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

WORLD TRADE SCANNER

ISSN: 0971-8095

Single copy Rs. 20 $2

Vol. XXVI No 39 23-29 December 2009

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

Annual subscription Rs 650

NAMA Talks Make Progress on NTBs

WTO members took an "important step" forward in talks on preventing non-tariff measures such as health and safety standards from unduly restricting trade in manufactured goods, the chair of the Doha Round negotiating committee on industrial products said last week.

Luzius Wasescha, the Swiss ambassador to the WTO who chairs the negotiating group on non-agricultural market access (NAMA), praised delegations on 10 December for preparing well and engaging constructively during the four days of fairly technical discussions.

Over the course of the negotiations on 'non-tariff barriers' (NTBs, in negotiators' parlance), countries have submitted a range of proposals pertaining to individual industrial sectors such as textiles, footwear, and electronics. The proposals aim to establish rules to ensure that government policies like technical regulations, health and safety standards, product certification procedures, and labelling requirements do not restrict trade more than necessary.

Other proposals have been more general, such as one for a 'horizontal mechanism' for quickly mediating trade irritants arising from non-tariff measures without going through the WTO's time-consuming and expensive formal dispute settlement process.

Last week's talks focused primarily on NTB issues in the automotive and electronics sectors.

Both the EU and the US have tabled proposals setting out potential rules for standards, technical regulations, and conformity assessment procedures for the two sectors.

The principal difference between the two commercial giants is the role given to international standards. The EU wants WTO members to harmonise their national regulations with international standards. The US proposal focuses more narrowly on "non-tariff barriers pertaining to the electrical safety and electromagnetic compatibility (EMC) of electronic goods," and favours an approach based on transparency about the way regulations are developed and made public.

The difference is similar with regard to the automotive sector. The EU proposal (TN/MA/W/118) references the World Forum for the Harmonisation of Vehicle Regulations, a body that exists within the framework of the United Nations Economic Commission for Europe, calling for it to be recognised as the "main relevant international standard-setting body" for a list of vehicles and auto parts. Brussels wants 'regulatory convergence and harmonisation', calling for "harmonising technical regulations and conformity assessment procedures on as wide a basis as possible." The US proposal (TN/MA/W/120) would recognise as an "appropriate international standardising body" any organisation that agreed to abide by a set of regulatory-related decisions already adopted by WTO members. While Washington urges countries to participate in international standard-setting, and to consider using each other's regulations, it places more emphasis on 'good regulatory practice', particularly transparency.

However arcane the discussions on non-tariff barriers, they are one of the principal obstacles keeping goods out of potential export markets, especially with industrial tariff levels relatively low in most major economies.

Wasescha said that participants in small-group consultations on the proposals eschewed a divisive either-or attitude to the proposals in favour of a more constructive approach, focusing on the many similarities - "where the differences were largely of drafting." The EU and the US both pointed to the raised costs for industry arising from unnecessary confusion over standards. The two major economies called for transparency procedures such as consulting with interested parties before introducing new regulations that differ from global benchmarks, and considering the costs of compliance with proposed regulatory changes.

The chair of the negotiating group said that there was little divergence in members' views on transparency, with the debate centring principally on whether sector-specific rules are necessary, or whether a common set of principles (with sector-specific comments) might suffice.

Wasescha also said that members had also been pragmatic about a separate issue: whether a declaration by a supplier that a product meets a specified standard or technical regulation or other specification (based on a conformity assessment evaluation) should suffice, or whether certification by an outside organisation should be necessary. He said that most countries, irrespective of the school of thought to which they subscribed, permitted 'self-declaration of conformity' for some products while requiring third-party certification for others. In the name of transparency, he urged them to develop lists of which products were subject to which certification requirements.

He spoke favourably of the 'horizontal mechanism' for the mediation of NTB-related trade blockages favoured by a wide range of countries including the EU, India, South Africa, and his own Switzerland, calling it a mechanism for "dispute prevention." He suggested that fears about the mechanism's effects on regular WTO dispute settlement were overblown, since the mediation would be optional.

In a press conference following the committee meetings, Wasescha said he was pleased with delegations' engagement, saying that they had showed readiness to accept proposals that they had resisted only weeks before. He expressed hope that countries would soon be able to move to an NTB negotiation that is based on draft legal language for a future agreement (as opposed to a debate on underlying principles).

But trade diplomats report that no signs of movement are visible on what is now main stumbling block in the NAMA negotiations: whether large developing markets like China, Brazil, and India choose to participate in voluntary initiatives to cut deeply or even eliminate tariffs across entire industrial sectors, as the US and the EU demand.

Sources say that earlier in the week, Wasescha said that negotiators would need to "work, work, work" if they were to have a chance of concluding the Doha Round by the end of 2010, a goal widely shared during the WTO's recent ministerial conference.

The next NAMA week is tentatively scheduled for early February 2010.

Countries Exchange Technical Notes on SSM

At an informal small-group meeting last Thursday convened by the chair of the WTO agriculture negotiations, trade negotiators exchanged 'technical notes' simulating how the proposed special safeguard mechanism could work in practice.

The special safeguard mechanism, widely known as the SSM, is intended to allow developing countries to protect farmers in the event of import surges or price declines. The mechanism has been a source of significant controversy in the WTO farm talks: exporters allege that the SSM could be used to block normal trade, while developing country importers argue that the mechanism would be vital to helping them defend domestic producers from volatile markets.

