and 40129049 (for tubes and flaps respectively) of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), by M/s. Weifang Huadong Rubber Co Ltd China PR (Producer), and M/s. Qingdao Autochem International Co. Ltd (exporter), from China PR, when imported into India, shall be subjected to provisional assessment till the review is completed.

2. The provisional assessment may be subject to such security or guarantee as the Assistant Commissioner of Customs or Deputy Commissioner of Customs, as the case may be, deems fit for payment of the deficiency, if any, in case a definitive anti dumping duty is imposed retrospectively, on completion of investigation by the designated authority.

3. In case of recommendation of anti-dumping duty after completion of the said review by the designated authority, the importer shall be liable to pay the amount of such anti-dumping duty recommended on review and imposed on all imports of Bus and Truck Radial Tyres in to India, when exports made by M/s. Weifang Huadong Rubber Co Ltd China PR (Producer), and M/s. Qingdao Autochem International Co. Ltd (exporter), when imported in to India, from the date of initiation of the said review.

[F. No. 354/207/2009-TRU (Pt.1)]

Anti-dumping Duty on 1-Phenyl-3-Methyl-5-Pyrazolone Extended upto 30 June 2011 After Review

Ntfn 111
27.11.2010
(DoR)

Whereas, the designated authority vide notification No. 15/5/2010-DGAD, dated the 1st July, 2010, published in the Gazette of India, Extraordinary, Part I, Section 1 dated the 1st July, 2010, had initiated review in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the said Customs Tariff Act) 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 1-Phenyl-3-Methyl-5-Pyrazolone, falling under heading number 2916, 2917, 2924, 2933, 2942 or 9802 00 00 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in, or exported from, Peoples Republic of China imposed, vide, the notification of the Government of India, in the Ministry of Finance (Department of Revenue),No. 1/2006-Customs, dated the 10th January, 2006, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R.12 (E), dated the 10th January, 2006, and had requested for extension of anti-dumping duty, 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 Customs Tariff 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. 1/2006-Customs, dated the 10th January, 2006, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* number G.S.R. 12(E), dated the 10th January, 2006, namely: -

In the said notification, after paragraph 2, the following shall be added, namely: -

"3. This notification shall remain in force up to and inclusive of the 30th June, 2011, unless the notification is revoked earlier."

[F.No.354/191/2005-TRU]

Notified SION Norm Stands even if not in SION Book

03-Pol.Cir
25.10.2010
(DGFT)

Standard Input Output Norm (SION) for 'Nylon filament knitted/knotted nets' bearing number H-158 was modified by Public Notice No. 104/(RE2008)/2004-09 dated 7.11.2008. Subsequently when Handbook of Procedures, Vol. II, popularly known as the SION Book, was published/released on 23.8.2009; this amendment failed to get incorporated. It was an inadvertent omission.

Such non-inclusion of the Public Notice in the SION book, that was published subsequently, does not signify that the specific SION (in this case H-158 in Public Notice of 7.11.2008) has been rescinded / withdrawn. The SION H-158, as amended on 7.11.2008, continues to be available in the application filing software at DGFT Website (www.dgft.gov.in). RAs may please take note.

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

Revised Bond Form for Duty Exemption under Advance Licence and EPCG Schemes

Sub: Revised Form of Bond to be furnished for availing duty exemption under Advance License and EPCG Schemes.

40-CBEC 28.10.2010 (DoR) I am directed to invite attention to the Board's circular No.58 2004-Cus dated 21.10.2004 which prescribes form of bond to be furnished for availing duty exemption under Advance License and EPCG Schemes. Condition 1 of the prescribed form of bond reads as under:

"1. I / we, the obligor(s) shall observe all the terms and conditions of the said notification."

2. The benefit of zero duty EPCG scheme which is governed by notification Nos. 101/09-Cus and 102/09-Cus both dated 11.09.09 is subject to the condition that the importer should not have been issued in the year of issuance of zero duty EPCG authorization, the duty credit scrips under SHIS scheme. Since there are conditions in the EPCG notification which an authorization holder should fulfil at the time of import for being eligible for duty exemption, it has been decided to change condition 1 of the prescribed form of bond as under:

"1. I/we, the obligor(s) fulfil all the conditions of the said notification and shall observe and comply with all its terms and conditions."

3. A suitable Public Notice for information of the Trade and Standing Order for guidance of the staff may be issued. Difficulties faced, if any in implementation of this circular may be brought to the notice of the Board.

F.No.605/91/2009-DBK

Pre-delivery Inspection and After Sale Service Charges to be Included in Assessable Value for Excise

Subject: Inclusion of After Sale Service and Pre-delivery Inspection Charges in the assessable value.

936-CBEC 27.10.2010 (DoR) Attention is invited to point No. 7 of Board's circular No. 643/34/2002-CX dated 1-7-2002 and to circular No. 909/29/09 CX dated 11.12.2009 on the above subject.

2. Board vide its earlier circular No. 643/34/2002-CX dated 1-7-2002 had clarified that After-sale Service and Pre-delivery Inspection charges were liable to be included in the assessable value under Section 4 of the Central Excise Act 1944. Further vide circular No. 909/29/09-CX dated 11.12.2009, it was directed to transfer all the show cause notices issued on the above subject to call book pending the decision of the larger bench of CESTAT in the case of Maruti Udyog Ltd.

