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Ireland Lands in ICU, Seeks $130 bn SOS Funds, Bond Prices Soar

Ireland sought international aid, becoming the second euro country to need a rescue as the cost of saving its banks threatened a rerun of the Greek debt crisis that destabilized the currency.

Ireland will channel the money to lenders through a "contingent" capital fund, Irish Finance Minister Brian Lenihan told reporters. The rest of the package, which Goldman Sachs Group Inc. estimates may total 95 billion euros ($130 billion), would help Ireland avoid selling bonds.

"The banks were too big a problem for the country," Lenihan said in Dublin. "The key issue all the time for the government is to ensure that we do not have a collapse of the banking sector."

Real Estate Bubble Burst, Portugal and Spain may be Next

The aid, which Irish officials said as recently as Nov. 15 they didn't need, marks the latest blow to an economy that more than doubled in the decade ending in 2006. The bursting of the real-estate bubble in 2008 plunged the country into a recession and brought its banks close to collapse. With Irish bond yields near a record, policy makers are trying to keep the crisis from engulfing Portugal and Spain, the fourth-largest euro economy.

The euro rose to $1.3740 from $1.3673 in New York on Nov. 19, when it climbed 0.2 percent. The single currency gained 0.4 percent to 114.65 yen.

Funding Needs

The U.K. and Sweden may contribute bilateral loans, the EU said in a statement. Lenihan declined to say how big the package will be, saying that it will be less than 100 billion euros. Goldman Sachs Chief European Economist Erik Nielsen said the government needs 65 billion euros to fund itself for the next three years and 30 billion euros for the banks.

Nielsen said investors will be looking to the final agreement for details on how creditors will be treated in any burden sharing among bank stakeholders.

Lenihan and Cowen appeared minutes after finance chiefs issued their statement endorsing an aid request to calm markets. Allied Irish emphasized the fragility of the system on Nov. 19, reporting a 17 percent decline in deposits this year.

No Doubt

The bailout follows two years of budget cuts that failed to restore market confidence as the cost of shoring up the financial industry soared. The head of the Organization for Economic Cooperation and Development urging officials to agree as large a bailout fund as possible.

The risk premium on Ireland's 10-year debt over German bunds, Europe's benchmark, widened to a record 652 basis points on Nov. 11, with the yield reaching a record 9.1 percent. In 2007, it cost Ireland less than Germany to borrow. Its 10-year spread then fell to as low as 77 basis points less than bunds. The ISEQ stock index has plunged 70 percent from its record in 2007.

Undermining the Euro

Ireland will draw on the 750-billion-euro fund set up by the EU and IMF in May as part of the Greek bailout to prevent euro members woes from undermining the currency shared by 16 countries.

Europe's sovereign debt crisis erupted after Greek Premier George Papandreou said the budget deficit was twice as big as the prior administration had disclosed. The EU and IMF approved a 110 billion-euro aid package on May 2 in exchange for cuts in public-sector wages and pensions and increased taxes on fuel, alcohol and cigarettes.

Irish officials initially resisted pressure from the EU to take any aid, saying they were fully funded until the middle of 2011. European leaders sought to head off contagion from Ireland and reduce pressure on the European Central Bank to prop up the country's lenders by providing them with unlimited liquidity.

Yields on bonds of Spain and Portugal have jumped amid concern that fallout from Ireland would spread. The extra yield that investors demand to hold Portuguese 10-year bonds instead of German bunds climbed to a record 484 basis points on Nov. 11.

China Bans Hoarding of Oil, Coal to Cool Prices

China is banning hoarding of oil, coal and other key commodities, seeking to ensure supplies and cool prices that have surged to politically volatile levels despite repeated moves to curb inflation.

Inflation has jumped to a 25-month high of 4.4 percent in October. Authorities want to reassure a nervous public that the government can handle inflation pressures that some worry could spiral out of control.

The National Development and Reform Commission, China's main economic planning agency, forbade provinces from limiting shipments of coal beyond their borders, ordering them to ensure stable supplies. The Commerce Ministry, meanwhile, ordered local authorities to crack down on hoarding of oil, gasoline and other fuels, on bogus bids meant to drive prices higher, and other illegal practices.

Authorities say soaring food prices – which jumped more than 10 percent in October – are mainly to blame for the current bout of inflation, but costs for fuel and other necessities have also jumped, as supplies have run short.

Coal, which fuels about three-quarters of the country's electricity generation, is a special concern, especially in winter months when it also is used in heating systems in the north.

Much of the coal is mined in north-central China and then shipped to big cities, utility plants and factories in the eastern coastal regions.

The planning agency complained that some areas, which it did not name, were requiring coal traders to obtain special permits before they can ship coal.

The government has already ordered state-owned refiners to step up production amid signs they were holding back in anticipation of a rise in government-controlled retail prices.

Diesel supplies already were running low after thousands of factories bought diesel generators to cope with power cuts imposed by authorities to meet energy-saving goals, further boosting demand.

Commodities Slump as China Tightens Money

"It's the fifth time China is doing this tightening" said Kevin Rendino, a money manager at New York-based BlackRock Inc., which oversees $3.45 trillion. "People think it's going to be the beginning of the end."

Commodities sank after China told banks to set aside more reserves in an effort to curb inflation, while the euro gained amid prospects for a financial rescue for Ireland. U.S. stocks advanced after Nike Inc. increased its dividend and earnings at technology companies topped estimates.

The S&P GSCI Index of commodities tumbled 0.9 percent to extend a weekly slump to 2.8 percent, its biggest slide since August. The euro climbed against 14 of 16 major peers. The Standard & Poor's 500 Index rose 0.3 percent to 1,199.73, erasing an earlier 0.6 percent slide. Irish bonds reversed a rally as Allied Irish Banks Plc said its reliance on funding from central banks tripled, underscoring the nation's need for a financial rescue.

Earlier declines in U.S. stocks followed a drop in European equities after the People's Bank of China announced plans to increase banks' reserve ratio requirements by 50 basis points. Optimism that an international bailout for Ireland will limit contagion across Europe's larger debt markets helped drive the euro higher against the dollar for three straight days.

Commodities Slide

Sugar, cotton and corn slumped at least 3.8 percent to lead the retreat in commodities. Crude oil lost 0.4 percent to $81.51 a barrel in New York and slid 4 percent since November 12, capping its biggest weekly decline since August. Cotton futures tumbled the exchange limit 6 cents to $1.2315 a pound in New York, extending the biggest weekly loss in 20 months, amid India's plan to boost output and China's steps to curb inflation.

'Tackling Its Problem'

China's Shanghai Composite Index advanced 0.8 percent before the announcement about bank reserve ratios. The gauge retreated 3.2 percent this week as concern deepened that the government will tighten monetary policy to curb the fastest inflation in two years. China's central bank will raise its benchmark lending rate by the end of December.

BIS to Study Presence of Antibiotics in Honey

EU Bans Import from India

The Government has taken cognizance of a recent study by Centre for Science and Environment on the presence of antibiotics in honey sold commercially. It has been decided to place the study before the concerned Sectional Committee of Bureau of Indian Standards.

The standards of honey have been prescribed under Prevention of Food Adulteration Rules, 1955, wherein antibiotics are not permitted to be added in honey. The implementation of the Prevention of Food Adulteration Act and Rules is carried out by the States/U.Ts. Governments who take action in case of any violation of Prevention of Food Adulteration Rules, 1955. An advisory has been issued to all State Governments/U.Ts. Governments for drawing samples to take necessary action in case of violation of prescribed parameters.

The European Union has banned the export of honey from India, on account of positive detection of heavy metals and other contaminants, reported in the Residual Monitoring Plan. A detailed Action Plan was prepared by Export Inspection Council, which is the competent authority, and this has been communicated to European Commission. The Action Plan squarely addresses all the issues raised by the Food and Veterinary Office Mission and puts in motion a system to ensure that honey export from India to the European Union is free of contaminants.

This information was given by Prof. K.V. Thomas, Minister of State for Agriculture, Consumer Affairs, Food and Public Distribution in written reply to a question in the Rajya Sabha on 19 November 2010.

[Source: PIB Press Releases on 19 November 2010]

Open Trade Boosts Growth, Jobs says Report

Open trade can boost growth and create jobs, but social protection policies are necessary to ensure that these benefits are widely shared, according to a new report from the Organisation for Economic Co-Operation and Development (OECD), the International Labour Organisation (ILO), the World Bank, and the WTO. "Open markets can contribute to growth and better employment outcomes," states the report, which was presented to the G-20 leaders' summit in Seoul last week. "This was true before the [global financial] crisis and it remains true today."

