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China Iron Ore Cash Price Reaches 2009 High, Steel Index Says

The cash price for iron ore delivered to China, the world's biggest buyer, rose to the highest this year after India raised taxes on its exports.

The price of 62 percent iron-content ore delivered to Tianjin port increased 2.9 percent to $112.10 a metric ton on 28 December, according to e-mailed prices from The Steel Index. The price has more than doubled from its 2009 low on March 27.

India, the world's third-largest exporter, imposed a 5 percent duty on exports of iron-ore fines and doubled the tax on overseas sales of lump to 10 percent from Dec. 24. The measures are designed to increase the supply of the material to domestic steelmakers.

Iron ore is a raw material used to make steel. Global trade in the commodity is worth about $160 billion a year.

U.S. May Impose Duties on Chinese Steel-Grate Imports

The U.S. Commerce Department said it would impose anti-dumping duties of as much as 145 percent on Chinese steel-grating imports under a preliminary finding that companies sold the product at prices below fair value.

Imports of the steel grating were valued at $90.7 million in 2008, the agency said in a statement on 29 December. Chinese shipments of grating to the U.S. jumped more than 500 percent by volume and more than 900 percent by value from 2006 to 2008, the department said.

Duties ranged from 14.4 percent for four companies including Ningbo Jiulong Machinery Manufacturing Co., to 145 percent for Shanghai DAHE Grating Co. and other exporters or producers. The move backs petitions from Alabama Metal Industries Corp., based in Birmingham, Alabama, and Fisher & Ludlow, a unit of Charlotte, North Carolina-based Nucor Corp.

The decision announced on 29 December is preliminary, and the Commerce Department and U.S. International Trade Commission will need to make final rulings before the tariffs are decided. While those decisions are pending, importers must deposit the preliminary duty with U.S. Customs.

The Commerce Department expects to make a final determination as soon as April 17.

The U.S. International Trade Commission plans a vote on 30 December in a separate case in which U.S. companies are seeking duties on Chinese imports of steel oil-drilling products valued at $2.8 billion in 2008.

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A Happy & Prosperous New Year

2010

Commodity Prices Pose Big Risk in 2010: Says Indonesia Finance Minister

Indonesia can look back at 2009 as a major outperformer, being one of the few countries in the world where gross domestic product expanded over the year.

The structure of the economy, which isn't overly dependent on exports, clearly helped. The government's efforts to protect the most vulnerable social groups through its cash handouts and support to businesses through tax measures – all equivalent to 1.6 percent of GDP –were key to the success. The timing of the presidential elections in July was fortuitous and the re- election of Susilo Bambang Yudhoyono has resulted in continued stability, allowing the country to weather the global storm.

There are a few things that recent experience has taught us.

First, the world economy is much more integrated today than it was 10 years ago. This implies a greater need for dialogue and coordination between policy authorities to have desired outcomes, as no country lives in isolation. The timing, speed and magnitude of policy support made 2009 mostly a success.

Second, the government needs to be able to undertake counter-cyclical policy measures to support the economy. This means that continued commitment to fiscal consolidation, especially in boom years, is imperative.

Third, the conservatism and prudence in the banking industry that Indonesia adopted after the 1997 Asian crisis allowed our financial system to come out relatively unscathed in the recent turmoil.

Better Footing

We remain committed to strengthening the system –with the establishment of a financial supervisory agency as mandated by law – and to following through on bureaucratic reform.

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Indonesia enters 2010 with optimism because the global economy is on a better footing and most of our trading partners have come out of recession. It's not a time to be complacent, but it's an opportunity to take Indonesia to the next level.

We must also remain vigilant of developments, such as those that recently took place in Dubai. Recent experience has shown that a single event can have strong repercussions on activity and sentiment around the globe.

The big risk for 2010 is rising commodity prices, with food and oil being key, as these have the potential to feed into inflationary expectations at home.

Accelerating inflation eats into disposable incomes, with the poor and the unemployed being affected the most. The government is ready to help the vulnerable groups in society if such a situation were to unfold.

Oil Prices

Higher oil prices will also have an impact on the budget, primarily through the subsidy cost. However, we have some leeway, as there is an emergency fund within the budget that will allow the country to manage subsidies up to an average price of $85 per barrel for oil in 2010.

Over time, we are committed to the idea of gradually moving toward a market-based pricing of oil-related products so as to free up more space in the budget to boost investment spending.

Given the developments of the last two years, we believe that investors are going to be more discerning when deploying capital. This means that Indonesia will be facing stiff competition from others in the region to attract capital.

In this regard, we aim to improve the investment climate in the country by continuing our anti-corruption drive and making it easier to set up a business in Indonesia.

Indonesia has already taken steps to do this. It now takes only 60 days to start a business compared with 105 a few years ago, closing in on the East Asian average of 40 days. More needs to be done, especially on the infrastructure front, which is very important to the current government.

The country also has a goal to gain an investment-grade rating before 2014.

(Sri Mulyani Indrawati is Indonesia's finance minister. The opinions expressed are her own.)

Dollar Gains on Speculation U.S. Companies Bringing Back Funds

The dollar rose for the first time in four days against the yen and euro on speculation U.S. companies are bringing back earnings on overseas assets before the year ends.

The dollar also gained on prospects U.S. reports will show the world's largest economy is recovering, backing the case for the Federal Reserve to withdraw emergency stimulus measures. The yen fell against all of its 16 major counterparts as Asian stocks climbed after a government report said Japan's manufacturers raised output at the fastest pace in six months in November, damping demand for the currency as a haven.

The dollar rose to 91.56 yen from 91.30 yen in New York on Dec. 25. The U.S. currency was at $1.4380 per euro from $1.4411 in New York on Dec. 25. The euro traded at 131.66 yen from 131.64 yen.

Property values in 20 metropolitan areas in the U.S. probably fell 7.1 percent in October from a year earlier, the smallest 12-month drop since 2007, according to a News survey of economists before a Dec. 29 report from S&P/Case- Shiller.

Fed Rate Bets

Futures on the Chicago Board of Trade showed a 55 percent chance on Dec. 25 the Fed will raise its target lending rate by at least a quarter-percentage point by its June meeting, up from 48 percent a day earlier. The central bank next meets to review borrowing costs on Jan. 28, 2010.

The greenback may extend gains versus the yen on speculation that rising U.S. debt yields will increase returns on dollar-denominated assets. Ten-year yields were at the highest level in more than four months before the Treasury sells $44 billion in two-year notes on 27 December in the first of three auctions this week totaling a record-tying $118 billion.

The yield on the benchmark 10-year note rose two basis points, or 0.02 percentage point, to 3.82 percent, according to BGCantor Market Data. That's the highest level since Aug. 10.

Dollar Index

The yen also weakened as gains in Asian equities and signs of an improving Japanese economy boosted demand for higher- yielding assets.

Factory production in Japan rose 2.6 percent last month after climbing 0.5 percent in October, the Trade Ministry said in Tokyo. The median estimate of 24 economists surveyed by a News agency was for a 2.5 percent gain.

Exports to China and Asia rose in November for the first time since September 2008, according to a Finance Ministry report released last week. Shipments to Asia advanced 4.7 percent in November from a year earlier, while exports to China climbed 7.8 percent.

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
29-Dec-09	46.6750	46.7075	46.6650	46.6825	46.6900	219913	303415	141648.6	46.6900
24-Dec-09	46.7800	46.7900	46.6650	46.7050	46.7050	250217	1577936	737373.8	46.7600
23-Dec-09	46.8400	46.9200	46.8125	46.8950	46.8950	277168	1344209	629833.1	46.8500

[Source: NSE and RBI Website]

Crude Oil Snaps Five Days of Gains as Investors Lock in Profits

Crude oil snapped five days of gains as investors sold contracts to take profit after a U.S. industry report showed crude stockpiles rose and the dollar traded near a two-month high against the yen.

Inventories of crude oil rose 1.73 million barrels last week to 330.5 million, the American Petroleum Institute said on 28 December, before an Energy Department report on 29 December. The dollar is forecast to strengthen against the euro for a third day, reducing the appeal of commodities as an inflation hedge.