3. The larger bench of CESTAT vide its order dated 13.8.2010 in appeal No. 1958 of 2008 in the aforesaid case, has now held that Pre-delivery Inspection charges and After-sale Service charges collected by the dealers are to be included in the assessable value under Section 4 of the Central Excise Act, 1944.

4. In view of the aforesaid decision of the larger bench, the cases pending in the call book may be decided keeping in view the law laid down by the larger bench of CESTAT.

F.No. 6/4/2009-DS (CX.1 & 4)/Pt.

Declaration by Importer Must for Ozone Depleting Substance Clearance Against Advance Authorisation

The following Trade Notice was issued by the Zonal DGFT, Mumbai on 8th October 2010.

03-TN 08.10.2010 Attention of members of trade and industry is invited to Policy Circular No. 52 (RE-08)/2004-2009 dated 06.01.2009 regarding clearance for import of Ozone Depleting Substance (ODS) against advance authorisation/DFIA.

In view of the directions given in the abovementioned Circular, members of trade and industry filing applications for advance authorisations/DFIA are advised to submit declaration as annexed to this Trade Notice alongwith their application.

Annexure to Trade Notice No. 03/AM-11 dated 08.10.2010

I/We, M/s. ________ hereby declare that none of the input(s) in the instant application for advance authorisation/DFIA having file no. _______is Ozone Depleting Substance (ODS).

This statement is true and correct to the best of my knowledge.

Signature of Applicant:

Name in Block Letters:

Official Address:

Telephone Number:

Residential Address:

E-mail address:

Date:

Place:

Transfer of Capital Goods from STPI to SEZ Units

[Instruction No. 68 – No. D-5/2/2010-SEZ dated 28th October 2010]

Subject: Transfer of used Capital Goods by SEZ units.

68-SEZ Cir 28.10.2010 Department of Commerce has been receiving a number of representations especially from IT/ITES SEZ units about their requests for transfer of capital goods from their STPI units to their newly formed SEZ units. In one case, the DC concerned permitted the transfer subject to no income tax benefits being availed by the SEZ unit, permitted the STPI unit de-bond and issued the requisite sanction for transfer of the goods from STPI to SEZ. After nearly five months of the issuance of the LOA, the permission sanctioned to the SEZ unit was cancelled on the ground that such a transfer is not permitted. In other cases, the request for transfer was not approved.

2. In this connection, it may be mentioned that there are no provisions in the SEZ Act / Rules preventing such a transfer of goods. The only deterrent for transfer of such goods is not getting the exemption under the Income Tax Act when the value of the used goods exceed 20% of the total capital goods installed by the unit in a year. Instruction No.11 is reiterated wherein detailed guidelines have been prescribed for transferring of used/second hand capital goods from DTA including from an EOU/EHTP/STP/BTP unit. It is requested that all the DCs may kindly follow the instruction prescribed in this regard. If DCs have any doubts, they should refer the cases to DoC but they should not take unilateral decisions.

Guidelines on Energy Conservation in SEZs

[Instruction No. 66 – No. D-12/30/2009-SEZ dated 27th October 2010]

Subject: - Energy Conservation in SEZs.

66-SEZ Cir 27.10.2010 Please find attached guidelines on Energy Conservation in Special Economic Zones for implementation.

This issues with the approval of Commerce & Industry Minister.

Guidelines on Energy Conservation in SEZs

SEZs are special enclaves aimed at creating world class infrastructure. The guidelines and certification for SEZs is to be implemented as follows:

- Entire SEZ (proposed and under construction units) by developer/ co-developer
- In addition to the entire SEZ, the individual buildings would be addressed by owner/developer, as applicable

All individual buildings coming within the SEZ should also follow all the applicable green guidelines which can be implemented in such buildings. Individual buildings within the SEZ can also adopt appropriate rating programmes based on the building types:

- Residential (Developer)
- Commercial (Developer/ Owner)
- Factory buildings (Developer/ Owner)

- Schools (Owner)

Compliance with these guidelines would be certified by organisations like Indian Green Building Council (IGBC) www.igbc.in, Green Rating for Integrated Habitat Assessment (GRIHA) www.grihaindia.org, and other national & international agencies. SEZ developer/ co-developer can avail technical services from consultants, material & equipment suppliers. Information of such consultants, suppliers can be obtained from IGBC.

(a) Optimization of Use of Energy

(i) All new buildings within SEZ should be energy efficient as per the Energy Conservation Building Code (ECBC), 2008.

Note: Process loads for industrial buildings are excluded.

a. Envelope, Cooling, Heating and Lighting would comply with the ECBC requirements

b. For such of those building types (factories, homes, schools, etc.,) not addressed by ECBC, projects would comply with requirements of appropriate IGBC rating programme or other equivalent programmes.

(ii) For SEZs where the air-conditioning requirements are equal to and above 5,000 TR capacities should be catered through district heating and cooling. SEZs coming up in a phased manner with a load more than 5,000 TR capacity, would also plan and design for district heating & cooling.

Note: This is applicable to projects wherein the air-conditioning systems are installed by the SEZ owner/ developer/ co-developer.

(iii) The following measures may be considered for improving micro climate to avoid heat island effect:

a. 50% of the net roof area covered with vegetated roof (OR)

b. 75% of the net roof area installed with high Solar Reflective Index (SRI) material (OR)

c. Combination of above (75% of net roof area)

Note: Net roof area excludes all service areas (such as plant room, lift room, AHU room, etc.,), area covered by solar systems, sky lights and other similar functional areas.

(iv) Provide centralised and independent unit metering systems to monitor energy and water consumption for ongoing accountability.

