

New Reports from OECD, IMF Show Recovery in Global Trade Economy

Trade flows in developed countries steadied in the second quarter of 2009 then began to grow in the third quarter, but trade levels are still much lower than in 2008, according to 27 January release of quarterly trade data from the Organisation for Economic Cooperation and Development (OECD).

The volume of exports from the Group of Seven (G7) countries - Canada, France, Germany, Italy, Japan, the United Kingdom, United States - was up five percent since the second quarter, but compared to the third quarter of 2008, export volume had decreased 17.5 percent, according to the report.

G7 import volume followed the same pattern, increasing 3.1 percent since 2009's second quarter but falling 14.6 percent since the third quarter of 2008.

The value of exports from the 30 OECD countries increased 7.8 percent in comparison to the second quarter of 2009, and the value of their imports rose by 8.7 percent.

The trend is noticeably similar across the countries, stated the OECD's report, which supports the idea of a "synchronised trade collapse, followed by stabilisation and slight recovery." The Paris-based research organisation noted that net trade balances between G7 countries do vary significantly.

Trade values are now similar to the levels experienced in November 2008, indicating economic recovery. However, trade flows are still significantly lower in value than in the summer of 2008, before the onset of the financial crisis.

In light of the observed third-quarter growth, the International Monetary Fund revised its 26 January global economic forecast upwards since its October 2009 estimate, predicting 3.9 percent growth in 2010 and 4.3 percent growth in 2011. The new forecast is three-quarters of a percentage point higher.

The world economy is recovering faster than expected, the IMF said, although the recovery is occurring at different rates, depending on the region. The advanced economies are improving gradually, while the IMF characterised Asia's recovery as "vigorous."

The IMF stressed the importance of a "differentiated response" which would take into account the varying needs of different countries.

Advanced economies are still dependent on government stimulus measures. An unexpected increase in US consumption and the rebuilding of corporate inventories has increased their confidence, but they remain plagued by high unemployment rates and growing public debt, according to the IMF report.

WTO Panel Rules against US in Thai PE Bags Anti-Dumping Case

A WTO dispute settlement panel has ruled on an anti-dumping dispute between Bangkok and Washington that concerns polyethylene retail carrier bags (PRCBs), or "t-shirt sacks, merchandise bags, grocery bags, or check-out bags." In a decision released on 22 January, the panel concluded that a US Department of Commerce (USDOC) anti-dumping investigation constituted 'zeroing' and was inconsistent with the WTO's Anti-Dumping Agreement.

The Anti-Dumping Agreement allows states to apply retaliatory measures against products that are sold within their borders at below normal value - a practice known as 'dumping' in WTO parlance. But the ADA also stipulates that a state can only impose anti-dumping measures if it can provide evidence of dumping through a "fair comparison" of the price at which the product is sold in the importing market, and the normal value or price of the product in the country where it was produced.

From 2003 to 2004, the USDOC investigated PRCBs from Thailand by comparing different 'models,' or "types of products based on the most relevant product characteristics" and calculated weighted average prices for the models during the period.

After concluding that dumping had occurred, the USDOC issued an anti-dumping duty-order, which put duties on PRCBs from Thailand equal to the amount the merchandise's normal value exceeded its price in the US.

Zeroing

The case's central problem was whether the USDOC investigation used a practice known as 'zeroing' in calculating the margin by which the PRCBs were being dumped in the US market. When a country uses the 'zeroing' methodology, it sets to zero any negative price differentials - cases in which the model good commands a *higher* than normal price in the US market. Thus, the country only sums the models with positive price differentials in determining the overall dumping margin.

Zeroing has regularly been rejected by WTO bodies because it "inflates the margin for dumping for the product as a whole."

Quoting the earlier case of *US - Shrimp (Ecuador)*, the panel argued that "a consistent line of Appellate Body Reports, from *EC - Bed Linen to US - Zeroing (EC)*...holds that 'zeroing' in the context of the weighted average-to-

weighted average methodology in original investigations (first methodology in the first sentence of Article 2.4.2) is inconsistent with Article 2.4.23 of the ADA.

Thailand demonstrated US zeroing by showing that the USDOC had used a computer programme that set negative margins to zero for particular models and accounted for the overall dumping margin by tallying only the models with positive margins.

The panel recommended that the "Dispute Settlement Body request the United States to bring its measures into conformity with its obligations under the Anti-Dumping Agreement."

WTO Establishes Panel in US-China Tyre Dispute

The WTO's Dispute Settlement Body has set up a panel to review the US decision to impose new tariffs on Chinese tyre imports, the organisation announced last week.

The panel was formed in response to China's second request for WTO dispute settlement procedures, filed 9 December 2009.

The dispute centres on new US tariffs on certain passenger vehicle and light truck tyres from China. The tariffs, which US President Barack Obama announced on 11 September, come on top of Washington's standard 4 percent duty on tyres. The tariff is set to decrease over the next three years from 35 percent the first year to 25 percent the second, then 20 percent the third, before being eliminated.

Obama's decision came after the US International Trade Commission (ITC), an independent federal agency responsible for investigating trade complaints, recommended that the US impose three-year duties on Chinese tyres as a safeguard measure.

The terms of China's 2001 accession to the WTO included a 'transitional product-specific safeguard' clause that allows WTO members to protect themselves from import surges caused by China's entry into the organisation. The clause is set to expire in 2013.

The ITC decision came in response to a

Procedural Agreement

An interesting wrinkle in the dispute was that Washington did not challenge Bangkok's claim that it had engaged in zeroing, but the Panel still ruled on whether Thailand had made a prima-facie case. This was all according to the parties' earlier procedural agreement, which among other things states that Thailand would not request the panel suggest to the US ways to implement its recommendations, that there would be a six-month implementation of the ruling, and any recalculation would have prospective effect, only.

request from the United Steel Workers (USW), a Pittsburgh-based labour union, which asserted that imports of Chinese tyres were sufficient to cause 'market disruption'. USW maintained that Chinese tyre imports had tripled between 2004 and 2008 and caused US production to decline by 25 percent.

