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Export Incentives for more than 600 Products Announced – Notifications Awaited

Anand Sharma, Union Minister of Commerce & Industry, interacting with the media persons on 11 February, announced further export incentives for more than 600 products w.e.f. 1/1/2011 in the sectors viz., agriculture, chemicals, carpets, engineering, electronics and plastics, to enhance the competitiveness for products which are labour-intensive and technology intensive. He informed that the export target of US $ 200 billion will not only easily be achieved but exports will go beyond that. He said that the export growth of 25% per annum, the exports will be doubled by 2014. In terms of percentage terms of exports, he said that it will be doubled by 2020. Dr. Rahul Khullar, Commerce Secretary and Dr. Anup K Pujari, Director General of Foreign Trade, were present during the event.

The salient features of these incentives are:

Export Incentives

1.1 **Market Linked Focus Product Scheme (MLFPS):**

1.1.1 **335 New Products** incentivised under MLFPS at 8 digit level, eligible for benefits @ 2% of FOB value of exports to 15 specified markets. These markets are Algeria, Egypt, Kenya, Nigeria, Tanzania, South Africa, Ukraine, Mexico, Brazil, Australia, New Zealand, Cambodia, Vietnam, China and Japan.

These include Agricultural Tractors of more than 1800 cc; all inorganic chemicals and inorganic/organic compounds of metals of Chapter 28; Flexible Intermediate Bulk Containers; and Narrow Woven Fabrics.

1.1.2 **71 new products** of Chapter 63 – Textile Made ups at 8 digit level for exports **to EU (27 Countries) under MLFPS** have also been incentivised @ 2% of FOB value of exports.

1.2 Focus Product Scheme (FPS):

1.2.1 **147 products** incentivised for **Bonus Benefits (additional 2%)** under FPS at 8 digit level, henceforth eligible for benefits @ 4% or 7% of FOB value of exports to all markets.

These include Engineering Items like Galvanized Flanges on Iron and Steel, Threaded Nuts (7%); Ferro & Silico Manganese; Electronic Items like co-axial cables and other co-axial electric conductors, Watches; Stationery items like Pencils, Pens; Textile Items like Silk (of Chapter 50), Grey Rayon Tyre Cord Fabric, and Handmade Carpets and other Floor Coverings under Chapter 57 (7%).

1.2.2 **57 New products** incentivised under FPS at 8 digit level, eligible for benefits @ 2% of FOB value of exports to all markets.

These include:

- Engineering Items like Industrial Synthetic Foaming Fabric and Electric Discharge Machine Wire (Brass Wire); Laminated Leaf Spring; Plastic Extrusion Plant and Machinery; Parts for Plastic Extrusion machinery; ERW Pipes; Ferro Chrome; Electronic Items like Connectors- Plugs and Sockets; Permanent Magnets and Parts of Electro magnetic Couplings etc.;
- Chemical Items like Danes Salt of D_Phenyl Glycine; Pigments; Articles of Paper Board; Permanent Magnets and Parts of Electro magnetic Couplings etc.; Cobalt unwrought etc.; other cobalt items;
- Paper Products like Articles of Paper Board;
- Rubber Products like Pneumatic Tyres and Pneumatic Inner Tubes;
- Plastic Products like Reprographic films, Bags of Polyethylene;
- Leather items like Chamois Leather;
- Textile Items like Industrial Synthetic Foaming Fabric; Polyester Oriented Yarn, Polyester Staple Fibre, Made-ups of Man Made / synthetic material under Chapter 63;
- Miscellaneous items like Human Hair.

1.2.3 Special Focus Products:

1 product (Egg powder) incentivised as Special Focus Product at 8 digit level, eligible for benefits @ 5% of FOB value of exports to all markets.

1.3 Vishesh Krishi and Gram Udyog Yojana (VKGUY):

6 New products (Castor Oil Meal – Defatted Variety and Instant Coffee) incentivised under VKGUY at 8 digit level, eligible for benefits @ 5% of FOB value of exports to all markets.

Procedural Simplifications

2. At the time of the announcement of FTP, I had announced that we shall take concrete measures for reduction of transaction costs. I had constituted a Task Force on transaction costs under the guidance of the Minister of State. The report of the task force has been released by Hon'ble Finance Minister on the 8th February 2011. The report enlists action taken on 23 issues by different line ministries, which is likely to mitigate transaction cost to the tune of Rs. 2100 crores in perpetuity. I am of view that procedural simplification and facilitation is a continuing endeavor on our part. Therefore, over and above the task

force initiatives, I announce following further measures for procedural simplification and export facilitation:

2.1 In order to make filing and issuance of IE Code hassle free with minimum human interface between the applicant and the Regional Offices, an **additional facility of filing "on-line" application for obtaining IEC** is being introduced. A comprehensive "on-line" application filing facility for obtaining IEC is made available on the DGFT's website. It includes payment of application fee through Electronic Fund Transfer (EFT) and also the provision to attach required documents like photograph of applicant, copy of PAN and bank certificate "on-line".

2.2The scope of **Advance authorization for Annual Requirement is being enlarged to allow a maximum of five authorizations in a licensing year (instead of only one at present)** for the product(s) falling within the same product group**.** This facility shall be helpful for exporters having multiple manufacturing units, located in one place or having common port of import. This will be useful for all sectors and particularly so for the sectors like Engineering, Textiles, Chemicals etc.