Disagreement over the SSM was widely blamed for triggering the collapse of high-level WTO trade talks in July 2008. Last week's technical exchange does not seem to have eased the controversy.

Three exporting countries - Brazil, the US and Uruguay - made presentations on the safeguard mechanism. A fourth exporting country, Australia, has also prepared a technical note. That document was not presented at the meeting, but trade sources reported that it had been shared informally with a few delegations.

Delegates familiar with the discussion indicated that the presentation by Uruguay focused in particular on how often countries have used other safeguard instruments, such as the WTO's Agreement on Safeguards and Countervailing Measures, as a remedy, and also considered the extent to which countries already have room to manoeuvre between their actual 'applied' tariffs and the maximum permitted 'bound' rates to which they have agreed at the WTO. Proponents of the special safeguard mechanism argued that the focus of discussions should be on how the safeguard should work, not on the agreed mandate for the instrument.

The US presentation considered the cases of India, Turkey, China and the Philippines, taking as examples soybeans, palm oil and apples, and looking primarily at the period from 2002 to 2007. The US sought to suggest that, if the safeguard were 'triggered' when average import levels increased by 10, 20 or even 40 percent above historical averages, normal trade in many years could be affected. However, sources reported that it remained unclear how the US had incorporated the three-year rolling average in its simulation.

The simulation by Brazil looked at one example only, that of soybeans, and examined the extent to which trade in the product was 'seasonal' and therefore subject to important increases and decreases in different months during the year.

The Australian paper, although not discussed at the meeting, was reportedly the most detailed and technical analysis conducted on the issue so far. The study simulated Chinese imports of swine offal and soybeans, Indonesian rice, coffee and capsicum imports, and Indian imports of apples. The study suggested that "intensive work in one or more blocks of time" would be needed "in the coming months."

The G-33 group of developing country proponents of the special safeguard mechanism was reportedly also planning to prepare a technical study for discussion early next year. Exporting countries indicated that a technical response from the G-33 would be a welcome contribution to the discussion.

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
22-Dec-09	46.8525	46.9225	46.7850	46.8325	46.8325	287243	1837721	860726.1	46.8000
21-Dec-09	46.8500	46.8900	46.7975	46.8625	46.8625	303435	1594157	746813.3	46.8000
18-Dec-09	47.0000	47.0000	46.7525	46.7975	46.7975	310165	1951781	914666.1	46.8500
17-Dec-09	46.7900	47.0125	46.7850	46.9375	46.9375	312238	2582012	1209959	46.7800
16-Dec-09	46.7525	46.8000	46.6500	46.7025	46.7025	332582	2219403	1036671	46.6800

[Source: NSE and RBI Website]

Liberalization of Foreign Technology Agreement Policy

The existing policy of Government of India on the payment of royalties under Foreign Technology Collaboration provides for automatic approval for foreign technology transfers involving payment of lumpsum fee of US$ 2 million and payment of royalty of 5% on domestic sales and 8% on exports. In addition, where there is no technology transfer involved, royalty up to 2% for exports and 1% for domestic sales is allowed under automatic route on use of trademarks and brand names of the foreign collaborator. Separate norms are available for the hotel sector vide Press Note 18 (1991 Series) and Press Note 1 (1995 Series). Technology transfers involving payments above these limits required prior permission of the Government of India (Project Approval Board, Department of Industrial Policy and Promotion).

The Government of India has reviewed the extant policy and it has been decided to permit, with immediate effect, payments for royalty, lumpsum fee for transfer of technology and payments for use of trademark/ brand name on the automatic route i.e. without any approval of the Government of India. All such payments will be subject to Foreign Exchange Management (Current Account Transactions) Rules, 2000 as amended from time to time.

A suitable post-reporting system for technology transfer/ collaborations and use of trade mark/ brand name will be notified by the Government separately.

These guidelines issue in modification of provisions relating to foreign technology proposals/approvals contained in paragraph 3 of Press Note 10 (1991), para 7 of Press Note 11 (1991), para 4 & 5 (a) of Press Note 12 (1991), para 2-6 of Press Note 20 (1991), para 2 of Press Note 5 (1992), para 4 of Press Note 4 (1994), para 3 of Press Note 18 (1997) and paragraphs III and IV of Press Note 9 (2000). These guidelines will issue in supersession of provisions of Press Note 18 (1991), Press Note 4 (1992), Press Note 1 (1995), Press Note 4 (1996), Press Note 1 (2002) and Press Note 2 (2003).

[Source: Department of Industrial Policy & Promotion, Ministry of Commerce & Industry Press Note No.8 (2009 series), New Delhi, 17th December, 2009]

Relaxation of Cost Ceilings on ECB Withdrawn

Subject: External Commercial Borrowings (ECB) Policy

(i) All-in-cost ceilings

(ii) Integrated township

(iii) Buyback of the Foreign Currency Convertible Bonds (FCCBs)

(iv) ECB for the NBFC Sector

(v) ECB for Spectrum in the Telecommunication Sector

AP(DIR Srs) Cir.19 09.12.2009 (RBI) Attention of Authorized Dealer Category – I (AD Category - I) banks is invited to the A.P. (DIR Series) Circular No. 46 dated January 2, 2009, A.P. (DIR Series) Circular No. 64 dated April 28, 2009 and A.P. (DIR Series) Circular No. 71 dated June 30, 2009 relating to External Commercial Borrowings (ECB).