China requested consultation procedures three days after the new tariffs were announced, arguing that Washington's new tariffs are unjustified and inconsistent with Articles I and II of GATT 1994, as well as with US obligations under the terms of China's WTO accession.

Subsequent consultations did not result in a settlement. The US denied China's first request for the establishment of a dispute settlement panel. WTO rules dictate that members cannot block a second request, however, so China's 9 December dispute settlement application was approved.

The tyre tariffs are controversial even within the United States: labour unions are strongly in favour, but some business interests oppose them. Two US Congressmen from the Ways and Means Trade Subcommittee, Kevin Brady and Dan Boren sent a letter to US Trade Representative Ron Kirk on 21 January requesting confirmation that the administration is comprehensively monitoring the effect of the special Chinese tyre tariff on the US economy.

Crude Palm Surges in April-October 2009

The total import of sensitive items for the period April-October 2009 has been Rs.35487 crore as compared to Rs.26378 crore during the corresponding period of last year thereby showing an increase of 34.5%. The gross import of all commodities during same period of current year was Rs.716535 crore as compared to Rs 916483 crore during the same period of last year. Thus import of sensitive items constitutes 2.9% and 5.0% of the gross imports during last year and current year respectively.

Imports of automobiles, cotton & silk, products of SSI and alcoholic beverages have shown a decline at broad group level during the period. Imports of all other items viz. edible oil, Pulses, fruits & vegetables (including nuts), rubber, spices, marble & granite, tea & coffee, milk & milk products and food grains have shown increase during the period under reference.

In the edible oil segment, the import has increased from Rs 8195.45 crore last year to Rs 14204.70 crore for the corresponding period of this year. The imports of both crude edible oil as well as refined oil have gone up by 83% and 36% respectively. The increase in edible oil import is mainly due to substantial increase in import of crude palm oil and its fractions.

Imports of sensitive items from Indonesia, China PRP, Myanmar, Brazil, Malaysia, United States of America, Japan, Canada, Ukraine, Argentina, Australia, Benin, Guinea Bissau etc. have gone up while those from Korea RP, Germany, Thailand, Cote D' Ivoire, Czech Republic etc. have shown a decrease.

waiver lowered costs, the association said last month.

Monsoon-sown oilseed production may drop 9 percent this season to 13.7 million tons, according to the Central Organization for Oil Industry and Trade, the country's biggest group of processors.

Government Subsidy

India's government subsidizes as much as 60 percent of the cost of growing oil palms in a bid to reduce purchases from Indonesia and Malaysia, the biggest producers.

Increasing demand will maintain India's reliance on imports for the next few years, Yadav said. Boosting the national crop to 1 million hectares would do a lot to cut them, he said.

The company, a unit of Godrej Industries Ltd., has about 36,000 hectares of oil palms in the south Indian states of Andhra Pradesh, Tamil Nadu and Goa, producing 25,000 tons of raw oil annually. The producer plans new plantations in Orissa in east India and Mizoram in the north-east and will consider acquisitions, to help increase the share of sales from palm oil to 10 percent in five years from 7 percent now, Yadav said.

Godrej Plans to Triple Palm Oil Output in India

Godrej Agrovet Ltd., India's biggest palm oil producer, plans to triple domestic output as demand for cooking oil surges, a company executive said.

Godrej will invest 1 billion rupees (\$22 million) in the next five years building refineries to process production from more than 100,000 hectares (247,000 acres) of palm trees, Managing Director B.S. Yadav said in an interview in Mumbai on 31 January. That may boost the Mumbai-based company's output to more than 75,000 metric tons, he said.

India surpassed China as the biggest buyer of palm oil last year as rising incomes increased demand for fried and processed food. The country imports almost all its palm oil requirements. Palm represents 80 percent of all cooking oil purchases, which will jump 34 percent to a record 9.4 million tons this year, according to the Solvent Extractors' Association of India.

Imports will climb this year after drought across half of the country damaged crops and pushed food inflation near to an 11-year high. Shipments will also increase after an import-tax

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
2-Feb-10	46.3000	46.3725	46.2500	46.3075	46.3075	438487	2517940	1166396.99	46.2500
1-Feb-10	46.4400	46.5300	46.3500	46.4375	46.4375	442766	2515194	1167401.47	46.3400
27-Jan-10	46.2700	46.3550	46.2425	46.2875	46.2900	359372	931716	431241.14	46.2900
25-Jan-10	46.1700	46.2525	46.0950	46.1225	46.1225	471442	2225676	1027818.26	46.1800

[Source: NSE and RBI Website]

WEEKLY INDEX OF CHANGES

Anti-dumping Duty Hiked in Final Findings on Carbon Black from China, Russia, Australia and Thailand

Ntnfn 06 Whereas, in the matter of
28.01.2010 import of Carbon Black used in
(DoR) rubber applications (hereinafter
referred to as the subject
goods), falling under sub heading **2803 00 10** 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 ex-
ported from, Australia, China PR, Russia and
Thailand (hereinafter referred to as the subject
countries) and imported into India, the desig-
nated authority in its preliminary findings *vide*
notification No. 14/21/2008-DGAD, dated the
25th May, 2009, published in the Gazette of
India, Extraordinary, Part I, Section 1, dated the
25th May, 2009, had come to the conclusion that-