Crude oil for February delivery fell as much as 35 cents, or 0.4 percent, to $78.52 a barrel in electronic trading on the New York Mercantile Exchange, and traded at $78.78. Futures, which have tripled in the past decade, closed on 28 December at the highest settlement since Nov. 18.

Oil had climbed 8.8 percent in the past five days and surged 77 percent this year on signs of a global economic recovery. U.S. consumer confidence improved in December for a second month, pointing to an economy that will keep expanding into 2010. The dollar bought 92.14 yen from 92 in New York on 28 December, the highest level since Oct. 27.

API Report

Refinery utilization rates fell to 78.2 percent in the week ended Dec. 25 from 78.4 percent a week earlier, according to the industry-funded API.

The Energy Department is scheduled to release its weekly inventory report on 30 December in Washington. Analysts forecast that oil stockpiles would decline by 1.85 million barrels, according to the median of 14 responses in a survey conducted by a News agency. Gasoline supplies are forecast to climb by 1 million barrels and distillates to fall by 2.23 million.

Gasoline Demand

U.S. gasoline demand fell the most in five months as snowstorms in New England and the Central Atlantic states reduced demand, MasterCard Inc. said.

Motorists bought 9.25 million barrels of gasoline a day in the week ended Dec. 25, the lowest in five weeks, the second- biggest credit-card company, said in its report on 28 December. Consumption was down 3.3 percent from the previous week, the biggest decline since July 10.

A "major Arctic wave" heading for the U.S. will likely cause millions of households to boost heating fuel use this winter, according to State College, Pennsylvania-based Accu Weather.com.

Heating oil for January delivery rose as much as 0.67 cent, or 0.3 percent, to $2.1095 a barrel on the Nymex.

Anand Sharma Releases First Draft Consolidation of FDI Policy/ FDI Framework

Comments from Public and Other Stakeholders Invited

FDI Inflows Touches Us $ 19.38 Billion in April-November 2009

Six Core Industries Up By 5.3% in November 2009

Anand Sharma, Union Minister of Commerce and Industry, has released the first draft consolidation of all the aspects of FDI Policy and FDI Framework, here today, and also launched the same in the Department of Industrial Policy & Promotion's website (http://dipp./nic.in). Briefing the media on the occasion, Mr. Sharma said that such consolidation would ensure the availability of all information on FDI policy at one place, and is expected to lead to: simplification of the policy; greater clarity of understanding of foreign investment rules among foreign investors and sectoral regulators, as also predictability of policy and added that having a single policy platform would also ease the regulatory burden for Government.

Mr. Sharma further stated that the document released today would be open for comments until the 31st of January, 2010 and all comments received until that date will be considered before the final document is prepared. The final document would be released on 31st March / 1st April, 2010. "As a novel measure, this Press Note/ Government Order would have a sunset clause of six months. This would imply that the work of reviewing this Press Note/Government Order would need to be undertaken every six months, so that FDI policy is continuously reviewed", the Minister added.

"As far as FDI policy is concerned, it has been felt, through interaction with various investors, counterpart government organizations and other stakeholders, that there is a need for further simplification and consolidation of the FDI policy framework, so as to make it more comprehensible to all investors and stakeholders", the Minister said.

The Prime Minister Dr. Manmohan Singh, in his remarks at the World Economic Forum recently, had announced that, "our policy will be guided by the desire to make India even more attractive for Foreign Direct Investment. We are particularly keen to rationalize and simplify procedures so as to create an investor friendly environment". The present exercise is a step in the above direction.

Announcing the FDI inflows for the month of April-November 2009, Mr. Sharma informed that FDI had touched US $ 19.38 billion during this period. FDI inflows for November 2009 have been US $ 1.74 billion which an increase of almost 60% over US $ 1.08 billion in November last year. He further stated that FDI equity inflows, as a percentage of GDP, have grown from 0.75% in 2005-06 to nearly 2.49% in 2008-09.

Mr. Sharma also highlighted about India's share of world FDI which jumped from 0.78% in 2005 to 2.45% in 2008. Quoting the World Investment Report 2009, the Minister said that the top five most attractive locations for FDI for 2009-11 are China, United States, India, Brazil and the Russian Federation. The 2009 survey of the Japan Bank for International Cooperation, conducted among Japanese investors, continues to rank India as the second most promising country for overseas business operations, after China.

While releasing the six core industry for the last month, Mr. Sharma informed the media that six core index has registered a growth of 5.3% in November 2009 as compared to 0.8% in the previous year. During April-November 2009-10, core industries index posted a growth of 4.6% compared to 3.5% in the corresponding period last year. Growth rate during November 2009 are: Steel production: 11.7%; cement: 9%; coal: 3.3%; crude oil: -1.6%; petroleum refinery products: 4.9%; electricity: 1.8%

Background:

FDI, by non-residents, in resident entities, through transfer or issue of security to a person outside India, is a capital account transaction under the Foreign Exchange Management Act (FEMA), 1999. The Government of India and the Reserve Bank of India (RBI) regulate such transactions. Keeping in view the current requirements, the Government comes up with new regulations or amends/changes the existing ones. Various aspects of FDI policy are, accordingly, pronounced/ notified through Press Notes issued by DIPP, RBI circulars, Acts and changes in regulations. DIPP itself has issued about 177 Press Notes since 1991, covering various aspects of FDI policy, including cross border investment, policy liberalisation, policy rationalization and foreign technology collaborations, Industrial Policy etc. The Government, through Press Note 8 of 2009, has made substantial liberalization of the regime for Foreign Technology Agreements and, on review of the extant policy, decided to permit, with immediate effect, payments for royalty, lumpsum fee for transfer of technology and payments for use of trademark/ brand name on automatic route i.e. without any approval of the Government of India. It is, however, felt that there is a need for further simplification and consolidation of the FDI policy and hence, the present exercise has been undertaken.

[Source: PIB Press Releases dated 24.12.2009]

EU to Launch FTA Negotiations with Individual ASEAN Countries, Beginning with Singapore

EU Member States just gave the green light for the Commission to pursue negotiations towards free trade agreements (FTAs) with individual countries of the Association of Southeast Asian Nations (ASEAN).

As a first step, the Commission intends to begin negotiations with Singapore early in 2010. With around • 55 billion of bilateral trade, Singapore is the EU´s most important trading partner among the ASEAN countries. However, the door remains open for other ASEAN countries willing to negotiate a comprehensive FTA with the EU.

EU Trade Commissioner Benita Ferrero-Waldner made the following statement: *"Creating new business opportunities for European companies in the dynamic ASEAN countries will strengthen the competitiveness of manufacturers, farmers and service providers in the EU. While we don't lose sight of our ultimate goal of achieving an agreement within a regional framework, I welcome today's decision which will allow us to move forward and re-engage with this important region through negotiations with individual ASEAN member states."*

After the US and China, the group of ASEAN countries is the EU's 3rd largest trade partner outside Europe. Trade in goods and services between the EU and ASEAN has grown by more than a quarter between 2004 and 2008, reaching • 175 billion in 2008.

The envisaged FTAs are expected to lower or abolish the currently existing tariff and non-tariff (i.e. regulatory and technical) barriers to trade and investment in many ASEAN markets, so as to further strengthen the EU's commercial ties with the dynamic ASEAN region. Creating new export opportunities in the ASEAN markets is a priority under the EU's Global Europe trade strategy.

Background

The Commission had launched negotiations on a region-to-region FTA with ASEAN countries in 2007. However, progress in these negotiations was slow and both sides agreed in March 2009 to make a pause.

As the EU remains committed to strengthening its competitiveness through increased market access in ASEAN countries, EU Member States have now asked the Commission to pursue, on a case-by-case basis, negotiations with those individual ASEAN countries showing interest in negotiating comprehensive FTAs bilaterally.

The ultimate objective, however, remains to reach an agreement with the ASEAN region. The bilateral agreements could become valuable building blocks towards that objective.

Amendment to the Copyright Act, 1957

The Union Cabinet today approved the proposal to introduce a Bill to amend the Copyright Act, 1957. The Ministry of Human Resource Development has proposed the amendments in order to gain clarity, remove operational difficulties and to address the newer issues that have emerged in the context of digital technology and the internet.