2.3Technical characteristics / quality etc of certain specified items of imports shall be required to be declared at the time of clearance of import consignment and not at the time of filing application (current stipulation) for **annual advance authorization** to Regional authority. By this facility, **the exporter shall have the flexibility to import the relevant inputs, without the need to approach the Regional authority of DGFT to amend the authorization for clearance of such consignment.**

2.4The period to fulfill the export obligation under advance authorization scheme 36 months from the date of issuance of the authorization. However this period is shorter for products being manufactured from certain duty free imported inputs, which are sensitive from domestic angle. In such cases, the period for fulfillment of export obligation is presently counted from the date of clearance of first import consignment even when a number of consignments have been cleared in different dates. **Henceforth, with a view to provide greater flexibility, Export obligation period in such shorter EO period cases of advance authorizations shall be counted from the date of clearance of each consignment and not the first consignment.** This will allow a more reasonable time period for EO fulfillment to exporters.

Improving Quality and deepening market access

3. For Indian exports to sustain in long run, it is important that we proceed to build a reputation for the quality of our products and also provide our exporters the necessary flexibilities to be able to face challenges of emerging dimensions of international trade. Our pharmaceutical sector has shown an inherent strength during difficult times. In order that the quality of our pharma product gets recognized world over and to enable them to undertake exports while navigating the challenges posed by intellectual property rights, I announce following initiatives for pharma sector:

3.1Exporters of pharmaceutical products will be required to affix barcodes on their export products, with effect from 1st July 2011, as per GS 1 global standards, **to facilitate tracing and tracking of their products.** This will provide assurance about the quality of Indian pharma products to prospective importers.

3.2We are providing a new facility of **Input combination for pharma products manufactured through Non-Infringing process,** allowing actual quantum of duty free inputs required for manufacturing such export product. This will facilitate our pharma manufac-turers to work towards getting a major share of exports of such products to potential regulated markets such as US or EU.

Russia May Join WTO this Year

Russia's long-running negotiations to join the WTO could see it enter the global trade body in 2011, according to WTO Director-General Pascal Lamy.

"I believe Russian accession to the WTO before the end of the year is doable," the WTO head told reporters after meeting with trade ministers on the sidelines of the World Economic Forum summit in Davos on Saturday 29 January. He said that in the last year, the Russian leadership has "been pushing on the gas pedal and as a result of that the process has been moving on very substantially."

Russia, the world's largest economy outside the WTO, has been seeking membership since 1993, surpassing even China's 15-year-long entry negotiations. Nevertheless, developments in the past several months augur well for the prospects of Russian accession. In December, Russia signed a memorandum of understanding with its biggest trading partner, the EU, setting the terms for resolving all bilateral issues between them. In one key provision, Moscow committed to reduce export restrictions on lumber.

The Obama administration has praised Moscow's concessions on intellectual property rights and US Trade Representative Ron Kirk has reported that talks with Russia have been going well with the US, with over 95 percent of outstanding issues resolved.

However, there are still several outstanding issues that Russia needs to resolve with its partners before it successfully accedes. These include farm subsidies, the treatment of state-owned companies, and intellectual property. It also faces a potential veto from neighbouring Georgia, with which it has a troubled diplomatic and commercial relationship. Theoretically, any individual WTO member could block consensus on a country's entry into the organization. How-ever, major players, like the US, could encourage Georgia to accept Russia's bid.

While Russia had been aiming to join by the first half of 2011, a Russian official acknowledged on Tuesday that negotiations would continue through May or June.

WTO accession is a multi-phased process that can take several years. The country seeking accession must first negotiate bilateral market access concessions with the other WTO member countries, and then seek approval in the multilateral and consensus-based working group. Currently, Russia is working on negotiations to complete the final phase of the process.

The working party that oversees Russia's accession talks met on 25 January. According to sources, the parties are still gathering information about Russia's agricultural programmes. While no firm commitments on farms subsidies have been reached, movements on the technical level have been proceeding well. The next working party meeting is scheduled for late March.

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
14-Feb-11	45.7525	45.7525	45.5100	45.5750	45.5750	892088	1856900	846607	45.5000
11-Feb-11	45.8025	45.8825	45.7375	45.8025	45.8025	917008	2246602	1029290	45.7600
10-Feb-11	45.6600	45.8425	45.6250	45.8225	45.8225	923500	2255950	1031417	45.5800
9-Feb-11	45.3975	45.6200	45.3875	45.6050	45.6050	868819	2122257	965882	45.3300
8-Feb-11	45.5375	45.5550	45.3725	45.4400	45.4400	897153	1886062	857514	45.3900

[Source: NSE and RBI Website]

Indonesia Expands 6.9% in Fourth Quarter, Fastest Pace Since 2004

Indonesia's economy grew at the fastest annual pace in six years last quarter, adding to the case for the central bank to raise interest rates further as inflation accelerates.

Gross domestic product rose 6.9 percent in the three months through December from a year earlier, compared with 5.82 percent previously reported for the third quarter, the Central Bureau of Statistics said in Jakarta on 6 February. GDP increased 6.1 percent in 2010.

Indonesia joins counterparts from China to Singapore in reporting accelerating growth in the fourth quarter as Asia weathers risks including elevated U.S. unemployment and strives to restrain inflation. Economists from UBS AG and Royal Bank of Canada are among those predicting the nation's borrowing costs will rise to 8 percent this year, following a quarter percentage-point increase to 6.75 percent last week.