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

(b) the domestic industry had suffered mate-
rial injury; and

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

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

And whereas, on the basis of the aforesaid
findings of the designated authority, the Central
Government had imposed provisional anti-dump-
ing duty on the subject goods *vide* notification of
the Government of India in the Ministry of Fi-
nance (Department of Revenue), No. 83/2009-
Customs, dated 30th July, 2009, published in the
Gazette of India Extraordinary, Part II, Section 3,
Sub-section (i) *vide* number G.S.R.558 (E), dated
the 30th July, 2009;

And whereas, the designated authority in its
final findings *vide* notification No. 14/21/2008-
DGAD dated 24th December 2009, published in
the Gazette of India, Extraordinary, Part I, Sec-
tion 1, dated the 24th December 2009, had
come to the conclusion that-

(a) the subject goods had been exported to
India from the subject countries below associ-
ated Normal values, thus resulting in dumping of
the subject goods;

(b) the domestic industry had suffered mate-
rial injury in respect of the subject goods. Be-
sides, there was a case of threat of material
injury to the domestic industry as well; and

(c) the material injury and threat thereof had
been caused by the dumped imports from sub-
ject countries;

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

Now, therefore, in exercise of the powers
conferred by sub-section (1), read with sub-
section (5) of section 9A of the said Customs
Tariff Act and rules 18 and 20 of the Customs
Tariff (Identification, Assessment and Collec-
tion 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.83/2009-Cus-
toms, dated the 30th July, 2009**, *vide* number
G.S.R 558(E), dated the 30th July, 2009, except
as respects things done or omitted to be done
before such supersession, the Central Govern-
ment, on the basis of the aforesaid final findings
of the designated authority, hereby imposes on

Provisional Anti-dumping Duty Notification on Carbon Black Rescinded

Ntnfn 07 In exercise of the powers
28.01.2010 conferred by sub-sections
(DoR) (1) and (2) of section 9A of
the Customs Tariff Act,
1975 (51 of 1975), read with rule 13 and 20
of the Customs Tariff (Identification, Assess-
ment 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 Gov-
ernment of India in the Ministry of Finance
(Department of Revenue), No. 83/2009-Cus-
toms, dated the 30th July, 2009, published in
the Gazette of India, Extraordinary, Part II,
Section 3, Sub-section (i) *vide* number G.S.R.
558(E), dated the 30th July, 2009, except as
respects things done or omitted to be done
before such rescission.

[F. No. 354/130/2009-TRU]

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 cor-
responding entry in column (2), originating in the
country as specified in the corresponding entry
in column (4), and produced by the producers as
specified in the corresponding entry in column
(6), when exported from the country as specified
in the corresponding entry in column (5), by the
exporters as specified in the corresponding en-
try in column (7), and imported into India, an
anti-dumping duty at the rate equal to the amount
indicated in the corresponding entry in column
(8), in the currency as specified in the corre-
sponding entry in column (10) and per unit of
measurement as specified in the corresponding
entry in column (9), of the said Table.

Table

S.No.	Heading/ Subheading	Description of goods *	Country of Origin	Country of Exports	Producer	Exporter	Duty Amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	28030010	Carbon Black used in rubber applications	Australia	Australia	M/s Continental Carbon Australia Pty Ltd.	M/s Continental Carbon Australia Pty Ltd.	0.138	Per Kg	US Dollar
2.	28030010	-do-	Australia	Australia	Any combination other than at Serial number 1		0.330	Per Kg	US Dollar
3.	28030010	-do-	Australia	Any country other than Australia	Any	Any	0.330	Per Kg	US Dollar
4	28030010	-do-	Any country other than countries attracting Anti- dumping duty	Australia	Any	Any	0.330	Per Kg	US Dollar
5	28030010	-do-	China PR	China PR	M/s Ningbo Detai Chemical Co. Ltd	M/s Ningbo Detai Chemical Co. Ltd	0.143	Per Kg	US Dollar
6	28030010	-do-	China PR	China PR	M/s Hebei Daguang- ming Juwuba Carbon Black Co., Ltd.	M/s Hebei Daguang- ming Juwuba Carbon Black Co., Ltd.	0.089	Per Kg	US Dollar
7	28030010	-do-	China PR	China PR	M/s Longxing Chemical Stock Co., Ltd.	M/s Longxing Chemical Stock Co., Ltd. M/s Ningbo Sheen All Chemical Co. Ltd through M/s Hhui Chemical Co., Ltd	0.168 0.101	Per Kg Per Kg	US Dollar US Dollar

8	28030010	-do-	China PR	China PR	M/s Jiangxi Black Cat Carbon Black Co., Ltd	M/s Jiangxi Black Cat Carbon Black Co., Ltd	0.121	Per Kg	US Dollar
9	28030010	-do-	China PR	China PR	Any combination other than at Serial numbers 5, 6, 7 & 8.		0.423	Per Kg	US Dollar
10	28030010	-do-	China PR	Any country other than China PR	Any	Any	0.423	Per Kg	US Dollar
11	28030010	-do-	Any country other than countries attracting Anti-dumping duty	China PR	Any	Any	0.423	Per Kg	US Dollar
12	28030010	-do-	Russia	Russia	M/s. Yaroslavskiy Tekhnicheskii Uglerod	M/s Trigon Gulf FZCO	0.136	Per Kg	US Dollar
13	28030010	-do-	Russia	Russia	Any combination other than at Serial number 12.		0.391	Per Kg	US Dollar
14	28030010	-do-	Russia	Any country other than Russia.	Any	Any	0.391	Per Kg	US Dollar
15	28030010	-do-	Any country other than countries attracting Anti-dumping duty	Russia	Any	Any	0.391	Per Kg	US Dollar
16	28030010	-do-	Thailand	Thailand	M/s Thai Tokai Carbon Product Company Ltd.	M/s Thai Tokai Carbon Product Company Ltd.	0.084	Per Kg	US Dollar
17	28030010	-do-	Thailand	Thailand	Any combination other than at Serial number 16		0.186	Per Kg	US Dollar
18	28030010	-do-	Thailand	Any country other than Thailand	Any	Any	0.186	Per Kg	US Dollar
19	28030010	-do-	Any country other than countries attracting Anti-dumping duty	Thailand	Any	Any	0.186	Per Kg	US Dollar

***Note:** - Thermal Black and Carbon black grades meant for semi conductive compound applications are excluded from the scope of the product under consideration.