The reported, titled *Seizing the Benefits of Trade for Employment and Growth*, argues that more open trade for goods and services can "provide a stimulus for the world economy, at a time when many of the temporary stimulus measures taken by many governments during the crisis are being unwound."

Trade and employment

The report warns, however, that market-opening must be paired with domestic policies for employment and social protection "to ensure that benefits from trade are widely shared." Workers need help adjusting to increased competition, the report said, "as jobs are both created and destroyed in the natural 'churn' of economic progress."

Appropriate policies and programmes would "include stable macroeconomic policies, effective labour market and social protection policies, investment in education and enhancing export sectors in developing countries."

Research used in the report found "that a 10 percent increase in trade openness reduces unemployment by 1 percent for a mix of developed and developing countries," although the report did not mention which countries were

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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
16-Nov-10	45.3350	45.4425	45.1950	45.4150	45.4150	754098	2638554	1196178.58	45.2200
15-Nov-10	45.0725	45.3625	45.0500	45.3300	45.3300	792830	3202643	1448761.98	45.1400
12-Nov-10	44.6300	45.0025	44.6150	44.9425	44.9425	778976	3385898	1518153.25	44.6400
11-Nov-10	44.4150	44.5000	44.4000	44.4600	44.4600	816319	1678469	745960.33	44.2500
10-Nov-10	44.6075	44.6500	44.4500	44.5225	44.5225	843632	2495517	1111586.19	44.3900

[Source: NSE and RBI Website]

Subscription rate for the Weekly Index with World Trade Scanner

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- ❑ 2 Years Rs. 1400 US$140
- ❑ 3 Years Rs. 2100 US$200

Google says Internet Censoring Violates GATS in WTO

China and other governments that engage in internet censorship that restricts access to information from other countries are violating their WTO commitments, Google has argued in a new position paper.

Warning that the "transformative economic benefits of the Internet are under threat" from government-imposed limits informational flow, the company urged the international community to "take action to ensure the free flow of information online."

The paper, posted on Google's public policy blog on Monday, argued that existing trade agreements, principally the WTO General Agreement on Trade in Services (GATS), "can and should be used to help constrain government behaviours limiting information flow."

Google: GATS covers internet restrictions

WTO Appellate Body decisions, such as one on China's regulations pertaining to the import of various media products, "demonstrate that information restrictions are subject to GATS disciplines," the paper argued.

Under GATS provisions for non-discrimination, Google said, foreign firms should be treated no less favourably than domestic ones, and foreign service suppliers should have "reasonable and non-discriminatory access to public telecommunications networks, including to move information within and across borders." The exceptions spelled out in the GATS require governments to clearly justify any derogations, and apply them in a non-discriminatory manner.

Google has famously clashed with Beijing over its internet censorship policies. It pulled out of China earlier this year, following a period during which it censored search results in China in an attempt to work with Beijing. In the paper, Google says that in October 2007, Chinese officials, angry over the US Congress's decision to present an award to the Dalai Lama, rigged the so-called 'great firewall' so that users seeking to access US-based search engines were instead sent to Baidu, a Chinese-owned search engine (Baidu has increased its share of the Chinese internet search market since Google's withdrawal, according to the New York Times).

China is hardly the only country guilty seeking to censor the internet. The paper says that "more than 40 governments have instituted broad-scale restrictions of information flow on the internet," describing intermittent blockages of YouTube and blogging and social networking sites in countries ranging from

Outlining what it called a "21st century Internet trade agenda," Google called on governments in the US, the EU and elsewhere to take "concrete steps to ensure that rules in the next generation of trade agreements reflect [the] new challenges of Internet trade."

As an example of what this might mean, Google praised the yet-to-be finalised Korea-US free trade agreement (FTA) text for including a provision committing both countries to "endeavour to refrain from imposing or maintaining unnecessary barriers to electronic information flows across borders," because of information flows' importance to facilitating trade.

The "free flow of information should be on the table" in the Doha Round services negotiations, the paper argued. It said that existing proposals on computer and telecommunications services by the US, Canada, Japan, and the EU "would begin to rationalize and increase certainty to the scheduling of internet services." Ultimately, "a new round of commitments will be needed to ensure that all GATS disciplines apply to all of the economic activities on the internet."

The paper noted that the EU had "opportunities to advance the Internet trade agenda" in its ongoing free trade agreement talks, such as those with India and Canada. The Trans-Pacific Partnership trade agreement talks afforded the US a similar opportunity with a number of countries from around the Pacific Rim. WTO accession procedures were also pointed to as an example of where pressure could be put on Russia and some Middle Eastern countries to relax the onerous restrictions they place on internet use.

G-20 Falls Short of Agreement on Trade Balances

China, Germany should Buy More from the Rest of World

The Group of 20 major economies last week failed to reach an agreement on how to ease trade imbalances and soothe tensions over exchange rates, diminishing hopes for a coordinated policy response for rebalancing the global economy.

Trade imbalances shrank in late 2008 and early 2009, but have widened again as world trade recovered from the worst of the global financial crisis. In recent months, huge surpluses in some countries and their counterpart deficits in others have been one of the biggest sources of discord in commercial relations, raising fears that governments might blunder into a spiral of retaliatory sanctions.

Countries with current account deficits and sluggish economic and job growth - the US above all - have been trying to persuade surplus countries like China and Germany to take steps to increase consumption and imports. A failure to do so, Washington argues, will cause the world economy to suffer as deficit countries try to consume less and save more. Beijing has steadfastly maintained that it is doing more than its fair share to bolster global economic demand, and that deficit countries should get their own houses in order. It has also accused the US's ultra-loose monetary policies of distorting trade and capital flows.

Instead, the G-20 leaders set up a process, directing finance ministers and central bank governors to develop, by the first half of 2011, a set of "indicative guidelines composed of a range of indicators would serve as a mechanism to facilitate timely identification of large imbalances that require preventive and corrective actions to be taken." The International Monetary Fund was charged with "assessing progress toward external sustainability and the consistency of fiscal, monetary, financial sector, structural, exchange rate and other policies."

Beef and Auto Block Korea-US FTA Talks

Korea and the United States last Thursday failed to wrap up talks on a free trade agreement, denying US President Barack Obama a heavily anticipated foreign policy achievement, and raising questions for the future of his administration's trade policy.

Despite all-night talks between negotiators, and face-to-face discussions between Obama and his Korean counterpart, Lee Myung-bak, the two sides failed to reach understandings on beef and auto trade that would enable the long-awaited trade deal to go towards ratification. The FTA, negotiated and signed by the George W. Bush administration in 2007, has languished in the Democrat-controlled Congress. Obama announced at the Group of 20's Toronto summit in June that he would push to secure modifications that would facilitate the FTA's ratification by Congress in time for the 11-12 November Seoul gathering of leaders from the world's biggest economies. That deadline has now been missed.

Lee and Obama tried to put a positive spin on the setback, telling a joint press conference that negotiators would keep trying to iron out remaining differences in the weeks to come.

Prior to the negotiations in Korea, it was clear that major US manufacturers Ford and Chrysler, as well as the United Auto Workers union were against the deal, arguing that it would not redress what they see as the lopsided balance of bilateral auto trade. Trade in beef has been a bilateral trade irritant since a US outbreak of mad cow disease in 2003 prompted Seoul to ban imports of US beef; Korea's market has only been reopened to meat from younger animals thought to be at lower risk for the disease, but even the partial resumption of beef imports prompted angry protests about food safety. However, a Reuters report last week suggested that the US beef industry now favoured an immediate agreement, fearing that if Washington held out for greater concessions on beef trade, it would allow producers from Australia and Canada - which have started FTA negotiations of their own with Korea - to get in the door first.

Accounts vary as to why the talks in Seoul failed. The New York Times quoted US officials as saying that auto trade was the main sticking point. With the FTA set to remove tariffs on auto trade between the two countries, Washington has been pushing South Korea to relax environmental standards to make it cheaper for US carmakers to comply. The US auto industry blames Korean emission, mileage, and other standards, rather than consumer tastes, for the imbalance in car sales. Other sources say that it was a last-minute demand by the US for Korea to open up its market to beef from cattle older than 30 months that made negotiators realise that a deal would prove impossible by Thursday.