Duty Drawback Withdrawn on Dairy Products and Casein

10-Cus(NT) 10.02.2011 (DoR) In exercise of the powers conferred by sub-section (2) of section 75 of the Customs Act, 1962 (52 of 1962), sub-section (2) of section 37 of the Central Excise Act, 1944 (1 of 1944) and section 93A and sub-section (2) of section 94 of the Finance Act, 1994 (32 of 1994) read with rules 3 and 4 of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995, the Central Government hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), number **84/2010 – Custom (N.T.) dated 17th September, 2010** published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 765 (E), dated the 17th September, 2010, namely:-

In the said notification, in the Schedule,-

(a) in **Chapter 4**, for tariff item 04 and the entries relating thereto, the following tariff items and the entries shall be **substituted**, namely:-

“04	**Dairy Produce; Birds’ Eggs; Natural honey; Edible Products of Animal origin, not elsewhere specified or included**		
0401	Milk and cream, not concentrated nor containing added sugar or other sweetening matter	Nil	Nil
0402	Milk and cream, concentrated or containing added sugar or other sweetening matter	Nil	Nil
0403	Buttermilk, curdled milk and cream, yogurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit, nuts or cocoa	Nil	Nil
0404	Whey, whether or not concentrated or containing added sugar or other sweetening matter; products consisting of natural milk constituents, whether or not concentrated or containing added sugar or other sweetening matter, not elsewhere specified or included	Nil	Nil
0405	Butter and other fats and oils derived from milk; dairy spreads	Nil	Nil
0406	Cheese and curd	Nil	Nil
0407	Birds, eggs, in shell, fresh, preserved or cooked	1%	1%
0408	Birds’ eggs, not in shell, and egg yolks, fresh, dried, cooked by steaming or by boiling in water, moulded, frozen or otherwise preserved, whether or not containing added sugar or other sweetening matter	1%	1%
0409	Natural honey	1%	1%
0410	Edible products of animal origin, not elsewhere specified or included	1%	1%”

(b) in **Chapter 35**, for tariff item 3501 and the entries relating thereto, the following tariff item and the entries shall be **substituted**, namely:-

“3501	Casein, caseinates and other casein derivatives; casein glues	Nil	Nil.”

[F.No.609/25/2011-DBK]

Non Basmati Varieties of Sona Masuri, Ponni Samba and Matta Export Quota Released

Subject: Prohibition on Export of Non-basmati Rice – exemption for export of Sona Masuri, Ponni Samba and Matta rice.

21-Ntfn(RE) 10.02.2011 (DGFT) In exercise of the powers conferred by Section 5 of Foreign Trade (Development & Regulation) Act, 1992 (No.22 of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-2014, the Central Government hereby makes, with immediate effect, the following amendment to Notification No. 38 (RE-2007)/2004-2009, dated 15.10.2007 read with Notification No. 93 (RE-2007)/2004-2009 dated 1.4.2008, as amended from time to time.

2. In Notification No. 93 (RE-2007)/2004-2009 dated 1.4.2008 sub para 2.1.13 was added on 18.05.2010 vide Notification No. 42/2009-14. Now another sub-para 2.1.14 shall be added as under:

“2.1.14 The following varieties of non-Basmati rice as per quantities indicated against each will be allowed for export. The exact modalities will be notified separately.

SNo.	Varity of non-Basmati Rice	Quantity (MTs)
1.	Sona Masuri	1,00,000
2.	Ponni Samba	25,000
3	Matta	25,000

3. All other provisions of the Notification No.93 (RE-2007)/2004-09 dated 1st April, 2008, as amended from time to time, shall remain unchanged, and shall continue to apply.

4. Effect of this notification

Certain varities of rice (Sona Masuri, Ponni Samba and Matta) are permitted to be exported with a limit on quantity of export for the KMS 2010-11.

Drawback Prohibition on Milk Products and Casein

09-Cus(NT) 10.02.2011 (DoR) In exercise of the powers conferred by section 75 of the Customs Act, 1962 (52 of 1962), section 37 of the Central Excise Act, 1944 (1 of 1944) and section 93A read with section 94 of the Finance Act, 1994 (32 of 1994), the Central Government hereby makes the following rules further to amend the **Customs, Central Excise Duties and Service Tax Drawback Rules, 1995**, namely:-

1. (1) These rules may be called the Customs, Central Excise Duties and Service Tax Drawback (Amendment) Rules, 2011.

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

2. In the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995,-

(i) in **rule 3**, in sub-rule (1), in the second proviso, in clause (v), for the words and figures “ falling within heading 1006, 2523, 5205, 5206 or 5207”, the words and figures “falling within heading 0401, 0402, 0403, 0404, 0405, 0406, 1006, 2523, 3501, 5205, 5206 or 5207 “ shall be substituted. ;

(ii) in **rule 6**, in sub-rule (4), for the words and figures “ falling within heading 1006, 2523, 5205, 5206 or 5207”, the words and figures “falling within heading 0401, 0402, 0403, 0404, 0405, 0406, 1006, 2523, 3501, 5205, 5206 or 5207” shall be substituted. ;

(iii) in **rule 7**, in sub-rule (5), for the words and figures “ falling within heading 1006, 2523, 5205, 5206 or 5207”, the words and figures “falling within heading 0401, 0402, 0403, 0404, 0405, 0406, 1006, 2523, 3501, 5205, 5206 or 5207” shall be substituted.

F. No. 609/25/2011-DBK

Conditions of Rice Quota of 3 Lakh for Bangladesh through STC and PEC

Subject: Prohibition on Export of Non-basmati Rice – exemption for export to Bangladesh.

20-Ntfn(RE) 10.02.2011 (DGFT) In exercise of the powers conferred by Section 5 of Foreign Trade (Development & Regulation) Act, 1992 (No.22 of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-2014, the Central Government hereby makes, with immediate effect, the following amendment to Notification No. 03(RE-2010)/2009-14 dated 30.08.2010 read with Notification No. 55/ 2009-2014 dated 06.08.2010 and also read with Notification No.38 (RE-2007)/2004-2009, dated 15.10.2007 and Notification No. 93 (RE-2007)/2004-2009 dated 1.4.2008, as amended from time to time.

2. In para 3 of Notification No. 03(RE-2010)/2009-14 dated 30.08.2010 relating to the conditions for export of 3,00,000 MTs of non-Basmati rice to Bangladesh, the following amendments are made with immediate effect:

(i) The phrase "prevalent economic cost" as appearing in para 3(i) shall be substituted with "concessional cost".