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

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

[F.No.354/130/2009 –TRU]

Toys Import Freed – Only ISO 8124 Standards and Certificate of Conformity from Manufacturer Required

Subject: Import policy of Toys.

27-Ntfn(RE) In exercise of powers conferred under section 5 of the 27.01.2010 Foreign Trade (Development and Regulation) Act, 1992 (DGFT) read with paragraph 2.1 of the Foreign Trade Policy, 2009-14, the Central Government hereby makes the following amendments in the Schedule 1 (Imports) of the ITC (HS) Classifications of Export and Import Items, in supersession of notification No. 113/(RE-2008)/2004-09 dated 16th June, 2009.

1. Import Policy for the following items shall be as follows:

Exim Code	Item description	Policy	Policy conditions
9503	Tricycles, Scooters, Pedal Cars and Similar Wheeled Toys; Dolls' Carriages; Dolls; Other Toys; Reduced-Size ("Scale") Models and Similar Recreational Models, Working or not; Puzzles of All Kinds.		
9503 00	Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages; dolls; other toys; reduced-size ("scale") models and similar recreational models, working or not; puzzles of all kinds.		
9503 00 10	Of wood	Free	i) A certificate that the toys being imported conform to the standards

prescribed in ASTM F963 or standards prescribed in ISO 8124 (Parts I-III) or IS 9873 [Parts I-III] or standards prescribed in EN 71;

(ii) A Certificate of Conformance from the manufacturer that representative sample of the toys being imported have been tested by an independent laboratory which is accredited under ILAC, MRA and found to meet the specifications indicated above. The certificate would also link the toys in the consignment to the period of manufacture indicated in the Certificate of Conformity.

9503 00 20	Of metal	Free	i) A certificate that the toys being imported conform to the standards prescribed in ASTM F963 or standards prescribed in ISO 8124 (Parts I-III) or IS 9873 [Parts I-III] or standards prescribed in EN 71;
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(ii) A Certificate of Conformance from the manufacturer that representative sample of the toys being imported have been tested by an independent laboratory which is accredited under ILAC, MRA and found to meet the specifications indicated above. The certificate would also link the toys in the consignment to the period of manufacture indicated in the Certificate of Conformity.

9503 00 30	Of plastics	Free	i) A certificate that the toys being imported conform to the standards prescribed in ASTM F963 or standards prescribed in ISO 8124 (Parts I-III) or IS 9873 [Parts I-III] or standards prescribed in EN 71;
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(ii) A Certificate of Conformance from the manufacturer that representative sample of the toys being imported have been tested by an independent laboratory which is accredited under ILAC, MRA and found to meet the specifications indicated above. The certificate would also link the toys in the consignment to the period of manufacture indicated in the Certificate of Conformity.

9503 00 90	Other	Free	i) A certificate that the toys being imported conform to the standards prescribed in ASTM F963 or standards prescribed in ISO 8124 (Parts I-III) or IS 9873 [Parts I-III] or standards prescribed in EN 71;
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(ii) A Certificate of Conformance from the manufacturer that representative sample of the toys being imported have been tested by an independent laboratory which is accredited under ILAC, MRA and found to meet the specifications indicated above. The certificate would also link the toys in the consignment to the period of manufacture indicated in the Certificate of Conformity.

2. This issues in public interest.

Export of Bone and Bone Products, Animal Feeding Blood Products, Gelatine, Edible Grade, Fish Glues and Peptones to EU Requires Shipment Clearance and Health Certificates Must

26-Ntn(RE) In exercise of the powers conferred by Section 5 of the 25.01.2010 Foreign Trade (Development & Regulation) Act, 1992 (DGFT) (No.22 of 1992) read with Para 1.3 and Para 2.1 of the Foreign Trade Policy, 2009-2014, the Central

Government hereby makes the following amendments in the Schedule 2 (Export Policy) of ITC(HS) Classifications of Export and Import items as amended, from time to time :

2. With immediate effect, the entry at **Sl. No. 35 & 36** of **Chapter 5** stands **substituted** as follows:-

SNo.	Tariff Item HS Code	Unit	Item Description	Export Policy	Nature of Restriction
35	05061019 05061029 05061039 05061049 05069019 05069099 05119999	Kg	Bone and Bone products (excluding bone meal), horn and horn products (excluding horn meal), hooves and hoof products (excluding hoof meal), when exported to European Union	Restricted	Export to EU allowed subject to the following conditions: (i) A 'Shipment Clearance Certificate' is to be issued consignment-wise by the CAPEXIL indicating details of the name and address of the exporter, address of the registered plant, IEC No. of the exporter, plant approval number, nature of export product, quantity, invoice number & date, port of loading(Name of the port) and destination. (ii) After the shipment is made, the exporter shall also provide a 'Production Process' certificate and/or health certificate to the buyer consignment-wise to be issued by CAPEXIL as per the requirement of EU.
36	05061019 05061029 05061039 05061049 05069019 05069099 05119999	Kg	Bone and bone products, including Ossein intended to be used for Human Consumption meant for European Union.	Restricted	Export to EU allowed subject to the following conditions:- (i) A 'Shipment Clearance Certificate' is to be issued consignment-wise by the CAPEXIL indicating details of the name and address of the exporter, address of the registered plant, IEC No. of the exporter, plant approval number, nature of export product, quantity, invoice number and date, port of loading(Name of the port) and destination. (ii) After the shipment is made, the exporter shall also provide 'Health Certificate' consignment-wise to the buyer giving details of vessel name, shipping bill number with date, production process, etc. as per the requirement of EU. The Certificate would be issued jointly by CAPEXIL and Regional Animal Quarantine Officer, Department of Animal Husbandry, Dairying and Fisheries, Ministry of Agriculture, Government of India.