(b) Power Utilization

(i) 100% of organic waste generated within SEZ should be used for in-situ power generation or vermi-composted, as applicable. This can be installed at a centralised location or have multiple individual installations.

Alternately, organic waste generated should be appropriately sent to projects/vendors for power generation, vermi-composting or other relevant usage.

(ii) External Lighting in common spaces (street lighting, path ways, parking areas, landscaping, traffic light blinkers and direction signages, where there is no requirement of lighting for reading purposes), may comply with the following:

a. Atleast 10% of the installed load should be solar powered during the first year of operation. Over a period, the installed load must be extended by atleast 5% annually until a target of 50% is achieved.

b. Atleast 10% of external lighting load in common spaces shall use 'LED'

c. Atleast 50% of external lighting load shall be installed with luminaries having atleast BEE 3 star rating or equivalent.

Note: The usage of incandescent lamps is not allowed.

d. All street lights shall be installed with automatic dusk to dawn controls

(iii) Internal Lighting in common spaces (foyers, stair case, corridors, etc.,) if in the scope of the developer, should comply with the following:

a. Atleast 10% of internal lighting load in common spaces should use 'LED'

b. Atleast 50% of the load should be installed with luminaries having atleast BEE 3 star rating or equivalent.

Note: The usage of incandescent lamps is not allowed.

(iv) Units are encouraged to achieve a minimum of 2% of total estimated energy consumption for each zone or 5 kW/ hectare, whichever is lower, should be generated in-situ through solar or building integrated photovoltaic or other forms of renewable energy. Over a period of 10 years, the aim is to see that the solar/ other forms of renewable energy be extended from 2% to a minimum of 20% of total estimated energy consumption or 50 kW/ hectare (equally staggered in a block of 3 years), whichever is lower.

a. In-situ systems should be located along the boundary wall of the processing area and open spaces/ roof tops, within the Zone. For this purpose, developers will have flexibility to use 10% of non-processing area beyond the limits prescribed, for any authorised operations

b. Alternatively, SEZ projects can also enter into Power Purchase Agreements (PPAs) with renewable energy developers to meet this requirement.

(v) For projects in SEZs having non-industrial hot water requirement, atleast 50% of hot water should be met by solar water heating systems.

(c) Water Efficiency

(i) Water harvesting practices should be used in each Zone by developer/ co-developer such that atleast 25% of the site run-off is harvested/ captured, depending on the aquifer characteristics. Design harvesting system to capture/ percolate atleast 2-3 days of discharge.

Note: Run-off is calculated based on 24 hour preceding 2-year peak rain fall discharge

(ii) Protect or restore the existing water bodies to promote bio-diversity.

(iii) Install centralised in-situ sewage waste water treatment plant (for both building and domestic) to treat 100% of waste water generated to tertiary standards as per State or Central Pollution Control Board norms, whichever is more stringent. For industrial effluents, the individual units have the primary responsibility to treat the effluent to meet the State or Central Pollution Control Board norms, whichever is more stringent. Common effluent treatment plant can also be explored, if possible.

(iv) Re-use treated waste water for landscaping, flushing and cooling tower make-up requirements within the site.

(v) Developer/ Co-Developer shall be responsible for providing water supply and no separate individual borings will be permitted for any use in any processing area.

(d) Waste Management

(i) Developer should provide centralised collection & storage area for recyclable waste such as paper, glass, metal, cardboard, plastics, e-waste & organic waste, as applicable.

Also, developer should identify/ appoint local vendors to handle (segregate & collect) and divert waste from both individual units & centralised collection area to reuse and/or recycle.

Note: Individual units must segregate recyclable waste.

(ii) SEZs with industrial units should have centralised or unit dependant primary treatment facilities to treat industrial solid waste (hazardous & non-hazardous) in accordance with State/ Central Pollution Control Board norms, whichever is more stringent.

(iii) Garbage segregation should be as per Solid Waste Rules of 2000.

(iv) Have a system in place to segregate waste during construction and subsequent reuse or recycling.

(e) Plantation

(i) The Developer/ Co-developer for Zones greater than 50 acres should set up their own nurseries for plantation of saplings. For Zones less than 50 acres, developer may share the neighboring SEZs nurseries or tie-up with established nurseries in the vicinity, if available.

(ii) Plantation should be native/ adaptive (drought tolerant).

(f) Site Preservation and Restoration

(i) Prevent construction activity pollution by controlling soil erosion and sedimentation as per National Building Code (NBC) 2005 guidelines. Stack the top soil and reuse for landscaping, wherever applicable.

Rule 47(3) of SEZ Rules Covering Duty on Sale of Power from SEZ to DTA in Abeyance w.e.f. 6.9.2010

[Instruction No. 67 – No. P.6/3/2006-SEZ dated 28th October 2010]

Subject: Clarification on Rule 47(3) of SEZ Rules, 2006 – Duty for sale of power from SEZ to DTA.

67-SEZ Cir 28.10.2010 — The undersigned is directed to say that in order to implement the Custom Notification No. 91/2010 dated 6.9.2010, it has been decided that operation of Rule 47(3) of SEZ Rules, 2006 is kept abeyance w.e.f. 6.9.2010 till further orders.

(ii) Preserve or transplant existing trees, wherever appropriate as per local bye-laws.

(iii) Atleast 50% of the open area should be landscaped to reduce heat island effect.