(ii) The phrase "export on CIF basis" as appearing in para 3(ii) shall be substituted with CIF-LO basis".

3. All other provisions of Notification No. 03(RE-2010)/2009-14 dated 30.08.2010 read with Notification No.93 (RE-2007)/2004-09 dated 1st April, 2008, as amended from time to time, shall remain unchanged, and shall continue to apply.

Export Ban Relaxed on Bangalore Rose Onions and Krishnapuram Onions

Subject:- Prohibition on export of Onions – Exemption for export of Bangalore rose onions and Krishnapuram onions.

19-Ntfn(RE) 10.02.2011 (DGFT) In exercise of powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-2014, the Central Government, with immediate effect, makes the following amendments in Notification No. 13(RE-2010)/ 2009-14 dated 22.12.2010.

2. Export of Bangalore Rose Onions and Krishnapuram Onions shall be moved from "Prohibited" category to "Restricted" Category with immediate effect. Thus the prohibition imposed on export of onions vide Notification No.13 (RE-2010)/2009-14 dated 22.12.2010 shall not be applicable to these two categories of onion. Accordingly, entry 44 in the Table B of Schedule 2 of ITC(HS) Classification of Export & Import Items shall be substituted by entries at Sl. No.44.01 and 44.02 as under:

Chapter 7

Edible Vegetables and Certain Roots and Tubers

Note 1 Reference to onions in this chapter includes onions fresh or chilled frozen, provisionally preserved or dried.

S.No.	Tariff Item HS Code	Unit	Item Description	Export Policy	Nature of Restriction
44.01	0703 10 10 0712 20 00	Kg	Onions (all varieties except Bangalore Rose onions and Krishnapuram onions) excluding cut, sliced or broken in powder form.	Prohibited	Not permitted to be exported.
44.02	0703 10 10 0712 20 00	Kg	Bangalore Rose onions and Krishnapuram onions excluding cut, sliced or broken in powder form	Restricted	Export permitted under licence subject to Minimum Export Price (MEP) of US$ 1400 per Metric Ton.

3. Effect of this notification

The export of Bangalore Rose onions and Krishnapuram onions is now restricted and their export shall be permitted under licence. The prohibition on other varieties of onions, save exclusions provided, shall continue.

DGFT Clarification on Allocation of Cotton Yarn Export

Subject: Allocation of cotton yarn export not being made today.

17-Pol.Cir 10.02.2011 (DGFT) Attention is invited to Policy Circular No.15 (RE-2010)/ 2009-14 dated 1st February, 2011 through which applications were invited for allocation of cotton yarn export. Approximately 2500 applications were received. The balance amount was calculated by deducting amount already exported upto 15.1.2011 (from most recent DGCI&S data) from the existing ceiling of 720 Million Kgs. This balance quantity is very small.

2. When a very small residual amount is to be allocated amongst such a large number of applicants, the actual quantity that comes to the share of many applicants becomes commercially unviable because of its un-economic size. Therefore, an administrative decision has been taken to consider only such applicants who have recent experience on such export. Hence, only those applicants with export performance in 2009-10 will be considered for allocation in this round.

3. Line 6 & 7 of the e-mail sent earlier by the applicants contain details of export performance in 2009-10. As a matter of abundant caution the existing applicants are advised to send a confirmatory e-mail by 14th February 2011 (addressed to cottonyarnexport-dgft@nic.in) regarding their export performance during 2009-10. The e-mail confirmation from applicants needs to only specify their export in 2009-10, which was asked in line 6 & 7 of the e-mail format in Annexure-I of Policy Circular No. 15 dated 1.2.2011. In case no such confirmatory e-mail is received from an applicant, the e-mail sent earlier will be taken as final.

4. The applicants receiving the allocation will have to submit proof of their past export in 2009-10 (as intimated in their e-mails) to concerned RAs at the time of filing their applications for grant of export license in addition to other documents already mentioned in serial No. 3 (iii) of Policy Circular No. 15 dated 1.2.2011.

5. Since the last date of export is 31st March, 2011, the allocation would be completed as expeditiously as possible, on receipt of the confirmatory e-mails (last date of receiving such e-mails is 14.2.2011). In view of the above, the allocation of cotton yarn for export as stipulated in Policy Circular No. 15 dated 1.2.2011 is **not being made today.**

Onions Powder Freely Exportable

Subject: Export of Onion in cut, sliced or broken in powder form.

18-Pol.Cir 11.02.2011 (DGFT) Notification No. 13 dated 22.12.2010 prohibits export of Onion (all varieties) including Bangalore rose onions and Krishnapuram onions fresh or chilled, frozen, provisionally prepared or dried but **excluding** onions cut, sliced or broken in powder form.

2. Note 1 of Chapter 7 of ITC(HS) Classification of Export & Import Items (Chapter 7 deals with Edible Vegetables and Certain Roots and Tubers) stipulated that reference to onions in this chapter includes onions fresh or chilled, frozen, provisionally preserved or dried. This note has also been extracted in the Notification No. 13 of 22.12.2010. Therefore, the item description in the Notification No. 13 dated 22.12.2010 is clear leaving no room for ambiguity.

3. Accordingly, onions in (a) cut form (b) sliced form & (c) broken in powder form can be exported freely. Onions in whole form whether dehydrated or not would be subject to prohibition imposed by Notification No. 13 dated 22.12.2010.

Chapter 28 and 29 under Basic Chemicals for Status Holder Benefits – DGFT Clarifies

The following Circular was issued by the Mumbai Zonal DGFT Office on 7th February 2011.

05-ZPRU 07.02.2011 (DGFT) Attention of all concerned is invited to ZPRU Circular No. 2/ AM 11dated 24.9.2010 wherein it was stated that the issue relating to coverage of export products under the category of "Basic Chemicals" was under reference to Policy Division of DGFT (Headquarters).All concerned were also advised not to issue SHIS in respect of the exports under this category pending receipt of clarification.