3. With immediate effect, the new entry at **Sl. No. 71 A** shall be **added** in **Chapter 23** as follows:-

SNo.	Tariff Item HS Code	Unit	Item Description	Export Policy	Nature of Restriction
71A	2309	Kg	Preparations of a kind used in animal feeding	Free	Export to EU allowed subject to the following conditions: (i) A 'Shipment Clearance

Relaxation of Export Obligation where Exports have Fallen

Subject: Amendment in Para 5.11.2 of HBP Vol.I, 2009-2014

36-PN(RE) In exercise of the powers conferred under Paragraph 21.01.2010 2.4 of the Foreign Trade Policy, 2009-14 and (DGFT) Paragraph 1.1 of the Handbook of Procedures (Vol.1), the Director General of Foreign Trade hereby makes the following amendments in the Handbook of Procedures, Vol.I, 2009-2014, as amended from time to time.

2. Para 5.11.2 of HBP Vol.I is amended to read as under:

"To provide relief to exporters of those sectors where total exports in that sector/product group has declined by more than 5% as compared to the previous year, average export obligation for the year may be reduced proportionate to reduction in exports of that particular sector/product group during the relevant year as against the preceding year. However, in case export decline is continuous over consecutive years, the base year for calculation of eligibility and calculation of reduction in Average Export Obligation will be taken as the year after which the exports have shown continuous decline.

3. The sectors/product groups for which this relaxation is to be allowed shall be conveyed by the DGFT to all the RAs within seven months of the end of the previous financial year, and the RAs shall re-fix the annual average EO for previous year accordingly, for exporters in that sector/product group.

This issues in public interest.

23091000	Dog or Cat food, put up for retail sale	Certificate' is to be issued consignment-wise by the CAPEXIL indicating details of the name and address of the exporter, address of the registered plant, IEC No. of the exporter, plant approval number, nature of export product, quantity, invoice number and date, port of loading (Name of the port) and destination. (ii) After the shipment is made, the exporter shall also provide 'Health Certificate' consignment-wise to the buyer giving details of vessel name, shipping bill number with date, production process, etc. as per the requirement of EU. The Certificate would be issued jointly by CAPEXIL and Regional Animal Quarantine Officer, Department of Animal Husbandry, Dairying and Fisheries, Ministry of Agriculture, Government of India.
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4. With immediate effect, the new entry at **Sl. No. 126 B** shall be **added** in **Chapter 30** as follows:-

SNo.	Tariff Item HS Code	Unit	Item Description	Export Policy	Nature of Restriction
126B	30021020	Kg	Blood products for technical use in medical devices, In Vitro Diagnostics & Laboratory Reagents not intended for human consumption.	Free	Export to EU allowed subject to the following conditions: (i) A 'Shipment Clearance Certificate' is to be issued consignment-wise by the CAPEXIL indicating details of the name and address of the exporter, address of the registered plant, IEC No. of the exporter, plant approval number, nature of export product, quantity, invoice number & date, port of loading(Name of the port) and destination. (ii) After the shipment is made, the exporter shall also provide a 'Production Process' certificate and/or health certificate to the buyer consignment-wise to be issued by CAPEXIL as per the requirement of EU.

5. With immediate effect, the new entry at **Sl. No. 140 A, 140 B and 140 C** shall be **added** in **Chapter 35** of Schedule 2 of ITC(HS) Classifications of Export and Import items as **amended** from time to time, as follows:-

SNo.	Tariff Item HS Code	Unit	Item Description	Export Policy	Nature of Restriction						
140A	35030020	Kg	Gelatine, edible grade and not elsewhere specified or included	Free	Export to EU allowed subject to the following conditions: (i) A 'Shipment Clearance Certificate' is to be issued consignment-wise by the CAPEXIL indicating details of the name and address of the exporter, address of the registered plant, IEC No. of the exporter, plant approval number, nature of export product, quantity, invoice number and date, port of loading (Name of the port) and destination. (ii) After the shipment is made, the exporter shall also provide 'Health Certificate' consignment-wise to the buyer giving details of vessel name, shipping bill number with date, production process, etc. as per the requirement of EU. The Certificate would be issued jointly by CAPEXIL and Regional Animal Quarantine Officer, Department of Animal Husbandry, Dairying and Fisheries, Ministry of	140B	35030030	Kg	Glues derived from bones, hides & similar items and fish glues	Free	Agriculture, Government of India. Export to EU allowed subject to the following conditions: (i) A 'Shipment Clearance Certificate' is to be issued consignment-wise by the CAPEXIL (formerly Chemicals and Allied Products Export Promotion Council) indicating details of the name and address of the exporter, address of the registered plant, IEC No. of the exporter, plant approval number, nature of export product, quantity, invoice number with date, port of loading (name of the port) and destination. (ii) After the shipment is made, the exporter shall also provide a 'Production Process certificate and/or health certificate to the buyer consignment-wise to be issued by CAPEXIL (formerly Chemicals and Allied Products Export Promotion Council) as per the requirement of EU.
						140C	35040010	Kg	Peptones; others	Free	

6. This issues in Public Interest.

Substantial Expansion only on Specified Goods for Area Based Exemption

Subject: Substantial Expansion by way of increase in installed capacity for the units availing area based exemption.

