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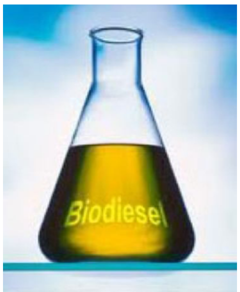
After Biodiesel, EU Cracks Down on US Bioethanol

Anti-dumping, Anti Subsidy Investigations Launched

On Friday 25 November, the European Commission announced that it had begun anti-dumping and countervailing duty proceedings for US bioethanol imports. The Commission's investigations - informed by applicable WTO agreements - follow a formal complaint that was filed by the EU bioethanol industry association, ePure, last month.

"The EU has initiated anti-subsidy and anti-dumping investigations into imports of bioethanol from the USA to establish if US imports of bioethanol have an adverse effect on the European bioethanol industry," EU trade spokesman John Clancy said in a statement.



According to sources in Brussels, the case has been in the works for a long time. Most analysts there believe that sufficient evidence will be found to justify the imposition of countervailing duties.

In its original complaint, ePure - also known as the European Producers Union of Renewable Energy Association - alleged that US tax credits allowed American exporters to cut their EU selling price by about 40 percent, thereby illegally dumping into the EU market.

The industry association also claimed that this led to a 500 percent rise in US exports to the EU between 2008 and 2010. ePure expects that these imports will, in 2011 alone, have doubled from their 2010 levels.

"This impressive trend is the direct result of US federal and sub federal subsidies, which allow US operators to adopt aggressive pricing practices on the European market," the industry group argued.

While the ethanol aid is set to expire at the end of this year, US import share is expected to rise even further as the 27-member EU bloc faces higher production costs and production shortfalls.

ePure, whose members produce 80 percent of Europe's bioethanol, explained in their statement that the subsidisation policy has allowed the US to become the world's largest ethanol producer. The unfairly low prices that the producers can adopt as a consequence have had a direct and negative impact on the EU industry, the association argued.

US industry group strikes back

The ePure claims led to a strong rejection from its US counterpart, the US Renewable Fuels Association (RFA). "RFA has neither discovered nor been provided any evidence by the EU that such ethanol trades are occurring," the group said in a 2 November statement.

The US group further argued that the EU complaint was misguided, since "domestic ethanol producers are not eligible for the tax incentive referenced by the Europeans."

RFA added that the "tax incentive is specifically made available to gasoline blenders, marketers and other end users. Therefore, US ethanol producers cannot nor should be the focus of any European action."

Nonetheless, the US industry group responded to the EU ethanol investigation by guaranteeing co-operation between US producers and the EU - an important requirement under the WTO anti-dumping agreement.

This requirement means to ensure that responding exporters - in this case, US manufacturers - cannot keep investigations hostage by refusing to submit relevant information for the investigations. Otherwise, the investigating authorities may have to rely on incomplete information, which could work to the disadvantage of the exporters.

Brazil, a main ethanol producer and exporter, is expected to welcome the move. Lately the South American country has lost much of its EU market-share to the powerful US industry.

The European Commission's announcement comes at a time where the EU has repeatedly found itself under fire for its biofuels import policy. The EU Renewable Energy Directive, in particular the incorporated sustainability standards, are considered discriminatory and unfair by a number of biofuel-producing countries.

These standards qualify which biofuels may be considered "sustainable," taking into account greenhouse gas emission savings and biodiversity conservation achievements. Only the sustainable fuels are considered renewable energy, making them eligible for certain financial support by EU member states.

Countries' individual threshold commitments for the overall share of renewable energy that has to come from renewable sources- the highest being 49 percent in Sweden - also provide a strong incentive to only use sustainable biofuels. Moreover, for some biofuels imported from outside the EU, the Commission has not provided a default value, putting them at a disadvantage with EU produced like-products.

Next steps

The European Commission now has 15 months to address the complaint of "material injury" to European producers. Provisional findings are due by 24 August 2012.

According to WTO rules, after a preliminary determination deems that the imports are causing an injury and that countermeasures would be necessary to prevent further damage during the course of the investigations, provisional anti-dumping and countervailing duties can be applied for six and four months, respectively.

The investigation could result in the imposition of five-year taxes on US bioethanol producers. Back in 2008, the EU imposed five-year duties on imports of biodiesel from the US; in the following year, Brussels extended these duties to Canada.

October Dollar Export Rise 10.8%, Imports Up 21.7%

Engineering goods crash giving up gains in first half year, over invoicing of DEPB is the culprit

Exports (including re-exports)

India's exports during October, 2011 were valued at US$ 19869.97 million (Rs.97875.32 crore) which was 10.82 per cent higher in Dollar terms (22.92 per cent higher in Rupee terms) than the level of US$ 17929.64 million (Rs. 79626.77) during October, 2010. Cumulative value of exports for the period April-October 2011 -12 was US$ 179777.23 million (Rs 820679.43 crore) as against US$ 123170.46 million (Rs.564313.87 crore) registering a growth of 45.96 per cent in Dollar terms and 45.43 per cent in Rupee terms over the same period last year.

Imports

India's **i**mports during October, 2011 were valued at US$ 39513.73 million (Rs.194636.35 crore) representing a growth of 21.72 per cent in Dollar terms (35.01 per cent in Rupee terms) over the level of imports valued at US$ 32461.70 million (Rs. 144164.69 crore) in October, 2010. Cumulative value of imports for the period April-October, 2011-12 was US$ 273467.77 million (Rs.1251948.19 crore) as against US$ 208821.75 million (Rs. 955937.28 crore) registering a growth of 30.96 per cent in Dollar terms and 30.97 per cent in Rupee terms over the same period last year.

Crude Oil and Non-Oil Imports

Oil imports during October, 2011 were valued at US$ 10076.48 million which was 20.73 per cent higher than oil imports valued at US$ 8346.44 million in the corresponding period last year. Oil imports during April-October, 2011-12 were valued at US$ 81921.93 million which was 40.82 per cent higher than the oil imports of US$ 58175.62 million in the corresponding period last year.

Non-oil imports during October, 2011 were estimated at US$ 29437.25 million which was 22.07 per cent higher than non-oil imports of US$ 24115.26 million in October, 2010. Non-oil imports during April - October, 2011-12 were valued at US$ 191545.84 million which was 27.15 per cent higher than the level of such imports valued at US$ 150646.14 million in April- October, 2010-11.

Trade Balance

The trade deficit for April-October, 2011-12 was estimated at US$ 93690.54 million which was higher than the deficit of US$ 85651.29 million during April-October, 2010-11.

Exports & Imports: (US $ Million)

(*Provisional*)

	October	April-October
Exports (including re-exports)		
2010-11	17929.64	123170.46
2011-12	19869.97	179777.23
%Growth 2011-12/ 2010-2011	10.82	45.96
Imports		
2010-11	32461.70	208821.75
2011-12	39513.73	273467.77
%Growth 2011-12/ 2010-2011	21.72	30.96
Trade Balance		
2010-11	-14532.06	-85651.29
2011-12	-19643.76	-93690.54

No Ministerial Declaration in WTO Dec Meet?

With barely two weeks left until the WTO Ministerial Conference, potential outcomes for the three-day event are now beginning to emerge.

The draft decisions expected to move forward for December include a continuation and extension of the work programme on small economies established in Hong Kong; an extension of the prohibitions on TRIPS non-violation complaints and e-commerce tariffs; LDC accessions; an LDC services waiver; the outcome of the Trade Policy Review Mechanism Fourth Appraisal; and an extension of the mid-2013 deadline for LDCs to comply with the Trade-Related Aspects of Intellectual Property (TRIPS) Agreement.

Both the TRIPS non-violation and e-commerce decisions have already featured regularly at previous ministerial gatherings.

In the case of the former, TRIPS non-violation complaints concern whether countries should be allowed to bring trade disputes on the grounds that the spirit of the WTO's TRIPS Agreement has been breached, rather than just the letter of the organisation's intellectual property rules.

A five-year prohibition on such complaints was put in place at the WTO's founding in 1995, and has been extended repeatedly at ministerial conferences ever since.

At the last ministerial in 2009, ministers had also agreed to extend the latter moratorium on e-commerce tariffs, which deals with tariffs on goods sold for online download, such as songs or films. A ban on such tariffs has been in place since the 1998 ministerial conference.

No declaration, only outcome document

The December gathering, rather than attempting a full-fledged ministerial declaration, will instead focus on having a chair's statement as the outcome document, taken on the ministerial chair's own responsibility.

The first part of the document is expected to include those elements in which ministers have reached a consensus; the contents of this section are the subject of today's General Council meeting, and are expected to be finalised within the coming hours.