Clarification has since been received from DGFT (Headquarters) vide letter no. 01/91/180/ 1171/AM 11/PC III/1033 dated 28.1.2011. It has been decided that all items covered under Chapter 28 and Chapter 29 of ITC (HS) Classification book are eligible for SHIS benefits as per serial no. 6 {Basic Chemicals (excluding Pharma Products)} under para 3.16.4 of FTP Policy 2009-2014.

Accordingly, all concerned are advised to dispose the applications for SHIS in respect of exports covered under "Basic Chemicals" (excluding Pharma Product) strictly in accordance with the aforementioned clarification

Re-credit of 4% SAD in DEPB, VKGUY

The following Circular was issued by the Mumbai Zonal DGFT Office on 5th January 2011.

04-ZPRU
05.01.2011
(DGFT)

Attention is invited to ZJDG's Circular No.01/AM.11 dated 27.04.2010 regarding recredit of 4% Special Additional Duty (SAD) of Customs in DEPB, VKGUY, FPS, FMS, MLFPS Scrips.

Para-6 of the said circular stipulated that the application by transferee should be accompanied with transfer letter(s) and that the signature of the signatories in the transfer letter should be attested/certified by bank authorities clearly indicating the name of bank official, code number and designation.

It has come to the notice that many cases of recredit of SAD are held up on account of non-compliance with deficiencies relating to non-availability of code number and designation of the bank officials.

The matter has been reviewed. Since the credit note in such cases are issued by Customs authorities to the transferee of the scrip, it can safely be presumed that the locusstandi of the transferee has been established at Customs' end.

In view of the above, it has been decided that henceforth deficiencies with regard to code number and designation of the bank officials as stipulated in para-6 of the above circular need not be insisted upon provided bonafides of the transferee who has applied for SAD recredit are established and the credit note has been issued by Customs authorities in his favour.

All cases of recredit where such discrepancies have been pointed out should be reviewed suo-moto and finalised expeditiously at the level of JDG.

This issues with the approval of competent authority.

Zero Duty on Goods Imported by BCCI to World Cup 2011

Ntfn 07
09.02.2011
(DoR)

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the goods of the description specified in column (2) of the Table below and falling under the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), when imported into India for the purpose of organizing the International Cricket Council World Cup 2011 (hereinafter referred as World Cup), from the **whole** of the **duty of customs** leviable thereon which is specified in the said First Schedule and from the **whole** of the **additional duty** leviable thereon under section 3 of the said Customs Tariff Act, subject to the conditions specified in column (3) of the said Table, namely:-

Table

SNo.	Description of goods	Conditions
(1)	(2)	(3)
1.	Sport equipments;	(a) Imported by the Board of Control for Cricket in India (hereinaf ter referred as BCCI) or by any importer authorized in writing by BCCI in relation to World Cup, 2011 indicating,- the name and address of the importer and the description, quantity and value of the said goods and that the said goods are required for the purpose specified in this condition ; (b) Such importer, at the time of clearance of the goods shall furnish a bond for the value of the imported goods supported by a bank guarantee to the extent of twenty five percent of the said value, to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs, undertaking that all such goods shall be re-exported within three months from the date of official closure of the World Cup and shall pay an amount equal to the duty leviable on the imported goods but for the exemption under this notification in the event of failure to do so; and (c) Such goods shall be imported and re-exported from the sea ports at Mumbai or Chennai, Inland Container Depot at Tuglakabad or airports at Mumbai, Chennai or Delhi.
2.	Medical instruments;	
3.	Photographic and audio-visual equipment and supplies;	
4.	Broadcast equipment and supplies;	
5.	Computer and other office equipment;	

[F.No.354/23/2011-TRU]

Anti-dumping Duty on Cellophane Transparent Film from China Extended upto 30 Nov 2011

Ntfn 05
07.02.2011
(DoR)

Whereas, the designated authority vide notification No. 15/15/2010-DGAD dated the 1st December,2010, published in the Gazette of India, Extraordinary, Part I, Section 1 dated the 1st December,2010, had initiated review in terms of sub-section (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the said Customs Tariff Act) 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 (hereinafter referred to as the said rules), in the matter of continuation of antidumping duty on imports of Cellophane Transparent Film falling under heading 3920 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), originating in, or exported from People's Republic of China imposed vide notification of the Government of India, in the Ministry of Finance (Department of Revenue), No. **94/2006-Customs, dated the 7th September,2006**, published in the Gazette of India, Extraordinary, Part II, Section 3, Subsection (i) vide number G.S.R.540(E), dated the 7th September, 2006, and had recommended for extension of anti-dumping duty, in terms of sub-section (5) of section 9A of the said Customs Tariff Act;

Now, therefore, in exercise of the powers conferred by sub-section (1) and the proviso to sub-section (5) of section 9A of the said Customs Tariff Act and in pursuance of rule 23 of the said rules, the Central Government hereby makes the following amendment in the notification of the Government of India, in the Ministry of Finance (Department of Revenue), **No. 94/2006-Customs, dated the 7th September,2006**, published in the Gazette of India, Extraordinary, Part II, Section 3, Subsection (i) *vide* number G.S.R.540(E), dated the 7th September,2006, namely: -

In the said notification, **after paragraph** 2, the following paragraph shall be **added**, namely: -

"3. This notification shall remain in force up to and inclusive of the 30th November, 2011, unless the notification is revoked earlier".

[F.No.354/27/2006-TRU]

Procedure for Re-credit of 4% SAD in DEPB, VKGUY etc

The following Circular was issued by the Mumbai Zonal DGFT Office on 7th February 2011.