Notes:

a. Open area = Total area – Development foot print

Development foot print includes building foot print, multi-level car parking, service areas, roads and other similar areas.

b. Vegetated roofs can also be considered as landscaped areas.

c. Potted plants cannot be considered as landscaped areas.

(iv) Atleast 30% of non-roof hardscape areas to be either shaded by trees or installed with open-grid pavers.

(v) Provide recreation facilities such as parks, open-air theatres, plaza, etc., to enhance the quality of life of the occupants.

(g) Local Internal Transportation

(i) Each Zone should have its own internal transportation facilities (wherever internal transportation is required), to cater to atleast 10% of the permanent occupants through low emission vehicles such as electrically driven vehicles/ electric rickshaws or Compressed Natural Gas (CNG), Bio-diesel or any other environment friendly fuel driven vehicles. The facilities should be created as per the need assessment of the Zone by Unit Approval Committee.

(ii) Developer/ co-developer/Units to provide for facilities for more than 50% of parking requirement either in multi-level car parking or building basement, to reduce heat island effect. For remaining requirement of parking, other methods can be adopted.

(iii) Facilitate proximity to alternative modes of local mass transportation (rail and/ or bus). In the event of such facilities not being available, provide shuttle services to the nearest rail or bus services.

(iv) Provide bicycle lanes and exclusive bicycle parking facilities to encourage occupants to cycle within the SEZ.

(v) Provide exclusive lanes for comfortable pedestrian street access within SEZ.

(vi) Provide high level of internal connectivity through street network within SEZ.

(vii) SEZs should be provided with basic amenities such as banks, ATM's, restaurants, super market, clinic/ hospital, pharmacy, stationary, etc., to improve occupant comfort and minimise transportation.

(h) Materials

It is recommended that each building in the zone should identify and source materials (only civil and interior materials such as bricks, concrete, tiles, gypsum, etc.,) from nearby areas. As far as possible atleast 20% materials by value are regionally sourced (within a radius of 500 km).

(i) Indoor Air Quality in Individual Buildings

(i) Provide fresh air for ventilation in air-conditioned buildings as per ASHRAE standard 62.1-2007

For un-conditioned buildings, provide openings (window/ doors) equal to or greater than 10% of the net occupiable floor area.

(ii) Use paints, coatings, adhesives & sealants with low VOC content.

Note: For VOC limits, please refer IGBC Green SEZ Rating Abridged Reference Guide (Pilot version).

(j) IT Infrastructure

(i) Each Zone should have Optical Fiber Connectivity (OFC) to provide efficient internet and broad band connectivity to the units by the developer/ co-developer.

(k) SEZ Green Guidelines Compliance and Certification Process

(i) The entire SEZ should be designed as per the Green SEZ guidelines. Alternately, SEZ as a whole can opt for IGBC SEZ rating system in which case they would be deemed to have met the green SEZ guidelines.

(ii) Individual buildings within the SEZ should adopt all green guidelines applicable to such buildings. Alternately, such buildings can opt for green building certification, in which case, they would be deemed to have met the green SEZ guidelines.

(iii) Certified buildings in the SEZ should renew the certification every 3 years from the date of certification.

(iv) Projects by developer/ co-developer can opt for pre-certification.

Note: Precertification is an option provided for projects aspiring to get pre-certified at the design stage. This gives the developer/ co-developer a unique advantage to market the project to potential buyers.

(v) Compliance with the above guidelines would be certified by organisations like Indian Green Building Council (IGBC) www.igbc.in, Green Rating for Integrated Habitat Assessment (GRIHA) www.grihaindia.org, and other national & international agencies.

(vi) For support required on process and funding of renewable energy activities, approach MNRE. Applications shall be forwarded by the Zonal DC to Joint Secretary, Ministry of New and Renewable Energy, Govt. of India, Block no. 14, CGO complex, Lodi Road, New Delhi 110003 (Tel. No. 011-24361027, Fax No. 011-24367413) who will get them approved and communicate the same to the DC and will also disburse the fund to the developer and the unit.

Guidelines for Development of Special Economic Zones(SEZs)

[Instruction No. 65 – No. D-1/19/2009-SEZ dated 27th October 2010]

65-SEZ Cir	Please find attached guidelines for Development
27.10.2010	of Special Economic Zones (SEZs) for implementation.

This issues with the approval of Commerce & Industry Minister.

Guidelines for Development of Special Economic Zones (SEZs)

1. Background

India was one of the first in Asia to recognize the effectiveness of the Export Processing Zone (EPZ) model in promoting exports, with Asia's first EPZ set up in Kandla in 1965. With a view to overcome the shortcomings experienced in the EPZ format, a Special Economic Zones (SEZs) Policy was announced in April 2000. The policy intended to make SEZs an engine for economic growth. SEZs in India functioned from 1.11.2000 to 09.02.2006 under the provisions of the Foreign Trade Policy and fiscal incentives were made effective through the provisions of relevant statutes. To instill confidence in investors and signal the Government's commitment to a stable SEZ policy regime, a comprehensive Special Economic Zone legislation was enacted June 2005, which came into effect on 10th February, 2006. The response to the Scheme has been overwhelming. In short span of about three years since SEZ Act and Rules were notified in February, 2006, formal approvals have been granted for setting up of 578 SEZs out of which 340 have been notified. Out of the total employment provided to 4,18,129 persons in SEZs as a whole 2,83,425 persons is incremental employment generated after February, 2006 when the SEZ Act has come into force. Physical exports from the SEZs have increased from Rs.66,638 crore in 2007-08 to Rs.99,689 crore in 2008-09, registering a growth of 50%. There has been overall growth of export of 620% over past five years (2003-04). The exports during the first two quarters of the current financial year (2009-10) has been to the tune of Rs.89,750 crores (approx.)