The second part of the document will be determined at the ministerial itself, featuring a summary of those items that trade ministers decide to bring up at the actual event.

Italy to Cut Deficit

ECB Loans through IMF – Euro Gains

The euro gained against most major peers as Italy advanced a plan to cut its deficit before a European summit on the region's sovereign-debt crisis.

The 17-nation currency rose versus the dollar after two people familiar with the negotiations said a proposal to channel European Central Bank loans through the International Monetary Fund may deliver as much as 200 billion euros ($268.4 billion) to fight the crisis. The greenback held a two-week climb against the yen after a Dec. 2 report showed the U.S. jobless rate slid to the lowest since March 2009. Malaysia's ringgit dropped from a three-week high.

The euro rose 0.2 percent to $1.3421 from $1.3391 on Dec. 2, when it completed a 1.2 percent weekly advance. It gained 0.2 percent to 104.65 yen. The dollar traded at 77.97 yen from 77.99 at the end of last week.

German Chancellor Angela Merkel is scheduled to meet French President Nicolas Sarkozy to advance a plan for stricter enforcement of the region's deficit rules. European Union leaders will hold a summit in Brussels this week.

Italian Prime Minister Mario Monti announced 30 billion euros of austerity and growth measures on 4 December. The premier will present the package, which includes a tax on luxury goods, resurrects a property levy on first homes, and forces many workers to delay retirement, to both houses of parliament on 5 December.

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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
05-Dec-11	51.4000	51.6700	51.4000	51.6075	51.6075	1474520	1500934	773883	51.3925
02-Dec-11	51.7000	51.8225	51.4050	51.4400	51.4400	1623272	1438393	741488	51.3523
01-Dec-11	52.0475	52.0650	51.6400	51.7050	51.7050	1631126	2176856	1128991	51.6520
30-Nov-11	52.3300	52.7100	52.2050	52.5275	52.5275	1699077	1963408	1031087	52.1650

[Source: NSE and RBI Website]

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10th Year Celebration of Doha Public Health Declaration

Access to medicines has seen major improvements in the ten years since the WTO's adoption of a declaration on intellectual property (IP) rights and public health, according to the heads of the WTO, the World Health Organization, and the World Intellectual Property Organization. However, more work remains if the international community is to find the necessary balance between IP and public health concerns.

The ten-year anniversary of the Doha Ministerial Declaration on TRIPS (Trade-Related Aspects of Intellectual Property Rights) and Public Health was the key focus of a 23 November symposium held in Geneva, Switzerland.

The event drew together the heads of the WTO, the World Health Organization (WHO), and the World Intellectual Property Organization (WIPO), along with representatives from national governments, academia, and civil society.

The Doha Declaration was a political turning point in the way public health is governed globally, WTO Director-General Pascal Lamy said at the event's outset.

Since the declaration's adoption, the perception that intellectual property rights and public health were contradictory objectives has changed, he added.

From compatibility to coherence

One major result of the Doha Declaration has been a shift in focus from the "compatibility" of trade, intellectual property, and public health to objectives the more dynamic and constructive "coherence" between these fields, Lamy said.

Background

The Doha Declaration on TRIPS and Public Health, adopted by trade ministers in 2001, aimed at ensuring that countries could use health-related flexibilities in the TRIPS Agreement, such as compulsory licensing, to ensure greater access to medicines.

The 2001 declaration affirms that "that the TRIPS Agreement can and should be interpreted and implemented in a manner supportive of WTO members' right to protect public health and, in particular, to promote access to medicines for all."

It also recognised that countries with insufficient or no manufacturing capacity in the pharmaceutical sector have difficulty in making effective use of compulsory licensing; to that end, the declaration directed the WTO's TRIPS Council to recommend a solution to this question.

The TRIPS Council solution took the form of an August 2003 decision, introducing an amendment to the WTO TRIPS Agreement. The amendment, however, has yet to be ratified, and has only been used once.

FAO Calls for 70 percent Rise in Food Production by 2050

Agricultural production will need to increase by 70 percent by the year 2050 in order to cope with the pressures of climate change, a growing world population, and limited resources, according to the first-ever UN report on land, water scarcity, and food.

The report, released by the UN Food and Agriculture Organisation (FAO) on 28 November, found that many of the countries that will need to produce food for feeding this population are, consequently, the countries facing the most land degradation.

About 40 percent of degraded lands lie in regions with high poverty rates, where small-scale farmers must pay the price for unsuitable land. "The distribution of land and water resources does not favour those countries that need to produce more in the future," the report states.

These pressures have already led to the beginnings of a degradation process - with the report estimating that 25 percent of the earth's lands are degraded; 1.6 billion hectares of land are currently used to grow crops. With these lands suffering a large toll, governments and organisations will have to find ways to incentivise sustainable agricultural procedures, the UN agency noted.

Hillary Clinton Visits Burma, Seeks US entry to Curb Yunnan

Myanmar aims to leverage friendly relations with both the U.S. and China to grow one of Asia's smallest economies and boost incomes in the region, according to an adviser to President Thein Sein.

China welcomes greater U.S. engagement with Myanmar because a wealthier neighbor would lift the economic growth of Yunnan province and other inland areas, Nay Zin Latt, one of nine advisers who meet Thein Sein "frequently," said in a Dec. 3 interview a day after Secretary of State Hillary Clintoncompleted the highest-level U.S. visit to Myanmar in 56 years.

"I'm going for a win-win-win situation," Nay Zinn Latt said in his Yangon office. "China wants us to be more developed. Our country is the gateway to the sea from Yunnan. If we are rich, Yunnan will be rich too. If we are poor, China can only get raw materials." China's landlocked southwest province of Yunnan adjoins Myanmar.

During her visit, Clinton offered a path to ease sanctions that have been in place for more than 20 years and have left Myanmar dependent on neighbors China, India and Thailand, which have poured more than $25 billion into ports, power plants, and oil and gas pipelines. Myanmar's moves to roll back more than five decades of military rule have provided the U.S. an opening to rebuild political and economic ties as President Barack Obamashifts his foreign policy focus to Asia.

China National Petroleum Corp. is building oil and gas pipelines across Myanmar, a move that would allow it to access Middle Eastern crude without having to go through the Malacca Straits. China, Hong Kong and Thailand account for more than 70 percent of total investment into Myanmar, compared with less than one percent for the U.S., according to government statistics.

Sanctions

U.S. sanctions ban imports, restrict money transfers, curb aid funding and target jewelry with gemstones originating in Myanmar. Chevron Corp. (CVX), based in San Ramon, California, is one of the few U.S. companies operating in Myanmar through its 2005 purchase of Unocal Corp., which invested in a gas field and pipeline prior to a 1997 ban on new investment.

China and ASEAN Signs Agreement of Trade in Services of ACFTA

The 14th ASEAN-China Summit was held on 18 November 2011 in Bali, Indonesia. At the Summit, Chinese Minister of Commerce Chen Deming signed, on behalf of the Chinese government, the Protocol on Enforcement of the Second Package of Specific Commitments under the Agreement of Trade in Services of the China-ASEAN Free Trade Area (ACFTA). The Protocol shall enter into force on January 1, 2012, when each country completing internal legal procedures.

The Agreement on Trade in Services of ACFTA was signed in January of 2007. According to provisions of the Agreement, the parties shall start negotiation of second package of specific commitments, in July 2007 when the Agreement entered into force, to further decontrol trade in services of ACFTA. Compared with the first package, China made adjustment in such sectors as commercial services, telecommunication, construction, distribution, finance, tourism and transportation, based on China's commitment to the WTO. Meanwhile, ASEAN member states have covered more sectors in the second package, more open than their WTO commitment, and offer by many of them are more preferential than that in WTO new round negotiation.

In recent years, with the rapid construction of China-ASEAN Free Trade Area, China-ASEAN trade in services has been growing fast. The total value of bilateral trade in services has increased from US$17.9 billion in 2007 to US$26.8 billion in 2010. In the first half year of 2011, the total bilateral trade value reached US$17.4 billion, up by 34.9% year on year.

Korean Lawmakers Ratify US FTA

In a surprise plenary session of the South Korean National Assembly on Tuesday 22 November, the ruling Grand National Party (GNP) pushed through the ratification of the US-Korea Free Trade Agreement, despite chaos in the assembly room and protests on the streets. The controversial trade pact, originally negotiated in 2007, was signed into law in Washington this past October.

US Trade Representative Ron Kirk, praised the approval of the "win-win agreement," which could potentially go into effect on 1 January 2012. "We look forward to working closely with the government of Korea to bring the agreement into force as soon as possible," Kirk added.

