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SWIFT is Against Iran Terrorist Financing but Claims Limitations on Account of Multilateral Legal Framework

Swift, the well recognized clearing house of payments between countries said in a press release on 5 Feb that the recent legislation proposed by the US Senate Banking Committee regarding Iran, SWIFT appreciates the gravity of the situation. It is "discussing with the G10 central banks which include the US Federal Reserve and European Central Bank which oversee SWIFT, to find the right multilateral legal framework which will enable SWIFT to address the issues".

The agency claims "it is a complex situation that needs to take into consideration the implications to the functioning of the global payments system as well as to the continued flow of humanitarian payments to the Iranian people".

In another press release on 02 Feb 2012, the agency says that the recent press coverage about Iranian sanctions and SWIFT gives a misleading impression of the role of SWIFT with regard to sanctions. It says that it is only an information agency and provides the network that enables financial institutions worldwide to send and receive information about financial transactions in a secure, standardised and reliable environment.

Oil Trades Near Nine-Month High on Iran Tension

Oil traded near the highest price in nine months after euro-area finance ministers agreed on a second bailout for Greece, improving prospects for fuel demand.

China's crude imports from Iran in January fell 5 percent from a year ago and 14 percent from December, the General Administration of Customs said in a statement.

Oil futures for March delivery, which expire on 21 February, advanced as much as $2.20 to $105.44, the highest intraday price since May 5 on the New York Mercantile Exchange.

The EU said that member countries are cutting oil purchases from Iran and have sufficient reserves to deal with disruptions. The EU agreed to stop purchases of Iranian crude starting July 1 in a move to punish the Persian Gulf country's nuclear program.

Japan's government has yet to agree with the Obama administration on an exemption to a U.S. law that would punish banks doing business with Iran, Foreign Minister Koichiro Gemba said in Tokyo. Japan is still negotiating over cutting Iranian oil imports, he said.

Restoring Libya

Libya, holder of the largest oil reserves in Africa, won't be able to restore oil production to pre-war levels before the end of 2013 at the earliest, Shokri Ghanem, the former chairman of Libya's National Oil Corp., said in an interview on 20 February.

Libyan Oil Minister Abdul-Rahman Ben Yezza said on Dec. 14 that the country's crude output will return to its pre-conflict level in the third quarter of 2012. The country is restoriing production disrupted by fighting last year that led to the ouster of then-leader Muammar Qaddafi.

European Insurers Say "No" to Iran Trade, Warnings to Finish Contracts before 1 July

Shipping companies may refuse to carry Iranian crude oil to India in the absence of international insurance cover following European Union sanctions against Iran announced on January 23. The sanctions prohibit EU-based entities from providing insurance and guarantees for transportation of oil from Iran.

Protection and indemnity cover (P&I) is available mainly from European P&I clubs.

According to shipping company officials, the European P&I clubs have told shipping lines that they will have to follow the sanctions once they are implemented. This is expected to happen by March. Existing shipping contracts with Iran for crude oil should be completed before July 1. The insurance cover will not be extended to any fresh contract entered into after January 23.

Ministries to Meet

"Shipping companies will not be able to pick up oil cargoes without adequate insurance cover for the whole voyage," said Capt. Sunil Thapar, Director, Bulk Carriers and Tankers, Shipping Corporation of India.

All Indian public sector oil companies - IOC, BPCL, HPCL and MRPL - import crude oil from Iran. Companies like Shipping Corporation of India, Great Eastern Shipping and Mercator have annual contracts with these oil companies for importing the crude.

The oil companies may decide to buy crude on c.i.f. basis in which case it is the responsibility of the sellers to arrange for the shipment. But then they will have to pay higher freight rates."

It is possible for General Insurance Corporation of India to step in by setting up an Indian P&I club. This will attract the ire of US and EU.

In the meanwhile, Ambassador Nirupama Rao spoke up in favour of Indian trade with Iran at a meeting in Boston. She said that Indian will abide by UN sanction which covers only nuclear related trade.

Too much Rice in the World Market, India to Pump in 6.5mn tonnes, Price Crash Soon

Rice stockpiles are poised to reach the biggest in almost a decade as record harvests boost supplies and imports decline for the first time in three years.

Inventories may gain 3 percent to 100.1 million metric tons, the most since 2003, as global imports contract 7.5 percent, the U.S. Department of Agriculture says. The Thai export price, a global benchmark, may tumble as much as 11 percent to $500 a ton in the first half, the lowest since June last year.

Rice slumped 15 percent from a three-year high in November as India, the second-biggest grower, lifted a three-year ban on exports of non-basmati grain and Thailand, the largest shipper, bought less than expected in the first four months of a government stockpiling program. That's boosted supplies of the staple for half the world at a time when farmers are planting record wheat and corn crops. Global food costs fell 10 percent from a record in February 2011, according to the United Nations.