06-ZPRU
07.02.2011
(DGFT)

Attention of all concerned is invited to Policy Circular No. 22/2009-2010 dated 3rd February, 2010 which notified the procedure for the re-credit of 4% SAD of Customs in DEPB, VKGUY, FPS, FMS, MLFPS scrips.

Mumbai Zonal office had issued ZJDG Circular No. 1/AM 11 dated 27.4.2010, ZPRU Circular No. 4/AM 11 dated 5.1.2011 and Trade Notice No. 1 dated 26.4.2010 providing detailed guidelines on the issue.

It has further been decided that such requests are to be approved/finalized at the level of Jt. DGFT only.

Power Generated in SEZs Allowed for Sale within SEZ at Zero Duty

Subject: Clarification on Rule 47(3) of SEZ Rules, 2006 – Duty for sale of power from SEZ to DTA.

75-SEZ
07.02.2011

The undersigned is directed to refer to the Instruction No. 67 issued vide letter of even number dated 28th October, 2010 on the subject mentioned above and to say that the last two lines of the same have been modified to read as under:-

"that operation of Rule 47(3) (a), (b), (d) and (e) of SEZ Rules, 2006 is kept in abeyance w.e.f 6.9.2010 until further orders".

F.No. P.6/3/2006-SEZ

Barium Carbonate from China – Dumping Duty Hiked on Final Findings

Ntfn 06 07.02.2011 (DoR)

Whereas in the matter of imports of Barium Carbonate [hereinafter referred to as the subject goods], falling under sub heading 2836 60 00 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 as the subject country) and imported into India, the designated authority in its preliminary findings vide notification No. 14/18/2009-DGAD, dated the 7th January, 2010, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 8th January, 2010, had come to the conclusion that -

(a) the product under consideration had been exported to India from the subject country below its associated normal value, thus resulting in dumping of the product;

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

(c) the material injury had been caused by the dumped 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 countries;

And whereas, on the basis of the aforesaid findings of the designated authority, the Central Government had imposed provisional anti-dumping duty on the subject goods vide notification No. 37/2010-Customs, dated the 23rd March, 2010, published in the Gazette of India, Extraordinary Part II, Section 3, Sub-section (i), vide number G.S.R. 208(E), dated the 23rd March, 2010;

And whereas, the designated authority, in its **final findings** vide notification No. 14/18/2009-DGAD dated the 10th December, 2010, published in the Gazette of India, Extraordinary, Part I, Section 1, dated the 10th December, 2010, had come to the conclusion that-

(a) the product under consideration had been exported to India from the subject country below its normal value, thus resulting in dumping of the product;

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

(c) The material injury had been caused by dumped imports of the subject goods from the subject country;

Now, therefore, in exercise of the powers conferred by sub-section (1) read with sub-section (5) of section 9A of the said Customs Tariff Act, 1975 read with rules 18 and 20 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government, on the basis of the aforesaid findings of the designated authority, hereby imposes on the goods, the description of which is specified in column (3) of the Table below, falling under sub-heading of the First Schedule to the said Customs Tariff Act as specified in the corresponding entry in column (2),originating in the country specified in the corresponding entry in column (4), and exported from the country specified in the corresponding entry in column (5) and produced by the producer specified in the corresponding entry in column (6) and exported by the exporter specified in the corresponding entry in column (7), and imported into India, an anti-dumping duty at the rate equal to the amount indicated in the corresponding entry in column (8), in the currency as specified in the corresponding entry in column (10) and per unit of measurement as specified in the corresponding entry in column (9) of the said Table.

Table

SNo.	Sub-heading	Description of goods	Country of origin	Country of exports	Producer	Exporter	Duty amount	Unit	Currency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	28366000	Barium Carbonate	People's Republic of China	People's Republic of China	M/s Guizhou Redstar Developing Co. Ltd.	M/s Guizhou Redstar Developing Import & Export Co. Ltd	210 .33	MT	US Dollar
2.	28366000	Barium Carbonate	People's Republic of China	People's Republic of China	M/s Guizhou Redstar Developing Dalong Manganese Industry Co. Ltd.	M/s Guizhou Redstar Developing Import & Export Co. Ltd	205.92	MT	US Dollar
3.	28366000	Barium Carbonate	People's Republic of China	People's Republic of China	M/s Guizhou Hongtai Chemical Co. Ltd.	M/s Anhui Garments Shoes & Caps Industrial (Group) Co.	122	MT	US Dollar
4.	28366000	Barium Carbonate	People's Republic of China	People's Republic of China	M/s China Haohua Chemical Industry Group, Tianzhu Chemical Industry Co. Ltd. (Tianzhu)	M/s China Haohua Chemical Industry Group, Tianzhu Chemical Industry Co. Ltd. (Tianzhu)	147.88	MT	US Dollar
5.	28366000	Barium Carbonate	People's Republic of China	People's Republic of China	M/s China Haohua Chemical Industry Group, Tianzhu Chemical Industry Co. Ltd. (Tianzhu)	M/s Guangzhou Chemicals Import & Export Corporation	102.19	MT	US Dollar
6.	28366000	Barium Carbonate	People's Republic of China	People's Republic of China	M/s Hunan Wanfeng Chemical Co. Ltd.	M/s Hunan Mint Imp & Exp Company. Ltd	76.06	MT	US Dollar
7.	28366000	Barium Carbonate	People's Republic of China	People's Republic of China	Any other than combination at Sr. No.1 to 6.		236	MT	US Dollar
8.	28366000	Barium Carbonate	Any other than People's Republic of China	People's Republic of China	Any	Any	236	MT	US Dollar
9.	28366000	Barium Carbonate	People's Republic of China	Any other than People's Republic of China	Any	Any	236	MT	US Dollar

2. The anti-dumping duty imposed shall be levied for a period of five years (unless revoked, superseded or amended earlier) from the date of imposition of the provisional anti-dumping duty, that is, the 23rd March, 2010, 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.354/21/2010 –TRU]

CBEC Sets Three Months Limit for Completion of Courier Suspension Enquiry

[Ref: F.No.450/54/2008-Cus. IV dated 9th February 2011]

Subject: The Courier Imports and Exports (Electronic Declaration and Processing) Regulations, 2010.