China Retaliates on US Dumping Investigation on Solar Panels

The Ministry of Commerce of China (MOFCOM) released the Announcement No. 69 on November 25, deciding to initiate a trade barrier investigation into policy support and subsidies for the US renewable energy sector, based on the Foreign Trade Law of PRC and the Investigation Rules of Foreign Trade Barrier of Ministry of Commerce of PRC.

The investigation was filed based on petition by the China Chamber of Commerce for Import and Export of Machinery and Electronic Products and the China New Energy Chamber of Commerce. The petitioner pointed out that, the US government has provided policy support and subsidies for its renewable energy industry, which violated WTO rules, and blocked and restrained the development of China's renewable energy industry as a trade barrier. The petitioner requires MOFCOM to initiate trade barrier investigation, and eliminate unfavorable influence of US supportive policy and subsidies on China's renewable energy industry, so as to maintain fair trade environment.

Through review, MOFCOM has decided to probe into 6 supportive policies and subsidy measures alleged by the petitioner. MOFCOM will conduct investigation based on China's laws and regulations, to evaluate the impact of US supportive policies and subsidies for its renewable energy sector on China's renewable energy sector.

According to rules, the investigation will be concluded by May 25, 2012.

China Shows 'Deep Concern' Over ITC Ruling on Injury to Solar World

China's Ministry of Commerce late Saturday expressed "deep concern" over a preliminary ruling by the U.S. International Trade Commission that Chinese solar-panel manufacturers are harming the U.S. industry.

"China is deeply concerned about the decision, which does not tally with facts and highlights the United States's strong tendency for trade protectionism," the ministry said in a statement.

It added that the ruling was made without sufficient evidence showing the U.S. solar panel industry has been injured with disregard for vigorous opposition from Chinese firms, U.S. industries and others.

The ITC voted unanimously Friday that Chinese imports of solar panels and modules have harmed SolarWorld Industries America Inc. and other U.S. producers.

The ITC probe runs parallel to a U.S. Commerce Department investigation into alleged dumping by Chinese manufacturers of solar panels. In a tit-for-tat response, China's Ministry of Commerce last week announced an investigation into U.S. subsidies and policies it claims favors the U.S. renewable energy industry.

US, EU Consider Launching Bilateral Trade Talks

Bilateral trade talks between the US and EU could soon be on the horizon, with leaders from both sides agreeing on 28 November to establish a joint working group to examine this and other options for promoting growth in their respective economies.

US President Barack Obama, European Commission President José Manuel Barroso, and EU Council President Herman Van Rompuy, after meeting in Washington on Monday, affirmed their commitment to "making the US-EU trade and investment relationship - already the largest and most integrated in the world - stronger."

The leaders directed the Transatlantic Economic Council (TEC) - a political body established in 2007 to advance economic integration and government co-operation between the EU and the US - to form a joint working group whose goal would be to "identify and assess options for strengthening the US-EU economic relationship, especially those that have the highest potential to support jobs and growth."

The working group has been asked to address issues that are of a common concern for both parties and suggest strategies to enhance co-operation. Barriers to trade, including tariffs and tariff-rate quotas, and 'behind the border' non-tariff barriers, will all be examined during the course of the group's work.

Likewise, both parties will be looking for opportunities to formulate compatible regulations and streamline standards. Instructions also request the working group to recommend specific policy implementation strategies, initiatives, or more advanced bilateral agreements.

The spectre of the WTO's Doha round of trade talks also hovered in the background of the high-level meet, with leaders repeating the G-20's call earlier this month for "fresh, credible approaches" toward finalising the ten-year negotiations. The US and EU have reportedly avoided pursuing bilateral free trade talks with one another in the past, in part due to not wishing to detract from the Doha process.

Karel De Gucht, the EU Trade Commissioner, confirmed that both sides were looking at negotiations that could cover a variety of measures, such as tariff eliminations on manufactured goods and agriculture, as well as liberalisation of the services sector.

The High Level Working Group on Jobs and Growth would be chaired jointly by the US Trade Representative and the European Commissioner for Trade. An interim report from the working group is scheduled for June 2012; recommendations and conclusions will be due to US and EU leaders by the end of that same year.

EU India Trade Deal by Feb 2012

The EU and India are hoping to clinch a free trade deal within the coming months, according to top-level officials from both sides. The February 2012 EU-India Summit has now been set as the new deadline for completing the talks, which were launched in 2007.

The renewed push to complete the trade talks was announced late last week by both EU and Indian officials. John Clancy, the EU Trade Spokesman, said in a 17 November statement that discussions are currently moving at "full steam ahead."

"Intense negotiations will therefore continue over the coming months to effectively solve the remaining core issues between now and the EU-India Summit," he added.

A statement from the office of India's Commerce and Industry Minister, Anand Sharma, also confirmed the "satisfaction with the progress of negotiations" of the EU-India trade pact.

Since negotiations were launched in 2007, the talks have faced repeated setbacks; the pact was originally scheduled to be completed in 2010. Thirteen rounds of trade talks have already taken place.

The recent deadline for next February came about as frustrations among EU member governments, such as Britain, built over the various delays.

With the pact set to slash duties on over 90 percent of bilateral trade, along with an opening of mutual markets for investment and services, the EU Trade Commission estimates that, in the short run alone, India would gain €5 billion and the EU over €4 billion from finalising the pact.

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IMF Proposal

At a Nov. 29 meeting attended by ECB President Mario Draghi, euro-area finance ministers gave the go-ahead for work on a plan to recycle national central bank funds through the IMF, said people who declined to be named because the talks are at an early stage. The funds could be used to underwrite precautionary lending programs for Italy or Spain, the two countries judged to be the most vulnerable now, the people said.

The U.S. currency gained 0.3 percent against the yen last week after a 1.1 percent advance in the five days to Nov. 25.

The Malaysian ringgit declined against the dollar before a report that economists said may indicate industrial productionclimbed 1.5 percent in October from a year earlier, after a 2.5 percent gain in September. The government data is due for release on Dec. 8.

The ringgit retreated 0.6 percent to 3.1390 per dollar. The currency reached 3.1155 on Dec. 2, the most since Nov. 9.

WEEKLY INDEX OF CHANGES

BIS Clearance Must for Radial Tyre Import

316 Types not made in India Exempted

[Ref: CBEC Instruction dated 29 November 2011]

Subject: Implementation of the Pneumatic Tyres and Tubes for Automotive Vehicles (Quality Control) Order 2009

Board has received representations on the implementation of the **Pn**eumatic Tyres and Tubes for Automotive Vehicles (Quality Control) Order 2009, which has been issued by Ministry of Commerce and Industry under Section 14 of the Bureau of Indian Standards Act, 1986 and has come into force w.e.f. 13.05.2011, in respect of Pneumatic Tyres.

2. The said Order prescribes quality standards for pneumatic tyres (which include pneumatic tubes) with the objective of ensuring safety of human lives and vehicles and also availability of quality products, whether domestic or imported, to the consumers. Adherence to the quality standards is indicated by a BIS Standard Mark. However, specified pneumatic tyres that are not domestically manufactured and are therefore imported by Original Equipment Manufacturers (OEMs) are exempt from this stipulation. Accordingly, the Department of Industrial Policy and Promotion, has vide OMs dated 13.05.2011 and 08.09.2011 identified total 316 pneumatic tyres that are exempt. This list is available at http://www.dipp.nic.in. Hence, other than these exempted pneumatic tyres no person shall by himself or through any person on his behalf, manufacture, import, store for sale, sell or distribute pneumatic tyres (which include pneumatic tubes) that do not conform to the specified standards and that do not bear the BIS Standard Mark.

3. Accordingly, the Board desires that the field formations may verify BIS Standard Mark to ensure before clearance that imported pneumatic tyres (which include pneumatic tubes) adhere to the specified standard in terms of the Pneumatic Tyres and Tubes for Automotive Vehicle (Quality Control) Order, 2009.

4. These instructions may be brought to the notice of all the concerned officers by issuing suitable Standing orders / instructions / Public Notices.

F.No. 528/109/2011-STO (TU)

Chlorinated Paraffin Wax in Liquid Form is in 3824 90, Solid Form in 3404 90

Subject: Classification of Chloroparaffins/Chlorinated Paraffins-

53-CBEC 02.12.2011 (DoR) References have been received regarding divergent practices being followed by field formations regarding classification of Chlorinated Paraffins/Chloroparaffins.