912-CBEC
22.01.2010
(DoR)

Area based exemption is available to the units in the specified areas in the North-East region, Jammu &

Kashmir, Himachal Pradesh and Uttarakhand under different notifications. The exemption is applicable to the new industrial units set up after the specified date and also to the existing units which have undertaken substantial expansion by way of increase in installed capacity by not less than 25%.

2. References have been received regarding the units manufacturing specified goods as well as non-specified goods as to whether the substantial expansion should take place only for specified goods or of overall capacity of the unit. Following two situations have arisen in such cases:

(1) 25% expansion is undertaken only in respect of specified goods, and not overall capacity of the unit.

(2) The expansion is undertaken in respect of non-specified goods only, but overall capacity of the unit increases by 25%.

3. The issue was discussed in the Chief

Commissioner's Conference held at Shillong on 30th and 31st October, 2009 and thereafter in the Boar on the basis of inputs received from field formations.

4. The matter has been examined. The exemption notification is applicable only to the specified goods. Therefore, the condition of substantial expansion should also be applicable to the specified goods only. Therefore, it is clarified that only when the substantial expansion of the installed capacity of the specified goods is undertaken, then only the benefit of notification would be applicable. To illustrate, if a unit is making tobacco product (say- gutkha, a non-specified goods, which is not allowed benefit of exemption) and also iron and steel articles (specified goods, which are lowed benefit of exemption), in that case, only when units increase installed capacity of iron and steel articles by 25%, benefit would be available. But if it increases production of gutkha by 100%, then it would not get benefit.

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

F.No.101/22/2008-CX-3

Delayed IGM

The following Public Notice was issued by the Commissioner of Customs (Import) Jawaharlal Nehru Custom House on 14th January 2010.

Sub: Delayed, incomplete or incorrect filing of Import Manifest of Import Report – Amendment of Import General Manifest.

02-PN
14.01.2010

Attention of Shipping Lines, Shipping Agents, Consol Agents, Carriers, Multi Modal Operators, Break Bulk Carriers / Agents, Consolidators, Freight Forwarders, Importers, CHAs and members of trade is invited to Public Notices No. 14/2008 dated 04.02.2008, No. 69/2008 dated 26.09.2008 and No.67/2009 dated 14.09.2009 regarding amendment / supplementation of Import General Manifest (IGM).

2. It has come to the notice that some Shipping

Lines, CHAs, Importers and Members of the Trade submit applications for amendment of Consignee's Name and Address in the IGM after the Bill of Entry has been filed by the first named Consignee, who has neither cancelled the Bill of Entry nor has given NOC for cancellation of the Bill of Entry filed by him for the subsequent Consignee to file Bill of Entry in his place. The EDI System cannot / does not accept a fresh BE (to be filed by the second Consignee) unless the BE filed by the first consignee has been cancelled. The very fact that the first consignee,

who has filed the Bill of Entry, has not given the NOC and the Shipper wants to amend the Consignee's name in the IGM originally filed, indicates that there is some dispute regarding ownership / transfer of ownership of the goods between the two and this dispute has nothing to do with Customs. As a matter of principle, Customs will not enter into / interfere nor will it act as an adjudicator or arbitrator in a dispute unconnected with Customs.

3. It is, therefore, clarified that no request for amendment of 'consignee's name' in the IGM shall be entertained if the consignee first named has already filed the BE and has neither withdrawn the same nor has given NOC for the amendment. However, if the goods are not cleared within the period stipulated in the Customs Act, 1962, they will be disposed off as per law.

F.No.S/ 3 – GEN – 696/2007 Import Noting

Unaccompanied Baggage Clearance Procedure

The following Standing Order was issued by Commissioner of Customs (Export) Jawaharlal Nehru Custom House on 6th January 2010.

Subject: Clearance of Baggage at Unaccompanied Baggage Centre, J.N. Custom House, Nhava Sheva- Working procedure.

SO-01
06.01.2010

It is brought to the notice of all passengers / CHAs/ and staff posted at U B Centre

JNCH that all Examination of unaccompanied baggages imported at Jawaharlal Nehru Custom House, Nhava Shava, Tal. Uran Dist Raigad -400707 is henceforth centralized at Speedy C.F.S, Sonari Village, w.e.f 15.01.2010.

2 The procedure relating to the examination of baggage at the Unaccompanied Baggage Centre, JN Custom House has been examined and the following guidelines/procedures (until clearance through EDI system is introduced) mentioned hereunder are prescribed superseding all the earlier instructions issued in this regard :-

3 After the U.B. sheets of the IGMs are re-

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Exchange Rates for Customs Valuation

IMPORTS and EXPORTS

The current notification No. 09-Customs(NT) dated 27th January 2010 supersedes notification 186-Customs(NT) dated 29th December 2009.

09-Cus(NT) In exercise of the powers conferred by section 14 of the 27.01.2010 Customs Act, 1962 (52 of 1962), and in supersession of (DoR) the notification of the Government of India in the Ministry of Finance (Department of Revenue) **No.186/**

2009-CUSTOMS (N.T.), dated the 29th December, 2009 vide number S.O. 3305(E), dated the 29th December, 2009, except as respects things done or omitted to be done before such supersession, the Central Board of Excise and Customs hereby determines that the rate of exchange of conversion of each of the foreign currency specified in column (2) of each of Schedule I and Schedule II annexed hereto into Indian currency or vice versa shall, **with effect from 1st February, 2010** be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SNo	Currency	Imprted Goods		Exported Goods	
		Current	Previous	Current	Previous

Schedule I – Rate of exchange of one unit of foreign currency equivalent to Indian rupees