"Indian exports created havoc in the earlier supply-and-demand calculations," said Jac Luyendijk, the chief executive officer at Preverenges, Switzerland-based SAT Swiss Agri Trading SA, who has worked in the rice industry for about two decades, including stints at Andre & Cie. and Nidera.

Production will advance 2.6 percent to 462.75 million tons this year as imports worldwide drop to 30.12 million tons, the USDA estimates. India may ship 6.5 million tons, the most since at least 1960, as the harvest climbs 6.3 percent to a record 102 million tons, the data show. Farmers in biggest grower China will boost output 2.6 percent to a record 140.5 million tons.

The expansion is contributing to record supplies of cereals this year as farmers respond to prices that more than doubled since 2005, according to the UN's Food & Agriculture Organization in Rome. Inflation worldwide may slow to 2.6 percent this year from 3.6 percent in 2011.

Any change from normal weather patterns in India may spur the government to ban exports once more, said Concepcion Calpe, a senior FAO economist and secretary of the organization's intergovernmental group on rice.

Farmers in the U.S., the fifth-largest exporter, may switch fields to more profitable crops, the Houston-based U.S. Rice Producers Association said in a Jan. 13 report. Domestic stockpiles are set to drop to a two-year low before the next harvest after acreage fell to the smallest in more than two decades, the USDA estimates.

Stockpiles in the five biggest exporting nations will reach a record 31.9 million tons in 2011-2012, the London-based International Grains Council estimates.

The Philippines, formerly the world's biggest buyer, will cut imports to 500,000 tons this year and to 100,000 tons in 2013 from 2.6 million tons in 2008-2009 when prices rallied to a record as some countries curbed shipments, according to forecasts from the agriculture ministry.

Myanmar, Vietnam

Exports from Myanmar may more than double to 1.5 million tons this year as planting expands, and increase to 3 million tons by 2015, the Myanmar Rice Industry Association said last month. The gain would make the country the sixth-largest shipper, with volumes at the highest level since the 1960s, when it was the biggest exporter.

Shipments from Vietnam, which totaled 7.1 million tons in 2011, may be as much as 7.34 million tons this year, according an agriculture ministry report on its website Feb. 3.

Food Shortages in Yemen

The cost of Yemen's uprising and its collapsing economy, many believe, poses the greatest threat to the country's stability. Flour prices have doubled, LCs are difficult to come by. President Saleh will be replaced by the Vice President but the radical Islamist forces backed by the military are gaining ground.

The increased spending by the Yemen government comes as revenues have dropped. Some estimates indicate oil production has halved in the past two months, after oil companies pulled out their staff and tribesmen set ablaze an oil pipeline connecting Marib's oil fields to the Red Sea last month.

While Yemen's powerful neighbour Saudi Arabia has recently poured tens of billions into Bahrain and Oman to help governments there, Riyad seems to be in no rush to come to Yemen's rescue. Many take this as a sign the Saudis have given up on the Yemeni government.

"In one of the Wikileaks, the Saudis complained that all the money they send to Yemen ends up in Swiss accounts, so they don't see the benefit of intervening, they are fed up with the current regime," says Sanaa-based analyst Abdel Ghani al-Iriyani.

The government is taking measures to keep rial stable, but if there is any confrontation, rial will collapse and with it Yemen will collapse.

"People will have no access to food and water. People will fight," he adds.

Euro Rises with Greek Bailout News

The euro climbed to a three-month high against the yen and reversed losses versus the dollar. The greenback declined against most of its 16 major counterparts.

Copper rose for a second day as European governments agreed on a second bailout for Greece. Zinc, lead and nickel advanced.

Three-month copper climbed as much as 1.6 percent to $8,364.75 a metric ton and traded at $8,350. May-delivery copper on the Comex gained 2.2 percent to $3.7965 a pound, while the most-active contract on the Shanghai Futures Exchange closed 1.2 percent higher at 60,050 yuan ($9,535) a ton.

Greece won a second bailout after European governments as finance ministers awarded 130 billion euros ($173 billion) in aid, engineered the central-bank profits transfer and coaxed investors into providing more debt relief in an exchange offer meant to tide Greece past a bond redemption next month.

Refined copper imports by China fell 18 percent to 335,480 tons in January from a record in December, the first decline in eight months, data from the General Administration of Customs showed on 21 February.

Gold Imports in 2012 Estimated at 900 tonnes

Gold imports by India (INMOGOLD) are poised to decline for the first time in three years as rising prices deter jewelry buyers and investors, potentially allowing China to overtake the country as the world's largest consumer.

Purchases may drop 7 percent to 900 metric tons this year, according to the median estimate in a News survey of eight analysts, brokers and jewelers including Rajesh Exports Ltd, the biggest gold-jewelry exporter. India bought a record 969 tons in 2011, according to the World Gold Council.

Bullion is climbing for the 12th year as investors seek a store of wealth amid volatility in stock markets, depreciating currencies and the threat of inflation. China's consumption may surpass India this year after surging 20 percent to 769.8 tons in 2011, the council says. Use in India fell 7 percent to 933.4 tons last year as the currency slumped to a record low, cooling purchases for festivals and marriages.