2. On a review of the prevailing macroeconomic conditions and developments in international financial markets, it has been decided to modify some aspects of the ECB policy as indicated below:

(i) All-in-cost ceilings

As per the extant policy, the all-in-cost ceilings have been dispensed with, under the approval route, until December 31, 2009. In view of the improvement in the credit market conditions and narrowing credit spreads in the international markets, it has been decided to withdraw the existing relaxation in the all-in-cost ceilings under the approval route with effect from January 1, 2010. Accordingly, the all-in-cost ceilings under the approval route for the ECBs, where Loan Agreements have been signed on or after January 1, 2010 will be as under:

Average Maturity Period	All -in-cost Ceilings over six month Libor*
Three years and up to five years	300 basis points
More than five years	500 basis points

*for the respective currency of borrowing or applicable benchmark.

Eligible borrowers proposing to avail of ECB after December 31, 2009, where the Loan Agreement has been signed on or before December 31, 2009 and where the all-in-cost exceed the above ceilings, should furnish a copy of the Loan Agreement. Such proposals would continue to be considered under the approval route.

(ii) Integrated township

As per the extant policy, corporates, engaged in the development of integrated township, as defined in Press Note 3 (2002 Series) dated January 04, 2002, issued by the Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry, Government of India are permitted to avail of ECB, under the approval route, until December 31, 2009. On a review of the prevailing conditions, it has been decided to extend the current policy until December 31, 2010, under the approval route. All other terms and conditions, stipulated in the A.P. (DIR Series) Circulars referred to above, remain unchanged.

(iii) Buyback of the Foreign Currency Convertible Bonds (FCCBs)

In terms of A.P. (DIR Series) Circular No. 39 dated December 8, 2008, read with A.P. (DIR Series) Circular No. 58 dated March 13, 2009 and A.P. (DIR Series) Circular No. 65 dated April 28, 2009, Indian companies have been allowed to buyback their Foreign Currency Convertible Bonds (FCCBs) both under the automatic route and approval route until December 31, 2009. Keeping in view the prevailing macroeconomic conditions and global developments, especially the improvements in the stock prices, it has been decided to discontinue the facility with effect from January 1, 2010.

(iv) ECB for the NBFC Sector

As per the current ECB norms, Non-Banking Finance Companies (NBFCs), which are exclusively involved in the financing of the infrastructure sector, are permitted to avail of ECBs from multilateral / regional financial institutions and Government owned development financial institutions for on-lending to the borrowers in the infrastructure sector under the approval route. In view of the thrust given to development of infrastructure sector, it has been decided with immediate effect to allow NBFCs exclusively involved in financing the infrastructure projects to avail of ECB from the recognized lender category including international banks under the approval route, subject to complying with the prudential standards prescribed by the Reserve Bank and the borrowing entities fully hedging their currency risk. The AD Category-I bank should certify the compliance with the prudential norms by the borrowing NBFCs.

(v) ECB for Spectrum in the Telecommunication Sector

As per the extant policy, as indicated in A.P. (DIR Series) Circular No. 26 dated October 22, 2008, payment for obtaining license/permit for 3G Spectrum is considered an eligible end - use for the purpose of ECB under the automatic route. It has now been decided to permit eligible borrowers in the telecommunication sector to avail of ECB for the purpose of payment for Spectrum allocation. This modification will come into effect with immediate effect.

3. All other aspects of ECB policy such as USD 500 million limit per company per financial year under the automatic route, eligible borrower, recognised lender, end-use, average maturity period, prepayment, refinancing of existing ECB, reporting arrangements and terms and conditions stipulated in the A.P. (DIR Series) Circulars shall 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 is without prejudice to permissions/approvals, if any, required under any other law.

CBEC Clarifies Tankers are not Bulk Packs

Subject: Clarification regarding labelling and repacking etc. amounting to manufacture.

910-CBEC 16.12.2009 (DoR) It has been brought to the notice of Board that certain dealers are receiving liquid chemicals in bulk in containers and offloading the same at the dealers' premises or godown into drums of 200ltrs for subsequent marketing of these materials to customers. Doubts have been raised as to whether such activity would amount to manufacture in terms of Chapter Note 10 to Chapter 29. As the said Chapter Note has been amended in 2008 budget, it has been contested that the said activity is covered by the present wordings of the Chapter note. The relevant portions of the chapter note reads as under:

Before Amendment (1.03.2008)

*10. In relation to products of this Chapter, labelling or relabelling of containers **and** repacking from bulk packs to retail packs or the adoption of any other treatment to render the product marketable to the consumer, shall amount to 'manufacture'.*

After amendment (1.03.2008)

*10. In relation to products of this Chapter, labelling or relabelling of containers **or** repacking from bulk packs to retail packs or the adoption of any other treatment to render the product marketable to the consumer, shall amount to 'manufacture'.*

2. Whether an operation amounts to repacking from bulk packs to retail packs or not, is a question to be decided on facts. However before examining the implication of the substitution of word 'and' by 'or', it is necessary to examine whether the activity itself is covered by term repacking from bulk packs to retail packs. Hence the first issue which needs to be decided is whether the "container/ lorry tanker" can be considered as bulk pack.