Keeping in view the fact that a number of approved Special Economic Zones are at various stages of implementation and based on experience gained so far, formulation of certain broad guidelines to govern the development of SEZs has been considered appropriate to ensure environmentally sustainable well planned development of the SEZs.

2. Site Identification, Land Acquisition and R&R

The provisions of the Land Acquisition Act and the Resettlement and Rehabilitation Policy as framed by the Ministry of Rural Development will be applicable for acquisition of land for SEZ also.

However, while identifying the location for setting up of Special Economic Zones, the promoter may keep in view the following aspects:

(i) As far as possible, SEZs may be located outside an urban agglomeration/municipal limit.

(ii) Sufficient land and water resources for the population envisaged in the SEZs should be available.

(iii) Cultivable land should be considered only if adequate quantum of other land is not available. First preference should be for acquisition of waste and barren land, followed by single crop land and double crop land necessary to meet the contiguity requirements.

(iv) Site shall have potential for development as a self-contained entity along with environmental sustainability.

(v) As far as possible SEZs shall be self-contained with respect to basic facilities and requirements.

(vi) The developer may also strive to create facilities such as industrial training centres, ITIs, vocational training programmes and other such community development programmes for the benefit of the people impacted by the establishment of the Zone in association with the Government or Non-Governmental agencies as considered appropriate.

3. Development Plan for SEZ

3.1 The Developer of the SEZ shall make a Development Plan, keeping in view the following aspects:

(i) Site analysis and assessment of physical and natural resources.

(ii) Broad spatial plan showing land use pattern, road and other infrastructure.

(iii) Activity nodes for location of industrial, commercial, trade and commerce and other employment generating activities serving as nucleus for development around which other activities are likely to come up.

(iv) Sectoral infrastructure plan, including fast track and efficient linkages/provision of transportation with the mother city and other urban centres of the region.

(v) Development Plan for SEZ be prepared with a perspective of 20-25 years and shall be broken up into short term Action Plans of five years each.

(vi) The plans need to be adequately backed by investments plans/programmes for infrastructure to be implemented in a phased manner.

(vii) Planning of SEZs may adopt different kind of development low-rise and lowdensity development or high rise, medium density or high-rise and high-density urban form depending on the availability of land requirement of the operating units.

(viii) Developers of the SEZs would strive to address environmental aspects as prescribed by law, planned green areas, ground water recharging areas and disaster mitigation aspects.

3.2 Role of State Government: SEZs may be located in a regulated or any nonregulated area. For a SEZ falling within the regulated area, **t**he State Government may constitute an Empowered Committee under the Chairmanship of Chief Secretary and consisting of representatives from various Ministries/Departments to prepare the guidelines for the development of Special Economic Zone with regard to land usage, floor space level, environmental provisions, safety measures and such other matters as may be required. It may also ensure compliance of the approved master plan and may approve any modification in the plan if required by the Developer and provide the guiding principles for town planning and urban development standards to be implemented by the developer.

In case of SEZ falling in a non-regulated area, the master plan should conform to the overall urban development guidelines, if there are none by the State Government.

A. The authority for approving the building plans may be delegated to the Approval Committee of the Zone headed by the Development Commissioner. The Committee will also have nominee of the concerned Department of the State Government to ensure compliance to the policy of the State Government on the subject.

B. Telecommunications: A Zone 'should' have optical fibre connectivity to provide state-of-the-art high speed communication link for audio and video to the users in the zone. There should be a video conferencing facility in the office of the Developer and the DC in the Zone which should be operational for use by the DC for reviews as well as for meeting with the State Government Departments/Central Government Departments as well as investors.

C. Housing: Five per cent of the total area should be used for constructing low cost housing and dormitories in all SEZs of a size of 100 hectares or more. In case of a SEZ of a size of less than 100 hectares, developers should provide low cost housing /dormitories to the employees depending upon the need of the SEZ as per the National Urban Housing Policy 2007. Developer should rent out these houses to the employees of units. The units could take these houses on long-term lease for renting out to their employees. The housing facilities created in the nonprocessing area could also be allowed to be used by persons who are working for establishment relating to SEZ developers, units and or are users of infrastructure facilities created in the SEZ. In case a unit, having houses on long lease closes down, these can be transferred to other working units or the developer. Proper space for street vendors in the commercial areas shall be provided keeping in view the National Policy on Urban Street Vendors, 2009.

D. Mass Transportation: Developer should provide mass transportation facilities in the Zone. The State Government should provide appropriate connectivity for mass transportation from the nearby towns to the Zone and the Developer should take appropriate steps for the same.

3.3 The Master Plan approval should be granted by the State Government on a time bound basis within 45 days of submission of Draft Master Plan related documents. This would include clearance from the land ceiling provisions. For this purpose, the guidelines circulated by the Department of Commerce vide letter No:H.5/3/2007-EPZ dated 24.1.2008 to the State Governments on creation of Empowered Committee for granting all kinds of State Government's approval may be kept in view.

4. Physical Infrastrcture

(i) External Connectivity: External connectivity for SEZs being critical to the success of the SEZ, State Governments should evolve a development plan and create adequate external infrastructure for the SEZs on a time bound basis.