Analysts suggest that if the US and Korea cannot strike a deal in the upcoming weeks, it may be a sign that little will be achieved in terms of US trade policy over the next two years.

Rupee Premium Over Dollar Falls

The interest-rate advantage for the rupee in forward contracts against the U.S. dollar is poised for its biggest monthly drop since May as traders bet on slower increases in India's borrowing costs.

Exchanging the nation's currency for the greenback after 12 months in Mumbai costs 4.99 percent more than the spot rate, down from 5.56 percent at the end of last month and a nine-year high of 6.08 percent on Oct. 27. The contracts, agreements to buy an asset at a set price and date, take into account interest rates because banks often buy in advance the currencies they plan to deliver to clients.

Forwards traders are betting that central bank Governor Duvvuri Subbarao will slow rate increases as inflation cools, even as Goldman Sachs Group Inc. predicts further boosts are needed. Tokyo-based Kokusai Asset Management Co. is predicting gains in the rupee to slow on the prospect of a smaller yield premium over the U.S. dollar.

"Inflation is coming off and the money market is already tight enough,".

The forward-dollar premium jumped 2.13 percentage points from 2.86 percent at the end of 2009. Gross trades in the onshore forward market totaled $91.1 billion in October, the highest since at least March, according to the Clearing Corp. of India.

State Bank of India, the nation's largest lender, plans to raise 500 million euros ($686 million) selling five-year debt this week, Deputy Managing Director Pratip Chaudhuri said in an interview on Nov. 15. Union Bank of India plans to sell bonds in Swiss francs, Executive Director S.C. Kalia said on Nov. 18. The same day, Finance Director R.K. Goel said state-run GAIL India Ltd. intends to sell debt worth 10 billion rupees by March 31.

Rupee Options

Inflows contributed to the rupee's 2.4 percent advance this year. The currency slipped 0.2 percent on 21 November to 45.4050 per dollar.

Options contracts signal investors are turning less optimistic on the rupee. The premium paid for options offering protection against possible declines in the currency in a month rebounded to 200 basis points on Nov. 19 from a 16-month low of 31 on Sept. 20.

Rupee debt has returned 4.3 percent in 2010, the third- worst performance among 10 Asian local-currency debt markets outside Japan, after underperforming earlier this year as average inflation in the first 10 months jumped sevenfold to 9.6 percent. according to indexes compiled by HSBC Holdings Plc.

Rate Outlook

Economists at Goldman Sachs, Deutsche Bank AG and HSBC, say the Reserve Bank of India will keep raising rates in response to price pressures. Tushar Poddar, Goldman Sachs's Mumbai-based economist who correctly predicted the 150-basis point increase in the repurchase rate this year, forecasts a further 75-point jump in the first half of 2011.

Policy makers in the U.S. will leave the federal funds target rate in a range of zero to 0.25 percent until the end of the third quarter next year, according to the median prediction of 59 economists in a separate survey.

Fund Inflows

The cost of protecting the debt of government-owned State Bank, which some investors perceive as a proxy for the nation, has fallen 75 basis points from this year's high of 239 reached in May, according to CMA prices.

Credit-default swaps pay the buyer face value in exchange for the underlying securities or the cash equivalent should a government or company fail to adhere to its debt agreements. A basis point equals $1,000 annually on a contract protecting $10 million of debt.

News Briefs

Oil Palm Growers May Profit Under Rainforest Protection Accord: When United Nations climate negotiators meet next week in Mexico and debate protecting tropical rainforests, Golden Agri- Resources Ltd. and rival oil-palm growers in Southeast Asia will be paying attention.

Rice Prices May Gain as Thailand Cuts Crop Outlook, Theera Says: Thailand, the world's biggest rice exporter, said output from the nation's main harvest may fall below its previous estimate as the worst floods in five decades devastated crops, supporting prices of Asia's staple food.

Collahuasi Extends Offer to Striking Copper Miners, Avoids Union: Anglo American Plc and Xstrata Plc's Collahuasi venture said it will ignore union calls to resume wage talks and continue negotiating directly with workers in a bid to end a strike at the world's fourth-biggest copper mine.

Japan Copper Alloy Product Output Gains 7.5%, Association Says: Japan's output of copper and copper-alloy fabricated products, including sheets and tubes, increased for the 12th straight month on air-conditioner demand, an industry group said.

China Minmetals Revenue May Rise 80% This Year, Daily Says: China Minmetals Corp.'s revenue may rise by as much as 80 percent this year, because of recovering commodities prices and earnings from overseas acquisitions, China Daily reported, citing President Zhou Zhongshu.

Sojitz Shares Jump after Agreeing Rare Earth Deal With Lynas: Sojitz Corp., a Japanese trading company, rose to the highest in almost seven months in Tokyo trading after broadcaster NHK reported it agreed a rare earth supply deal with Lynas Corp.

Korea Zinc Says to Buy Stakes in Canada's Woulfe Mining, Units: Korea Zinc Co., the world's biggest producer of refined zinc, agreed to buy stakes in Canada's Woulfe Mining Corp. and the miner's Korean units to take advantage of rising demand for minor metals, gold and silver.

Policy on FDI in Retail Trade

Foreign Direct Investment (FDI) is not permitted in retail trade except in single Brand product retailing where Foreign Investment upto 51% is permitted with prior Government approval and subject to the following conditions:

(i) Products to be sold should be of 'Single Brand' only

(ii) Products should be sold under the same brand internationally and

(iii) 'Single brand product-retailing would cover only products which are branded during manufacturing.

The Government had instituted a study on the subject impact of Organized Retailing on the unorganized sector through the Indian Council for Research on International Economic Relations (ICRIER). Based on a sample survey ICRIER has reported that the rate of closure of unorganized retail shops in gross terms was found to be about 4.2 percent while the rate of closure on account of competition from organized retail was 1.7 percent per annum. The report has stated that a majority of unorganized retailers are keen to continue in business and compete. There has also been competitive response from traditional retailers through improved business practices and technology up gradation. There was no evidence of a decline in overall employment in the unorganized sector as a result of the entry of organized retailers. There was some decline in employment in the North and West regions, which however, also weakens over time. The report also mentioned that unorganized retailers in the vicinity of organized retailers experienced a decline in their volume of business and profit in the initial years after the entry of large organized retailers. However the adverse impact on the sales and profit weakens over time.

Government is fully committed to securing the legitimate interests of all Stakeholders engaged in the retail business. Government also fully recognizes the need to ensure that small retailers are not adversely affected by the growing organized retail and that there is no adverse effect on employment.

This information was given by Prof. K.V. Thomas, Minister of State for Agriculture, Consumer Affairs, Food and Public Distribution in written reply to a question in the Rajya Sabha on 19 November 2010.

[Source: PIB Press Releases dated 19 November 2010]

Another Five Years of Anti-dumping Duty on Polypropylene from Oman, Saudi Arabia and Singapore on Final Findings

Ntfn 119 19.11.2010 (DoR) Whereas in the matter of imports of Polypropylene [hereinafter referred to as the subject goods], falling under sub heading 3902 1000 or 3902 3000 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in, or exported from, Oman, Saudi Arabia and Singapore (hereinafter referred as the subject countries) and imported into India, the designated authority in its preliminary findings *vide* notification No.14/5/2009-DGAD, dated the 15th June, 2009, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 15th June, 2009, had come to the conclusion that –

(a) the subject goods had been exported to India from the subject countries at prices less than their normal values in the domestic market of the exporting countries;

(b) the dumping margins of the subject goods imported from the subject countries were substantial and above de minimis; and

(c) the domestic industry had suffered material injury and the injury had been caused to the domestic industry mainly by price effect of dumped imports of the subject goods originating in or exported from the subject countries;

and had recommended imposition of provisional anti-dumping duty on the imports of 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 provisional anti-dumping duty on the subject goods vide notification No. 82/2009-Customs, dated the 30th July, 2009, published in the Gazette of India, Extraordinary Part II, Section 3, Sub-section (i), vide number G.S.R. 557(E), dated the 30th July, 2009;

And Whereas, the designated authority, in its final findings vide notification No. 14/5/2009-DGAD dated the 23rd August, 2010, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 23rd August, 2010, had come to the conclusion that-

(a) the subject goods had been exported to India from the subject countries below their associated normal values;

(b) the domestic industry had suffered material injury in respect of the subject goods; and

(c) the material injury had been caused by the dumped imports of the subject goods from the subject countries.