Amendments are being made to bring the Act in conformity with the World Intellectual Property Organisation (WIPO) Internet Treaties, namely WIPO Copyright Treaty (WCT) and WIPO Performances and Phonograms Treaty (WPPT) which have set the international standards in these spheres. The WCT deals with the protection for the authors of literary and artistic works such as writings, computer programmes, original databases, musical works, audiovisual works, works of fine art and photographs. The WPPT protects certain "related rights" which are the rights of the performers and producers of phonograms. While India has not yet signed the above two treaties it is necessary to amend domestic legislation to extend the copyright protection in the digital environment.

Amendments related to bring the Act in conformity with WCT and WPPT

- Through a new section in the Act, it is proposed to ensure protection to the Right holders against circumvention of effective technological measures applied for purpose of protection of his rights like breaking of passwords etc. while maintaining an appropriate balance between the interests of the right holders on the one hand and of Technology innovators, Researchers and Educational Institutions on the other.
- The existing Performers' Rights are proposed to be further enhanced by introducing a new section to provide exclusive rights compatible with WPPT.
- "The Moral Rights of Performers" are proposed to be introduced in a new section.
- Amendments have been proposed to protect the interests of researchers, students and educational institutions so as to ensure that Technological Measures do not act as a barrier for further development of the technology. These amendments also address the issue of access to information in the digital context and the liability of Internet service providers.
- The period of copyright for photographers is proposed to be enhanced to "Life plus sixty years" instead of only sixty years as at present.

Amendment to protect the Music and Film Industry and address its concerns

- Statutory licence for version recordings and authorship to ensure that
- while making a sound recording of any literary, dramatic or musical work the interest of the copyright holder is duly protected.
- Term of copyright for cinematograph films has been extended by making
- the Producers and Principal director as joint authors.
- A copyright term of 70 years to Principal Director which automatically
- extends the copyright term for the Producers for another 10 years provided he enters into an agreement with the Director;

Amendments to address the concerns of the physically challenged

- The physically challenged need access to copyright material in specialized formats, e.g. Braille text, talking text, electronic text, large print etc. for the visually challenged and sign language for the aurally challenged. Currently the cost of production of material in such formats is very high. With additional requirement of royalty payments the price of such material to the target groups would be even higher.
- A clause is proposed to be introduced as a fair deal clause to allow the production of copies of copyright material in formats specially designed for the physically challenged.
- A separate compulsory licensing provision has been proposed to allow for publication of copyright works in formats other than specifically suited for the physically challenged.

Amendments for rights to authors

- Amendment is proposed to give independent rights to authors of literary and musical works in cinematograph films, which were hitherto denied and wrongfully exploited, by the producers and music companies.
- An amendment is proposed to ensure that the authors retain their right to receive royalties and the benefits enjoyed through the copyright societies.
- Another amendment ensures that the authors of the works, particularly songs included in the cinematograph film or sound recordings, receive royalty for the commercial exploitation of such work.
- It has been proposed to introduce a system of statutory licensing to ensure that the public has access to musical works over the FM Radio and Television networks and at the same time the owners of copyright works are also not subject to any disadvantages.
- It is proposed to amend existing provisions to provide compulsory license through Copyright Board to publish or communicate to the public such work or translation where the author is dead or unknown or cannot be traced or the owner of the copyright work in such work cannot be found.

Other amendments

- Amendments are being made for incidental changes, which are required in the context of digital technology to cover "storing of copyrights material by electronic means'.
- Amendments in relation to operational facilities, such as registration of Copyright Societies by providing that only authors can register and procedure for tariff schemes of copyright societies and commercial distinction between assignment and licence; and
- Enforcement of rights such as border measures, disposal of infringing copies and presumption of authorship under civil remedies.

Background

In order to formulate the proposed amendments and to carry out wide-ranging consultations with all stakeholders, the Ministry of Human Resource Development had constituted a 30-member Core Group in the year 2005 under the Chairmanship of the Education Secretary with representatives of the other Ministries/Departments concerned with the subject and other key stakeholders like copyright-industry organizations, stakeholders, subject experts and Institutions of repute in related fields. The Core Group had deliberations at length in five sessions to cover all the provisions of the existing statute and made recommendations with regard to the proposed amendments. The Core Group then created a Drafting Committee to draw up the text of the proposed amendments and to fine-tune the recommendations of the Core Group.

[Source: PIB Press Releases dated 24.12.2009]

National Policy on Bio-Fuels Announced

The National Policy on Bio-fuels and its implementation has been approved by the Union Cabinet. Setting up of a National Biofuel Coordination Committee and a Biofuel Steering Committee has also been approved. The Policy endeavors to facilitate and bring about optimal development and utilization of indigenous biomass feedstocks for production of bio-fuels. The Policy can be visited at the Ministry's Website http://www.mnre.gov.in/.

Bio-fuels provide a strategic advantage to promote sustainable development and to supplement conventional energy sources in meeting the rapidly increasing requirements for transportation fuels associated with high economic growth, as well as in meeting the energy needs of India's vast rural population. Bio-fuels can increasingly satisfy these energy needs in an environmentally benign and cost-effective manner while reducing dependence on import of fossil fuels and thereby providing a higher degree of National Energy Security. The Indian approach to bio-fuels is based solely on non-food feedstocks to be raised on degraded or wastelands that are not suited to agriculture, thus avoiding a possible conflict of fuel vs. food security.

Cont'd..475

Iron Ore Export Duty Raised to 10%

Top iron ore exporters in the country include Prakash Trading Consultants, Sesa Goa, MSPL, Roongta Mines, Chowgule and Mineral and Metal Trading Corporation are very happy to know that, India's iron ore exports more than doubled to 9.3 million tonne in October this year as compared to 4.4 million tonne in the same month a year ago on the back of increase in demand from Chinese steel producers, as per a joint study by a group of iron ore exporters.

Iron ore is a key input in steel making. The country's iron ore exports during April-October period grew 20% over the year ago period to 53 million tonne, as per the study conducted jointly by Goa Mineral Ore Exporters Association, Kudremukh Iron Ore Company and government owned trading house MMTC.

India produces close to 200 million tonne of iron ore every year, half of which is exported. Around 80% of the country's ore exports go to China, while the rest goes to Japan and Korea.

Ntfn 147
24.12.2009
(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 amendment in the Notification No. **79/2008-Customs, dated the 13th June, 2008**, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 458(E), namely:-

In the said notification, for the figures and words "5% ad valorem", the figures and words "**10% ad valorem**" shall be substituted.

[F. No. 354 /259/2009-TRU]

5% Export Duty Imposed on Iron Ore Fines

Ntfn 146
24.12.2009
(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 exempts iron ore fines falling under **Heading No. 11** of the Second Schedule to the Customs Tariff Act, 1975 (51 of 1975), when exported out of India, from so much of the duty of customs leviable thereon which is specified in the said **Second Schedule** as is in excess of the amount calculated at the rate of **5% *ad valorem***.

[F. No. 354/259/2009-TRU]

Zero Export Duty on Iron Ore Fines – Previsous Notification Rescinded

Ntfn 145
24.12.2009
(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 hereby **rescinds** the notification of the Government of India in the Ministry of Finance (Department of Revenue), no. **129/2008-Customs, dated the 7th December, 2008**, which was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 843(E) of the same date, except as respects things done or omitted to be done before such rescission.