Imports plunged 44 percent in the fourth quarter to 157 tons as jewelry demand slumped 44 percent to 103 tons and investment demand declined 38 percent to 70 tons, the council said on Feb. 16. Bullion futures in India rallied 32 percent last year, exceeding the 10 percent advance in global prices.

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
21-Feb-12	49.1950	49.3950	49.1350	49.3500	49.3500	989771	1855083	913346	49.0835
17-Feb-12	49.4500	49.4500	49.2425	49.3650	49.3650	887646	1616587	797400	49.2128
15-Feb-12	49.4875	49.4975	49.2850	49.4150	49.4150	1024269	1641864	810644	49.2520
14-Feb-12	49.5025	49.5825	49.3750	49.4850	49.4850	1038504	1758694	869972	49.3313

[Source: NSE and RBI Website]

WEEKLY INDEX OF CHANGES

Calculate Export Duty in Iron Ore using Wet Metric Tonne after Deducting for Moisture Content

Subject: Adoption of uniform Customs Procedure for calculating the contents of Iron Ore – clarification.

04-CBEC
17.02.2012
(DoR)

Several references have been received in the Board highlighting divergent practices for calculation of iron contents from Iron Ore being followed at different Ports for charging Export duty. In this regard two types of calculation methods are being followed i.e. on the basis of Wet Metric Ton (WMT) and other on the basis of Dry Metric Ton (DMT).

2. Hon'ble Supreme Court in the matter of Civil Appeal No. 7539 of 1995 in case of Union of India Vs Gangadhar Narsingdas Aggarwal [1997(89) ELT 19(SC)] in order to arrive at the Iron (Fe) contents out of Iron Ore, had held that-

'that is because the duty is relatable to weight and therefore, once the iron content is determined keeping in mind the total weight, the percentage can be determined separating the iron contents from the rest of the impurities inclusive of moisture and thereafter ascertain in which category the lumpy iron would fall for the purpose of charging duty….'

3. In light of the observation by the Apex Court that export duty is chargeable according to Fe contents, and to maintain uniformity all over the custom houses, it is clarified that for the purpose of charging of export duty the assessment of Iron ore for determination of Fe contents shall be made on Wet Metric Ton (WMT) basis which in other words mean deducting the weight of impurities (inclusive of moisture) out of the total weight/Gross Weight to arrive at Net Fe contents.

4. In case of any difficulty in arriving at the net Fe content, assessment may be based on test result which directly determines the Fe contents.

5. Pending assessments on the issue, if any, should be finalized accordingly.

6. Difficulties, if any, faced in the implementation of this circular, may be immediately brought to the notice of the Board.

F. No. 450/93/2011-Cus.IV

CBEC Allows Change of Name, Relocation and Expansion to Uttaranchal and Himachal Excise Free Units

Sub: Clarification regarding admissibility of exemption under area-based Notifications No. 49/ 2003-CE and 50/2003-CE, both dated 10.06.2003 in specific situations.

960-CBEC
17.02.2012
(DoR)

Your kind attention is invited to Notifications No. 49/2003-CE and 50/2003-CE, both dated 10.06.2003 which provide full exemption from excise duties to specified goods cleared from industrial units in the states of Uttaranchal and Himachal Pradesh for a period of ten years from the date of commencement of commercial production. The exemption is available to new units set up or existing units which have undergone substantial expansion in terms of the said Notifications and commence commercial production before the cut-off date, that is, on or before 31.3.2010

2. References have been received from field formations as well as from trade and industry seeking clarification regarding admissibility of benefit under area-based exemption Notifications No. 49/2003-CE and 50/2003-CE, both dated 10.06.2003, in the following situations:

a. When there is a change in the ownership of a Unit already availing of the benefit of an area-based exemption Notification;

b. When a Unit availing of the exemption physically shifts to a new location within the areas specified in the exemption Notification; and

c. When a Unit availing of the exemption under an area-based Notification expands by acquiring a plot of land adjacent to its existing premises and installing new plant/machinery on such land.

3. The above issues have been examined by the Board. As the exemption is extended to a 'Unit', any change in its ownership would not jeopardize the admissibility of exemption for the remaining part of the ten year exemption period subject to the condition that the new owner exercises his option in writing to avail of the benefit of the exemption Notification before effecting the first clearance.

4. So far as the case of an eligible unit physically shifting to a new location is concerned, it is clarified that the exemption in such cases should be available for the residual period of exemption. However, the cases of relocated units should be examined on a case – to- case basis and the exemption should be allowed to continue subject to certain safeguards like establishing through proper inventorisation and certification by a Chartered Engineer that the unit has relocated its plant, machinery, equipment, manpower etc. and relocation to areas specified in the relevant Notification only and not across States and/or Notifications.