3. Tribunal has in the case of Ammonia Supply Co. [2001 (131) ELT 626 (T)], held that *"As per Note quoted above, labelling or re-labelling of the container should take place at a time when the goods are packed from bulk packs to retail packs. The assessee was not getting Ammonia in bulk packs. They were getting it in tankers. Ammonia gas brought in tankers can never be termed as brought in bulk packs. So the asses-*

see was not repacking the goods from bulk packs to retail packs. Accordingly the activity undertaken by the assessee in filling the smaller container from bulk container namely tankers can never fall within the fiction of manufacture as envisaged by Note 10 quoted above."

4. Therefore the tankers cannot be termed as bulk packs and therefore the activity of transferring the goods from tankers into smaller drums cannot be said to be covered by the said chapter note 10.

5. Pending cases may be disposed of accordingly.

F.No. 6/3/2009-DS(CX 1 & 4)

Edible Oils Export Quota of 10,000 MTs – Weekly Reports to be sent to DGFT by Customs and DGCIS Kolkata

Subject: Permission for export of edible oil in small consumer packs – regarding

19-Pol.Cir
18.12.2009
(DGFT

Attention is invited to Notification No.18/2009-2014 dated 2nd December, 2009 read with Notification No.85 dated 17th March, 2007, Notification No. 92 dated 1st April, 2008, Notification No. 3 dated 11th April, 2008, Notification No. 33 dated 19th August 2008 and Notification No.04/2009-2014 dated 4.9.2009 relating to ban on edible oils and subsequent relaxations on export of edible oil.

2. In partial relaxation of ban on export of edible oil imposed vide Notification No.85 dated 17th March, 2007 as amended vide above subsequent Notifications, it has been decided by competent authority that export of edible oil shall be allowed as under:-

"Export of edible oils is permitted in branded consumer packs of up to 5 Kgs, subject to a limit of not exceeding 10,000 tons during 1.11.2009 to 31.10.2009 ***(1.11.2009 to 31.10.2010)***. Such exports shall be allowed only from Customs EDI Ports."

3. To monitor the quantity of edible oil exported in branded consumer packs of upto 5 Kgs and to ensure that the ceiling of 10,000 tons is not exceeded, a weekly report shall be sent to Office of DGFT by Joint Secretary, Customs (Central Board of Excise and Customs) and by DGCI&S, Kolkata. The weekly report shall contain the quantity (in Kgs. as unit of measurement) and value (in Rupees) of edible oil exported (in branded consumer packs up to 5 kgs.) along with ITC (HS) Codes.

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

Another Five Years of Anti-dumping Duty on Phosphoric Acid from Korea – Final Findings

Ntfn 140
15.12.2009
(DoR)

Whereas, in the matter of import of **Phosphoric Acid** of all grades and all concentration (excluding Agriculture or Fertiliser grade) (hereinafter referred to as the subject goods), falling under sub heading **2809 2010** of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the said Customs Tariff Act), originating in, or exported from, **Korea** RP (hereinafter referred to as the subject country) and imported into India, the designated authority in its preliminary findings *vide* notification No.14/07/2007-DGAD, dated the 24th April, 2009, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 24th April, 2009, had come to the conclusion that-

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

(b) the dumping margins of the subject goods imported from the subject country 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 country;

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

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. 74/2009-Customs, dated 22nd June, 2009, published in the Gazette of India Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 438(E), dated the 22nd June, 2009;

And whereas, the designated authority in its final findings vide notification No. 14/07/2007-DGAD dated the 11th November, 2009, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 11th November, 2009, had come to the conclusion that-

a. The subject goods had been exported to India from the subject country at prices less than their normal values in the domestic market of the exporting country;

b. The dumping margins of the subject goods imported from the subject country were substantial and above de minimis;

c. The domestic industry had suffered material injury and the injury had been caused to the domestic industry, both by volume and price effect of dumped imports of the subject goods originating in or exported from the subject country.

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

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 and 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 final findings of the designated authority, hereby imposes on the subject 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), the specification of which is specified in column (4), originating in the country as specified in the corresponding entry in column (5), and produced by the producers as specified in the corresponding entry in column (7), when exported from the country as specified in the corresponding entry in column (6), by the exporters as specified in the corresponding entry in column (8), and imported into India, an anti-dumping duty at the rate equal to the amount indicated in the corresponding entry in column (9), in the currency as specified in the corresponding entry in column (11) and per unit of measurement as specified in the corresponding entry in column (10), of the said Table.

Provisional Anti-dumping Duty on Phosphoric Acid from Korea - Notification Rescinded

Ntfn 141
15.12.2009
(DoR)

In exercise of the powers conferred by sub-sections (1) and (2) of section 9A of the Customs Tariff Act, 1975 (51 of 1975), read with rules 13, 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 hereby *rescinds* the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. **74/2009-Customs, dated the 22nd June, 2009**, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R.438(E), dated the 22nd June, 2009, except as respect things done or omitted to be done before such rescission.

[F. No.354/108/2009-TRU]

Table

SNo	Sub-heading	Description of goods	Specification	Country of origin	Country of export	Producer	Exporter	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	2809 20 10	Phosphoric Acid	All grades and concentrations (excluding Agricultural or Fertliser grade)	Korea RP	Any	Any	Any	221.64	MT	US dollar
2	2809 20 10	Phosphoric Acid	All grades and concentrations (excluding Agricultural or Fertliser grade)	Any	Korea RP	Any	Any	221.64	MT	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, 22nd June, 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.354/108/2009 –TRU]

Tariff Value on Brass Scrap Up by $33/MT

182-Cus(NT) 15.12.2009 (DoR) In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Board, being satisfied that it is necessary and expedient so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. **36/2001-Cus (N. T.), dated, the 3rd August 2001**, namely: -

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

Table

S. No.	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)	**3435**
9	1207 91 00	Poppy seeds	3144 (i.e. no change)”

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

Procedure for Disposal of Grievance Special Watch

The following Facility Notice was issued by the Chief commissioner of Customs, Mumbai-II JNPT on 3 December 2009.