[F. No. 354 /259/2009-TRU]

Provisional Assessment at Zero Anti-dumping Duty for CR Tubes Allowed to Meridian Korea

Ntfn 144
23.12.2009
(DoR)

Whereas, in the matter of import of Cathode Ray Colour Television Picture Tubes (hereinafter referred to as the subject goods), falling under sub-heading 8540 11 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) originating in, or exported from Malaysia, Thailand, China PR and Korea RP (hereinafter referred to as the subject countries), the designated authority, in its final findings vide notification No. 14/8/2007-DGAD, dated the 17th February, 2009, published in the Gazette of India, Extraordinary, Part I, Section I, dated the 17th February, 2009, had come to the conclusion that -

(a) imports originating in the subject country are taking place at dumped prices and the same have caused material injury to the domestic industry;

(b) decline in market share of domestic industry as a consequence of increase in market share of subject imports from the subject country prevented the domestic industry from increasing their sales commensurate to growth in demand;

(c) significant price-undercutting and substantial increase in the volume of dumped imports adversely affected the performance of the domestic industry in terms of profits, cash flow, and return on investment;

(d) significant increase in volume of dumped imports from the subject country (both in absolute terms as well as in relation to the share in demand) has resulted in significant decline in market share of the domestic industry;

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

And whereas on the basis of the aforesaid findings of the designated authority, the Central Government had imposed an anti-dumping duty on cathode ray colour television picture tubes originating in, or exported from the subject countries and imported into India vide notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 50/2009-Customs, dated the 15th May, 2009, published in Part II, Section 3, Sub-Section (i) of the Gazette of India, Extraordinary, G.S.R. 337(E) dated the 15th May, 2009;

And whereas M/s Meridian Solar & Display Company Ltd. producer / exporter from Korea RP have requested for review in terms of rule 22 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 in respect of exports made by them, and the designated authority, vide new shipper review notification No. 15/10/2009-DGAD dated the 13th November, 2009 published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 13th November, 2009 has recommended provisional assessment of all exports of cathode ray colour television picture tubes made by the said M/s Meridian Solar & Display Company Ltd. producer/ exporter from Korea RP till the completion of the said review;

Now, therefore, in exercise of the powers conferred by sub-rule (2) of rule 22 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, after considering the aforesaid recommendation of the designated authority, hereby orders that pending the outcome of the said review by the designated authority, export of compact cathode ray colour television picture tubes, falling under sub-heading 8540 11 of the First Schedule to the said Customs Tariff Act, by M/s Meridian Solar & Display Company Ltd. producer/ exporter from Korea RP, when imported into India, shall be

Prohibition of Milk and Milk Products from China Extended by Six Months

Subject: Prohibition on import of milk and milk products from China.

22-Ntfn(RE)
23.12.2009
(DGFT)

In exercise of powers conferred by Section 5, read alongwith Section 3(2) of the Foreign Trade (Development and Regulation) Act, 1992, also read alongwith paragraph 2.1 of Foreign Trade Policy, 2009-14, the Central Government hereby further extends the prohibition on import of milk and milk products including chocolates and chocolate products and candies/ confectionary/ food preparations with milk or milk solids as an ingredient, from China, imposed vide Notification No. 67(RE-2008)/2004-2009 dated 1st December, 2008 and extended vide Notification No. 111(RE-2008)/2004-2009 dated 16th June, 2009, **for a period of six months from 24th December, 2009** and until further orders.

2. This issues in public interest.

subjected to provisional assessment till the review is completed.

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

3. In case of recommendation of anti-dumping duty after completion of the said review by the designated authority, the importer shall be liable to pay the amount of such anti-dumping duty recommended on review and imposed on all imports of cathode ray colour television picture tubes into India, exported by M/s Meridian Solar & Display Company Ltd. producer/ exporter from Korea RP, when imported into India, from the date of initiation of the said review.

Explanation:- For the purposes of this notification, "Television picture tubes means complete or incomplete thermionic, cold cathode or photo cathode valves and tubes such as vacuum or vapor or gas filled valves and tubes, mercury arc rectifying valves and tubes, also called cathode ray tubes, television camera tubes or cathode ray colour television picture tubes, or colour television picture tubes, or colour picture tubes etc. but does not include video and computer monitor cathode ray tubes".

[F. No. 354/252/2009-TRU]

Another Five Years of Anti-dumping Duty on Flax Fabric from China and Hong Kong

Ntfn 142
21.12.2009
(DoR)

Whereas, in the matter of import of Flax Fabric (hereinafter referred to as the subject goods), falling under sub-heading 5309 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, People's Republic of China and Hong Kong(hereinafter referred to as the subject countries) and imported into India, the designated authority in its preliminary findings vide notification No.14/08/2008-DGAD dated the 17th February, 2009, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 17th February, 2009, had come to the conclusion that-

(a) the margin of dumping in respect of each of the subject country was more than two per cent. and the volume of imports from each country was also more than three per cent.;

(b) the subject goods had been imported from the subject countries under the same tariff classification;

(c) the imported subject goods were commercial substitutes of the domestically produced Flax fabric; and

1. the designated authority holds that it was appropriate to cumulatively assess the effect of imports of the subject goods on the domestically produced like article in the light of conditions of competition between the imported products and the like domestic product;

and had recommended imposition of provisional anti-dumping duty on imports of the 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. 30/2009-Customs, dated the 26th March, 2009, published in the Gazette of India Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R.202(E), dated the 26th March, 2009;

And whereas, the designated authority in its final findings vide notification No. 14/08/2008-DGAD dated the 1st October, 2009, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 1st October, 2009, has come to the conclusion that-

i. Imports originating in the subject countries are taking place at dumped prices and the same have caused material injury to the domestic industry.

ii. Subject goods exported from the subject countries are at prices below their normal value, Non Injurious Price of the domestic industry and the net sales realisation of the subject goods of the applicants, and have caused injury to the domestic industry.

iii. Decline in market share of domestic industry as a consequence of increase in market share of subject imports from the subject countries prevented the domestic industry from increasing their sales commensurate to growth in demand.

iv. Significant price-undercutting and substantial increase in the volume of dumped imports adversely affected the performance of the domestic industry in terms of profits, cash flow, and return on investment.

v. Significant increase in volume of dumped imports from the subject countries (both in absolute terms as well as in relation to the share in demand) has resulted in significant decline in market share of the domestic industry.

and has 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-sections (1) and (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) read with rules 18 and 20 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, after considering 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 the said sub-heading of the First Schedule to the said Customs Tariff Act as specified in the corresponding entry in column (2), originating in the country as specified in the corresponding entry in column (4), and produced by the producer as specified in the corresponding entry in column (6), when exported from the country as specified in the corresponding entry in column (5), by the exporter as specified in the corresponding entry in column (7), and imported into India, an anti-dumping duty at a rate which is equivalent to difference between the amount mentioned in the corresponding entry in column (8), in the currency as specified in the corresponding entry in column (10) and as per unit of measurement as specified in the corresponding entry in column (9), of the said Table and the landed value of imported goods in like currency as per like unit of measurement.

Table

SNo	Sub-heading	Description of Goods	Country of Origin	Country of Export	Producer	Exporter	Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
2	5309	Flax fabric	People's Republic of China	People's Republic of China	Any	Any	206.24	Meter	Rupee
3	5309	Flax fabric	People's Republic of China	Any	Any	Any	206.24	Meter	Rupee
4	5309	Flax fabric	Any	People's Republic of China	Any	Any	206.24	Meter	Rupee
5	5309	Flax fabric	Hong kong	Hong kong	Any	Any	209.72	Meter	Rupee
6	5309	Flax fabric	Hong kong	Any	Any	Any	209.72	Meter	Rupee
7	5309	Flax fabric	Any	Hong kong	Any	Any	209.72	Meter	Rupee

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, 26th March, 2009 and shall be payable in Indian currency.