(ii) Water Supply: There should be planning for adequate provision for water supply to meet both residential and non-residential demand of water. Best practices should be adopted for conservation and recycling of water. The Zone should be adequate facilities for rain water harvesting. If water is drawn in bulk from an existing water supply system, the storage reservoir may suitably be sited.

(iii) Drainage**:** The drainage system should be designed based on the soil conditions, ie. Water absorption capacity of the soil, area of open spaces and other non-residential uses. The storm water drainage system shall be designed keeping in view the historical rainfall intensity of the area.

(iv) Sewerage: Adequate and appropriate sewerage system should be put in place by the SEZ developer in accordance with the developmental plan. Sewerage treatment plant facilities may be provided for the SEZ as a whole. The prevailing wind direction should also be considered while orienting the development in the pockets adjoining treatment plant. For pockets adjoining sewerage treatment plants, think clusters of tress should be planted to act as a buffer.

(v) Solid Waste management: Properly designed enclosures at suitable places in the SEZ should be provided for depositing segregated solid waste. Appropriate landfill sites away from the SEZ should be earmarked.

(vi) Power Supply**:** It would be appropriate that the SEZ is self-dependent on power supply and the SEZs should be able to provide 7 x24 hours uninterrupted quality power supply. It would be desirable for Developer to undertake distribution of power either on its own or through a Co-Developer and source power from power plants located in other SEZs or set up a captive power plant.

(vii) Medical & Food Facilities: Developers shall provide appropriate medical facilities in the zone for use by the residents & employees. Developers should also provide low cost food facilities for workers living in dormitories.

(viii) Training and Manpower: The developer shall be responsible for setting up technical education facilities on need basis in non processing area which will include Polytechnics, courses for higher education as well as facilities for evening classes for the nearby areas of each Zone to provide qualified manpower in the units coming up in the Zone.

(ix) Regional Development: SEZs being centres for economic activity, will have the influence of developing township around it. State Government therefore should look at the development of the area around the Zone in a planned manner in particular for SEZs around which there is no commercial or industrial activity. Developers will work with the State Government to achieve the same objective.

5. Priority to Small Scale Units in SEZ

Setting up of "Small Scale Units" as defined under the Micro, Small and Medium Enterprises

Development Act, 2006, in the SEZs, should be encouraged. Accordingly the SEZ developers should make a conscious attempt to bring small scale units in the SEZs. Development Commissioners of the Central Government SEZs should ensure that preference is given to the small scale units while allotting space in the SEZs. Similarly in respect of other SEZs also the SEZ developer should give a preference to the SSI units while allotting space in the SEZs.

DCs of the IT/ITES SEZs may ensure that the IT/ITES SEZs are advised to set up incubators of size of minimum 200 seats.

DCs will review the same in the meeting of UAC each month.

6. Industrial Township

State Government should take appropriate steps to declare the SEZs as industrial townships under Article 243 Q of the Constitution with appropriate governing body giving suitable representation to the SEZ developer, units and SEZ residents.

7. General

The developer and State Government should take a long term view for developing infrastructure facilities within the Zone, particularly in case of multi-sector SEZs.

Export Credit of US $21.72 mn to Ghana

Sub: Exim Bank's Line of Credit of USD 21.72 million to the Government of the Republic of Ghana

AP(DIR Srs) Cir.14 13.10.2010 (RBI)

Export-Import Bank of India (Exim Bank) has concluded an Agreement dated May 6, 2010 with the Government of the Republic of Ghana making available to the latter, a Line of Credit (LOC) of USD 21.72 million (USD twenty one million seven hundred and twenty thousand) for financing eligible goods and services including consultancy services from India for (i) improved fish harvesting and fish processing project, and (ii) waste management equipment and management support project in the Republic of Ghana. 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 from outside India for the purpose of Eligible Contract.

2. The Credit Agreement under the LOC is effective from September 3, 2010 and the date of execution of the Agreement is May 6, 2010. 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 the case of project exports and 72 months (May 05, 2016) from the execution date of the Credit Agreement in the case of supply contracts.

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

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to www.eximbankindia.in.

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

Export Credit of US $21.80 mn to Mauritania

Sub: Exim Bank's Line of Credit of USD 21.80 million to the Government of the Islamic Republic of Mauritania

AP(DIR Srs) Cir.15 13.10.2010 (RBI)

Export-Import Bank of India (Exim Bank) has concluded an Agreement dated February 09, 2010 with the Government of the Islamic Republic of Mauritania making available to the latter, a Line of Credit (LOC) of USD 21.80 million (USD twenty one million eight hundred thousand) for financing eligible goods and services including consultancy services from India for the purpose of financing (i) Potable drinking water project (USD 6.80 million); and (ii) Agriculture development project (USD 15 million) in Mauritania. 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 from outside India for the purpose of Eligible Contract.

2. The Credit Agreement under the LOC is effective from September 03, 2010 and the date of execution of Agreement is February 09, 2010. 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 the case of project exports and 72 months (February 08, 2016) from the execution date of the Credit Agreement in the case of supply contracts.

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

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to www.eximbankindia.in.

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

China Cancels Saudi Methanol Anti-Dumping Case

According to the proclamation from Ministry of Commerce of People's Republic of China, the anti-dumping case against Saudi methanol exported to China had been canceled on Oct. 25, 2010.