Now, therefore, in exercise of the powers conferred by sub-section (1) read with sub-section (5) of section 9A of the said Customs Tariff Act, 1975 read with rules 18 and 20 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, on the basis of the aforesaid findings of the designated authority, hereby imposes on the goods, the description of which is specified in column (3) of the Table below, falling under sub-heading of the First Schedule to the said Customs Tariff Act as specified in the corresponding entry in column (2),originating in the country specified in the corresponding entry in column (4), and exported from the country specified in the corresponding entry in column (5) and produced by the producer specified in the corresponding entry in column (6) and exported by the exporter specified in the corresponding entry in column (7), and imported into India, an anti-dumping duty at the rate equal to the amount indicated in the corresponding entry in column (8), in the currency as specified in the corresponding entry in column (10) and per unit of measurement as specified in the corresponding entry in column (9) of the said Table.

Table

SNo	Sub Heading	Description of goods	Country of Origin	Country of Exports	Producer	Exporter	Amount	Unit of measurement	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	3902 1000 or 39023000	'Polypropylene (i.e., homo-polymers of propylene and copolymers of propylene and ethylene excluding the expanded Polypropylene beads)'	Oman	Oman	M/s Oman Polypropylene LLC	M/s Oman Polypropylene LLC	67.68	Metric tonne	US dollar
2	3902 1000 or 39023000	-do-	Oman	Oman	Any combination other than as specified at serial number1		241.82	Metric tonne	US dollar
3	3902 1000 or 39023000	-do-	Oman	Any other than Oman	Any	Any	241.82	Metric tonne	US dollar
4	3902 1000 or 39023000	-do-	Any country other than countries attracting Anti-dumping duty	Oman	Any	Any	241.82	Metric tonne	US dollar
5	3902 1000 or 39023000	-do-	Saudi Arabia	Saudi Arabia	Advanced Polypropylene Co.	Vinmar International Ltd., USA	166.20	Metric tonne	US dollar
6	3902 1000 or 39023000	-do-	Saudi Arabia	Saudi Arabia	Saudi Polyolefins Company	National Petrochemical Industrialization Marketing company	89.23	Metric tonne	US dollar
7	3902 1000 or 39023000	-do-	Saudi Arabia	Saudi Arabia	Saudi Polyolefins Company	Basell International Trading FZE	51.16	Metric tonne	US dollar
8	3902 1000 or 39023000	-do-	Saudi Arabia	Saudi Arabia	Saudi European Petrochemical Company	Saudi Basic Industries Corporation	171.97	Metric tonne	US dollar
9	3902 1000 or 39023000	-do-	Saudi Arabia	Saudi Arabia	Saudi Yanbu Petrochemical Company	Saudi Basic Industries Corporation	87.86	Metric tonne	US dollar
10	3902 1000 or 39023000	-do-	Saudi Arabia	Saudi Arabia	Saudi Yanbu Petrochemical Company	M/s Exxon Mobil Chemical Asia Pacific	177.56	Metric tonne	US dollar
11	3902 1000 or 39023000	-do-	Saudi Arabia	Saudi Arabia	Any combination other than as specified at serial numbers 5 to 10		322.57	Metric tonne	US dollar

12	3902 1000 or 39023000	-do-	Saudi Arabia	Any other than Saudi Arabia	Any	Any	322.57	Metric tonne	US dollar
13	3902 1000 or 39023000	-do-	Any country other than countries attracting Anti-dumping duty	Saudi Arabia	Any	Any	322.57	Metric tonne	US dollar
14	3902 1000 or 39023000	-do-	Singapore	Singapore	The Polyolefin Company (Singapore) Pte. Ltd.	Sumitomo Corporation Asia Pte. Ltd.	121.28	Metric tonne	US dollar
15	3902 1000 or 39023000	-do-	Singapore	Singapore	The Polyolefin Company (Singapore) Pte. Ltd.	Toyota Tsusho (Singapore) Pte. Ltd.	295.09	Metric tonne	US dollar
16	3902 1000 or 39023000	-do-	Singapore	Singapore	The Polyolefin Company (Singapore) Pte. Ltd.	Marubeni Chemical Asia Pacific Pte. Ltd.	Nil	Metric tonne	US dollar
17	3902 1000 or 39023000	-do-	Singapore	Singapore	The Polyolefin Company (Singapore) Pte. Ltd.	Itochu Plastics Pte. Ltd.	Nil	Metric tonne	US dollar
18	3902 1000 or 39023000	-do-	Singapore	Singapore	The Polyolefin Company (Singapore) Pte. Ltd.	Sumitomo Corporation Asia Pte. Ltd.	28.49	Metric tonne	US dollar
19	3902 1000 or 39023000	-do-	Singapore	Singapore	Exxon Mobil Chemical Asia Pacific	Exxon Mobil Chemical Asia Pacific	38.77	Metric tonne	US dollar
20.	3902 1000 or 39023000	-do-	Singapore	Singapore	Exxon Mobil Chemical Asia Pacific, Singapore	Mitsubishi Chemical Thailand (Co.) Ltd.	Nil	Metric tonne	US dollar
21	3902 1000 or 39023000	-do-	Singapore	Singapore	Any combination other than as specified at Serial numbers 14 to 20.		323.50	Metric tonne	US dollar
22	3902 1000 or 39023000	-do-	Singapore	Any other than Singapore	Any	Any	323.50	Metric tonne	US dollar
23	3902 1000 or 39023000	-do-	Any country other than countries attracting Anti-dumping duty	Singapore	Any	Any	323.50	Metric tonne	US dollar

2. The anti-dumping duty imposed shall be levied for a period of five years (unless revoked, superseded or amended earlier) from the date of imposition of the provisional anti-dumping duty, that is, 30th July, 2009 and shall be payable in Indian currency.

Explanation. - For the purposes of this notification, rate of exchange applicable for the purposes of calculation of such anti-dumping duty shall be the rate which is specified in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and the relevant date for the determination of the rate of exchange shall be the date of presentation of the bill of entry under section 46 of the said Customs Act.

[F.No.354/140/2009 –TRU

Duty Shifted to Weight Basis on Bias Tyres from China and Thailand in Mid-term Review

Ntfn 117 18.11.2010 (DoR)

Whereas, in the matter of import of bias tyres, tubes and flaps (hereinafter referred to as the subject goods), falling under tariff items 4011 20 90, 4013 10 20 and 4012 90 49 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in, or exported from, People's Republic of China (China PR) and Thailand (hereinafter referred to as the subject countries), the designated authority in its preliminary findings vide notification No. 14/9/2005-DGAD dated the 31st July, 2006, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 31st July, 2006, had come to the conclusion that –

(a) the subject goods have been exported to India from the subject countries below its normal value;

(b) the domestic industry has suffered material injury;

(c) the injury has been caused by the dumped imports from the subject countries,

and had recommended imposition of provisional 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 provisional anti-dumping duty on the subject goods, vide notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 106/2006-Customs, dated the 9th October, 2006, published in Part II, Section 3, Sub-section (i) of the Gazette of India, Extraordinary, dated the 9th October, 2006 vide number G.S.R. 625(E);

And whereas, the designated authority in its final findings *vide* notification No. 14/9/2005-DGAD, dated the 29th June, 2007, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 29th June, 2007, had come to the conclusion that-

(a) the subject goods had been exported to India from the subject countries below its normal value;

(b) the domestic industry had suffered material injury;

(c) the injury had been caused cumulatively by the dumped imports from the subject countries

and had recommended definitive anti-dumping duty on imports of the subject goods from the subject countries in order to remove the injury to the domestic industry;

And whereas on the basis of the aforesaid final findings of the designated authority, the Central Government, had imposed anti-dumping duty on imports of the subject goods, classified under tariff items 4011 20 90, 4013 10 20 and 4012 90 49 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in, or exported from, the subject countries vide notification No. 88/2007-Customs dated the 24th July, 2007 [G.S.R. 502(E) dated the 24th July, 2007], published in part II, section 3, sub-section (i) of the Gazette of India, Extraordinary, dated the 24th July, 2007;

And whereas the designated authority vide its notification No. 15/1/2009-DGAD dated the 27th February, 2009, had initiated a midterm review in the matter of continuation of anti-dumping duty on imports of the subject goods from the subject countries;

And whereas the designated authority in its mid-term review findings published in Part I, Section 1 of the Gazette of India, Extraordinary, *vide* Notification No. 15/1/2009- DGAD, dated the 26th August 2010 read with corrigendum dated 31st August,2010 has concluded that:-

(a) the subject goods are entering the Indian market at dumped prices and dumping margins of the subject goods imported from subject countries is significant and above de-minimis limits prescribed.