Sub: Procedure for handling Grievance received from trade and other stake holders

93-FN 03.12.2009 Various references including complaints are received from time to time in the Office of the Chief Commissioner of Customs, Commissioner of Customs (Imports), Commissioner of Customs (Exports) and Additional Commissioners/ Joint Commissioners from Trade and other Stake holders for redressal of grievances they have in Customs matters. These grievances are being monitored presently as **Grievance Special Watch** and are being attended to in time bound manner so as to ensure highest level of services delivery to all the Stake holders and Trade. Considering the volume of Grievance Special Watch being received, it has been decided to formalize the process for the disposal of such communications/Correspondence by adopting the following procedures with immediate effect.

2. The procedure for disposal of Grievance Special Watch:

(A) Chief Commissioner's Office

The communications/correspondences addressed to Chief Commissioner are received by Senior PA/Staff in the Chief Commissioner's Office. Upon receipt, the Senior P.A. would segregate the communications/correspondence wherever any redressal of grievance is sought and mark it as "Grievance Special Watch (GSW)". An entry of GSW would be made in the register made in this regards. Upon making entry in GSW register, Sr PA would send a copy of GSW to the concerned Deputy Commissioner. Simultaneously, GSW would be put up for perusal and directions of the Chief Commissioner. The Concerned Dy. Commissioner, within a period of 3-4 hours, will report to the Chief Commissioner, along with the file, the reasons for pendency or non-redressal of grievance. In this context, wherever necessary, the concerned Addl. Commissioner/Joint Commissioner will also be present in this discussion. Based on the facts and information available with the Department/ in the file, a view would be taken as to whether the issue could be resolved and grievance could be redressed by the Department or as to whether for lack of information or for any other reasons, the redressal of grievance is not feasible immediately. In cases where delay is anticipated, the complainant would be informed, on the same day or latest by next day, the reasons for non-redressal. Further, requirement of any information from the complainant would also be spelt out in this communication. In other cases, expeditious action would be taken to resolve the issue at the earliest but not later than three working days. The decision/action taken for grievance redressal would be communicated to the complainant by post/fax/e-mail.

Loading of Imported Goods and Unloading of Exported Goods at Mulund Notified

177-Cus(NT) 11.12.2009 (DoR) In exercise of the powers conferred by clause (aa) of sub-section (1) of section 7 of the Customs Act, 1962 (52 of 1962), the Central Board of Excise and Customs, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 12/97-Customs (N.T.), G.S.R. No. 193(E) dated the 2nd April, 1997, namely:-

2. In the Table to the said notification, against serial number 9, relating to the State of Maharashtra, after item (xiii), the following item in column (3) and the corresponding entry in column (4) shall respectively be inserted, namely:-

(3)	(4)
"(xiv) Mulund (Mumbai)	Unloading of imported goods and the loading of export goods"

[F. No. 434/24/2009 – Cus.IV]

(B) Disposal of complaints received by Commissioner of Customs (Import) Commissioner of Customs (Export), and Additional/Joint Commissioner:

The above procedure, as outlined in respect of grievances addressed to Chief Commissioner, would mutatis-mutandis apply to the complaints addressed to and dealt by Commissioner of Customs (Import), Commissioner of Customs (Export), and Additional/Joint Commissioner, whether or not endorsed to the Chief Commissioner. In case complaints are endorsed to the Chief Commissioner, a copy of reply indicating the action taken will be endorsed to Chief Commissioner Office.

3. The objective of this Facility Notice is to make Public/Trade/Stake holders aware of the Grievance Redressal Mechanism that has been put in place to fulfill our commitment for highest level of service delivery.

4. Any difficulty faced in implementation of this Facility Notice may be brought to the notice of the undersigned immediately.

This issues with the approval of the Chief Commissioner.

F.No.S/V-21 (107)/2009-CCO M.II

Procedure for Supplying Duty Free Gold to Exporters by Nominated Agencies

The following Public Notice was issued by the Commissioner of Customs, Air Cargo Complex, Mumbai on 8 December 2009.

Sub: Export against supply by nominated agencies – procedure and guidelines

32-PN 08.12.2009 Attention of Importers, CHAs, nominated agencies (MMTC, HHEC, STC, PEC, STCL Ltd, MSTC Ltd, DIL, G & J EPC, star trading house (only for Gem & Jewellery Sector) or Premier Trading House under para 3.10.2 of Foreign Trade Policy and any other agency authorized by RBI), Associates and others are invited to Public Notice 15/98 dated 04/05/98 and Public Notice 16/98 dated 30.5.1998 issued based on Board Circular No 24/98- Cus dated 20.04.1998 as amended by Board's circular No. 12/2008-Cus dated 24.07.2008 (para 27) regarding procedure to be followed by the Nominated Agencies for supplying duty free gold to exporters under various schemes under the EXIM Policy 1997-2002.