2. The matter has been examined by the Board. As regards classification of Chlorinated Paraffin Waxes (in solid form), the HSN Explanatory Note (B)(a) to Heading 27.12 of CTH clarifies that artificial waxes obtained by the chemical modification of lignite wax or other mineral waxes are classifiable under Heading 34.04. Also in the Budget, 2010, the specific sub heading 27122010 covering Chlorinated Paraffin Waxes has been deleted from the tariff. This item is therefore, classifiable under 340490 of Customs Tariff Act, 1975. Further, regarding classification of Chlorinated Paraffins / Chloroparaffins (in liquid form), the HSN Explanatory Notes (B) (9) under Heading 38.21 clarifies that Chloroparaffins in Liquid from are covered under the heading 3824.

3. Accordingly it is clarified that:

(a) Chlorinated Paraffin Waxes (in solid form) are classifiable under sub-heading 340490 of Customs Tariff Act, 1975 after the budget, 2010.

(b) Chlorinated Paraffins/Chloroparaffins (in liquid form) are classifiable under subheading 382490 of Customs Tariff Act 1975;

2. Suitable instructions may accordingly be given to the field formations.

F.No. 528/130/2011-STO (TU)

Procedure for Surrender of Additional IE Code in Amalgamation and Merger Cases

Sub: Surrender of IEC (Importer Exporter Code) in case of amalgamation/merger/acquisition/ takeover of the IEC holder firm/company by another firm/company – procedure to be followed.

06-ZPRU Cir. 16.11.2011 On account of amalgamation/ merger/acquisition/takeover of IEC holding firm/company by another firm/company, the IEC holder firm/company is required to surrender IEC.

In such cases, the assets and liabilities of the IEC holder firm/company is invariably taken over by the new entity. The pending export obligation in respect of various licences/ authorisations issued to the acquired firm/entity constitutes "liability" and unless it is transferred in the name of the new entity and properly accounted for, the export obligation in respect of IEC holder firm/company subsequent to surrender of IEC will go out of the monitoring loop causing loss of revenue to the government.

It is, therefore, desirable that in order to safeguard the revenue interest of the Government, the following drills are required to be meticulously followed at the time of surrender of IEC by a company/firm getting amalgamated/ merged/acquired by a new entity:

1. List of licences/authorisations issued to the IEC holder firm/company should be checked from the system/records.

Domestic Industry Definition under Anti-dumping Duty Rules Amended

Domestic industry can include importers in special circumstances such as injury determination. The full exclusion clause amended to delete the word "only" in definition under rule 2(b) of Anti-Dumping Rule, 1995.

86-Cus(NT) 01.12.2011 (DoR) In exercise of the powers conferred by sub-section (6) of section 9A and sub-section (2) of section 9B of the Customs Tariff Act, 1975 (51 of 1975), the Central Government hereby makes the following rules further to amend the Custom Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, namely:-

1. (1) These rules may be called the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Second Amendment Rules, 2011.

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

2. In the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, in **Rule 2, in clause (b**),—

for the words "referring to the rest of the producers only", the words "referring to the rest of the producers" shall be **substituted**.

[F.No. 354/198/2011-TRU]

Zero Duty on Sugar Extended by Four Months to April 2012

Ntfn 105 30.11.2011 (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 further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), **No. 21/ 2002-Customs, dated the 1st March, 2002**, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 118(E) dated the 1st March, 2002, namely :-

In the **preamble**, in the proviso, in **clause (m**) for the figures and words "1st day of December, 2011", the figures and words "**1st day of April, 2012**" shall be **substituted**.

[F. No.354/78/2011-TRUPt I]

2. The status of pending export obligation in respect of each such licences/authorisations issued to the IEC holder should also be checked.

3. Wherever export obligation is found to be outstanding against licences/authorisations issued to the IEC holder or IEC is found to be in the Denied Entity List (DEL) or EO monitoring actions like demand notices/refusal orders/ECA show cause notices are found to have been initiated against the IEC holder or IEC is found to be blacklisted, following actions must be taken before surrender of IEC:

(a) for each unredeemed licence/authorisation issued to the IEC holder (i.e. acquired firm/company) it should be checked whether any demand notice/refusal order or ECA action has been initiated.

(b) Thereafter, these actions need to be withdrawn stating the reason that "licence/authorisation is transferred to new IEC XXXXXXXXXX".

(c) Licences/authorisations should be amended using amendment menu by changing the old IEC with the new IEC of the firm/company acquiring the existing IEC holder.

(d) EOM actions like demand notice/refusal order/ECA action should then be recorded against the new IEC of the acquiring firm/company.

(e) Then the EOM details in respect of the new IEC including BL/DL status should be checked for the new IEC to ensure that the data has been fully transferred to IEC of the acquiring firm/company.

(f) In case no monitoring action (viz. demand notice/refusal order/show cause notice) has been initiated in respect of IEC of acquired entity, licence(s)/authorisation(s) with outstanding export obligation should be directly amended by substituting the existing IEC with the new IEC.

Only when this drill is completed and liability is completely transferred to the new entity, steps towards surrender of IEC should be taken.

This issues with the approval of the competent authority.

Health Warning on Cigarettes at the Time of Import

[Ref: CBEC Instruction dated 30 November 2011]

Subject: New Pictorial Health Warning - Implementation of the Cigarettes and other Tobacco Products (Packaging and Labelling) Rules, 2008

Attention is invited to the CBEC instructions F.No. 450 / 160 / 2009 – Cus.IV dated 29.12.2009 and the Ministry of Health and Family Welfare Notifications No. 417 (E) dated 27.05.2011 on the above mentioned subject.

2. The Cigarettes and other Tobacco Products (Packaging and Labelling) Rules, 2008 Rules prescribe the manner in which the *specified health warning* shall be displayed on the tobacco product packs covering *all typ*es of tobacco products produced, supplied, imported and distributed in India. The Rules came into effect from 31st May, 2009.

3. A set of new pictorial health warning has been issued by the Ministry of Health & Family Welfare vide Notification G.S.R. No. 417 (E) dated 27th May, 2011 (copy enclosed) which shall come into force from 1st December, 2011. Accordingly, all the tobacco products manufactured / packaged / imported for sale in India have to bear the new specified health warnings as prescribed in the said Notification. A copy of the Rules is available on the Ministry's website: http://www.mohfw.nic.in/ under National Tobacco Control Programme.

4. The Board hereby instructs the Customs field formations dealing with clearance of these products to ensure strict compliance and implementation of the specified health warning on the cigarette and other tobacco products as per the Notification G.S.R. No. 417 (E) dated 27th May, 2011.

F.No. 528/133/2011-STO (TU)

[Ministry of Health and Family Welfare Notification dated 27th May 2011]

In exercise of the powers conferred by sub-section (1) of Section 7, sub-section (2) of Section 8, Section 10 and Section 31 of the Cigarettes and other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003 (34 of 2003), the Central Government hereby makes the following rules further to amend the Cigarettes and other Tobacco Products (Packaging and Labelling) Rules, 2008, namely:-

1. (1) These Rules may be called the Cigarettes and other Tobacco Products (Packaging and Labelling) Amendment Rules, 2011.

(2) They shall come into force on 1st December, 2011.

2. In the Cigarettes and other Tobacco Products (Packaging and Labelling) Rules, 2008.

For the Paragraph 2 of the SCHEDULE of the Cigarettes and other Tobacco Products (Packaging and Labelling) Rules, 2008, the following paragraph shall be substituted, namely:-

"2. The specified health warnings are –

1. For smoking forms of tobacco packs: –

2. For chewing or smokeless forms of tobacco packages:-

Note: These rules are accompanied by a CD that contains a soft copy of these health warnings, for inclusion in printing of tobacco product packages".

[F.No. P. 16017/05/2010-PH]

Surrender Additional IECs issued against Single PAN, says Zonal DGFT, Mumbai

The following Trade Notice was issued by the Zonal DGFT Mumbai on 16 November 2011]

Sub: Surrender of additional IECs where more than one IEC has been issued against one PAN

02-TN
16.11.2011

Attention of all the members of trade and industry is invited to Para 2.9 of Hand Book of Procedures 2009-14, Vol. I, as amended which clearly states that only one IEC would be issued/allowed against a single PAN.

Therefore, all such importers and exporters who have got more than one IEC issued against one PAN are required to retain only one IEC.

Accordingly, all the firms/companies are hereby directed to surrender additional IECs issued against one PAN within a period of 45 days from the date of issue of this Trade Notice failing which all such IECs shall be blocked/made inoperative.

This issues with the approval of Zonal Joint Director General of Foreign Trade, Mumbai.

MEP of Onions Cut by $100 to $250/MT

Subject: Minimum Export Price of Onions.