The undersigned is directed to invite your attention to notification No.36/ 2010-Customs (N.T.) dated 5th May, 2010 wherein regulations have been provided for Courier Imports and Exports (Electronic Declaration and Processing) Regulations, 2010.

2. Regulation 13 of the said Regulations provides for suspension or revocation of registration of authorised courier on the basis of grounds specified therein.

3. The said Regulations have been scrutinised by Committee of Subordinate Legislation, Lok Sabha. The suggestions given by Committee have been examined by the Board. Accordingly, it is decided that inquiry in terms of proviso two to Regulation 13(1) of the said Regulations should be completed within a period of three months from the order of suspension.

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

5. Difficulties faced, if any, in implementation of these instructions may please be brought to the notice of the Board at an early date.

Impact of Counterfeiting and Piracy to Reach US$1.7 tn by 2015

A new report released on 2 February by the International Chamber of Commerce (ICC) indicates that the global economic and social impacts of counterfeiting and piracy will reach US$1.7 trillion by 2015 and put 2.5 million legitimate jobs at risk each year. The report was launched at the 6th Global Congress on Combating Counterfeiting and Piracy, during a panel session on economic impacts.

The report updates a ground breaking 2008 report by the Organization for Economic Cooperation and Development (OECD) that showed more than US$250 billion in counterfeit and pirated goods move through international trade alone. The revealing ICC study not only brings the estimates up to date but also examines additional impacts not quantified in the OECD report. These include the value of domestically produced and consumed counterfeit products, the value of digital piracy, and the negative impacts on society, governments and consumers.

The report reveals that based on 2008 data, the total global economic and social impacts of counterfeit and pirated products are as much as US$775 billion every year. This includes impacts of lost tax revenue and higher government spending on law enforcement and health care. The figure is estimated to more than double to US$1.7 trillion by 2015, due in part to rapid increases in physical counterfeiting and piracy as measured by reported customs seizuresand greater worldwide access to high speed Internet and mobile technologies.

The report shows that international trade in fakes currently accounts for more than half of counterfeiting and piracy, and could grow to as much as US$960 billion by 2015. Domestic production and consumption will

Customs Valuation Exchange Rates

February 2011		Imports	Exports	
Schedule I				
1	Australian Dollar	45.85	44.60	Rate of exchange of one unit of foreign currency equipment to Indian Rupees
2	Canadian Dollar	46.55	45.15	
3	Danish Kroner	8.50	8.20	
4	EURO	62.95	61.25	
5	Hong Kong Dollar	5.90	5.75	
6	Norwegian Kroner	8.00	7.75	
7	Pound Sterling	73.75	71.85	
8	Swedish Kroner	7.05	6.80	
9	Swiss Franc	48.60	47.30	
10	Singapore Dollar	36.05	35.05	
11	U.S. Dollar	45.95	45.05	
Schedule II				
1	Japanese Yen	56.00	54.30	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees

(Source: Customs Notification 06(NT)/27.01.2011)

Commodity Spot Prices in India – 11-14 February 2011

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

(Rs.)

Commodity	Unit	Market	11-Feb	12-Feb	14-Feb
CER (Carbon Trading)	1 MT	Mumbai	705	709.5	709.5
Chana	100 KGS	Delhi	2682	2676	2637
Masur	100 KGS	Indore	3251	3235	3248
Potato	100 KGS	Agra	NA	NA	NA
Potato TKR	100 KGS	Tarkeshwar	NA	NA	NA
Arecanut	100 KGS	Mangalore	NA	NA	NA
Cashewkern	1 KGS	Quilon	NA	NA	NA
Cardamom	1 KGS	Vandanmedu	1260.6	1268.5	1204.2
Coffee ROB	100 KGS	Kushalnagar	NA	NA	NA
Jeera	100 KGS	Unjha	NA	NA	NA
Pepper	100 KGS	Kochi	NA	NA	NA
Red Chili	100 KGS	Guntur	NA	NA	NA
Turmeric	100 KGS	Nzmbad	12175	12175	10563
Guar Gum	100 KGS	Jodhpur	NA	NA	NA
Maize	100 KGS	Nzmbad	1064.5	1070	1067.5
Wheat	100 KGS	Delhi	1338.8	1338.8	1349.6
Mentha Oil	1 KGS	Chandausi	1188.6	1181.5	1216.3
Cotton Seed	100 KGS	Akola	NA	NA	NA
Castorsd RJK	100 KGS	Rajkot	5718	5979	5865
Guar Seed	100 KGS	Bikaner	2770	2799	2751
Soya Bean	100 KGS	Indore	2465.5	2453	2426.5
Mustrdsd JPR	20 KGS	Jaipur	571.6	571.05	573.2
Sesame Seed	100 KGS	Rajkot	5500	5475	5475
Coconut Oil Cake	100 KGS	Kochi	NA	NA	NA
RCBR Oil Cake	1 MT	Raipur	NA	NA	NA
Kapaskhali	50 KGS	Akola	1246.9	1252.1	1232
Coconut Oil	100 KGS	Kochi	10400	10400	10348
Refsoy Oil	10 KGS	Indore	640	635.25	634.3
CPO	10 KGS	Kandla	583	579.7	579.3
Mustard Oil	10 KGS	Jaipur	622.4	616.9	605.8
Gnutoilexp	10 KGS	Rajkot	750	758.3	750
Castor Oil	10 KGS	Kandla	NA	NA	NA
Crude Oil	1 BBL	Mumbai	3953	3916	3916
Furnace Oil	1000 KGS	Mumbai	NA	NA	NA
Sourcrd Oil	1 BBL	Mumbai	NA	NA	NA
Brent Crude	1 BBL	Mumbai	4598	4619	4619
Gur	40 KGS	Muzngr	NA	NA	NA
Sugars	100 KGS	Kolhapur	2675	2670	2684
Sugarm	100 KGS	Delhi	2923	2919	2950
Natural Gas	1 mmBtu	Hazirabad	181.7	178.9	178.9
Rubber	100 KGS	Kochi	23619	23669	23799
Cotton Long	1 Candy	Kadi	NA	NA	NA
Cotton Med	1 Maund	Sriganganagar	NA	NA	NA
Jute	100 KGS	Kolkata	3483.5	3492.5	3525.5
Gold	10 GRMS	Ahmd	20250	20190	20150
Gold Guinea	8 GRMS	Ahmd	16265	16217	16185
Silver	1 KGS	Ahmd	45380	45437	45400
Sponge Iron	1 MT	Raipur	NA	NA	NA
Steel Flat	1000 KGS	Mumbai	NA	NA	NA
Steel Long	1 MT	Gobindgarh	29040	29100	29100
Copper	1 KGS	Mumbai	456.55	457.6	457.6
Nickel	1 KGS	Mumbai	1273.6	1273.6	1289.2
Aluminium	1 KGS	Mumbai	113.95	113.95	112.85
Lead	1 KGS	Mumbai	115.5	115.5	117.7
Zinc	1 KGS	Mumbai	110.5	110.5	111.5
Tin	1 KGS	Mumbai	1439.5	1439.5	1448.2