1	Australian Dollar	42.40	41.90	41.25	40.60
2	Canadian Dollar	44.25	45.15	43.10	44.00
3	Danish Kroner	8.95	9.15	8.60	8.85
4	EURO	66.15	67.95	64.40	66.20
5	Hong Kong Dollar	6.00	6.10	5.85	5.95
6	Norwegian Kroner	8.10	8.15	7.80	7.90
7	Pound Sterling	75.25	75.65	73.30	73.85
8	Swedish Kroner	6.50	6.55	6.25	6.35
9	Swiss Franc	45.00	45.60	43.70	44.40
10	Singapore Dollar	33.35	33.65	32.50	32.75
11	US Dollar	46.60	47.20	45.70	46.30

Schedule II – Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

1	Japanese Yen	51.90	51.60	50.45	50.35
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[F.No.468/1/2010-Cus.V]

Tariff Value on Brass Scrap and Poppy Seeds Hiked

10-Cus(NT) In exercise of the powers conferred by sub-section (2) 29.01.2010 of section 14 of the Customs Act, 1962 (52 of 1962), the (DoR) Board, being satisfied that it is necessary and expedient so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Cus (N. T.), dated, the 3rd August 2001, namely: -

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

Table

SNo.	Chapter/ heading/ sub-heading/ tariff item	Description of goods	Tariff value US \$ (Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	447 (i.e. no change)
2	1511 90 10	RBD Palm Oil	476 (i.e. no change)
3	1511 90 90	Others – Palm Oil	462 (i.e. no change)
4	1511 10 00	Crude Palmolein	481 (i.e. no change)
5	1511 90 20	RBD Palmolein	484 (i.e. no change)
6	1511 90 90	Others – Palmolein	483 (i.e. no change)
7	1507 10 00	Crude Soyabean Oil	580 (i.e. no change)
8	7404 00 22	Brass Scrap (all grades)	3597
9	1207 91 00	Poppy seeds	4392"

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

Commodity Spot Prices in India – 29 January-01 February 2010

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 29 January-01 February.

Commodity	Unit	Market	(Rs.)		
			29-Jan	30-Jan	1-Feb
CER (Carbon Trading)	1 MT	Mumbai	762.5	745	745
Chana	100 KGS	Delhi	2212	2242	2228
Masur	100 KGS	Indore	3533	3431	3356
Potato	100 KGS	Agra	NA	NA	NA
Potato TKR	100 KGS	Tarkeshwar	NA	NA	NA
Arecanut	100 KGS	Mangalore	9573	9600	9917
Cashewkern	1 KGS	Quilon	304	303	301
Cardamom	1 KGS	Vandanmedu	1100.8	1099	1095.5
Coffee ROB	100 KGS	Kushalnagar	62	61.4	61.6
Jeera	100 KGS	Unjha	12263	12281	12264
Pepper	100 KGS	Kochi	13720	13660	13640
Red Chili	100 KGS	Guntur	5514	5514	5447
Turmeric	100 KGS	Nzmbad	10800	10800	10611
Guar Gum	100 KGS	Jodhpur	4825	4850	4850
Maize	100 KGS	Nzmbad	895	885	882.5
Wheat	100 KGS	Delhi	1389.6	1394.6	1404.2
Mentha Oil	1 KGS	Chandausi	653	648.8	645.7
Cotton Seed	100 KGS	Akola	1282	1284	1280
Castorsd RJK	100 KGS	Rajkot	2839.5	2839.5	2864
Guar Seed	100 KGS	Jodhpur	2313	2340	2364
Soya Bean	100 KGS	Indore	2064	2045	2028
Mustrdsd JPR	20 KGS	Jaipur	500	498.5	500.2
Sesame Seed	100 KGS	Rajkot	5988	5975	6013
Coconut Oil Cake	100 KGS	Kochi	1092	1092	1092
RCBR Oil Cake	1 MT	Raipur	5420	5510	5550
Kapaskhali	50 KGS	Akola	1121	1127	1120.8
Coconut Oil	100 KGS	Kochi	5252	5252	5356
Refsoy Oil	10 KGS	Indore	446.25	445.15	441.75
CPO	10 KGS	Kandla	345.5	344.6	343.3
Mustard Oil	10 KGS	Jaipur	485.5	483.6	482.1
Gnutoilexp	10 KGS	Rajkot	675	667.9	660
Castor Oil	10 KGS	Kandla	587	590	590
Crude Oil	1 BBL	Mumbai	3410	3380	3380
Furnace Oil	1000 KGS	Mumbai	29307	29307	29451
Sourcrd Oil	1 BBL	Mumbai	3625	3625	3104
Brent Crude	1 BBL	Mumbai	3317	3267	3267
Gur	40 KGS	Muzngr	1051.9	1058.2	1069
Sugars	100 KGS	Kolhapur	3800	NA	3924
Sugarm	100 KGS	Delhi	4155	4161	4198
Natural Gas	1 mmBtu	Hazirabad	237.9	237.9	237.9
Rubber	100 KGS	Kochi	13140	13197	13282
Cotton Long	1 Candy	Kadi	26030	26080	26060
Cotton Med	1 Maund	Abohar	2487.5	2500	2485
Jute	100 KGS	Kolkata	2685	2685	2685
Gold	10 GRMS	Ahmd	16270	16230	16220
Gold Guinea	8 GRMS	Ahmd	13016	12984	12976
Silver	1 KGS	Ahmd	25530	25500	25545
Sponge Iron	1 MT	Raipur	17190	17425	17275
Steel Flat	1000 KGS	Mumbai	30580	30620	30490
Steel Long	1 MT	Bhavnagar	25830	25870	25970
Copper	1 KGS	Mumbai	316.3	312.05	312.05
Nickel	1 KGS	Mumbai	847.2	868.4	852.9
Aluminium	1 KGS	Mumbai	97	95.6	95.1
Lead	1 KGS	Mumbai	94.85	95.25	91.7
Zinc	1 KGS	Mumbai	99.4	98.4	96.15
Tin	1 KGS	Mumbai	816.75	790.25	752.75