(b) the subject goods continue to be exported to India at dumped prices in spite of existing anti dumping duties.

(c) considering the facts available on record, the subject goods are likely to enter Indian market at dumped prices, should the present measures be withdrawn.

(d) the situation of domestic industry deteriorated further in spite of existing anti dumping duties. Further, should the present anti dumping duties be revoked, injury to the domestic industry is likely to continue and intensify.

(e) the deterioration in the performance of the domestic industry is because of dumped imports from the subject countries.

(f) the current level of anti dumping duty is insufficient to address continued dumping and consequent injury to the domestic industry and thus the anti-dumping duty is required to be modified.

and has recommended continuation of anti-dumping duty at new rates on imports of new/ unused pneumatic non radial bias tyres, tubes and flaps with or without tubes and/or flap of rubber, having nominal rim dia code above 16" used in buses and lorries or trucks originating in or exported from China PR and Thailand;

Now, therefore, in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the said Customs Tariff Act, 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, and in **supersession** of the notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. **88/ 2007-Customs dated the 24th July, 2007** [G.S.R. 502(E) dated the 24th July, 2007], except as respects things done or omitted to be done before such supersession, the Central Government, on the basis of the aforesaid mid-term review findings of the designated authority, hereby imposes on the goods, the description of which is specified in column (3) of the Table below, falling under tariff items of the First Schedule to the Customs Tariff Act, as specified in the corresponding entry in column (2), originating in the countries as specified in the corresponding entry in column (4), and produced by the producers as specified in the corresponding entry in column (6), when exported from the countries as specified in the corresponding entry in column (5), by the exporters as specified in the corresponding entry in column (7), and imported into India, an anti-dumping duty at the rate specified in the corresponding entry in column (8), in the currency as specified in the corresponding entry in column (10) and per unit of measurement as specified in the corresponding entry in column (9), of the said Table.

Table

No	Heading/ Sub-headings	Description of goods	Country of Origin	Country of Exports	Producer	Exporter	Duty Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	40112090, 40131020 or 40129049	New/unused pneumatic non radial bias tyres, tubes and flaps with or without tubes and/or flap of rubber, having nominal rim dia code above 16" used in buses and lorries/trucks	Thailand	Thailand	Any	Any	0.37	Kg	US dollar
2.	-do-	-do-	Thailand	Any country other than Thailand	Any	Any	0.37	Kg	US dollar
3	-do-	-do-	Any country other than countries attracting Anti-dumping duty	Thailand	Any	Any	0.37	Kg	US dollar
4.	-do-	-do-	China PR	China PR	Any	Any	1.64	Kg	US dollar
5.	-do-	-do-	China PR	Any country other than China PR	Any	Any	1.64	Kg	US dollar
6.	-do-	-do-	Any country other than countries attracting Anti-dumping duty	China PR	Any	Any	1.64	Kg	US dollar

2. The anti-dumping duty imposed under this notification shall be effective from the date of publication of this notification in the Official Gazette and upto and inclusive of the 8th October, 2011 and shall be payable in Indian currency.

Explanation. - For the purposes of this notification, "rate of exchange" applicable for the purposes of calculation of anti-dumping duty shall be the rate which is specified in the notification of the Government of India in the Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers conferred by sub-clause (i) of clause (a) of sub-section (3) of section 14 of the Customs Act, 1962 (52 of 1962), and the relevant date for the determination of the "rate of exchange" shall be the date of presentation of the bill of entry under section 46 of the said Customs Act.

[F. No. 354/107/2006-TRU (Pt. I)]

Exchange Control Guidelines for Online Payment Gateways and Export Proceeds Realization

Sub: Processing and Settlement of Export related receipts facilitated by Online Payment Gateways

AP(DIR Srs) Cir.17 16.11.2010 (RBI)

Of late, Online Payment Gateways have emerged as a popular mode of facilitating e-commerce transactions. Some of these Online Payment Gateway Service Providers (OPGSPs) have also been facilitating cross-border transactions. We have recently reviewed the service model provided by these OPGSPs with reference to the provisions of the Foreign Exchange Management Act (FEMA), 1999. It was observed that a few OPGSPs have not only facilitated conclusion of the transactions but also allowed exporters to retain the export proceeds abroad without repatriation resulting in violation of the provisions of FEMA, 1999. Acknowledging however the importance of the services provided by the OPGSPs to the exporters, particularly in facilitating small value export transactions, it has been considered necessary to issue a set of guidelines to cover such e-commerce arrangements.

2. Accordingly, it has been decided to allow the Authorised Dealer Category- I (AD Category-I) banks to offer the facility of repatriation of export related remittances by entering into standing arrangements with OPGSPs, subject to the following conditions:

(i) The AD Category-I banks offering this facility shall carry out the due diligence of the OPGSP.

(ii) This facility shall only be available for export of goods and services of value not exceeding USD 500 (US Dollar five hundred).

(iii) AD Category-I banks providing such facilities shall open a NOSTRO collection account for receipt of the export related payments facilitated through such arrangements. Where the exporters availing of this facility are required to open notional accounts with the OPGSP, it shall be ensured that no funds are allowed to be retained in such accounts and all receipts should be automatically swept and pooled into the NOSTRO collection account opened by the AD Category-I bank.

(iv) A separate NOSTRO collection account may be maintained for each OPGSP or the bank should be able to delineate the transactions in the NOSTRO account of each OPGSP.

(v) The following debits will only be permitted to the NOSTRO collection account opened under this arrangement:

(a) Repatriation of funds representing export proceeds to India for credit to the exporters' account;

(b) Payment of fee/commission to the OPGSP as per the predetermined rates / frequency/ arrangement; and

(c) Charge back to the importer where the exporter has failed in discharging his obligations under the sale contract.

(vi) The balances held in the NOSTRO collection account shall be repatriated and credited to the respective exporter's account with a bank in India immediately on receipt of the confirmation from the importer and, in no case, later than seven days from the date of credit to the NOSTRO collection account.

(vii) AD Category -I banks shall satisfy themselves as to the bonafides of the transactions and ensure that the purpose codes reported to the Reserve Bank in the online payment gateways are appropriate.

(viii) AD Category -I banks shall submit all the relevant information relating to any transaction under this arrangement to the Reserve Bank, as and when advised to do so.

(ix) Each NOSTRO collection account should be subject to reconciliation and audit on a quarterly basis.

(x) Resolution of all payment related complaints of exporters in India shall remain the responsibility of the OPGSP concerned.

(xi) OPGSPs who are already providing such services as per the specific holding-on approvals issued by the Reserve Bank shall open a liaison office in India within three months from the date of this circular, after duly finalizing their arrangement with the AD-Category-I banks and obtaining approval from the Chief General Manager, Reserve Bank of India, Foreign Exchange Department, Central Office, Fort, Mumbai 400 001 for this purpose.

In respect of all new arrangements, the OPGSP shall open a liaison office with the approval of the Reserve Bank before operationalising the arrangement.

3. AD Category-I banks desirous of entering into such an arrangement/s should approach the Chief General Manager, Reserve Bank of India, Foreign Exchange Department, Central Office, Fort, Mumbai 400 001, for obtaining one time permission in this regard and thereafter report the details of each such arrangement as and when entered into.

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

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

Reporting Mechanism of Branches Dealing in Foreign Exchange

Sub: Reporting Mechanism – Data of Authorised Dealer Category-I Branches

AP(DIR Srs) Cir.16 16.11.2010 (RBI)

Attention of Authorised Dealer Category - I (AD Category – I) banks is invited to the A.P. (DIR Series) Circular No. 54 dated May 08, 2007.

2. In terms of the extant guidelines, all AD Category - I banks are required to inform any changes in the categorisation of their branches dealing in foreign exchange to:

The Director, Reserve Bank of India,
Central Office, Department of Statistics and Information Management, Banking Statistics Division, C-9,6th Floor, Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051.