(Source: MCX Spot Prices)

account for between US$370 billion and US$570 billion, and digitally pirated music, movies and software for as much as US$240 billion in 2015.

The report notes that counterfeiters and pirates operate outside the law, which makes estimating the extent of counterfeiting and piracy and the harm these activities cause extremely challenging. Illegal businesses do not report information on their activities to any government agency so measuring their size must be done using indirect methods.

(Full Text of the Report available at our website www.worldtradescanner.com)

[Source: ICC, Paris Press Release dated 2 February 2011]

Davos Calls for Doha Conclusion by End 2011

Trade ministers from two dozen influential WTO member countries on Saturday agreed to push for a breakthrough agreement in the Doha Round negotiations by July, so that the long-struggling trade talks can be wrapped up by the end of the year.

The ministers called for updated draft agreement texts in every area of the talks by April, an overall agreement by July, followed by the finalisation of legal texts and commitment schedules by the year's end.

The ministers, from trading powers such as China, Brazil, India the US, and the EU as well as smaller nations such as Costa Rica, Jamaica, and Peru, echoed the view that 2011 constitutes a "window of opportunity" for concluding a Doha Round accord.

For this year's call for an agreement to succeed, WTO members will need to overcome deep differences between the US and large developing countries such as China, Brazil, and India over the depth of tariff and subsidy cuts. China, India, and Brazil have consistently rejected US demands for greater access to their markets as unrealistic and out of proportion to what rich nations are being asked to do to in terms of cutting tariffs and farm subsidies.

Experts call for making end-2011 "absolute deadline"

Meanwhile, a high-level panel headed by trade economist Jagdish Bhagwati and former WTO head Peter Sutherland has called for making the end of 2011 an inflexible "absolute deadline" for a Doha accord, with the talks to be abandoned if governments fail to reach an agreement by then.

"The Doha Round is dying of political neglect," declared a report by the panel, which was convened by the governments of Germany, the United Kingdom, Indonesia and Turkey to come up with recommendations on boosting global trade and fighting protectionism. They argue that an explicit deadline - to come weeks after the tenth anniversary of the round's November 2001 launch - would "make the prospect of failure concrete, collective and unavoidable," thus forcing political leaders to seriously pursue a deal.

The panel pointed to many reasons underpinning the slow progress in the Doha Round, from changing economic beliefs and the rapid growth of countries like China, India and Brazil, to the fact that the negotiations reach far into countries' sensitive agriculture sectors.

The report argued that a Doha accord would be an insurance policy against future protectionism, by curtailing developing countries' ability to raise tariffs; a driver of significant farm trade reform, by curtailing the EU and the US's ability to raise trade-distorting subsidies; a source of at least $360 billion in new market access; and finally, a reinforcement to the multilateral rules-based trading system that would counter a "steady erosion" of the institution's centrality to trade governance.

Arguing that the broad contours of a Doha package are already clear - and represent "the only credible landing zone" for the negotiation - the report identified modest "top ups" in every sector of the negotiations that could for an acceptable deal.

High Demand Boosts Commodity Prices

Copper prices have risen 35 percent since the summer, while gold, sugar, and cotton were all at 30 year highs. The FAO´s agricultural commo-dity index had recently touched just one point below its maximum level reached in 2008, Supachai noted, "clearly signaling that the 2010-11 price hikes are similar in magnitude to 2008.

Lamy predicted that prices for most commo-dities would continue to rise in 2011, as global GDP growth of 4 percent bolsters demand. Over 70 percent of the growth would come from commodity-intensive emerging markets, he said, with China, India and Latin America playing a major role.

Natural gas, zinc and cattle would see the least pronounced price rises, Lamy said, with higher grain prices having slowed demand for live cattle.

Supachai argued that that the rise in commodity prices was likely to continue. "The historical trend is towards increasing demand, especially in high growth areas in the developing world", he observed. Commodity producers could benefit from the increased demand, he said, if resource rents were properly managed.

WORLD TRADE SCANNER

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