2. In order to address the difficulties in supply of gold, silver and platinum to small jewellery exporters, DGFT has included 5 more new agencies/entities as "nominated agencies" for import of gold/silver/platinum (hereinafter referred as the "precious metal"). Now the nominated agencies are as under:

(1) Metals and Minerals Trading Corporation limited (MMTC);

(2) Handicraft and Handloom Export Corporation (HHEC);

(3) State Trading Corporation (STC);

(4) Project and Equipment Corporation of India Ltd (PEC);

(5) STCL Ltd;

(6) MSTC Ltd;

(7) Diamond India Limited (DIL);

(8) Gems & Jewellery Export Promotion Council (G&J EPC);

(9) A Star Trading House (only for Gems & Jewellery sector) or a Premier Trading House under paragraph 3.10.2 of Foreign Trade Policy; and

(10) Any other agency authorised by Reserve Bank of India (RBI).";

3. DGFT has specified minimum supply criteria of 15% by nominated agencies (other than the designated banks nominated by RBI and Gems & jewellery units operating under EOU and SEZ scheme) and laid down procedure and condition to be followed by these nominated agencies (other than the designated banks nominated by RBI and Gems & jewelry units operating under EOU and SEZ scheme) vide Policy circular No. 77 (RE-2008)/2004-09 dated 31.03.2009 as amended from time to time. Relevant notifications No. 57/2000-Cus dated 08.05.2000 and 52/2003-Cus dated 31.03.2003 have been suitably amended vide notification No. 106/2009-Customs dated 14.09.2009 allowing aforesaid nominated agencies duty free import of precious metals for supply to exporters for manufacture of jewellery and export thereof subject to the procedure and conditions specified by DGFT.

4. In order to avoid divergent practices and to streamline supply of precious metal for exports, the following procedure, supplementing the procedure specified by DGFT, is being prescribed:

(i) the Nominated Agencies shall be allowed import of precious metal for warehousing in their own bonded vaults. The vaults shall be licensed by the jurisdictional Dy/ Asstt. Commissioners of Customs or Central Excise (hereinafter referred as the "said officer") under Section 58 of the Customs Act, 1962;

(ii) the Nominated Agencies shall furnish a bond to the satisfaction of the said officer undertaking to properly account for the warehoused precious metal and also to discharge the duty liability at the prescribed effective rate of duty in the event of the exporter not fulfilling his export obligation within the prescribed period;

(iii) the Nominated Agencies may be permitted to give a general bond for an estimated amount of duty worked out at the effective rate involved in their monthly import or may give a revolving bond starting with a bond equal to the duty estimated at the effective rate on quantity of precious metal likely to be imported in a month;

(iv) the Nominated Agencies (other than designated banks nominated by RBI and public sector undertakings) shall also furnish a bank guarantee equal to 25% of the estimated amount of duty involved on import of precious metals in a month or the bonds executed by them. The exemption from bank guarantee to the designated banks nominated by RBI and public sector undertakings shall be admissible subject to the following conditions:

(a) the nominated agency has not defaulted in following the procedure and condition specified by DGFT;

(b) in case of default in export of jewellery manufactured out of precious metal supplied by nominated agency within the prescribed period, the nominated agency have not defaulted in payment of duty within the specified period;

(c) the nominated agency has not been served with a show cause notice or no demand confirmed against it, during the preceding 3 years, for violations invoking fraud or collusion or any wilful mis-statement or suppression of facts under relevant provisions of the Customs Act,1962, the Central Excise Act, 1944, the Finance Act, 1994 covering Service Tax, the Foreign Trade (Development & Regulation) Act, 1992, the Foreign Exchange Management Act,1999 and the rules made thereunder;

(v) the Commissioner of Customs may allow more than one Nominated Agencies to keep their imported goods in the same vault provided the quantities are kept segregated and separate accounts are maintained;

(vi) the Nominated Agencies will be required to keep the imported duty free goods for supply to the exporters segregated from the quantities imported for domestic consumption on payment of duty;

(vii) the Nominated Agencies shall be exempt from following the double lock system. Physical presence of the Bond Officer will not be required for bonding or ex-bonding the goods. No cost recovery charges would be payable by the Nominated Agencies;

(viii) the Nominated Agencies can be visited by Custom officers for surprise audit or checks. The Commissioner shall devise a system of random audit at least once in 6 months initially and once in a year subsequently;

(xi) the exporters intending to receive precious metal from the Nominated Agencies will register themselves with their jurisdictional Asstt. Commissioners who will issue them a one-time Certificate specifying therein the details of their units such as name and address of the unit and the head/owner of the organization. This certificate has to be produced to the Nominated Agencies while taking gold. The units shall submit an undertaking to the Asstt. Commissioner without bank guarantee to follow the conditions of notification under which they are receiving duty free precious metal and export the jewellery made therefrom within the period stipulated in the Foreign Trade Policy. The EOU units may submit a self-declaration to the Nominated Agencies stating therein the details of their unit;

(x) the Nominated Agencies would allow clearance of the goods for export production under the relevant exemption notification under their own internal documents and would submit a consolidated monthly account in format enclosed of the goods released exporter-wise and the duty involved which will be worked on the basis of effective rate of duty;

(xi) the Nominated Agencies shall maintain an account of the goods released to the exporters (exporter-wise) on day-to-day basis. This account shall be liable for inspection by any Customs Authorities as the account of a bonded warehouse;

(xii) the exporter shall furnish the EP copy of the shipping bill and Bank certificate of realization in Appendix 22A to the nominated agencies as a proof of having exported the jewellery made from the duty free goods released to them within the period prescribed in the Foreign Trade Policy;