The above information should be prepared in Proforma I or II, as specified in RBI circulars DBOD No. BL.BC.92/22.06.001/2004-05 dated May 20, 2005 and DBOD No. BL.BC.55/ 22.01.001/2005-06 dated January 23, 2006, and a soft copy should be e-mailed. Further, for maintaining the data compatibility, information in Proforma I and II should be prepared using RBIMOF Application package. The RBIMOF Application Software package (RBIMOF.exe) is available on the Reserve Bank's website (www.rbi.org.in).

3. Further, the path to access the directory of the scheduled commercial banks given in Annex-I of the above mentioned circular is changed and therefore, the revised access path to generate the report on the Directory of AD Category branches is given in the Annex-II. The path to access the Application Software package is given in Annex I. In case of any assistance / clarification, AD banks may communicate by e-mail.

4. All the other instructions contained in A.P. (DIR Series) Circular No. 54 dated May 08, 2007 shall remain unchanged.

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

Power Generation Projects Based on Non Conventional Materials

Ntfn 118 18.11.2010 (DoR)

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 81/2005-Customs, dated the 8th September, 2005, published in the Gazette of India, Extraordinary vide number G.S.R.569 (E), dated the 8th September, 2005, namely:-

In the said notification, after condition (ii), the following proviso shall be inserted, namely:-

"Provided that this condition shall not apply to the power generation projects promoted by State electricity boards or corporations which are notified by the respective State Governments as the State Transmission Utility and Licensee."

[F.No.354/175/2010-TRU]

PPA Condition not to Apply for Excise Duty Exemption on State Non Conventional Energy Projects

34-CE 18.11.2010 (DoR)

In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.33/2005-Central Excise, dated the 8th September, 2005, published vide number G.S.R. 570(E), dated the 8th September, 2005, namely:-

In the said notification, after condition (ii), the following proviso shall be inserted, namely:-

"Provided that this condition shall not apply to the power generation projects promoted by State electricity boards or corporations which are notified by the respective State Governments as the State Transmission Utility and Licensee."

[F.No.354/175/2010-TRU]

[Annex-I to A.P. (DIR Series) Circular No.16 dated November 16, 2010]

Path to access the RBIMOF Application Software Package (RBIMOF.exe)

The Application Software package viz. RBIMOF.exe is available on the RBI website (www.rbi.org.in) under Home Page Notification FEMA Electronic Reporting System Reporting Mechanism Data of Authorised Dealers Category Branches.

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JNPT Standing Order

Domestic Value of Warehousing Sale of Imported Goods is not Transaction Value Sale is not in the Course of International Trade

- Board Over Rides Garden Silk Mills Case
- Commission not to be Included in Value
- Original Import Value is Value for Warehouse Sale

The following Standing Order was issued by the Commissioner of Customs (Imports) Jawaharlal Nehru Custom House on 15th November 2010.

73-SO 15.11.2010 Attention of all the staff and officers is hereby drawn to the Board's Circular No 11 dated June 3rd, 2010 in respect of determination value under section 14 of Customs Act, 1962 in respect sale of goods.

The prevalence of divergent practices in field formations with respect to the determination of assessable value of imported goods that are warehoused under Section 58/59 of the Customs Act, 1962 and sold before being cleared for home consumption has been brought to the notice of the Board.

2. "Section 14 of Customs Act, 1962 reads as under:

"For the purposes of the Customs Tariff Act, 1975 (51 of 1975), or any other law for the time being in force, the value of the imported goods and export goods shall be the transaction value of such goods, that is to say, the price actually paid or payable for the goods when sold for export to India for delivery at the time and place of importation, or as the case may be, for export from India for delivery at the time and place of exportation, where the buyer and seller of the goods are not related and price is the sole consideration for the sale subject to such other conditions as may be specified in the rules made in this behalf."

2.1 The current Section 14 states that the value of the imported goods shall be the transaction value of goods, that is to say, the price actually paid or payable for the goods when sold for export to India for delivery at the time and place of importation. The sale of goods after warehousing them in India cannot be considered a sale for export to India. It cannot be stated that the export of goods is not complete even after the imported goods were cleared for warehousing in the country of import. Thus, the price at which the imported goods were sold after warehousing them in India does not qualify as the price actually paid or payable for the goods when sold for export to India for delivery at the time and place of importation and, hence, the value at which such transaction takes place will not qualify as the transaction value, as per Section 14.

3. For the period prior to October 2007, Section 14 read as:

For the purposes of the Customs Tariff Act, 1975 (51 of 1975), or any other law for the time being in force, where-under a duty of customs is chargeable on any goods by reference to their value, the value of such goods shall be deemed to be the price at which such or like goods are ordinarily sold, or offered for sale, for delivery at the time and place of importation or exportation, or as the case may be, in the course of international trade -".

3.1 The sale of imported goods made after warehousing cannot be considered to have been made *in the course of international trade* and hence, the price at which such sale takes place is not a price at which such or like goods are ordinarily sold, or offered for sale, for delivery at the time and place of importation, in the course of international trade, in terms of Section 14.

4. The CBEC manual also states at Para 15 of Chapter 10 that:

"The rate of duty applicable is as per provisions of Section 15 of the Customs Act i.e. on the date on which the goods are actually removed from the warehouse. However, when the warehousing period or the extended warehousing period has expired, the duty payable is with respect to the date when the warehousing/extended warehousing period expired and not the actual date of removal. In so far as value for assessment of duty for warehoused goods is concerned, it is not required to be re-determined and it is the original value as determined at the time of filing of Into-Bond Bill of Entry and assessments done before warehousing."

5. In this connection, the decision of Hon'ble Supreme Court in the case of Garden Silk Mills [1999 113 ELT 358 SC] was also examined. Hon'ble Supreme Court had held in the case of Garden Silk Mills that *"— the value has to be determined with relation to time when physical delivery to the importer can take place. Physical delivery can take place only after Bill of Entry, inter alia, for home consumption is filed and it is the value at that point of time which would be relevant –*

"However, in the case of Garden Silk Mills, the Court was considering the issue of includibility of landing charges in the assessable value of imported goods. The goods in that case were cleared for home consumption after import and no warehousing or sale was involved before clearance of the imported goods. The issue of whether sale of imported goods after warehousing would constitute a sale in the course of international trade was not an issue before the Hon'ble Court. Thus, the main issue involved as well as the facts and circumstances of the present case are not identical to those of Garden Silk Mills case. Hence, the rationale of the said case cannot be applied to the present case.

6. Further, Board had examined the valuation of goods sold on "high-seas-sales" basis and had issued Circular 32/2004 Customs dated May 11, 2004 stating that in such case, the actual high-seas-sale-contract price paid by the last buyer would constitute the transaction value under Rule 4 of Customs Valuation Rules, 1988 and inclusion of commission on notional basis may not be appropriate and that, however, the responsibility to prove that the high-seas-sales-transaction constituted an international transfer of goods lies with the importer. The facts and circumstances of a sale of warehoused goods are not similar to the case of "high-seas-sales" since the sale/transfer of imported goods after warehousing cannot be considered to have been made in the course of international trade. Further, the above-referred circular had clarified that the inclusion of commission on notional basis may not be appropriate even in case of "high-seas-sales". Therefore, the question of adding any amount on notional basis in the case of goods already warehoused in India and sold subsequently would not arise.

7. Thus, in the case of sale of imported goods after they are warehoused on Indian territory, the value at which such transaction took place will not qualify as the transaction value, as per Section 14.

The above instructions should be adhered to while assessing ex-bond Bills of Entry.

F.NO. S/ 6-GEN- 4492 /2010 BOND JNCH

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[Annex-II to A.P. (DIR Series) Circular No.16 dated November 16, 2010]

Path to access the information on the category-wise branches of AD Category-I banks (Directory of the Scheduled Commercial Banks)

i) The website address is http://dbie.rbi.org.in/

ii) After logging on the website, either select the tab 'Data Series' or click on the link "To view Data Series – click here".

iii) In order to select the following options, Double click on the same.

Select the option 'Corporate Categories' Reports By subject Financial sector Money and Banking Banking. Double click on the report titled **"Directory of AD Category Branches".**

Select the required Bank name from the list and click on the **'>'** box.

The name of the bank should appear on the right hand panel. Now, click on the button "Run Query".

The list of the AD Category branches pertaining to that particular bank will get generated. Use the navigation keys to go to the next page. In case the file is to be saved, then click on the tab "Document" Save report to my computer. The report can be saved either in PDF or in Excel format.

iv) The report can also be seen by selecting the tab 'Data Series' then the tab 'Corporate Categories' By Frequency Daily Financial sector Banking. Click on the report titled as **"Directory of AD Category Branches".** Then follow the procedure mentioned in para iii above.

v) The report can also be seen under the tab 'Corporate Categories' 'For Banks' Use'. Click on the report titled as **"Directory of AD Category Branches".** Then follow the procedure mentioned in para iii above.