Cont'd..359

price of trade finance skyrocketed, as traditional lenders were short of cash and much more risk-averse. Waning global demand for goods and services was the main reason for the sharpest contraction in global trade since the Second World War. But the shock to the availability of trade finance that ordinarily underpins the lion's share of international transactions by some estimates accounted for at least a tenth of the 12 percent drop in global merchandise trade in 2009. In the wake of the contraction, the WTO appealed for action by governments; the Group of 20 leading economies subsequently pledged $250 billion in support for restoring trade finance flows, particularly to developing countries.

Exchange Rates for Customs Valuation

IMPORTS and EXPORTS

The current notification No. 91-Customs(NT) dated 27[8h] October 2010 supersedes notification 85-Customs(NT) dated 28[8h] September 2010.

91-Cus(NT) 27.10.2010 (DoR) In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue) **No.85/2010-CUSTOMS (N.T.), dated the 28th September, 2010** *vide* number S.O. 2348(E), dated the 28th September, 2010, except as respects things done or omitted to be done before such supersession, the Central Board of Excise and Customs hereby determines that the rate of exchange of conversion of each of the foreign currency specified in column (2) of each of Schedule I and Schedule II annexed hereto into Indian currency or *vice versa* shall, **with effect from 1st November, 2010** be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

		Imprted Goods		Exported Goods	
SNo	Currency	Current	Previous	Current	Previous
Schedule I – Rate of exchange of one unit of foreign currency equivalent to Indian rupees					
1	Australian Dollar	44.70	43.90	43.45	42.60
2	Canadian Dollar	44.25	44.75	42.95	43.40
3	Danish Kroner	8.50	8.30	8.15	8.00
4	EURO	63.00	61.70	61.15	59.90
5	Hong Kong Dollar	5.80	5.90	5.65	5.75
6	Norwegian Kroner	7.85	7.80	7.55	7.55
7	Pound Sterling	70.95	72.40	69.00	70.55
8	Swedish Kroner	6.90	6.75	6.65	6.50
9	Swiss Franc	46.45	46.55	45.15	45.15
10	Singapore Dollar	34.80	34.65	33.90	33.70
11	US Dollar	44.90	45.60	44.00	44.70
Schedule II – Rate of exchange of 100 units of foreign currency equivalent to Indian rupees					
1	Japanese Yen	55.85	54.40	54.15	52.80

[F.No.468/12/2010-Cus.V]

Tariff Value on Brass Scrap Hiked by US $62/MT

92-Cus(NT) 29.10.2010 (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)	4194
9	1207 91 00	Poppy seeds	2751 (i.e. no change)

[F. No. 467/4/2010-Cus.V]

Commodity Spot Prices in India – 29 October-01 November 2010

These commodity prices are taken from Multi Commodity Exchange of India (Mumbai) at 6 pm every day.

(Rs.)

Commodity	Unit	Market	29-Oct	30-Oct	1-Nov
CER (Carbon Trading)	1 MT	Mumbai	781	769	769
Chana	100 KGS	Delhi	2342	2337	2355
Masur	100 KGS	Indore	3173	3196	3203
Potato	100 KGS	Agra	613.1	618.8	644.8
Potato TKR	100 KGS	Tarkeshwar	512.1	509.5	505.7
Arecanut	100 KGS	Mangalore	NA	NA	NA
Cashewkern	1 KGS	Quilon	NA	NA	NA
Cardamom	1 KGS	Vandanmedu	840.3	820.3	878.1
Coffee ROB	100 KGS	Kushalnagar	NA	NA	NA
Jeera	100 KGS	Unjha	NA	NA	NA
Pepper	100 KGS	Kochi	NA	NA	NA
Red Chili	100 KGS	Guntur	NA	NA	NA
Turmeric	100 KGS	Nzmbad	14725	14725	14775
Guar Gum	100 KGS	Jodhpur	NA	NA	NA
Maize	100 KGS	Nzmbad	960.5	958.5	955
Wheat	100 KGS	Delhi	1282.5	1281.3	1275.4
Mentha Oil	1 KGS	Chandausi	1229.7	1245.9	1375.1
Cotton Seed	100 KGS	Akola	NA	NA	NA
Castorsd RJK	100 KGS	Rajkot	3429	3431.5	3426.5
Guar Seed	100 KGS	Bikaner	2070	2075	2086
Soya Bean	100 KGS	Indore	2170.5	2173	2160
Mustrdsd JPR	20 KGS	Jaipur	554.5	556.8	553.75
Sesame Seed	100 KGS	Rajkot	5938	5940	5875
Coconut Oil Cake	100 KGS	Kochi	NA	NA	NA
RCBR Oil Cake	1 MT	Raipur	NA	NA	NA
Kapaskhali	50 KGS	Akola	1121.5	1113.9	1082.1
Coconut Oil	100 KGS	Kochi	7332	7332	7332
Refsoy Oil	10 KGS	Indore	522.9	523.45	520.05
CPO	10 KGS	Kandla	451	450.4	450.7
Mustard Oil	10 KGS	Jaipur	548.2	549.5	546.7
Gnutoilexp	10 KGS	Rajkot	705.7	705.9	692.8
Castor Oil	10 KGS	Kandla	NA	NA	NA
Crude Oil	1 BBL	Mumbai	3656	3627	3627
Furnace Oil	1000 KGS	Mumbai	NA	NA	NA
Sourcrd Oil	1 BBL	Mumbai	34150	NA	NA
Brent Crude	1 BBL	Mumbai	3719	3704	3704
Gur	40 KGS	Muzngr	NA	NA	NA
Sugars	100 KGS	Kolhapur	2634	2650	2685
Sugarm	100 KGS	Delhi	2867	2885	2905
Natural Gas	1 mmBtu	Hazirabad	173.1	179.9	179.9
Rubber	100 KGS	Kochi	18985	19018	19260
Cotton Long	1 Candy	Kadi	NA	NA	NA
Cotton Med	1 Maund	Sriganganagar	NA	NA	NA
Jute	100 KGS	Kolkata	3378	3380	3398
Gold	10 GRMS	Ahmd	19475	19680	19730
Gold Guinea	8 GRMS	Ahmd	15643	15807	15847
Silver	1 KGS	Ahmd	36040	37075	37455
Sponge Iron	1 MT	Raipur	NA	NA	NA
Steel Flat	1000 KGS	Mumbai	NA	NA	NA
Steel Long	1 MT	Gobindgarh	25930	25950	25930
Copper	1 KGS	Mumbai	371.5	366.6	366.6
Nickel	1 KGS	Mumbai	1031	1010.5	1024.1
Aluminium	1 KGS	Mumbai	102.95	102.5	103.75
Lead	1 KGS	Mumbai	111.4	108.5	108.95
Zinc	1 KGS	Mumbai	110.2	106.55	106.85
Tin	1 KGS	Mumbai	1166	1134	1141.25