(xiii) wherever such proof of export is not produced within the period prescribed in the Foreign Trade Policy, the Nominated Agencies shall (without waiting for its recovery from the exporter) deposit the amount of duty calculated at the effective rate leviable on the quantity of precious metal not exported, within 7 days of expiry of the period within which the jewellery manufactured out of the said precious metal was supposed to be exported. The duty so paid by the Nominated Agency shall be reflected in the monthly statement prescribed in para (x) above. The Nominated Agencies will settle their claim with the exporter at their own level;

(xiv) the Nominated Agencies shall report the cases of failure, to export the jewellery made out of precious metal released to the exporter, to the Commissioner of Customs in whose jurisdiction the licensed vault of the Nominated Agencies is installed; and

(xv) the exporters operating under replenishment scheme may be permitted to receive precious metal from the Nominated Agencies on submission of EP copy of the shipping bill. Nominated agencies shall also monitor the export proceeds realization of such shipments against which they have replenished precious metal, on the basis of Bank certificate of realization in Appendix 22A to be submitted by exporters to the nominated agencies, as a proof of having exported the jewellery.

5. The Circular No. 24/98-Cus dated 20.04.1998 and Public Notices No 15/98 dated 04.05.98 and 16/98 dated 30.05.98 stand withdrawn.

F.No: S/6-Gen- 693/2009 GPS ACC

China Resolves WTO Case by Ending Subsidies of 'Famous Brands'

China resolved a trade dispute with the U.S. by agreeing to end dozens of subsidies that promote its exports, the Obama administration said.

The agreement settles a year-old U.S. complaint at the World Trade Organization accusing China of violating global trade rules by providing cash grants, loans and research funding to makers of so-called famous brands products including apparel, agriculture goods and electronics.

The WTO case was filed by the Bush administration, which said it uncovered 70 different subsidies that are prohibited by global trade rules because they are aimed at boosting exports. That total rose to 90 counting provincial subsidies, the U.S. trade office said on 17 December.

The Obama administration also has challenged China's trade policies, imposing tariffs of 35 percent on tire imports from China in September and filing a WTO complaint against China's use of export curbs on raw materials used in steel production and manufacturing.

U.S. trade officials have said the amount of subsidies for famous brands is difficult to calculate because China's system isn't transparent. Aid to textile and apparel firms alone totaled hundreds of millions of dollars, according to the National Council of Textile Organizations.

The U.S. was joined by Mexico and Guatemala in its WTO complaint, which said the subsidies were improperly used to promote exports.

End CAP in Europe says Experts

A prominent group of European agricultural economists is calling for "radical" changes to the European Union's farm support policies, including the ultimate elimination of all direct payments to the region's agriculture producers.

In a declaration released last month, the economists argued that the Single Farm Payment - the cornerstone of the bloc's Common Agricultural Policy –"should be phased out" and replaced by "new schemes…in which aids are granted not on past, but on future behaviour."

The Common Agricultural Policy, or CAP, accounts for nearly half of the EU's total annual budget and represents the world's largest farm payment programme.

But the economists argue that the programme should be significantly scaled back. The EU should move away from "giving every farmer money no matter what he or she does," explains Giovanni Anania, a professor at the University of Calabria and one of the economists who signed the declaration, "and start asking for [the provision of] services in exchange."

"The costly Single Farm Payment confers very uneven benefits on member states and on individual farmers, without fulfilling any clear income distribution, rural development, or environmental protection objectives," the economists wrote. "Support for rural development and for environmental protection is frequently poorly justified and ineffectively implemented."

Moreover, the economists say they want the EU to be more progressive in reducing its trade barriers to agricultural products from overseas. This could help advance the long-running Doha Round trade talks at the WTO, they say.

Poor farmers - like all other Europeans who fall below the poverty line - should have their incomes supported by public aid, not agricultural subsidies, the economists argue. The declaration also calls for many of the authorities that are now concentrated in Brussels to be devolved to individual member states, or even localities.

The EU has already made drastic reforms to its farm payment programme by 'decoupling' subsidies from production and cutting guaranteed prices of a number of commodities. But critics argue that more needs to be done and that the time is ripe for reform, as policy makers are gearing up to make changes to the CAP to coincide with the new EU budget, which will take effect after 2013.

EU for WTO Panel on Liquor Tax in Philippines

The European Union has requested the establishment of a WTO panel on the Philippines' excise tax regime on distilled spirits. The European Union considers that this regime discriminates against imported spirits and is thereby in clear breach of international trade rules. The EU has raised the issue with the Philippines repeatedly over the past years without success and WTO consultations held with the Philippines in Manila on 8 October 2009 failed to lead to a satisfactory solution.

European Trade Commissioner Benita Ferrero-Waldner said: *"Unfortunately, WTO consultations have not indicated any clear prospect of a possible remedy to this longstanding tax discrimination against imported spirits. Therefore, the EU has no other option than requesting a WTO panel to rule on this issue. We are convinced the EU will prevail in what is a clear case of tax discrimination but we still hope the Philippine Government would remedy the situation without waiting for the completion of WTO dispute settlement procedures".*

European industry has raised concerns since the introduction of a new Excise Tax Regime in the Philippines in 1997. Those concerns became more serious as discrimination against imported spirits aggravated with subsequent reforms of this regime, notably with the introduction of new legislation in 2004. This has had a significant impact on exports of EU spirits to the Philippine market. More specifically, it is estimated that, from 2004 to 2007, EU exports of spirits to the Philippines have more than halved (from around •37 million to •18 million).