86-Ntfn(RE)
28.11.2011
(DGFT)

In exercise of powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-2014, the Central Government makes the following amendment in Notification No 85(RE – 2010)/2009-2014 dated 18.11.2011 read with Notification No 75(RE – 2010)/2009-2014 dated 20.09.2011 immediate effect.

2. (i) "Minimum Export Price(MEP) of US$ 350 per Metric Ton F.O.B. or as notified by DGFT from time-to-time" as appearing in para 2 of Notification No. 85(RE–2010)/2009-2014 dated 18.11.2011 for the item description at Serial Number 44.01 of Notification No 75(RE–2010)/2009-2014 dated 20.09.2011 is replaced by "Minimum Export Price(MEP) of US$ 250 per Metric Ton F.O.B. or as notified by DGFT from time-to-time".

(ii) "Minimum Export Price(MEP) of US$ 400 per Metric Ton F.O.B. or as notified by DGFT from time-to-time" as appearing in para 2 of Notification No. 85(RE–2010)/2009-2014 dated 18.11.2011 for the item description at Serial Number 44.02 of Notification No 75(RE–2010)/2009-2014 dated 20.09.2011 is replaced by "Minimum Export Price(MEP) of US$ 300 per Metric Ton F.O.B. or as notified by DGFT from time-to-time".

3. Effect of this notification

Minimum Export Price (MEP) of all varieties of onions except Bangalore Rose Onions and Krishnapuram Onions.

Excise Duty not Paid on Pile Liners for Marine Sites Regularised

23-CE(NT) 01.12.2011 (DoR) Whereas the Central Government is satisfied that according to a practice that was generally prevalent regarding levy of duty of excise (including non-levy thereof) under section 3 of the Central Excise Act, 1944 (1 of 1944), (hereinafter referred to as the said Act) the duty of excise on pile liners fabricated at the site of construction for use at the marine site, falling under heading 7305 of Schedule to the Central Excise Tariff Act, 1985 (5 of 1985) (hereinafter referred to as said goods) was not being levied under section 3 of the said Act, during the period commencing on the 1st day of April, 2005 and ending with 17th day of November, 2011;

2. Now, therefore, in exercise of the powers conferred by section 11C of the said Act, the Central Government hereby directs that the whole of the duty of excise payable under section 3 of the said Act on said goods but for the said practice, shall not be required to be paid in respect of said goods on which the said duty of excise were not levied during the period aforesaid in accordance with the said practice:

Provided that that the benefit under this notification shall not be admissible unless the unit claiming benefits in terms of this notification reverses the input credit, if any, taken in respect of inputs used in the manufacture of said goods on which the duty of excise was not levied during the aforesaid period in accordance with the said practice.

[F. No. 167/47/2010-CX 1]

Draft Circular on High Seas Sale Clearance

The following Draft Circular was issued by the Commissioner of Customs (Import) Jawaharlal Nehru Custom House on 8th November 2011.

[Draft Circular dated 8th November 2011]

Sub: Sale of Imported goods on High Seas.

Attention of importers, CHAs, trade is invited to the work procedure regarding sale of goods on High Seas in continuation of Standing Order No.32/2005 dtd.10.08.2005 and Standing Order No.48/2005 dtd.24.11.2005 and Circular vide F.No.S/3-Gen-2699/2009-10 dtd. 29.03.2010 and in partial modification of the existing instructions on the subject, the following changes are hereby proposed in respect to the clearance of consignments imported on High Seas sale basis under the aforesaid provisions under the said policy. Before implementing the same, feedback of Trade/Stakeholders is invited on draft Public Notice (copy attached) for examination and final decision will be taken thereafter.

As such, any feedback in this regard may be forwarded to AC/Import Noting Section, JNCH **on or before 30.11.2011.**

F.No.S/ 3 – Gen –729 / 11 Imp. Noting

Office of the Commissioner of Customs (Import)
Jawaharlal Nehru Custom House, Sheva
Tal. Uran, Dist. Raigad

F.No.S/ 3 – Gen –729 / 11 Imp. Noting Date: .11.2011

Draft Public Notice No._______/2011

Sub: Sale of Imported goods on High Seas.

In terms of Para 2.24 of the Foreign Trade Policy (2004-2009) sale of goods on high seas for importation into India is permitted subject to the said policy or any other law for the time being in force.

2. Attention of importers, CHAs, Trade is invited to the work procedure regarding sale of goods on High Seas. In partial modification of the existing instructions on the subject, the following changes are hereby made in respect to the clearance of consignments imported on High Seas sale basis under the aforesaid provisions under the said policy.

3. The CHAs/Importers will submit the following High Seas Sale (HSS) documents to the Import Noting Section i.e :-

(i) Original Bill of Lading or a Non-Negotiable copy of the Bill of Lading duly endorsed by both the parties, in case the non- negotiable copy is not available, a photocopy of the Bill of Lading duly authenticated by the Shipping Line / Steamer Agents would be accepted.

(ii) High seas sale contract,

(iii) Original Bank attested Invoice in support of the transaction,

(iv) Authority letter from the Importer addressed to DC/Import authorizing CHA for processing of the HSS documents.

4. The date of notarization of HSS contract will be the date of execution of HSS contract for the purpose of Customs registration. In case the seller or buyer is a limited or private limited firm, the HSS contract should accompany the Board Resolution of the firm with names and specimen signature of authorized signatories. In case the seller or buyer is a partnership, HUF or Proprietary firm, the signature should be bank attested on the NOC letters addressed to department normally submitted by the seller/buyer.

5. No amendments in respect to description or any other particulars given in HSS contract will be allowed to be amended after registration with Customs. In case the buyer or sellers desire any amendment, they should enter into a fresh HSS contract.

6. The concerned TA/STA posted in Import section will check the documents for alert in respect of buyer and seller and description of goods, will forward the same to the ACAO/ Supdt. posted in the Import section who will verify the genuineness of the documents and will forward it to the DC/Import for granting permission of HSS.

7. These modifications will come into force with immediate effect.

8. The procedure may be followed by all and any difficulties in implementation / compliance of the Public Notice may be brought to the notice of the undersigned.

Bulk Drug Exports Exempted from Barcoding Requirement, Only Medical Formulations covered

Subject: Implementation of bar coding on export consignments of pharmaceuticals and drugs with effect from 01.10.2011- Clarification regarding export of bulk drugs.

48-Pol.Cir 28.11.2011 (DGFT) Public Notice No. 59 (RE-2010)/2009-14 dated 30.06.2011 had stipulated incorporation of barcodes (1D) encoding unique product identification code (GTIN), Batch Number, Expiry Date and Unique Serial Number on export consignments of pharmaceuticals and drugs with effect from 01.10.2011.

2. It is clarified that the above barcoding requirement is applicable only in respect of finished pharmaceutical products i.e. medical formulations and **not** Bulk drugs/APIs/ Intermediates.

3. This issues with the approval of Commerce Secretary.

Calicut Airport Notified for Courier Clearance

84-Cus(NT) 29.11.2011 (DoR) In exercise of the powers conferred by section 157 of the Customs Act, 1962 (52 of 1962), the Central Board of Excise and Customs hereby makes the following regulations further to amend the Courier Imports and Exports (Clearance) Regulations, 1998, namely:-

1. (1) These regulations may be called the Courier Imports and Exports (Clearance) Amendment Regulations, 2011.

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

2. In the Courier Imports and Exports (Clearance) Regulations, 1998, in regulation 2, in sub-regulation (2), in clause (a), for the word "Coimbatore", the words "Coimbatore, Calicut "shall be substituted.