Explanation. - For the purposes of this notification,-

(a) "landed value" means the assessable value as determined under the Customs Act, 1962 (52 of 1962) and includes all duties of customs except duties levied under sections 3, 8B, 9 and 9A of the said Customs Tariff Act, 1975;

(b) rate of exchange applicable for the purposes of calculation of anti-dumping duty shall be the rate which is specified in the notification of the Government of India, in the Ministry of

Finance (Department of Revenue), issued from time to time, in exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962) and the relevant date for 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.354/62/2009 –TRU]

Sodium Nitrite from China Dumping Duty Raised by $136/MT in Mid-Term Review

Ntfn 143 22.12.2009 (DoR)

Whereas in the matter of import of Sodium Nitrite (hereinafter referred to as the subject goods), falling under sub- heading 2834 1010 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in, or exported from, People's Republic of China (hereinafter referred to as the subject country or China PR), the designated authority in its preliminary findings vide notification No. 39/1/99-DGAD dated the 6th April, 2000, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 6th April, 2000 had come to the conclusion that –

(a) Sodium Nitrite, originating in, or exported from, China PR, had been exported to India below normal value, resulting in dumping;

(b) the domestic industry had suffered material injury;

(c) the injury had been caused cumulatively by the imports 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.76/2000–CUSTOMS, dated the 23rd May, 2000, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 484(E), dated the 23rd May, 2000;

And whereas, the designated authority, in its final findings vide notification No. 39/1/99-DGAD, dated the 3rd November, 2000, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 3rd November, 2000, had come to the conclusion that-

(a) Sodium Nitrite, originating in, or exported from, People's Republic of China, had been exported to India below normal value resulting in dumping;

(b) the domestic industry had suffered material injury;

(c) the injury had been caused cumulatively by the imports 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;

And whereas, on the basis of the aforesaid final findings of the designated authority, the Central Government had imposed final anti-dumping duty on the subject goods *vide* notification of the Government of India in the Ministry of Finance (Department of Revenue), No.147/2000-CUSTOMS, dated the 19th December, 2000 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 919(E), dated the 19th December, 2000;

And whereas, the designated authority vide notification No. 39/1/1999-DGAD, dated the 2nd December, 2004, had initiated Sunset review, in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975), in the matter of continuation of anti-dumping duty on subject goods, originating in, or exported from, the subject country imposed vide notification of the Government of India in the Ministry of Finance (Department of Revenue), No 147/2000-CUSTOMS, dated the 19th December, 2000 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 919 (E), dated the 19th December, 2000;

And whereas, the designated authority had requested for extension of anti-dumping duty on import of subject goods, originating in, or exported from, the subject country, in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975), pending the completion of the Sunset review;

And whereas on the basis of the aforesaid request of the designated authority, the Central Government had extended anti-dumping duty on the subject goods up to and inclusive of 21st May,2006, *vide* notification of the Government of India in the Ministry of Finance (Department of Revenue), No.60/2005-CUSTOMS, dated the 4th July, 2005 published in Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) ,vide number G.S.R. 452(E), dated the 4th July, 2005;

And whereas, the designated authority, in its final findings in Sunset review vide notification No. 39/1/1999-DGAD, dated the 1st December, 2005, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 1st December, 2005, had come to the conclusion that-

(a) the subject goods had entered from subject country at less than its normal value and the dumping margin of the subject goods imported from subject country were substantial and above de minimis level;

(b) there was likelihood of dumping to continue or recur from the China PR, if the duties were revoked.

(c) the domestic industry continued to suffer material injury at present and the cause of the current injury was due to the volume as well as price effect of the dumped imports from China PR;

(d) injury to domestic industry was likely to continue if the duties were revoked in respect of imports from China PR;

(e) however, re-export or trans-shipment of goods of Chinese origin, if any, would be adequately covered under the duty imposed against China PR.

and had recommended continuation of anti-dumping duty, at specified rates in respect of imports of the subject goods, originating in, or exported from the subject country in order to remove injury to the domestic industry;

And whereas on the basis of the aforesaid final findings in Sunset review, of the designated authority, the Central Government had imposed final anti-dumping duty for a period of five years on the subject goods vide notification of the Government of India in the Ministry of Finance (Department of Revenue), No.3/2006-Customs, dated the 17th January, 2006 published in Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. No.18(E), dated the 17th January, 2006;

And whereas, the designated authority vide notification No. 15/24/2008-DGAD, dated the 17th November, 2008, has initiated Mid term

Zero Duty 10 Lacs Tonnes Raw Sugar Advance Licence Export Obligation Extended by One Year

The Cabinet Committee on Economic Affairs today approved the extension of the period for fulfillment of export obligation of advance license holders who imported raw sugar between 21.9.2004 and 15.4.2008.

There was a shortfall in sugar production in 2004-05 sugar season (October- September). The Central Government, with a view to augment domestic stocks of sugar, allowed import of raw sugar on 'ton-to-ton' basis under Advance Authorization Scheme (then Advance License Scheme). This policy of 'ton-to-ton' remained in vogue from 21.09.2004 till 15.04.2008.

2. The export obligation against imported raw sugar under this relaxed policy was 20.75 lac tons. The export obligation of 9.67 lac tons is yet to be fulfilled.

3. In January, 2009, the Government had decided to extend the period for discharge of pending export obligation till 31.12.2009.

4. In view of anticipated low production of sugar in the current sugar season, the Government has approved the following two options to Advance License Holders who are yet to fulfill their export obligation:-

a. Further extension of time upto 31.3.2011 for export without payment of composition fees;

OR

b. Pay customs duty as applicable during the relevant period, in which case they will be discharged fully from the export obligation for the quantity that they have not been able to export under the policy.

5. Advance authorization holders may exercise either of the two options mentioned above.

[Source: Min of Consumer Affairs, Food & Public Distribution Press Releases dated 29th December 2009]

review, in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975), and in pursuance of rule 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 in the matter of continuation of anti-dumping duty on subject goods, originating in, or exported from, the subject country imposed vide notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 3/2006-Customs, dated the 17th January, 2006 published in Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 18 (E), dated the 17th January, 2006;

And whereas the designated authority, in its final findings in mid-term review, *vide* notification No. 15/24/2008-DGAD, dated the 13th November, 2009, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 13th November, 2009, has come to the conclusion that-

(i) The subject goods are entering the Indian market at dumped prices and dumping margins of the subject goods imported from China PR is significant and above de-minimis limits prescribed. The subject goods continue to be exported to India at dumped prices inspite of existing anti dumping duties.

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

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

(iv) The deterioration in the performance of the domestic industry is because of dumped imports from China PR.

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

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

Now, therefore, in exercise of the powers conferred by sub- sections (1) and (5) of section 9A of the said Customs Tariff Act, 1975 (51 of 1975), read with rules 18 and 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995 and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 3/2006-Customs, dated the 17th January, 2006, vide number G.S.R 18(E), dated the 17th January, 2006,except as respects things done or omitted to be done before such supersession, the Central Government, on the basis of aforesaid finding and recomendation 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), originating in the country as specified in the corresponding entry in column (4),and exported from the countries as specified in the corresponding entry in column (5), and produced by the producers as specified in the corresponding entry in column (6), and exported by the exporters as specified in the corresponding entry in column (7), and imported into India, an anti-dumping duty at a rate which is equivalent to difference between the amount mentioned in the corresponding entry in column (8), in the currency as specified in the corresponding entry in column (10) and as per unit of measurement as specified in the corresponding entry in column (9), of the said Table and the landed value of imported goods in like currency as per like unit of measurement.

Table

SNo.	Sub -heading	Description of goods	Country of origin	Country of export	Producer	Exporter	Amount	Unit of measure-ment	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	2834 10 10	Sodium Nitrite	People's Republic of China	People's Republic of China	Any	Any	617.42	Metric Tonne	US Dollar
2	2834 10 10	Sodium Nitrite	People's Republic of China	Any	Any	Any	617.42	Metric Tonne	US Dollar
3	2834 10 10	Sodium Nitrite	Any	People's Republic of China	Any	Any	617.42	Metric Tonne	US Dollar

2. This notification shall remain in force upto and inclusive of the 16th January, 2011, unless the notification is revoked earlier. The anti-dumping duty shall be paid in Indian currency.

Explanation. - For the purposes of this notification,-

(a) "landed value" means the assessable value as determined under the Customs Act, 1962 (52 of 1962) and includes all duties of customs except duties levied under sections 3, 8B, 9 and 9A of the said Customs Tariff Act, 1975 (51 of 1975);

(b) rate of exchange applicable for the purposes of calculation of anti-dumping duty shall be the rate which is specified in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), issued from time to time, in exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962) and the relevant date for 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.354/41/2000 –TRU (Pt.IV)]

Peripheral Activities of Already Exempted Main Products are Entitled to Area Based Exemption

Subject: Clarification regarding peripheral activities for Area Based Exemption notification Nos. 49 & 50/2003-CE, both dated 10.06.2003 as amended by notification No. 01/2008-CE dated 18.01.2008.

908-CBEC 23.12.2009 (DoR) The undersigned is directed to refer to the notification No. 01/2008-CE dated 18.01.2008 vide which amendments have been carried out in notification Nos. 49 & 50/2003-CE, both dated 10.06.2003. Attention is also invited towards the clarification issued by TRU vide Circular No. 863/01/2008-CX dated 18.01.2008 in this regard.