(Source: MCX Spot Prices)

US Bye Passes WTO for NAFTA on Tuna-Dolphin Dispute with Mexico

The US government has called for the creation of a dispute settlement panel under the North American Free Trade Agreement to rule on Mexico's decision to pursue a complaint about US labelling rules for 'dolphin safe' tuna at the WTO rather than under NAFTA.

Washington contends that Mexico's decision to pursue the case at the WTO violates a NAFTA clause allowing the US, as the target of a case concerning matters addressed by WTO and NAFTA rules on the protection of human or animal life or the environment, to choose to have the dispute considered solely under NAFTA procedures (NAFTA Article 2005).

The US trade representative's office announced on 24 September that Washington had petitioned the NAFTA Free Trade Commission, a group of senior officials that meets yearly to oversee the agreement's functioning and to resolve disputes, to establish a dispute settlement panel to examine Mexico's choice of forum.

The most recent episode in two decades of disagreements between Mexico and the US on tuna trade and the protection of dolphins stems from a March 2009 request by Mexico for a WTO panel to be established to examine the WTO-compliance of US requirements for tuna to be labelled as "dolphin safe". The current case is not directly related to the 1990s disputes over a US embargo on dolphin-unsafe tuna that produced a series of controversial rulings.

At issue now is a US regulation stating that tuna caught in encircling, or "purse-seine", nets, which often trap dolphins along with the fish, may not carry the label "dolphin safe." The US has argued that the policy is a conservation measure. Mexico argues that its fishing fleet uses new techniques that allow purse-seine nets to be used without killing any dolphins, and that the US labelling requirement therefore needs to be changed, lest it unfairly discriminate against dolphin-safe Mexican exports.

A Mexican official told that the US and Mexico already had a labelling agreement allowing Mexican tuna to be imported into the US. However, consumer preferences in the US meant that any tuna without the "dolphin-safe" label would not sell.

The US has invoked its right to move the dispute to a NAFTA panel under NAFTA Article 2005. NAFTA normally gives complainants the right to pick a dispute settlement forum. However, a clause in that article states that in the case of disputes pertaining to standards or sanitary and phytosanitary measures, involving factual concerns over measures taken to protect a party's environment or human and animal health, if "the responding party requests in writing that the matter be considered under [NAFTA], the complaining party may, in respect of that matter, thereafter have recourse to dispute settlement procedures solely under [NAFTA]."

Costa Rica Exceeds Subsidy Limits by Six Times!

Questions about WTO members' real or potential violations of binding commitments on subsidy spending and tariff levels featured prominently in a meeting last week of the WTO Agriculture Committee.

At the 23 September gathering, Costa Rica was the focus of much attention for its notifications that it had spent well in excess of its bound WTO ceiling for the most trade-distorting kinds of farm subsidies in both 2009 and 2009. In a series of notifications, Costa Rica indicated to the WTO that its "Aggregate Measurement of Support" (AMS) - often called "amber box" subsidies - amounted to some $62.5 million in 2008 and $91.7 million in 2009. Both figures are several times higher than its legally binding ceiling for such payments: $15.9 million.

Other countries were asked about policies that are potentially non-compliant with WTO rules. For instance, Canada asked Ukraine whether a "temporary agricultural fee" it has been considering would be within its tariff commitments. Ukraine responded that the proposal has not been adopted. A number of countries were asked why some of their farm subsidy programmes were notified under the 'green box' - a category of farm subsidies deemed not to distort trade, and consequently exempt from cuts under a future Doha Round accord.

Cont'd..358

less, Lamy told representatives of the WTO's 153 members that he believed that "history will judge us harshly if our collective efforts towards exiting the economic crisis were to be frustrated by short-sighted individual rent-seeking."

Recent months have been marked by increasingly sharp exchanges among the world's major economies over currency policy and attempts to boost export competitiveness. Brazil's finance minister, Guido Mantega, recently declared the world economy to be in an "international currency war.

WORLD TRADE SCANNER

BIG's WEEKLY INDEX OF CHANGES

Foreign Trade Policy

Customs

CBEC Circular

RBI Circulars [(AP (DIR Series)]

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