[F. No. 450/187/2009-Cus.IV]

World Bank Pink Sheet – December 2011

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

Thai Rice, Palm Oil Spurt; Food Softens, Crude Rises

Up ↑

Crude; Copra, Coconut oil; Groundnut oil, Palm Oil and Palmkernel oil

Barley; Sorghum, Bananas US, Beef, US Sugar

Cameroon Logs; Rock Phosphate, Potassium Chloride

Gold and Silver; Copper, Lead and Zinc

Down ↓

Coal, Natural Gas; Cocoa, Coffee and Tea

Soybean oil, Soybean meal and Soybeans

Wheat; Bananas EU, Oranges; Fishmeal, Sheep meat, Shrimp; World Sugar

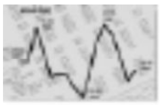
Plywood, Sawnwood; Cotton and Rubber

DAP, Urea, TSP Fertilizer

Aluminium, Iron ore, Nickel and Tin; Steel products

Steady ↔

Maize, Chicken meat; Woodpulp; CR and HR Coil Sheet, Steel rebar and Steel wire rod



	Monthly averages				Quarterly averages					Annual averages		
	2011				2010		2011			2009	2010	2011
	Sep	Oct	Nov		Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Dec	Jan-Dec	Jan-Nov
Energy												
Coal, Australia $/mt	122.55	118.99	113.8	↓	93.55	107.63	128.99	120	120.61	71.84	98.97	121.96
Crude oil, average $/bbl	100.82	99.85	105.41	↑	75.51	85.42	99.75	110.05	103.07	61.76	79.04	103.99
Crude oil, Brent $/bbl	110.88	109.47	110.5	↑	76.41	86.79	104.9	117.1	112.47	61.86	79.64	111.22
Crude oil, Dubai $/bbl	106	103.67	108.59	↑	74.04	84.37	100.4	110.56	107.01	61.75	78.06	106.02
Crude oil, West Texas Int. $/bbl	85.58	86.41	97.12	↑	76.08	85.09	93.95	102.5	89.73	61.65	79.43	94.74
Natural gas Index 2000=100	182.6	184.5	179.4	↓	155.1	151.6	165.5	179.1	185.9	153.5	156.1	177.7
Natural gas, Europe $/mmbtu	10.85	11.42	11.32	↓	8.26	8.54	9.45	10.31	10.88	8.71	8.29	10.42
Natural gas, US $/mmbtu	3.9	3.57	3.24	↓	4.28	3.8	4.18	4.37	4.12	3.95	4.39	4.07
Natural gas LNG, Japan $/mmbtu	16.27	16.5	16.5	↔	11.22	10.91	11.99	13.71	16.35	8.94	10.85	14.47
Beverages												
Cocoa ¢/kg	287.4	268	252.7	↓	305.9	296.6	334.3	307.4	303.5	288.9	313.3	305.1
Coffee, arabica ¢/kg	606	546.3	540.3	↓	468.5	513.9	620	636.5	597.7	317.1	432	604.5
Coffee, robusta ¢/kg	233.8	216.3	214.4	↓	183.2	199.4	241.5	262.6	243.1	164.4	173.6	242.9
Tea, auctions (3) avg. ¢/kg	288.7	290.3	278.8	↓	295.1	303.5	288.7	299.7	300.3	272.4	288.5	294.1
Tea, Colombo auctions ¢/kg	313.8	323.4	315.5	↓	322.1	342.4	356.3	319.7	313	313.7	329	327.8
Tea, Kolkata auctions ¢/kg	285.6	278.3	255.2	↓	320.6	311.7	229.2	313	312.8	251.5	280.5	281.7
Tea, Mombasa auctions ¢/kg	266.8	269.2	265.8	↓	242.7	256.3	280.6	266.3	275.3	252	256	272.9
Fats and Oils												
Coconut oil $/mt	1,305	1,208	1,479	↑	1,159	1,546	2,073	1,996	1,474	725	1,124	1,756
Copra $/mt	867	804	980	↑	769	1,038	1,379	1,342	991	480	750	1,175
Groundnut oil $/mt	n.a.	n.a.	2,225	↑	1,301	1,604	1,723	1,830	2,142	1,184	1,404	1,959
Palm oil $/mt	1,065	994	1,053	↑	875	1,108	1,251	1,147	1,079	683	901	1,134
Palmkernel oil $/mt	1,268	1,085	1,298	↑	1,161	1,619	2,131	1,874	1,338	700	1,184	1,674
Soybean meal $/mt	395	374	354	↓	378	424	437	400	399	408	378	403
Soybean oil $/mt	1,305	1,220	1,217	↓	984	1,242	1,349	1,311	1,324	849	1,005	1,308
Soybeans $/mt	543	503	486	↓	452	522	565	557	553	437	450	547
Grains												
Barley $/mt	209.6	208.8	211.5	↑	161.9	181.1	198.1	209.5	210.4	128.3	158.4	206.7
Maize $/mt	295.3	274.8	274.4	↔	181.7	241.5	282.8	312.6	302.1	165.5	185.9	294.7
Rice, Thailand, 5% $/mt	598.8	599.4	614.3	↑	457	510.8	511.2	493.1	567.7	555	488.9	539.1
Rice, Thailand, 25% $/mt	555.5	560.2	584.7	↑	418.5	471.4	465.4	456.8	532	458.1	441.5	500.7
Rice,Thai, A.1 $/mt	514	489	550.7	↑	376.9	423.1	411.3	419.2	476.2	326.4	383.7	450.9
Rice, Vietnam 5% $/mt	561.4	580.5	568.7	↓	411.1	504.7	479.8	479.7	544.8	n.a.	428.8	514.7
Sorghum $/mt	288.8	263.7	265.4	↑	153.6	208.6	255.2	270.5	287.5	151.1	165.4	269.9

	Monthly averages				Quarterly averages					Annual averages		
	2011				2010		2011			2009	2010	2011
	Sep	Oct	Nov		Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Dec	Jan-Dec	Jan-Nov
Wheat, Canada $/mt	408.7	414.1	407.7	↓	326.1	383.6	449	474.6	429.8	300.5	312.4	443.8
Wheat, US, HRW $/mt	315.9	289	281	↓	237.9	283.6	330.5	339.3	315.6	224.1	223.6	320.6
Wheat, US, SRW $/mt	267.5	253.5	253.2	↔	253.4	284.9	320.8	301.9	270.5	186	229.7	289.7
Other Food												
Bananas, EU $/mt	991.3	992.1	970.6	↓	932.6	1033.4	1251.4	1250.2	1029.9	1144.9	1002.2	1141.5
Bananas, US $/mt	947	954	956	↑	922	909	964	1,004	953	847	868	970
Fishmeal $/mt	1,353	1,359	1,339	↓	1,663	1,613	1,740	1,648	1,426	1,230	1,688	1,558
Meat, beef ¢/kg	387	386	416	↑	331	353	410	406	394	264	335	403
Meat, chicken ¢/kg	196.2	196.2	196.7	↔	193.6	189.3	188.2	191	194.3	188.8	189.2	192.1
Meat, sheep ¢/kg	669.2	666.3	663.6	↓	572.5	618.7	637.1	668.5	686.5	427.6	531.4	664.2
Oranges $/mt	1194.9	1032.7	717.4	↓	1162.9	877.9	824	877.9	1038.4	909	1033.2	906.5
Shrimp, Mexico ¢/kg	1,141	1102.3	1083	↓	n.a.	1221.7	1245.6	1243.8	1,198	945	1,004	1,204
Sugar, EU ¢/kg	44.91	44.82	44.26	↓	43.29	44.38	44.69	47.02	46.13	52.44	44.18	45.69
Sugar, US ¢/kg	88.53	82.84	83.61	↑	78.2	84.86	86.56	80.28	86.72	54.88	79.25	84.29
Sugar, world ¢/kg	58.78	56.11	52.95	↓	42.98	58.01	62.7	52.56	60.72	40	46.93	57.91
Timber												
Logs, Cameroon $/cum	500.4	575.7	576.7	↑	426.3	448.5	451.6	489.6	515.1	421.5	428.6	501.9
Logs, Malaysia $/cum	453.6	435.9	403.3	↓	293.5	312.1	326.2	382.1	444.7	287.2	278.2	390.8
Plywood ¢/sheets	631.1	619.9	617.5	↓	572.3	580.5	588.5	603.2	621	564.6	569.1	606.9
Sawnwood, Cameroon $/cum	797.2	798.5	771.4	↓	811.8	847.8	833.1	872.2	823.1	748.9	812.7	832.3
Sawnwood, Malaysia $/cum	952.7	954.2	892.8	↓	879.8	892.9	921.6	959.2	965.2	805.5	848.3	944.1
Woodpulp $/mt	900.2	870.9	870.9	↔	912.9	897.8	891.5	942	930.5	614.6	866.8	912.2
Other Raw Materials												
Cotton A Index ¢/kg	257.6	243.9	230.8	↓	205.2	330.1	456.9	386.7	259.4	138.2	228.3	344
Rubber, RSS3 ¢/kg	455.2	406.1	337.2	↓	337.5	432.8	573.2	530.1	465.3	192.1	365.4	495.4
Rubber, TSR20 ¢/kg	451.6	408.5	333	↓	314.4	425.9	525.1	467.3	456.5	180	338.1	462.6
Fertilizers												
DAP $/mt	642.5	630.9	611.3	↓	494.1	585.6	601.7	617.3	650.8	323.1	500.7	622.9
Phosphate rock $/mt	197.5	198.8	202.5	↑	125	140	158.3	182.5	197.5	121.7	123	183.3
Potassium chloride $/mt	470	470	474	↑	334.2	343.2	374.2	422.7	471.3	630.4	331.9	431.7
TSP $/mt	560	592.5	570	↓	389.6	463.8	486.3	544.2	558.3	257.4	381.9	539
Urea $/mt	503.8	487.1	470.9	↓	279.2	357	353.4	407.9	485.4	249.6	288.6	427.1
Metals and Minerals												
Aluminum $/mt	2,293	2,181	2,080	↓	2,090	2,343	2,501	2,611	2,399	1,665	2,173	2,436
Copper $/mt	8,300	7,394	7,581	↑	7,243	8,637	9,642	9,173	8,984	5,150	7,535	8,943
Gold $/toz	1,771	1,665	1,738	↑	1,227	1,367	1,384	1,507	1,700	973	1,225	1,562
Iron ore, contract, fob Brazil ¢/dmtu	n.a.	n.a.	n.a.		n.a.	n.a.	n.a.	n.a.	n.a.	101	n.a.	n.a.
Iron ore, spot, cfr China $/dmt	177.2	150.4	135.5	↓	137.4	155.9	178.6	175.8	175.9	80	145.9	170.6
Lead ¢/kg	228.8	196	199.4	↑	203.2	239	260.4	255.1	245.5	171.9	214.8	243.5
Nickel $/mt	20,378	19,039	17,873	↓	21,191	23,609	26,870	24,355	22,024	14,655	21,809	23,333
Silver ¢/toz	3,813	3,206	3,327	↑	1,901	2,647	3,179	3,857	3,885	1,469	2,020	3,572
Steel products index 2000=100	271.4	271.4	264.6	↓	232.4	233.9	250.5	272.8	271.4	227.1	229.7	265.5
Steel cr coilsheet $/mt	900	900	900	↔	850	850	867	900	900	783	816	891
Steel hr coilsheet $/mt	800	800	800	↔	750	750	767	800	800	683	716	791
Steel rebar $/mt	640	640	640	↔	533	550	600	640	640	486	563	629
Steel wire rod $/mt	790	790	790	↔	678	653	684	782	790	969	712	759
Tin ¢/kg	2,253	2,187	2,129	↓	2,055	2,601	2,986	2,885	2,466	1,357	2,041	2,666
Zinc ¢/kg	207.5	187.1	193.5	↑	201.3	231.5	239.3	225.5	222.4	165.5	216.1	222