2. References have been received from field formations seeking to clarify as to whether benefit of Area Based Exemption notification would be applicable if both the activities namely the manufacturer of main product (say hair oil in bulk) and peripheral activities (say repacking into bottles) are carried out in the specified areas. For example, there could be a situation where hair oil in bulk is manufactured in a unit situated in the specified areas and such hair oil

Export Inspection Agency Notified for Certification under Korea CEPA

26-PN(RE) 23.12.2009 (DGFT) In exercise of powers conferred under paragraph 2.4 of the Foreign Trade Policy 2009 2014, the Director General of Foreign Trade hereby makes the following amendment in Handbook of Procedure(Vol. I) 2009-2014:

Appendix 4D is amended to read as under:

Appendix 4D

List of Agencies Authorised to Issue Certification for Global System of Trade Preferences (GSTP), India Sri Lanka Free Trade Agreement (ISLFTA), Certificates of Origin under ASEAN-India Free Trade Agreement and India - Korea Comprehensive Economic Partnership Agreement (CEPA).

Export Inspection Council through their field offices known as Export Inspection Agencies with 57 offices all over India.

This issues in public interest.

is sent to a job worker in specified areas who repacks the bulk oil in retail packs.

3. The matter was discussed in the Chief Commissioners' Conference held at Shillong on 30th and 31st October, 2009. The Conference was of the view that going by the wordings of the notifications, the benefit of exemption has to be allowed in cases where both the activity of manufacture and the peripheral activities mentioned in the notification are undertaken in the States of 'Uttarakhand' or 'Himachal Pradesh'.

4. The Board agrees with the above said decision of the Chief Commissioners' Conference.

5. Accordingly, it is clarified that the benefit of exemption under Notification Nos. 49/2003-CE and 50/2003-CE both dated 10.06.2003 as amended by Notifiation No. 01/2008-CE dated 18.01.2008 should be available, to such goods where both the activities of manufacture of the main product and the peripheral activities are undertaken in the specified areas in the States of Uttarakhand or Himachal Pradesh even if peripheral activity alone is undertaken by job workers in the specified areas.

6. Trade and Industry as well as field formations may be suitably informed.

[F.No.101/2/2009-CX-3]

Pending Drawback Claims Due to Non-receipt of Brand Rate Letters

- Verification within 15 days of Application
- Fix Brand Rate within 10 Days of Verification Report

The following Public Notice was issued by the Commissioner of Customs (Export) Jawaharlal Nehru Custom House , Nhava Sheva on 18th December 2009.

Sub: Pendency of Drawback claims due to non-receipt of Brand Rate Letters of Drawback under Rule 6 and Rule 7 of the Customs, Central Excise & Service Tax Duties Drawback Rules, 1995 from the Jurisdictional Central Excise authorities within time limit prescribed in Board's Circular No.14-Cus2003 dt.6.3.2003.

98-PN
18.12.2009

Attention of all Exporters, Custom House Agents and the Trade is invited to para.1 of Public Notice No.30/2009 dated 15/05/2009 issued by this Custom House. The exporters who had opted for brand rate of drawback but were not coming forward with brand rate letters issued by the jurisdictional Central Excise authorities were called upon to furnish the same by 15/05/2009. It was also brought to the notice of all concerned that brand rate claims pending for more than 2 years would be processed at zero rate in case of non-compliance without affecting the right of the exporters to file supplementary claims.

2. In terms of the provisions of Rules 6 and 7 of the Customs, Central Excise and Service Tax Duties Drawback Rules 1995, an application for fixation of Brand Rate has to be filed within 60 days from the date of "Let Export Order" which may be extended for another 30 days by the jurisdictional Central Excise Commissioner if he is satisfied that the exporter was prevented by sufficient cause from filing application within this period. The time limit prescribed for disposal of brand rate applications received in the jurisdictional Central Excise Commissionerate is given in paragraphs 3(c) and 3(d)(1) of Board's Circular No.14-Customs/2003 dated 6.3.2003 which is reproduced as under :

3(c) Verification of data given in the application:

The data regarding consumption of inputs in manufacture of export goods furnished in DBK-I statement, payment of Customs and Central Excise duty furnished in DBK-II and DBK-III statements, wastage (recoverable/irrecoverable), non-availment of CENVAT benefit and availability of disclaimer certificate from the manufacture in case of Brand Rate application is filed by a merchant-exporter, proof and scheme of exports, comparison of the weight of the inputs mentioned in DBK-I statement with the net weight of the export goods mentioned in the Shipping Bill or corresponding invoices etc are required to be got verified by the Deputy Commissioner of Central Excise having jurisdiction over the manufacturing unit in which export goods are declared to have been manufactured. While verifying the data, the duty paying documents may be defaced by the Verifying Officer to the extent of the Brand Rate claim. This verification is required to be carried out maximum within 15 days from the date of receipt of the Brand Rate application in the Hqrs. Of the Central Excise Commissionerate.

(d) Fixation and approval of Brand Rate:

On receipt of the Verification Report from the Central Excise Divisions, the same is required to be examined minutely by the Commissionerate keeping in view the relevant provisions of the Customs Act, 1962 and the Central Excise Rules and in strict adherence to the Circulars & Guidelines which have been issued by this Ministry from time to time. Brand Rate Proposals involving drawback amount up to Rs.5 lakhs may be approved by the Assistant Commissioner/Deputy Commissioner; proposals involving drawback amount of more than Rs.5 lakhs but less than Rs.20 lakhs may be approved by the Joint/Additional Commissioner and proposals involving drawback amount of more than Rs.20 lakhs are required to be approved by the Commissioner of Central Excise. Brand Rate letters may be issued (by Registered Post/Speed Post) only after ensuring its correctness with regard to the description of the export goods, unit of drawback rate, Shipping Bill and post of export. List of Brand Rate applications and status thereof filed within a fortnight may be prominently displayed on the first day of the next fortnight in the Notice Board for information of the trade. The Brand Rates may also be communicated immediately by electronic mail (E-mail) after electronic connectivity is established with the Custom House of the port of export. The Brand Rates are required to be fixed maximum within a period of ten days from the date of receipt of the Verification Reports from the Central Excise Divisions. Specimen copies of the Brand Rate letters under Rule 6 and 7 of the Drawback Rules are attached. References for issue of corrigendum in respect of description of the export item, addition or change of the port of export and Shipping Bill No. etc may be considered and disposed off within 3 days from the date of receipt.

4. In other words, the exporter must apply for fixation of brand rate within 90 days from the date of 'Let Export Order' and the jurisdictional Central Excise authority should dispose off the brand rate application within 28 days from the date of receipt of application. In spite of the time limit stipulated by the Board as referred above for disposal of Brand Rate applications of the exporters by the Central Excise Authorities, the pendency of drawback claims for want of brand rate letters stands at 17,581 as on 30/11/2009 in this Custom House. Unless the Brand Rate letters are received either by Fax or Regd. Post, the Drawback section of the Custom House cannot process the S/Bills pending under the Drawback queue.

5. Therefore taking into account of the need to bring down the pendency and to facilitate quick disbursal of drawback, the exporters are once again requested to contact the concerned Central Excise AC/DC/Joint Commissioner/Addl.Commissioner/Commissioner before whom such applications for fixation of drawback are pending and urge them to decide the applications quickly. Such exporters who have claimed brand rate of drawback but who have not made an application for fixation of brand rates or whose brand rate applications have been rejected by the concerned Central Excise authority are requested to inform the Drawback section of this Custom House accordingly.

6. As per Rule 15 of Customs, Central Excise and Service Tax Duties Drawback Rules 1995, a supplementary claim of drawback has to be filed within 3 months from the date of communication of brand rate which may be extended by a further period of 9 months by the AC/DC if he is satisfied that the exporter was prevented by sufficient cause from filing application within aforesaid time period. Therefore, all exporters are hereby called upon to submit the brand rate letters along with Bank Realisation Certificates wherever applicable on or before 31/12/2009 failing of which all Brand Rate claims pending for more than 1 year shall be processed at zero rate. In such cases, the exporters may file supplementary claims within the time limit for filing supplementary claims as mentioned above.