5. In the context of expansion of a Unit by acquiring an adjacent plot of land and installing new plant and machinery on such land, attention is invited to Board's Circular No. 939/29/ 2010-CX dated 22.12.2010 wherein it was, interalia, clarified that any growth in the production/output of a unit by installing fresh plant and machinery would be eligible for exemption under these area-based Notifications. The situation of expansion of an eligible unit by acquiring an adjacent plot of land and installing new plant and machinery on such land, is akin to expansion by way of installing new plant and machinery inside the existing plot/premises. It is, therefore, clarified that in such cases, the exemption should continue to be available for the residual period of exemption.

6. Trade, industry and field formations may be suitably informed.

F. No. 110/03 /2011-CX-3

Time Bound Clearance must to Avoid Demurrage – Customs to give Option for Warehousing in Writing

[CBEC Instruction dated 13th February 2012]

Subject: Time bound Customs clearance of Cargo from Ports/Land Customs Stations/ Air Cargo Complexes, CFSs/ICDs.

Kind attention is invited to Board's instructions issued from F.No. 450/82/95-Cus.IV,dated 7th July, 1997, Member (Customs)'s D.O. letter F.No. 450/82/99-Cus.IV, dated 2nd June, 2001 and Circular No.42/2001 dated 31st July, 2001 for time bound Customs clearance and to avoid detention of Cargo from Ports/Land Customs Stations/Air Cargo Complexes, CFSs /ICDs. These instructions, inter-alia, have laid emphasis on measures to avoid unnecessary demurrages and difficulties to importers. These instructions have been issued after taking due note of directions of Hon'ble Supreme Court.

2. Despite clear guidelines issued by the Board and reiterated from time to time, it has come to notice of the Board that these guidelines are not being complied with by the field formation. As a consequence of that goods are being detained on grounds other than that are mentioned in these instructions. These avoidable detention results into mounting demurrages in most of the cases. Recently in a case, department has been asked to pay substantial demurrage charges pursuant to Hon'ble High Court order, which is being contested.

3. Board has taken a serious note of it and desires that special care will have to be taken by field formation to avoid any unwarranted delays which may lead to possible demurrage liability on Customs field formation. It is reiterated that where for justifiable reasons in certain types of exceptional situations, release of consignments is not considered advisable even on provisional basis, options must be given by sending intimation in writing to the importers / exporters or their agents to keep the goods in ware houses in terms of Section 49 of the Customs Act. It should be made clear that if the facility is not availed and the goods incur any demurrage, the importers/exporters will be wholly responsible for its payments.

4. Non compliance of the Board's instructions and in cases of consignments being detained by Customs in routine disputes / cases without valid grounds causing demurrages would be viewed seriously and accountability be fixed on erring officer.

F. No.450/160/2011-Cus.IV

MEP of Onions Cut by $25 to $125/MT

Subject: Minimum Export Price of Onions.

96-Ntfn(RE) 15.02.2012 (DGFT) In exercise of powers conferred by Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) read with Para 2.1 of the Foreign Trade Policy, 2009-2014, the Central Government makes the following amendment in Notification No 94(RE – 2010)/2009-2014 dated 11.01.2012 read with Notification No 75(RE – 2010)/2009-2014 dated 20.09.2011 with immediate effect.

2. The "Minimum Export Price(MEP) of US$ 150 per Metric Ton F.O.B. or as notified by DGFT from time-to-time" as appearing in para 2(i) of Notification No 94(RE – 2010)/2009-2014 dated 11.01.2012 for the item description at Serial Number 44.01 of Notification No 75(RE–2010)/2009-2014 dated 20.09.2011 is replaced by "Minimum Export Price(MEP) of US$ 125 per Metric Ton F.O.B. or as notified by DGFT from time-to-time".

3. Effect of this notification

Minimum Export Price (MEP) of all varieties of onions excluding Bangalore Rose Onions and Krishnapuram Onions will be US$ 125 per Metric Ton F.O.B. It was US$ 150 per Metric Ton for general category onion as notified on 11.01.2012. For Bangalore Rose Onions and Krishnapuram Onions MEP will continue to be US$ 250 per MT.

Duty Concessions on Pak and Sri Lanka under SAFTA – Corrections in SNos. 113 and 116

[Corrigendum dated 24th January 2012]

In the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 125/2011-Customs, dated the 30th December, 2011, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 929 (E), dated the 30th December, 2011, in the Table,-

(i) for

"113	8703	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars, new, which have not been registered anywhere prior to importation	0.00%
		(1) If imported as completely knocked down (CKD) unit;	6.00%
		(2) If imported in any other form	8.00%"

read

"113	8703	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars, new, which have not been registered anywhere prior to importation	
		(1) If imported as completely knocked down (CKD) unit;	6.00%
		(2) If imported in any other form	8.00%"

(ii) for

"116	8711	Motor cycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side cars, and side cars, new, which have not been registered anywhere prior to importation	0.00%
		(1) If imported as completely knocked down (CKD) unit;	6.00%
		(2) If imported in any other form	8.00%"

read

"116	8711	Motor cycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side cars, and side cars, new, which have not been registered anywhere prior to importation	
		(1) If imported as completely knocked down (CKD) unit;	6.00%
		(2) If imported in any other form	8.00%"

[F. No. 354/42/2002-TRU (Pt.)]