(Source: MCX Spot Prices)

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ceived from the Steamer Agents, the entry would be made in the Noting Register, indicating the "IGM No./date: "Item No." "Vessel /Voy No.", "Name of the passenger" & "Baggage shipped from". The remaining two columns to indicate the "B.D.F No/date & CHA/Self" would be filled in when the BDF would be filed against the entry, after which the entry would be closed in the Noting Register as well as in the U.B. Sheet of the IGM. When all the unaccompanied baggage of an IGM are noted for clearance, the closed U.B. sheet of the IGM should be sent to MCD for records.

4 When the Baggage Declaration form (BDF) is submitted by the passenger or by his/her CHA, the BDF should be entered in the BDF Register, which should have column viz.

- (1) BDF No. and date,
- (2) Name / address of passenger,
- (3) Nationality/Passport No./date and place of issue,
- (4) Name and No. of CHA,
- (5) TR/Visit,
- (6) Baggage shipped from IGM/Item,
- (7) No. of packages,
- (8) Declared value,
- (9) Name of P.O/Supdt.,
- (10) Assessable value
- (11) Duty paid,
- (12) D.D.R. No. & date,
- (13) Cash No. & date,
- (14) Remarks.

5 Before accepting the BDF, it must be en-

sured that the Description, Make, Model, Quantity and Value of the items are properly declared by the passenger. The total value of the goods must be declared clearly. The clubbing of value of different items should not be allowed. Any goods, which has value of more than Rs. 1000/- should be cleared separately. All columns of the BD Forms must be filled in before submission to Customs. In case any change is sought to be made in the BDF or TR Form by the passenger after filing, a written permission from the AC/DC, UBC must be taken.

6 Passenger claiming benefits under Rule 8 of the Baggage Rules, 1998 for Transfer of Residence (TR) must sign the TR Form before the Superintendent / U.B. Centre and in case of extreme case of inability to do so, can sign the TR Form before an authorized Notary. The passenger must properly fill all the columns of the TR Form which would be then registered in the T.R Register. Original Passport in all cases must be presented to Customs for verification.

7 In terms of Board's letter F.NO. 497/92-Cus VI Dated 8th April, 1993 benefits under Rule 8 of the baggage Rule, 1998 should be subjected to examination of only up to 10% of the total packages in Annexure I, II & III of the Rule 8. Packing List in such cases must be submitted by the Passenger along with the BDF in order to select the packages for 10% examination. Full examination should be resorted to only in such cases where any discrepancy is noticed on percentage examination. In all other cases where there is no packing list the baggage should be examined fully.

8 Import of goods in baggage in commercial quantities should not be permitted within the scope of Baggage Rules in terms of Board's

circular No. 29/2000-Cus dated 11.04.2000. In such cases full examination of the baggage must be carried out and these cases should be put up for adjudication for imposition of suitable redemption fine/personal penalties etc. However, the portion of baggage which is not in commercial quantity would be eligible to baggage allowance under the Baggage Rules, 1998. The details of such cases should be registered in the Adjudication (ITC) Register of the U.B Centre.

9 After the Baggage Declaration Form (BDF) is accepted and BDF number is written on it, the BDF should be submitted to the Supdt./U.B Centre who would scrutinize the documents and after finding those in order would mark the BDF to the Inspector (Prev Officer) for examination.

10 Baggage would be examined by the Inspector (Prev. Officer) in terms of the instructions at serial No. 5 & 6 above, under the general supervision of the Superintendent, UB Centre and in presence of the passenger or the Custom House Agent (CHA) appointed by the passenger for the purpose.

11 After examination, the report should be submitted to the Asstt./Dy. Commissioner, U.B Centre or the Commissioner through the Superintendent, UB Centre depending on the statutory requirement under the Baggage Rules, 1988 in respect of the BDF.

12 All the BDFs which are under the claim of benefit under Rule 8 or Rule 5 of the Baggage Rules 1998 and the BDFs where the total value of goods exceeds Rs. 1,00,000/- (Rs. one lakh only) must be put up to the Asstt./Dy. Commissioner of Customs UB Centre through the Supdt., U.B Centre for sanction/clearance.

13 The BDFs where the total value of goods is Rs. 1,00,000/- (Rs. one lakh) only or below and claim under Rule 5 or Rule 8 of the Baggage Rules, 1998 are not made, the Supdt.U.B Centre may allow clearance of the baggage free or after charging appropriate duty as the case may be, under the provisions of the Baggage Rules, 1998.

14 In case benefit under Rule 5 (c) or Rule 8 of the Baggage Rules 1998 is granted to a passenger, endorsement on his/her passport must be made before giving out of charge. All relevant entries must be completed in the BDF/ TR/ITC Register immediately which giving out of charge.

15 A baggage Screening X-ray machine EQ-XBIS ECR 530 has been installed at Speedy CFS for the purpose of screening the baggage. It has been decided that all Unaccompanied Baggage would be subjected to 100% screening through the X-ray machine w.e.f. 15.01.2009. However, exceptions may be made in case of Over Dimensional Packages and packages that cannot pass through the X-ray machine. In case any discrepancy is noticed in any of the baggage during screening, the same shall be subjected to examination as per usual procedure. The unaccompanied baggage that is not screened shall also be subjected to examination as per the usual procedure.

16 Difficulties faced if any, in implementation of their standing order may please be brought to the notice of the undersigned.

F.No: S/43-Misc-07./2006 UBC JNCH

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