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

RBI Opens Investment on Repatriation Basis to NRIs

Sub: Foreign Investments in Infrastructure Debt Funds

AP(DIR Srs) Cir.49 22.11.2011 (RBI)	Attention of Authorised Dealers Category – I (AD Category - I) banks is invited to Schedule 5 to the Foreign Exchange Management

(Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 notified vide Notification No. FEMA 20 / 2000 -RB dated May 3, 2000, as amended from time to time. In terms of this notification, a SEBI registered Foreign Institutional Investor (FII) and a Non-Resident Indian (NRI) may invest in securities other than shares or convertible debentures, subject to such terms and conditions mentioned therein and limits as prescribed for the same by the Reserve Bank and the Securities and Exchange Board of India (SEBI) from time to time.

Attention of Authorised Dealers Category – I (AD Category - I) banks is also invited to AP (DIR Series) Circular No.8 dated August 9, 2011 and AP (DIR Series) Circular No.42 dated November 3, 2011 in terms of which Qualified Foreign Investors (QFIs as defined therein to mean non-resident investors, other than SEBI registered FIIs and SEBI registered FVCIs, who meet the KYC requirements of SEBI) are allowed to invest in units of domestic Mutual Funds.

2. It has now been decided to allow investment on repatriation basis by eligible non-resident investors (as mentioned in para 3 below) in (i) Rupee and Foreign currency denominated bonds issued by the Infrastructure Debt Funds (IDFs) set up as an Indian company and registered as Non-Banking Financial Companies (NBFCs) with the Reserve Bank of India and in (ii) Rupee denominated units issued by IDFs set up as SEBI registered domestic Mutual Funds(MFs), in accordance with the terms and conditions stipulated by the SEBI and the Reserve Bank of India from time to time.

These investments would be subject to the following terms and conditions.

3. Eligible non- resident investors

a) Sovereign Wealth Funds, Multilateral Agencies, Pension Funds, Insurance Funds and Endowment Funds which are registered with SEBI as eligible non- resident investors in IDFs (hereinafter referred to as 'SEBI registered eligible non- resident investors in IDFs').

b) SEBI registered Foreign Institutional Investors (FIIs).

c) Non Resident Indians (NRIs) as defined in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (Notification No. FEMA 20/2000-RB dated May 3, 2000), as amended from time to time.

d) High Networth Individuals (HNIs) registered with SEBI as sub accounts of SEBI registered FIIs or HNIs which are separately registered with SEBI as eligible non-resident investors in IDFs in India.

4. Eligible Instruments / Securities for non-resident investment in IDFs

	Eligible non-resident investor	Eligible instruments
(i)	SEBI registered eligible non- resident investors in IDFs (as per 3 (a) above)	Foreign Currency and Rupee denominated bonds and rupee denominated units issued by IDFs
(ii)	SEBI registered FIIs who qualify as (i) above	Foreign Currency and Rupee denominated bonds and rupee denominated units issued by IDFs
(iii)	SEBI registered FIIs who do not qualify as (i) above	Rupee denominated bonds and units issued by IDFs
(iv)	NRIs	Rupee denominated bonds and units issued by IDFs
(v)	HNIs (as per 3(d))	Foreign Currency and Rupee denominated bonds and rupee denominated units issued by IDFs

5. Original / Initial Maturity

The original / initial maturity of all aforementioned securities at the time of first investment by a non resident investor shall be five years.

6. Lock in period

All non-resident investment in the aforementioned securities would be subject to a lock in period of three years. However, all non-resident investors can trade amongst themselves within this lock in period of three years.

7. Foreign Currency Denominated bonds

Foreign currency denominated bonds issued by IDFs would have to comply with all the terms and conditions (including all in cost) under the extant FEMA guidelines / regulations for External Commercial Borrowing (ECB), other than reporting requirements.

8. Quantitative limits for non-resident investment in IDFs:

a) All non-resident investment in IDFs (other than NRIs) (in both Rupee and Foreign Currency denominated securities) would be within an overall cap / limit of USD 10 billion only. This cap/ limit of USD 10 billion would be within the overall cap of USD 25 billion for FII investment in bonds/ non convertible debentures issued by Indian companies in the infrastructure sector (where infrastructure is as defined under the extant ECB guidelines) or by Infrastructure Finance Companies (IFCs registered as NBFCs with the Reserve Bank).

b) There would be no cap / limit for NRI investment in IDFs by way of Rupee denominated bonds / units.

9. Other conditions

(a) End use

(i) IDFs set up as NBFCs may invest in debt securities of only Public Private Partnership (PPP) infrastructure projects which have a buyout guarantee and have completed at least one year of commercial operations. Refinance by IDF would be up to 85% of the total debt covered by the concession agreement.

(ii) IDFs set up as MFs would invest minimum of 90% of its funds in debt securities of infrastructure companies or SPVs across all infrastructure sectors, project stages and project types.

(where 'infrastructure' is defined in terms of the extant ECB guidelines)

(b) Foreign exchange hedging

The facility of foreign exchange hedging would be available to the eligible non-resident IDF investors, IDFs as well as the infrastructure project companies exposed to the foreign exchange/ currency risk as per the extant provisions under Notification No. FEMA.25/2000-RB dated May 3, 2000, as amended from time to time.

10. AD Category - I banks may bring the contents of the circular to the notice of their customers/constituents concerned.

11. Necessary amendments to Foreign Ex-

LIBOR Plus Ceiling for ECB Raised by 50 bps to 350 bps

Sub: External Commercial Borrowings (ECB) Policy

AP(DIR Srs) Cir.51 23.11.2011 (RBI)	Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to A. P.(DIR Series) Circular No. 19 dated December 9, 2009

relating to the all-in-cost ceiling of External Commercial Borrowings (ECB).

2. On a review of developments in the global financial markets and the fact that borrowers are experiencing difficulties in raising ECBs within the existing all-in-cost ceiling, it has been decided to revise the all-in-cost ceiling for ECB as under:

Average Maturity Period	**All-in-cost over 6 month LIBOR***	
	Existing	Revised
Three years and up to five years	300 bps	350 bps
More than five years	500 bps	500 bps (no change)

*for the respective currency of borrowing or applicable benchmark

3. The enhancement in all-in-cost ceiling is applicable up to March 31, 2012 and subject to review thereafter. The change in the all-in-cost ceiling will come into force immediately. All other aspects of ECB policy remain unchanged.