Corrigendum dated 9 Feb 12 to Ntfn 04/12

[Corrigendum dated 9th February 2012]

In the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 04/2012-Customs dated the 17th January, 2012, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 31 (E), dated the 17th January, 2012, at page 3,

(i) in line 12, *for* "491C" *read* "491D",

(ii) in the Table, in column (1), for "491C" *read* "491D".

[F.No.354/143/2010-TRU]

CENVAT Credit on Excise Concessions to North East and J&K

01-CE(NT) 09.02.2012 (DoR) In exercise of the powers conferred by section 37 of the Central Excise Act, 1944 (1 of 1944) and section 94 of the Finance Act, 1994 (32 of 1994), the Central Government hereby makes the following rules further to amend the CENVAT Credit Rules, 2004, namely :-

1. (1) These rules may be called the CENVAT Credit (First Amendment) Rules, 2012.

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

2. In the CENVAT Credit Rules, 2004, in rule 12, for the words For the words notwithstanding anything contained in these rules" the words "notwithstanding anything contained in these rules but subject to the proviso to clause (i) of sub rule (1) of the rule 3" shall be substituted.

[F.No.354/320/2011-TRU]

Corrections in Reward Scheme by 80-PN(RE)/13.10.2011 and 83-PN(RE)/31.10.2011

Subject: Corrections in Public Notice No.80/(RE2010)/2009-14 dated 13.10.2011 and Public Notice No.83/(RE2010)/2009-14 dated 31.10.2011.

99-PN(RE) 16.02.2012 (DGFT) In exercise of powers conferred under paragraph 2.4 of the Foreign Trade Policy, 2009-2014, the Director General of Foreign Trade hereby makes the corrections in the Hand Book of Procedure, Vol.I:

I. In Public Notice No. No.80/(RE2010)/2009-14 dated 13.10.2011, the following corrections are made:-

i. Effective Date

The effective date for inclusion of items listed at Sr.No.247 & 248, Table-4 of Appendix 37D is 13.10.2011. Accordingly, for the period 1.4.2011 to 12.10.2011, these items would continue to get the benefit under VKGUY.

ii. Item Description

The description mentioned for item at Sr.No.252, Table-4 of Appendix 37D was "Methyl Diethanolamine". This description is corrected to read as "Other Derivatives of Pyradine". However, the ITC HS Code 29333919 will remain same.

iii. Mexico to be added

The following sentence is added at the end of paragraph 3:

"However, Mexico will continue to be listed at Sr.No.99, Table-6 of Appendix 37D".

II. In Public Notice No.83/(RE2010)/2009-14 dated 31.10.2011, the following corrections are made:

i. Item Description

The description mentioned for item at Sr.No.23, Table-8, Appendix 37D was "G.V.W. exceeding 20 tonnes: Lorries and Trucks". This description is corrected to read as "g.v.w. exceeding 5 tonnes but not exceeding 20 tonnes: Lorries and trucks". However, the ITC HS Code 870422 will remain same.

Effect of this Public Notice

Certain corrections have been made in Public Notice No.80/(RE2010)/2009-14 dated 13.10.2011 and Public Notice No.83/(RE2010)/2009-14 dated 31.10.2011.

Amendments in SION

New SION for Ball Pen Tips

Subject: Fixation of a new SION (C–2048) and addition / deletion / amendment in 5 SIONs of Engineering Product Group (Product Code 'C') in the Hand book of Procedures V.2 (2009-14)

97-PN(RE) 09.02.2012 (DGFT) In exercise of powers conferred under Para 2.4 of the Foreign Trade Policy, 2009-2014, the Director General of Foreign Trade hereby makes the following additions/deletions/ in the Standard Input output Norms as contained in the Handbook of Procedure V.2 (2009-14).

2. A new entry at Serial number C-2048 shall be made after the existing entry at Serial number C-2047. The new entry will be as under:-

S.No.	Export Item	Qty.	Import Item	Qty.
C- 2048	Ball Pen Tips of Nickel Silver Wire of 1.60mm diameter	1.0 Million Number (Weight not less than 61.9Kg)	1. Nickel Silver Wire of Dia 1.60mm of relevant grade 2. Tungsten Carbide 3. Cutting Tools, Drill Oil & Chemical	1.90Kg/Kg content in the export product. 1.01 million Nos. Upto 2% FOB value of exports

3. In SION C-864, C-1802, C-1888 and C-1937 the item No. 2 is uniformly mentioned as "Tungsten Carbide Balls " and wastage is reduced to 1% instead of 2% fixed earlier. Consumables are being allowed as item No. 3 against all the norms. Accordingly, the revised Norms will be as under:

Export Item		Qty.	Import Item	Qty.
C-864	Ball Pen Tips of Brass	1.0 Million Number (Weight not less than 182Kg.).	1. Brass Scrap 2. Tungsten Carbide Balls 3. Cutting Tools, Drill Oil & Chemical	1.075Kg/Kg content in the export product. 1.01 Million Number Upto 2% FOB value of exports

Export Item		Qty.	Import Item	Qty.
C-1802	Ball Tips of Stainless Steel Wire of 2.3mm diameter	1.0 Million Number	1. Stainless Steel Wire of dia 2.3mm of relevant grade 2. Tungsten Carbide Balls 3. Cutting tools, Drill Oil & Chemical	2.30Kg/Kg content in the export product. 1.01Million Number Upto 2% FOB value of exports

Export Item		Qty.	Import Item	Qty.
C-1888	Ball Pen Tips of Nickel Silver Wire of 2.3mm diameter	1.0 Million Number (Weight not less than 176.4Kg).	1. Nickel Silver Wire of dia 2.3 mm of relevant grade 2.Tungsten Carbide Balls 3. Cutting Tools, Drill Oil & Chemical	1.90Kg/Kg content in the export product. 1.01Million Number Upto 2% FOB value of exports

Export Item		Qty.	Import Item	Qty.
C-1937	Ball Pen Tips of Brass Wire	1.0 Million Number (Weight not less than 190Kg)	1. Round Brass Wire 2. Tungsten Carbide Balls 3. Cutting Tools, Drill Oil & Chemical	1.80Kg/Kg content in the export product. 1.01Million Number Upto 2% FOB value of exports.

Antimony Trioxide Substituted for Antimony Dioxide and Antimony Oxide in SION No. A1790 and A1834

Subject: Amendment in SION, A1790 and A1834.

98-PN(RE) 10.02.2012 (DGFT) In exercise of the powers conferred under Paragraph 2.4 of the Foreign Trade Policy, 2009-2014 and Paragraph 1.1 of Handbook of Procedures (Vol.1), the Director General of Foreign Trade hereby makes the following amendments in the Handbook of Procedures, Vol.2, 2009-2014.

2. In SION No.A1790 of Chemical and Allied Product Group 'A', the description of Import Item at Sl. No.4, is corrected to read as **'Antimony Trioxide'** in place of 'Antimony Dioxide' and in SION A1834 of Chemical and Allied Product Group 'A', the description of Import Item at Sl. No.5, is corrected to read as 'Antimony Trioxide' in place of 'Antimony Oxide'.

3. Effect of Public Notice

Only the name of the import item (input) is modified from 'Antimony Dioxide/Oxide' to 'Antimony Trioxide'. There is no change in either the description or quantity of the inputs or in the description of the export product.

4. SION at Serial No. C-1768 is deleted as it is a repeat of C-864.

5. Effect of the Public Notice

(i) SION for a new export product 'Ball Pen Tips of Nickel Silver Wire of 1.60mm diameter' is notified.

(ii) SION C-864, C-1802, C-1888 and C-1937 are made harmonious by using uniform description of Tungsten Carbide Balls only and wastage is reduced from 2% to 1%.

(iii) Input item number 3 'Cutting Tools, Drill Oil & Chemical' is allowed in all these SIONs.

(iv) SION C-1768 stands deleted.

RBI Simplifies Procedure of Softex for Large Exporters – STPI to Certify Excel Sheets

Sub: Export of Goods and Services-Simplification and Revision of Softex Procedure

AP(DIR Srs) Cir.80 15.02.2012 (RBI) Attention of the Authorised Dealers is invited to Regulation 6 of the Notification No. FEMA 23/2000-RB dated May 3, 2000 viz. Foreign Exchange Management (Export of Goods and Services) Regulations, 2000, as amended by the Notification No. FEMA 36/2001-RB dated February 2, 2001, in terms of which designated officials of the Ministry of Information Technology, Government of India at the Software Technology Parks of India (STPIs) or at Free Trade Zones (FTZs) or Export Processing Zones (EPZs) or Special Economic Zones(SEZs), had been authorised to certify exports declared through SOFTEX Forms.

2. Considering the spurt in the volume of software exports from India in recent times, the complexity of work contracts involved, the voluminous nature of contract agreements and the duration involved in execution of each contract as well as the time-consuming process involved in the certification of SOFTEX forms, the matter was revisited and a revised procedure, given herein below, has now been finalised in consultation with the stakeholders involved.