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

[F.No.S/12-Gen-87/09 DBK JNCH]

Ask for Speaking Order for Filing Appeals, Says Customs

The following Public Notice was issued by the Commissioner of Customs (Import), Jawaharlal Nehru Custom House, Nhava Sheva on 16th December 2009.

95-PN 16.12.2009 Attention of all importers, CHA, trade and all others concerned is invited to the assessment practice followed at Jawaharlal Nehru Custom House, Nhava Sheva, while loading the declared value of the imported goods or revising the declared classification (including the details of the notification, if any).

2. In cases, where the importer contests the proposed assessment (valuation or classification or both) in writing, the Assessing Officer issues a detailed Order-in-Assessment, after following the due process to comply with the principles of natural justice. The importer may contest such Orders-in-assessment by filing an appeal before the Appellate Authority.

3. Further, in certain other cases, before loading the declared value or revising the classification, the concerned Assessing Officer, by issuing a query, seek the opinion of the importer on the issue. In case, the importer accepts the proposed loading of the value or change in the classification, the Assessing Officer completes the assessment after carrying on such revision of value or classification or both, as the case may be. In such situation, Assessment Order is not issued, as the importer accepted the proposal of the department.

4. Of late, several instances have come to the notice of the Department that even if the original assessment was not disputed in writing, at the time of assessment of a bill of entry, some importers are filing appeal against the assessments made on the bill of entry. In absence of any Assessment Order the Appellate Authority, in such cases, finds it difficult to take any decision on the issue. He usually directs the lower authority for a report on the issue or remands the matter which puts additional burden on the working of the Group. The concerned Group has to revisit the whole issue again for filing a report to the Appellate Authority or reconsider the assessment, afresh, after giving adequate opportunity to the importer. The old records, which may not be readily accessible would add to the delay. In fact, in some cases, it becomes extremely difficult to submit a detailed report to the Appellate Authority in time, as the relevant dockets would have been transferred to MCD.

5. This unwarranted practice adopted by some members of the trade is greatly inconveniencing the Department. The Trade is also being affected as the normal function of the Group is hindered.

6. In order to obviate such difficulties, it has been decided that the importers shall, henceforth, seek a speaking order (Order-in-Assessment or Order-in-Original) when they do no accept the proposed revision of the value or classification or both. This would help the Department in analyzing the issue, which is then fresh. Further, it would enable the concerned Assessing Officer to pass an appropriate Order-in-Original.

6(i)In cases the importer accepts the proposed revision of the value, classification (including the details of a notification, if any) or both, it is obligatory on the part of the importer to confirm the same on their Letter head, under the signature of their authorized signatory/proprietor/partner. The assessing Officer would incorporate the details of such letter (Reference no. and date) along with the fact that the importer accepted the proposed revision, as departmental comments in the EDI- Bill of Entry (in the system).

7. All the members of the trade may please be informed of the contents of this Public Notice.

[F.No.S/22-Gen-280/2009 AM(I)]

MIAL Import Warehouse at Marol Notified for Unclaimed Cargo

The following Public Notice was issued by the Commissioner of Customs (Export), Air Cargo Complex, Mumbai on 9th December 2009.

31-PN 09.12.2009 Whereas M/s. Mumbai International Airport Private Limited (MIAPL) who are appointed as Custodians, have approached this office for denotifying a part of the "Import" Warehouse of M/s.MIAPL at Marol Pipeline Road, behind Hotel Grand Maratha, Sahar, Mumbai-400 099, which is presently where uncleared/unclaimed/abandoned international cargo of Air Cargo Complex is shifted by MIAPL prior to its disposal. MIAPL would like to use a part of this warehouse for their local operations.

Whereas the notification declaring the said "Import" Warehouse as a 'Customs Area', where international cargo used to be earlier handled, could not be traced in ACC, Sahar, and the New Custom House, Mumbai have, vide letter F.No.S/43-756/09-10 P dated: 24.11.2009, conveyed that such notification is also not readily traceable at their end; and whereas it is also noticed that the Commissioner of Customs, C.S.I. Airport, Mumbai, has issued Public Notice No. 3/2009 dated: 22.5.2009 (from F.No. Air/Cus/50/CIC/321/2008 Misc.) declaring a space admeasuring 536 sq.mtrs. approx. on the 1st floor of the said "Import" Warehouse to be a Customs Area for the receipt /storage and conduct of auction of detained goods/packages imported through Courier mode and designated it as 'Interim Courier Detention Facility'.

And whereas in the light of the foregoing it is considered appropriate, in the circumstances, to notify a precise area as Customs Area, rather than denotify a part of an area in absence of the said notification.

Now therefore, in exercise of the powers conferred upon me under Section 8 of the Customs Act, 1962 (52 of 1962), I, Rajiv Talwar, Commissioner of Customs (Export), Air Cargo Complex, Sahar, Mumbai, hereby specify the area admeasuring 1595 sq.metres (of the total covered area of 3687 sq.metres) on ground floor and the area admeasuring 3151 sq.metres (of the total covered area of 3687 sq.metres) on the first floor of the building MIAL Import Warehouse at Marol Pipeline Road, behind Hotel Grand Maratha, Sahar, Mumbai-400 099, as 'Customs Area', as marked out in the layout plan attached as Annexures A1 and A2, for receipt/storage/disposal of uncleared/unclaimed/abandoned international cargo of Air Cargo Complex, Sahar, Mumbai.

[F.No. S/3-Prev.(Admn.)-38/2002 ACC]

Export Credit of US $10 mn to Djibouti

Sub: Exim Bank's Line of Credit of USD 10 million to the Government of the Republic of Djibouti

AP(DIR Srs) Cir.20 17.12.2009 (RBI) Export-Import Bank of India (Exim Bank) has concluded an Agreement dated April 13, 2007 with the Government of the Republic of Djibouti making available to the latter, a Line of Credit (LOC) of USD 10 million (USD ten million) for financing eligible goods and services including consultancy services from India for setting up a cement plant in Djibouti. The goods and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 85 per cent of the contract price shall be supplied by the seller from India and the remaining 15 percent goods and services (other than consultancy services) may be procured by the seller for the purpose of Eligible Contract from outside India.

2. The Credit Agreement under the LOC is effective from November 20, 2009 and date of execution of Agreement is April 13, 2007. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date(s) of contract(s) in case of project exports and 72 months (April 12, 2013) from the execution date of the Credit Agreement in case of supply contracts.

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

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

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

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

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The **salient features of the National Policy on Bio-fuels** are:-

- Bio-diesel production will be taken up from non-edible oil seeds in waste /degraded / marginal lands.
- An indicative target of 20% blending of bio-fuels, both for bio-diesel and bio-ethanol, by 2017 has been proposed.
- Minimum Support Price (MSP) for non-edible oil seeds would be announced with periodic revision to provide fair price to the growers.
- Minimum Purchase Price (MPP) for purchase of bio-ethanol and bio-diesel would be announced with periodic revision.
- Major thrust will be given to research, development and demonstration with focus on plantations, processing and production of bio-fuels, including Second Generation Bio-fuels.
- Financial incentives, including subsidies and grants, may be considered for second generation bio-fuels. If it becomes necessary, a National Bio-fuel Fund could be considered.
- A National Biofuel Coordination Committee, headed by the Prime Minister, will be set up to provide policy guidance and coordination.

A Biofuel Steering Committee, chaired by Cabinet Secretary, will be set up to oversee implementation of the Policy.

The Ministry of New & Renewable Energy has been designated as the co-ordinating Ministry for biofuel development and utilization while specific roles have been assigned to other concerned Ministries. MNRE has taken several initiatives on various aspects of biofuel development. An exercise has been initiated with scientific agencies – ICAR, CSIR, DBT, DRDO, NOVOD Board on collection, screening and identification of elite germplasms of jatropha and on processing and end use technologies. The objective is to generate and make available elite planting materials for plantations. The scientific agencies and the private sector have identified 25 superior genotypes/accessions of jatropha for further multiplication for demonstration at various sites in potential States. Another exercise has been taken up on realistic costing of biodiesel which will provide guidance on review and revision of the purchase price for biodiesel. A survey has been undertaken to assess the status of Jatropha plantations in nine States. Major thrust is being given to development of second generation biofuels. An Indo-US MoU has been signed on biofuels with focus on joint R&D, particularly on second generation biofuels such as, cellulosic ethanol and algal biodiesel. Another initiative with research institutes and industry is on for development of high efficiency engines for use of SVO for stationary applications.