Customs Valuation Exchange Rates

December 2009		Imports	Exports	
Schedule I				
1	Australian Dollar	43.50	42.30	Rate of exchange of one unit of foreign currency equipment to Indian Rupees
2	Canadian Dollar	44.55	43.35	
3	Danish Kroner	9.50	9.15	
4	EURO	70.35	68.55	
5	Hong Kong Dollar	6.05	5.90	
6	Norwegian Kroner	8.40	8.10	
7	Pound Sterling	77.95	76.00	
8	Swedish Kroner	6.80	6.60	
9	Swiss Franc	46.65	45.30	
10	Singapore Dollar	33.90	33.05	
11	U.S. Dollar	46.75	45.85	
Schedule II				
1	Japanese Yen	53.20	51.70	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

(Source: Customs Notification 174(NT)/26.11.2009)

Background

The European Union is the Philippines' 4th largest trading partner, accounting for 12% of total trade in goods for a value of • 9 billion. In 2008 the European Union was the top market destination for Philippine merchandise exports (17.3% of the total), the largest source of foreign direct investment (34%) and the largest supplier of foreign commercial loans contracted by the Philippines (48%). During the same period about 18% of Philippine exports entered the EU under the Generalised System of Preferences, a scheme allowing exports from developing countries to benefit from lower duties, while another 70% benefited from duty-free treatment on a most-favoured nation basis. The European Union remains the 5th largest source of Philippine merchandise imports behind China, Japan the US and ASEAN countries.

US- Brokered Climate Deal May Give Obama More Sway in Senate

The first offer by China and India to limit greenhouse gases in a global agreement may help U.S. President Barack Obama win over members of the Senate who don't want to impose similar restrictions on American companies.

The accord brokered by the three countries last week at United Nations talks in Copenhagen, while not legally binding, also calls for international verification. That addresses demands by senators who oppose UN rules that may hurt U.S. businesses' ability to compete in the global marketplace.

"The agreement helps us politically deal with the concerns that we would be putting American manufacturers at a disadvantage," Senator Benjamin Cardin, a Maryland Democrat, said in an interview on Dec. 19, the day most of the world's nations endorsed a framework termed the Copenhagen Accord.

The plan calls for another year of talks for a treaty to tackle global warming by capping emissions and expanding the $120 billion carbon market. A U.S. law allowing carbon trading would move the market's "center of gravity" from London to New York and Chicago, Price waterhouse Coopers LLP said on 20 December.

Some senators may never reverse their opposition to U.S. climate-protection legislation because China won't follow through with its new duties, Senator James Inhofe of Oklahoma said last week. China and India are the largest and fourth- largest producers of gases from burning fossil fuels.

Inhofe, a Republican, has called the idea of man-made global warming a "hoax." He spent a few hours in Copenhagen to ensure nations wouldn't be "deceived into thinking the U.S. would pass cap-and-trade legislation," the incentive system that requires emission permits and lets companies trade them.

'First Step'

The Copenhagen Accord, called a "first step," by Obama, may sway a few legislators to his side because it doesn't legally bind the U.S. to limits imposed by other countries.

The U.S. president arrived at UN-led climate talks last week hindered by his own legislative priorities. Congressional debate over U.S. health care has put a climate-protection bill on the backburner until next year.

Lack of legislation from the Senate, the only U.S. body authorized to approve treaties, left U.S. negotiators without clear guidelines on what lawmakers would accept in an accord.

The strongest message to date from the Senate on global climate policy remains a 1998 resolution rejecting the existing Kyoto Protocol because it requires industrialized nations to cut emissions, not developing countries such as China and India.

Emissions Pledges

The Copenhagen Accord gives nations until Feb. 1 to offer emissions pledges. It's unclear whether reductions will reach levels scientists say are needed to limit heat-trapping gases they blame for global warming. Bolivia, Sudan and Venezuela were among countries that spoke out against the accord that analysts say will still provide impetus to U.S. legislators.

The agreement fell short of unanimous support from UN members. It lacked the teeth of a treaty that was wanted by many of the 193 nations at the conference. The environmental group Friends of the Earth called it a failure.

Unprecedented

Kumi Naidoo, executive director of Greenpeace International, said the accord lacks strong emissions targets and provides concessions to fossil fuel industries.

Trail of Legislation

The U.S. House in June passed legislation that calls for a 17 percent reduction in emissions by 2020. The Senate may take up a similar measure in next year. Most Republicans oppose climate change legislation they claim will raise energy prices just as the U.S. is emerging from a recession.

About half of U.S. electricity comes from burning coal, the most polluting fossil fuel and the most at risk, and the reliance in Indiana is 94 percent, according to the American Coalition for Clean Coal Electricity, an industry group that supports coal. In Ohio, coal provides 86 percent of power.

Prior to the two-week conference in the Danish capital, nine U.S. senators sent a letter to Obama warning that bad climate policy could hurt U.S. companies and workers without improving the environment. Any accord should require "all major economies to adopt ambitious, measurable and verifiable actions," according the Dec. 3 letter signed by senators from states such as Ohio, Michigan and Pennsylvania.

WORLD TRADE SCANNER

BIG's WEEKLY INDEX OF CHANGES

Foreign Trade Policy

Customs

CBEC Circulars

RBI Circulars [*AP(DIR Series*]

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