Revised Return Format for SAD Refund

The following Standing Order was issued by the Commissioner of Customs (Imports) Jawaharlal Nehru Custom House on 15th November 2010.

Sub: Submission of Monthly Technical Report (MTR) in the revised format from the CRC

74-SO
15.11.2010

It is observed that the MTR in its present format, which is submitted by the CRC sections to CCO, is not depicting the data correctly. It was found that all the three sections of CRC i.e. CRC-I, CRC-II-A, CRC-II-B are sending the MTR in different formats. While depicting the figures headwise, some sections show the figure of issued deficiency memo as the disposal in the month and some sections add the figure in the closing balance.

In order to bring uniformity in practice, it is therefore directed that henceforth the MTR from the CRC sections will be submitted as per the format mentioned below:-

Item of Work	Opening Balance		Receipts During the Month		Disposal During the Month		Closing Balance	
SAD Refund	Closing balance of previous month	Deficiency memo issued in the previous month	Fresh Application	Reply of deficiency memo	Disposal by way of sanction of refund	Disposal by way of issuance of Deficiency memo	Actual closing balance	Deficiency memo issued
Nos. of Cases								
Amount of Refund. **(Rs. In Lakhs)**								

F.N. S/26-MISC-35/2010-11, CRC, JNCH

Trading Only in Zone Goods Allowed in Sector Specific SEZs

Subject: Clarification on Instruction No. 49 on FTWZ issues.

71-SEZ
12.11.2010

I am directed to refer to Instruction No. 49 dated 12th March, 2010 of this Department and to amend the point No. (iv) of the above mentioned instruction to the extent that instead of there being no limitation on units set up in FTWZ located in sector specific SEZs to carry out Trading and warehousing activities in respect of any products, it has been decided that units in Free Trade Warehousing Zones (FTWZ) in a Sector Specific SEZ can store goods required for development of zone or setting up of units or for manufacturing and export/ DTA sale of goods and services or finished products of the units in that particular sector specific zone.

F. No. D. 12/4/2010-SEZ

Shipping Policy

The Government has been taking various steps from time to time for the growth of Indian tonnage. These include:-

(i) In order to create level playing field for the Indian Shipping Companies with their global counter parts, the Government has introduced Tonnage Tax regime in India since the year 2004. Further, the liberalized policy on ship acquisition has been introduced and acquisition of all types of ships has been brought under Open General License (OGL). Besides, 100% FDI has been permitted in ship acquisition and registration formalities of newly acquired ships have been simplified.

(ii) The Government of India has formulated the National Maritime Development Programme (NMDP). It is a comprehensive programme aimed at various issues that need to be addressed to bring holistic growth in the Indian Shipping Industry. Under the NMDP, Shipping Corporation of India, the only Public Sector Shipping Company is in the process of acquiring a total of 76 new vessels with a total outlay of approximately Rs.15,000 crores, to be completed in phases till 2015. Of these, 22 ships have already been delivered and orders have been placed for construction of another 30 vessels.

The above information was given by the Minister of Shipping, G.K. Vasan in Lok Sabha on 22 November 2010.

[Source: PIB Press Releases dated 23 November 2010]

Minimum Export Price of Onion Raised by $150 Per Tonne to Increase Domestic Supply

The Minimum Export Price [MEP] of onion has been increased on 15 November 2010 by $ 150 per tonne to restrict exports, thereby augmenting the domestic supply. The increase is for all destinations across the board. With this rise, the MEP for Gulf countries stands at $ 525 per tonne for export during the remaining part of November 2010 as compared to $ 375 per tonne earlier.

Export of onion is regulated through the mechanism of Minimum Export Price, which is fixed by Nafed in consultation with other State Trading Enterprises and leading associate shippers.

This action was taken by Nafed after MEP meeting held today to review the sudden price rise in the domestic market and also to decide upon the requirement of increasing MEP of onion. This meeting was held under the Chairmanship of Sh. Sanjeev Chopra, MD, Nafed and was participated by Sh. CB Holker, Director Nafed through video conferencing from Nashik and also senior officials of Nafed, NCCF and NHRDF. Nafed is one of State Trading Enterprises and also the monitoring agency for export of onion.

Nafed is also starting retailing of onion at reasonable price from its outlets in Delhi to provide succor to consumers. In addition, Nafed is initiating procurement of onion in bulk quantities from mandies of Western India so as to lift maximum quantity of FAQ grade onion arriving in the market.

All these efforts are likely to have positive impact on the price line of onion till the arrival starts from late kharif season.

The wholesale prices of onion in important growing pockets of Maharashtra and also in the most important terminal market of fruits & vegetables at Azadpur in New Delhi have recently shown buoyant trends. The wholesale prices in Lasalgaon, Pimpalgaon and Manmad mandies of Maharashtra are presently ruling between Rs. 1300 to Rs. 3200 (approx modal rate of Rs.2038/ qtl) with total arrivals of 18000 MT. During the corresponding period last year, the prices in the above mandies were ruling in the price range of Rs. 261 to Rs.2751/qtl with a modal rate of Rs. 1348/qtl with arrivals of 43000 qtls. Similarly, prices of onion in Azadpur market are presently ruling in the price range of Rs.1500 to Rs.2250/ qtl with a modal rate of Rs.1685/qtl with total arrivals of 16600 qtls against last year prices of Rs.1375 to Rs.1625/qtl with modal rate of Rs.1475 /qtl with arrivals of 14500 qtls.

The current increase in price is largely attributed to Kharif crop of onion getting affected owing to rains in AP and Karntaka and also due to rains in Nashik area of Mahrasthrta. According to the NHRDF and trade reports, the production of Kharif onion in Maharashtra is also reported to have suffered setback due to this. Another factor which is seen to be instrumental in giving impetus to the price trend is that the stock of stored onion from the last Rabi has also been exhausted and mandies were closed due to Diwali in the first week of Nov 2010. However, this ephemeral spurt in the prices of onion is expected to ease out by the second week of Dec 2010 when arrivals of onion from late Kharif season in Maharashtra may start, which will considerably augment the supplies to match the demand.

[Source: PIB Press Releases on 15 November 2010]

WIPO Copyright Body to Negotiate on Limitations and Exceptions

The World Intellectual Property Organization's copyright committee agreed late last Friday on a work programme for 2011-2012 focusing on limitations and exceptions to the protection of copyrighted material. The eleventh-hour agreement, reached at midnight after a week of talks, should pave the way for "real negotiations" and not just mere discussions.

The Standing Committee on Copyright and Related Rights (SCCR) had failed to reach agreement on a way forward at its previous meeting last June. In their statements last week, developing countries emphasised the need to move forward on the issue of exceptions and limitations, which was crucial to improve access to copyrighted materials by blind people and groups like libraries, particularly in developing countries. They pointed to the many elements of convergence between the various proposals on the table.

"The challenge for us now is to not lose that momentum and find ways of building on that substantive convergence with a view of reaching agreement on a programme of work on limitations and exceptions," stated Brazil on behalf of the Development Agenda Group (DAG) at the beginning of the meeting.

China FDI Rises 7.9% in Sept will Beat US in 2020 in Economy Size

Foreign direct investment in China increased at a faster pace for the third month in October, underscoring confidence in the outlook for the fastest-growing major economy and adding to pressure on the nation's exchange rate.

Investment rose 7.9 percent from a year earlier to $7.66 billion after a 6.1 percent gain in September, the Ministry of Commerce said in a statement in Beijing on 15 November.

Companies including home furnishings retailer Ikea and sporting-goods maker Adidas AG are stepping up expansion to benefit from rising incomes in the world's most populous nation. Expectations of an appreciation of the yuan may also be adding to China's attraction as an investment destination.

Faster Growth

China's economy has grown more than 9 percent for the past five quarters as government stimulus and record bank lending spurred a recovery from the global financial crisis. The International Monetary Fund estimates China will expand by 9.6 percent next year, four times the pace of the U.S. and six times more than the euro area.

China overtook Japan as the world's second-largest economy for the second straight quarter in the three months through September, Japan's government said yesterday. Standard Chartered Plc forecasts China will surpass the U.S. as the world's largest economy by 2020.