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

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

change Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 (Notification No. FEMA. 20/2000-RB dated May 3, 2000) are being notified separately.

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

Brass Scrap Tariff Value Up by US$77/MT

85-Cus(NT) 30.11.2011 (DoR) In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Board, being satisfied that it is necessary and expedient so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Cus (N. T.), dated, the 3rd August 2001, namely:-

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

Table

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)	4125
9	1207 91 00	Poppy seeds	2117

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

ECB for Rupee Expenditure not to be Used for Security Trading

Sub: External Commercial Borrowings (ECB) Policy – Parking of ECB proceeds

AP(DIR Srs) Cir.52 23.11.2011 (RBI) Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to A.P. (DIR Series) Circular No. 26 dated October 22, 2008 relating to the External Commercial Borrowings (ECB).

2. At present, borrowers are permitted to either keep ECB proceeds abroad or remit these funds to India, pending utilization for permissible end-uses. ECB proceeds parked overseas can be invested in liquid assets, such as, deposits or Certificates of Deposit or other products

Customs Valuation Exchange Rates

December 2011		Imports	Exports
Schedule I			
1	Australian Dollar	51.30	49.95
2	Canadian Dollar	50.35	49.20
3	Danish Kroner	9.50	9.20
4	EURO	70.20	68.60
5	Hong Kong Dollar	6.75	6.65
6	Norwegian Kroner	9.00	8.70
7	Pound Sterling	81.65	79.85
8	Swedish Kroner	7.60	7.40
9	Swiss Franc	57.30	55.95
10	Singapore Dollar	40.20	39.35
11	U.S. Dollar	52.60	51.75
Schedule II			
1	Japanese Yen	68.30	66.55

Rate of exchange of one unit of foreign currency equipment to Indian Rupees

Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

(Source: Customs Notification 82(NT)/28.11.2011]

Commodity Spot Prices in India – 02-05 December 2011

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

(Rs.)

Commodity	Unit	Market	02-Dec	03-Dec	05-Dec
CER (Carbon Trading)	1 MT	Mumbai	NA	NA	NA
Chana	100 KGS	Delhi	3133	3097	3209
Masur	100 KGS	Indore	2750	2749	2750
Potato	100 KGS	Agra	NA	NA	NA
Potato TKR	100 KGS	Tarkeshwar	NA	NA	NA
Arecanut	100 KGS	Mangalore	NA	NA	NA
Cashewkern	1 KGS	Quilon	NA	NA	NA
Cardamom	1 KGS	Vandanmedu	550	549.4	540
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	5263	5263	5327
Guar Gum	100 KGS	Jodhpur	NA	NA	NA
Maize	100 KGS	Nzmbad	1090.5	1096	1105
Wheat	100 KGS	Delhi	1205	1203.5	1201.5
Mentha Oil	1 KGS	Chandausi	1504	1508	1505.6
Cotton Seed	100 KGS	Akola	NA	NA	NA
Castorsd RJK	100 KGS	Rajkot	4081	4070	4029
Guar Seed	100 KGS	Bikaner	5393	5400	5290
Soya Bean	100 KGS	Indore	2202	2229	2241
Mustrdsd JPR	20 KGS	Jaipur	632.2	633.2	644
Sesame Seed	100 KGS	Rajkot	5975	5963	5963
Coconut Oil Cake	100 KGS	Kochi	NA	NA	NA
RCBR Oil Cake	1 MT	Raipur	NA	NA	NA
Kapaskhali	50 KGS	Akola	1122.5	1131.8	1152.2
Coconut Oil	100 KGS	Kochi	8632	8632	8528
Refsoy Oil	10 KGS	Indore	628.7	631.9	637.9
CPO	10 KGS	Kandla	505.2	508.3	512
Mustard Oil	10 KGS	Jaipur	686.3	686.9	694.7
Gnutoilexp	10 KGS	Rajkot	840	846.7	850
Castor Oil	10 KGS	Kandla	NA	NA	NA
Crude Oil	1 BBL	Mumbai	5176	5185	5185
Furnace Oil	1000 KGS	Mumbai	NA	NA	NA
Sourcrd Oil	1 BBL	Mumbai	NA	NA	NA
Brent Crude	1 BBL	Mumbai	5630	5646	5646
Gur	40 KGS	Muzngr	NA	NA	NA
Sugars	100 KGS	Kolhapur	3025	3007	3003
Sugarm	100 KGS	Delhi	3239	3215	3235
Natural Gas	1 mmBtu	Hazirabad	188.4	184	184
Rubber	100 KGS	Kochi	19937	20059	20221
Cotton Long	1 Candy	Kadi	NA	NA	NA
Cotton Med	1 Maund	Sriganganagar	NA	NA	NA
Jute	100 KGS	Kolkata	2081	2066	2077.5
Gold	10 GRMS	Ahmd	28980	29002	28959
Gold Guinea	8 GRMS	Ahmd	23277	23295	23260
Silver	1 KGS	Ahmd	55827	55300	55375
Sponge Iron	1 MT	Raipur	NA	NA	NA
Steel Flat	1000 KGS	Mumbai	NA	NA	NA
Steel Long	1 MT	Gobindgarh	NA	NA	NA
Copper	1 KGS	Mumbai	402.45	405.8	405.8
Nickel	1 KGS	Mumbai	865.8	887.8	905.1
Aluminium	1 KGS	Mumbai	108.6	109.85	109
Lead	1 KGS	Mumbai	106.45	107.95	106.7
Zinc	1 KGS	Mumbai	104.2	105.75	104.55
Tin	1 KGS	Mumbai	1026.75	1023.25	1026.25

(Source: MCX Spot Prices)

offered by banks (rated not less than AA (-) by Standard and Poor/Fitch IBCA or Aa3 by Moody's), Treasury bills and other monetary instruments of one year maturity having minimum rating as indicated above and deposits with overseas branches/ subsidiaries of Indian banks abroad. The underlying principle is that funds should be invested in such a way that the investments can be liquidated as and when funds are required by the borrower. ECB funds may also be repatriated to India for credit to the borrowers Rupee accounts with AD Category I banks in India pending utilization for the permissible end-uses.

3. Based on a review of the current macro economic conditions, it has been decided that henceforth the proceeds of the ECB raised abroad meant for Rupee expenditure in India, such as, local sourcing of capital goods, on-lending to Self-Help Groups or for micro credit, payment for spectrum allocation, etc. should be brought immediately for credit to their Rupee accounts with AD Category I banks in India. In other words, ECB proceeds meant only for foreign currency expenditure can be retained abroad pending utilization. The rupee funds, however, will not be permitted to be used for investment in capital markets, real estate or for inter-corporate lending, as hitherto.

4. The amended ECB policy will come into force with immediate effect and is subject to review. All other aspects of ECB policy would remain unchanged.

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

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

Cabinet Approves Additional Funds of Rs. 2050 Crs under Interest Subvention Scheme for SMEs

The Cabinet Committee on Economic Affairs today approved the proposal of the Department of Commerce for additional funds under the Interest Subvention scheme to the tune of Rs.2050 crore i.e. Rs.1250 (RBI projection, for period upto March 2011) plus Rs.800 (as indicated by Department of Financial Services for the period 1st April 2011 to 31st March, 2012).

The Government of India has extended the scheme upto March 31, 2012 for Handicrafts, Handlooms, Carpets and Small & Medium Enterprises (SME) sectors.

Till date, Rs.1654 crore has been released to RBI for reimbursement of interest subvention claims whereas total requirement projected by RBI for the period upto March 2011 is Rs.3892 crore. Hence, the balance of Rs.2238 crore is pending. Out of Rs.2238 crore, Department of Commerce has approval of CCEA for Rs.996 crore, leaving Rs. 1250 (approx.) for which approval is given today. Rs. 996 crore will be released to RBI as and when the funds are made available to Department of Commerce under the relevant head.

Meanwhile, Department of Financial Services had indicated an additional financial implication of Rs.800 crore in view of the decision of the Government of India to extend the scheme w.e.f. 1st April 2011 to 31st March 2012 for the sectors, namely, Handicrafts, Handlooms, Carpets and Small & Medium Enterprises.

The interest subvention scheme was introduced in July 2007 vide RBI notification dated 13.7.2007 on the advice of Ministry of Finance to help exporters offset the losses on account of global recession. In this scheme, which is operated by the Reserve Bank of India, Government provides interest subvention of 2 percentage points per annum to all scheduled commercial banks in respect of rupee export credit to the specified categories of exporters.

[Ref: PIB (MoC&I) Press Release dated 1 December 2011]

WORLD TRADE SCANNER

BIG's WEEKLY INDEX OF CHANGES

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