[Source: PIB Press Releases dated 24.12.2009]

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			Rate of exchange of 100 units of foreign currency equivalent to Indian rupees
1 Japanese Yen	53.20	51.70	

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

Commodity Spot Prices in India – 26-29 December 2009

These commodity prices are taken from Multi Commodity Exchange of India (Mumbai) at 6 pm every day. The weekly prices of commodities from different cities of India will be given in the order of Harmonized System classification.

Commodity Spot Prices covers price movements of 55 commodities (agricultural products and metals) provided on Multi Commodity Exchange of India on a daily basis. This Commodity Spot Prices Table focuses on price movements from 26-29 December.

(Rs.)

Commodity	Unit	Market	26-Dec	28-Dec	29-Dec
CER (Carbon Trading)	1 MT	Mumbai	758.5	758.5	758.5
Chana	100 KGS	Delhi	2467	2485	2453
Masur	100 KGS	Indore	4351	4350	4343
Potato	100 KGS	Agra	NA	NA	NA
Potato TKR	100 KGS	Tarkeshwar	NA	NA	NA
Arecanut	100 KGS	Mangalore	9130	9153	9155
Cashewkern	1 KGS	Quilon	313	311	NA
Cardamom	1 KGS	Vandanmedu	911.8	957.5	988.3
Coffee ROB	100 KGS	Kushalnagar	60.2	60.2	59.8
Jeera	100 KGS	Unjha	14499	14489	14420
Pepper	100 KGS	Kochi	14116	14209	14209
Red Chili	100 KGS	Guntur	6162	6162	6160
Turmeric	100 KGS	Nzmbad	10175	10175	10488
Guar Gum	100 KGS	Jodhpur	5700	5875	5700
Maize	100 KGS	Nzmbad	924.5	924.5	937.5
Wheat	100 KGS	Delhi	1445.4	1433.8	1401.7
Mentha Oil	1 KGS	Chandausi	633.4	634.3	635
Cotton Seed	100 KGS	Akola	1338	1372	1367
Castorsd RJK	100 KGS	Rajkot	2888.5	2891.5	2859.5
Guar Seed	100 KGS	Jodhpur	2657	2750	2710
Soya Bean	100 KGS	Indore	NA	NA	NA
Mustrdsd JPR	20 KGS	Jaipur	584	588	591.55
Sesame Seed	100 KGS	Rajkot	6438	6450	6450
Coconut Oil Cake	100 KGS	Kochi	1091	1092	1092
RCBR Oil Cake	1 MT	Raipur	5327	5160	5083
Kapaskhali	50 KGS	Akola	584.4	590.8	590.4
Coconut Oil	100 KGS	Kochi	5304	5252	5252
Refsoy Oil	10 KGS	Indore	478.65	482.5	481.75
CPO	10 KGS	Kandla	353.2	355	355.8
Mustard Oil	10 KGS	Jaipur	540.8	551.2	556.4
Gnutoilexp	10 KGS	Rajkot	681	685.7	639.3
Castor Oil	10 KGS	Kandla	613.3	613.3	610
Crude Oil	1 BBL	Mumbai	3650	3650	3683
Furnace Oil	1000 KGS	Mumbai	28418	28549	28439
Sourcrd Oil	1 BBL	Mumbai	3439.5	3533	3427
Brent Crude	1 BBL	Mumbai	3524	3524	3524
Gur	40 KGS	Muzngr	1003.8	1025.5	1027.3
Sugars	100 KGS	Kolhapur	3356	3449	3441
Sugarm	100 KGS	Delhi	3606	3796	3798
Natural Gas	1 mmBtu	Hazirabad	263.9	263.9	280.1
Rubber	100 KGS	Kochi	14073	14021	14021
Cotton Long	1 Candy	Kadi	26130	26860	27020
Cotton Med	1 Maund	Abohar	2554	2595	2597
Jute	100 KGS	Kolkata	2685	2685	2685
Gold	10 GRMS	Ahmd	16797	16870	16755
Gold Guinea	8 GRMS	Ahmd	13438	13496	13404
Silver	1 KGS	Ahmd	27504	27620	27430
Sponge Iron	1 MT	Raipur	16865	17100	19030
Steel Flat	1000 KGS	Mumbai	31660	31730	31910
Steel Long	1 MT	Bhavnagar	25590	26500	26570
Copper	1 KGS	Mumbai	339.4	339.4	343.95
Nickel	1 KGS	Mumbai	871.4	871.4	890
Aluminium	1 KGS	Mumbai	102.9	102.9	105.1
Lead	1 KGS	Mumbai	108.8	108.8	109.4
Zinc	1 KGS	Mumbai	116.45	116.45	118.5
Tin	1 KGS	Mumbai	754.75	754.75	766

(Source: MCX Spot Prices)

Emerging-Market Inflows Triple on Export Recovery

Emerging-market equity funds inflows tripled last week as the outlook improved for developing-nation exporters, EPFR Global said.

The funds attracted $1.7 billion in the week ended Dec. 23 from $571.4 million in the previous week, EPFR said in a statement. That added to a record $80.3 billion of investments in emerging-market stock funds so far this year, compared with outflows of $48 billion in the same period in 2008, EPFR said.

The MSCI Emerging Markets Index has rallied 73 percent this year, set for its best annual performance. Developing nations were the 10 best-performing markets this year as stimulus measures from China to Brazil helped bolster a recovery in economic growth. The gauge slid 0.1 percent to 979.98 in Singapore, snapping a five-day advance.

The Shanghai Composite Index added 0.7 percent to a two- week high, and the Bombay Stock Exchange's Sensitive Index advanced for a fourth day, its longest winning streak in seven weeks.

Oil Producing Nations

Oil producing nations also gained among emerging market stocks, with Abu Dhabi's ADX General Index advancing 0.5 percent, the Nigerian Stock Exchange All Share Index rising 0.7 percent and Oman's MSM 30 Index climbing 1.6 percent. Russia's Micex Index fell less than 0.1 percent.

Investors may add more money into emerging-market funds in 2010 as they look for earnings per share growth of between 28 percent and 40 percent, he said. Funds investing in China took in $153 million in the week ended Dec. 23, while those that focus on all the so-called BRIC nations of Brazil, Russia, India and China received $451 million, according to the statement.

Flows into global emerging-market equity funds surged as the outlook for exporters in emerging markets improved with "better data" from the U.S. economy and as the U.S. Federal Reserve kept interest rates on hold, EPFR said.

Emerging-market bond funds attracted $369 million of inflows last week, EPFR said, taking the tally to more than $8 billion this year. The record for this fund group was set in 2005 when they absorbed $9.7 billion, according to data compiled by fund tracker.

Yield Premiums

Investors demanded a yield premium of 2.76 percentage points over U.S. Treasuries to buy emerging-market sovereign debt, according to JPMorgan Chase & Co.'s EMBI+ Index. The spread fell for a third day to the least since July 2008.

Dollar-denominated bonds sold by developing nations handed investors a 26 percent return so far this year versus a 9.7 percent loss in 2008, the most since 2003, according to JPMorgan's EMBI+ Composite Index.

China said Dec. 25 its economy grew faster than it estimated so far this year, and also raised its 2008 growth to 9.6 percent from 9 percent. South Korea's Kospi index may rise as much as 20 percent in the first half as exporters benefit from recovering demand in developed nations, Mirae Asset Securities Co. said today.

Spending by U.S. consumers increased in November, the sixth time in seven months, government data showed last week. The Federal Reserve repeated a pledge on Dec. 16 to keep interest rates "exceptionally low" for an "extended period" and said the economy is strengthening.

U.S. stock funds took in $11.1 billion last week, the most since June 2008, according to EPFR.

WORLD TRADE SCANNER

BIG's WEEKLY INDEX OF CHANGES

Foreign Trade Policy

Customs

CBEC Circulars

RBI Circulars [*AP(DIR Series*]

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