The nation's attractiveness to foreign investors is boosting inflows of capital, including speculative cash, adding pressure on the yuan to appreciate and forcing the central bank to issue more bills to soak up the

Customs Valuation Exchange Rates

November 2010	Imports	Exports	
Schedule I			
1 Australian Dollar	44.70	43.45	
2 Canadian Dollar	44.25	42.95	
3 Danish Kroner	8.50	8.15	
4 EURO	63.00	61.15	Rate of exchange of one unit of foreign currency equipment to Indian Rupees
5 Hong Kong Dollar	5.80	5.65	
6 Norwegian Kroner	7.85	7.55	
7 Pound Sterling	70.95	69.00	
8 Swedish Kroner	6.90	6.65	
9 Swiss Franc	46.45	45.15	
10 Singapore Dollar	34.80	33.90	
11 U.S. Dollar	44.90	44.00	
Schedule II			
1 Japanese Yen	55.85	54.15	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

(Source: Customs Notification 91(NT)/27.10.2010)

Commodity Spot Prices in India – 19-22 November 2010

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

(Rs.)

Commodity	Unit	Market	19-Nov	20-Nov	22-Nov
CER (Carbon Trading)	1 MT	Mumbai	761.5	763	763
Chana	100 KGS	Delhi	2431	2433	2487
Masur	100 KGS	Indore	3193	3159	3146
Potato	100 KGS	Agra	NA	NA	NA
Potato TKR	100 KGS	Tarkeshwar	535.9	538	550.5
Arecanut	100 KGS	Mangalore	NA	NA	NA
Cashewkern	1 KGS	Quilon	NA	NA	NA
Cardamom	1 KGS	Vandanmedu	1025.7	1001.3	1025.4
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	15832	15832	15857
Guar Gum	100 KGS	Jodhpur	NA	NA	NA
Maize	100 KGS	Nzmbad	952.5	953	945
Wheat	100 KGS	Delhi	1332.3	1341.7	1336.7
Mentha Oil	1 KGS	Chandausi	1269	1253.3	1299.2
Cotton Seed	100 KGS	Akola	NA	NA	NA
Castorsd RJK	100 KGS	Rajkot	3911.5	3925	3935
Guar Seed	100 KGS	Bikaner	2327	2347	2455
Soya Bean	100 KGS	Indore	2240.5	2196	2212.5
Mustrdsd JPR	20 KGS	Jaipur	570.35	573.8	574
Sesame Seed	100 KGS	Rajkot	5875	5913	5875
Coconut Oil Cake	100 KGS	Kochi	NA	NA	NA
RCBR Oil Cake	1 MT	Raipur	NA	NA	NA
Kapaskhali	50 KGS	Akola	1075.2	1068	1010
Coconut Oil	100 KGS	Kochi	7904	8060	8060
Refsoy Oil	10 KGS	Indore	567.5	564.2	562.4
CPO	10 KGS	Kandla	493	486	487
Mustard Oil	10 KGS	Jaipur	582.8	577.8	573.4
Gnutoilexp	10 KGS	Rajkot	725	729	735
Castor Oil	10 KGS	Kandla	NA	NA	NA
Crude Oil	1 BBL	Mumbai	3720	3710	3710
Furnace Oil	1000 KGS	Mumbai	NA	NA	NA
Sourcrd Oil	1 BBL	Mumbai	NA	NA	NA
Brent Crude	1 BBL	Mumbai	3866	3817	3817
Gur	40 KGS	Muzngr	NA	NA	NA
Sugars	100 KGS	Kolhapur	2856	2847	2824
Sugarm	100 KGS	Delhi	3050	3032	2990
Natural Gas	1 mmBtu	Hazirabad	182.1	188.5	188.5
Rubber	100 KGS	Kochi	19887	19952	20119
Cotton Long	1 Candy	Kadi	NA	NA	NA
Cotton Med	1 Maund	Sriganganagar	NA	NA	NA
Jute	100 KGS	Kolkata	3574.5	3589	3597
Gold	10 GRMS	Ahmd	20075	20066	20080
Gold Guinea	8 GRMS	Ahmd	16125	16117	16129
Silver	1 KGS	Ahmd	41167	41608	41875
Sponge Iron	1 MT	Raipur	NA	NA	NA
Steel Flat	1000 KGS	Mumbai	NA	NA	NA
Steel Long	1 MT	Gobindgarh	25795	25820	26000
Copper	1 KGS	Mumbai	383.85	382.5	382.5
Nickel	1 KGS	Mumbai	981.4	981.4	993.9
Aluminium	1 KGS	Mumbai	102.25	102.25	101.8
Lead	1 KGS	Mumbai	101.65	101.65	102.15
Zinc	1 KGS	Mumbai	96.45	96.45	97.15
Tin	1 KGS	Mumbai	1142.75	1142.75	1132.25

(Source: MCX Spot Prices)

excess liquidity to manage the currency's gains.

The yuan has strengthened 2.8 percent since a two-year peg against the dollar was scrapped on June 19. The currency rose to 6.6173 on Nov. 11, the strongest since 1993. The central bank set today's reference rate at 6.6441 per dollar.

ADB Economist Sees a “Hub” of FTAs Around ASEAN

ADB Economist Wignaraja foresees the eventual development of a “hub” of harmonised regional trade agreements in East Asia, centred on the Association of Southeast Asian Nations with “spokes” ultimately extending to Europe and the United States. The first step towards this was already in place, in the shape of ASEAN's separate trade agreements with China, Japan, and Korea. The “missing piece” now is to deepen and harmonise these separate “ASEAN+13 accords into a single regional “ASEAN+33 deal.

“Within a decade,” Wignaraja expects to see moves towards an “ASEAN+63 agreement encompassing Australia, New Zealand, and even India (which has been relatively slower to liberalise, and would have to overcome significant political obstacles for such an accord). The ADB economist expressed confidence that business support for trade integration would prevail over political and diplomatic tensions.

An ADB report acknowledged that “[t]he majority of East Asian firms do not currently use FTA preferences.” Forty-five percent of responding firms in China lacked information on FTA preferences; the figure was 34 percent in South Korea, and 70 percent in the Philippines.

The ADB believes that low utilisation rates properly informing businesses about FTAs, their advantages and requirements. In addition to building capacity to understand FTAs in both government and the private sector.

WORLD TRADE SCANNER

BIG's WEEKLY INDEX OF CHANGES

Foreign Trade Policy

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Excise

RBI Circulars [AP(DIR Series)]

Ban on Import of Second Hand Computers

There is a ban on import of second hand computers and computer peripherals now. As per Ministry of Commerce's Handbook of Procedures Vol. 1 (2009-14), import of second hand computers including personal computers/ laptops and refurbished/reconditioned spares is restricted. Earlier, the import of second hand computers including personal computers/laptops and computer peripherals including printers, plotter, scanner, monitor, keyboard and storage units as donations by certain categories of donees was freely permitted but as per the Directorate General Foreign Trade (DGFT) Public Notice dated 13.5.2010, this provision has been deleted.

Based on a survey carried out by the Central Pollution Control Board (CPCB), it is estimated that 1.47 lakh MT of e-waste was generated in the country in the year 2005, which is expected to increase to about 8.0 lakh MT by 2012. Authorized and registered e-waste recyclers in the country have the capacity to handle about 95,500MTA of e-waste.

The Ministry of Environment and Forests has notified the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, for proper management and handling of hazardous wastes including e-waste. As per these Rules, waste generated is required to be sent or sold to the authorized registered recycler or re-processor or re-user having environmentally sound facilities. E-waste recycling is permitted only in facilities registered with the concerned State Pollution Control Board.

This information was given by the Minister of State for Environment and Forests (independent charge) Jairam Ramesh in a written reply to a question by Shrimati Shobhana Bharatia in Rajya Sabha on 15 November 2010.

[PIB Press Releases dated 15 November 2010]

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considered.

Wages tended to be higher in firms that exported as compared to those that focused exclusively on the domestic market, the report found. In Western Europe, exporting firms paid wages 10-20 percent higher than those paid by non-exporting firms, The comparable figures for the US and sub-Saharan Africa were 6 percent and 34 percent respectively. However, the report also notes that productivity increases “may take place at the expense of employment levels,” as competitive firms increase market shares faster than their job rolls.

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Email: academy@vsnl.in, academy.delhi@gmail.com; Website: worldtradescanner.com