3. As per the revised procedure, a software exporter, whose annual turnover is at least Rs. 1000 crore or who files at least 600 SOFTEX forms annually, will be eligible to submit a statement in excel format as per Annexure A, giving all particulars alongwith **quadruplicate** set of SOFTEX form to the nearest STPI. STPI will then verify the details and decide on a percentage sample check of the documents in details. Software companies will submit all the documents on demand to STPI within 30 days of their advice or any reasonable/extended time at the discretion of the Director, STPI, at the request from the exporter. STPI will thus certify the statement and SOFTEX forms in bulk on the **"Top Sheet"** regarding the values etc. and will thereafter forward the first **copy** of the revised SOFTEX format to the concerned Regional Office of RBI, the **duplicate copy** alongwith bulk statement in excel format to Authorised Dealers for negotiation / collection / settlement, the **third copy** to the exporter and the **last copy** will be retained by STPI for its own record. Under the revised procedure, the exporters, however, will have to provide information about all the invoices **including the ones lesser than US$25000**, in the bulk statement in excel format. [The revised procedure for submission of the Softex form and other relevant documents are detailed in the **Annex**.]

4. The new procedure will be effective initially in STPI Bangalore, Hyderabad, Chennai, Pune and Mumbai with effect from April 01, 2012. Based on the success in these centers, it would be adopted by all the STPIs and SEZ/ EPZ/ 100% EOU/ EHTP/ DTA units by June 2012.

5. Authorised Dealers may bring the contents of this circular to the notice of their constituents concerned.

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

ANNEX

[Annex to A.P. (DIR Series) Circular No. 80 dated February 15, 2012]

1. Revised Procedure: Reporting of Software exports to STPI

A. Periodicity – Monthly

B. Time period – Not later than 30 days from the close of the month in which the invoice is raised

C. Applicability – Software exporters with annual turnover in excess of Rs. 1,000 crore or submitting at least 600 Softex forms annually.

D. Softex Number – Softex number shall be allocated/issued centrally by RBI once a year based on the requirements of exporter which can be about 200,000 numbers to be used by large exporters for the year for all locations. If the softex numbers are exhausted, the exporter can apply again to RBI for allotment of number. Exporters can use the allocated Softex number either for each invoice or for a group of invoices **with same currency** of a particular customer. **Softex number** would be the control number for identifying any of the export transaction.

E. Details of information – As per the template in **Annexure A,** which will broadly cover information as under

i. Name and Address of the Exporter
ii. Letter of permission number and date
iii. Name of authorized data com service provider
iv. Import Export Code number
v. Software Export Declaration
vi. Details of Export of Software during the period
a) Period of submission i.e. Month name
b) SOFTEX Number
c) Name of Client
d) Address of Client
e) Country of Export
f) Invoice Number
g) Invoice Date
h) Project Code or Contract or Agreement or PO & Date
i) Type of Software Exported
j) Invoice Currency
k) Offshore Invoice value
vii. Details of billings on account of Royalty on Software Packages/products exported as per **Annexure B**
a) Period of submission i.e., Month name
b) SOFTEX Number
c) Name of Client
d) Address of Client
e) Country of Export
f) Invoice Number
g) Invoice Date
h) Unique internal Project Code or Contract/ Agreement/PO Date
i) Invoice Currency
j) Offshore Invoice value
k) Details of Software Package(s)/product(s) exported
l) Royalty agreement details
1. % age and amount of royalty
2. Period of Royalty agreement
3. Mode of realisation of Royalty value
4. Calculation of Royalty amount
viii. The Authorized dealer's name should be given in Section A of individual bulk statement itself along with email id **(Annexure A & B)**. If there are multiple ADs, then exporter may provide full details - i.e., Details such as bank name, address and Authorized Dealer code plus
a) Details of Letter of Credit(L/C) facilty availed by the exporter
b) Details of Bank Guarantee taken by the exporter
c) Details of the Bank Accounts into which the transfer/remittance are received
ix. Email id of the Exporter shall be specified to which the attested Bulk Softex statement will be sent

F. Soft copy Submission – Software Exports Declaration in summary excel sheet with above details.

G. Hard copy submission – Covering letter along with summary sheet declarations and Annexure copies in quadruplicate. Copies of Softex forms, Invoices, SoW, MSA or any other document are not required to be submitted along with summary.

H. Additional Information – At the request of STPI, software exporter need to submit additional details about selected sample invoices within 30 days of the request or any reasonable extended time at the discretion of the Director , STPI at the request from the exporter.

I. Time Period for additional Information – STPI would do sample audit periodically but not during the period beyond six months, to make the records concurrent with the filing of the Softex. This however, doesn't stop the regulator from asking old records as per FEMA.

J. STPI will send the attested Bulk Softex statement in hardcopy to software exporter and soft copy to RBI, Regional Office, Authorized Dealer and Exporter with **password protection** (to be provided by STPI)

K. Authorized Dealer will upload this information in their systems for further processing

L. Authorized Dealer will settle the Softex using AD internal control number based on details provided by Exporter on collections as per Annexure C

2. Reporting of Software export Realizations to Authorized Dealer (AD) Software Exporters can have collection account overseas or get credit directly in the bank accounts maintained in India, where individual invoices raised on customers are collected. After meeting "onsite" branch expenses, as permitted by FEMA, net amount will be remitted to India. This would also include 100% realization of offsite exports.

A. Periodicity – Quarterly

B. Applicability – Software exporters with annual turnover in excess of Rs. 1,000 crore or submitting in excess of 600 Softex forms annually.

C. Details of information – As per **Annexure C**, which will cover information as under

i. Name and Address of the Exporter
ii. Import Export Code number
iii. Details of invoice wise collections (**Attachment A**)
a) SOFTEX Number
b) Name of Customer
c) Invoice Number
d) Invoice Date
e) Invoice Currency
f) Offshore Invoice value
g) Offshore Invoice value realized
h) Date of Realization of exports proceeds
i) Name of the Bank
j) Country of the Bank
iv. Details of Foreign Currency Inward Remittance in India(**Attachment B**). Authorized Dealers will give a control number for this Attachment B, which shall be used by them to settle all the softex forms in Attachment A

a) Inward remittance in India from overseas bank accounts
1. Name and address of the Authorized Dealer at which the amount has been received
2. Inward remittance details like FIRC number, date, amount and foreign currency
3. Name and address of the Overseas bank from which remittance has been effected

b) Direct Inward remittance in India from customers against exports of software
1. Name and address of the Authorized Dealer at which the amount has been received
2. Inward remittance details like FIRC number, date, amount and foreign currency
3. Name and address of the Customer from which remittance has been received

v. Documentation: FIRCs to be given to AD for endorsement along with above details

vi. Software exporters will furnish the credit notes to AD for invoices which have already been certified by STPI and settle the respective Softex forms.

3. Online Submission of Periodic Software Exports Declaration

STPI is in the process of computerizing the submission of Softex form. STPI would be required to ensure that the computerisation of the Softex forms and the populating of the data must be compatible to **'Softex Card Design'** as detailed in **Annexure E** and be able to generate a report in **'ENC file format'** as detailed in **Annexure D**

N.B. In the event of full computerisation at the STPIs, the exporters will upload their bulk statement to the STPI system which will be verified and certified by the STPI and the certified information will flow to RBI, Regional Office, Exporter as well as AD online. The data will eventually flow to DSIM, RBI for record with a copy retained at STPI.

[Annexure is available at our website www.worldtradescanner.com]

Tariff Value on Brass Scrap and Poppy Seeds Down by US$98/MT and US$234/MT

11-Cus(NT) 15.02.2012 (DoR) In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Excise & Customs, being satisfied that it is necessary and expedient so to do, hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.) dated, the 3rd August, 2001, published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii) vide number S. O. 748 (E), dated the 3rd August, 2001, namely:-

In the said notification, for **TABLE-1 and TABLE-2**, the following Tables shall be substituted namely:-

"Table-1

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)	4176
9	1207 91 00	Poppy seeds	2439

Table-2

SNo.	Chapter/ heading/ sub-heading/ tariff item	Description of goods	Tariff value (US $)
(1)	(2)	(3)	(4)
1	71	Gold, in any form in respect of which the benefit of Notification No. 3/2012-Customs dated 1 6.01.2012 is availed	556 per 10 grams (i.e. no change)
2	71	Silver, in any form in respect of which the benefit of Notification No. 3/2012-Customs dated 16.01.2012 is availed	1067 per kilogram" (i.e. no change)

[F. No. 467/01/2012-Cus.V]

Customs Valuation Exchange Rates

February 2012		Imports	Exports
Schedule I			
1	Australian Dollar	53.45	52.20
2	Canadian Dollar	50.30	49.00
3	Danish Kroner	8.90	8.65
4	EURO	66.00	64.40
5	Hong Kong Dollar	6.45	6.35
6	Norwegian Kroner	8.65	8.60
7	Pound Sterling	78.90	77.15
8	Swedish Kroner	7.45	7.25
9	Swiss Franc	54.70	53.35
10	Singapore Dollar	40.05	39.10
11	U.S. Dollar	50.20	49.40
Schedule II			
1	Japanese Yen	65.40	63.65

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

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

(Source: Customs Notification 09(NT)/30.01.2012]

Commodity Spot Prices in India – 16-21 February 2012

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

(Rs.)

Commodity	Unit	Market	16-Feb	17-Feb	21-Feb
CER (Carbon Trading)	1 MT	Mumbai	NA	NA	NA
Chana	100 KGS	Delhi	3610	3613	3603
Masur	100 KGS	Indore	3034	3036	3046
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	701.4	706.2	710.5
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	5063	5006	5006
Guar Gum	100 KGS	Jodhpur	NA	NA	NA
Maize	100 KGS	Nzmbad	1163.5	1161.5	1160.5
Wheat	100 KGS	Delhi	1262.2	1265.8	1264.2
Mentha Oil	1 KGS	Chandausi	1767.1	1813.7	1876.5
Cotton Seed	100 KGS	Akola	NA	NA	NA
Castorsd RJK	100 KGS	Rajkot	3840.5	3862.5	3852
Guar Seed	100 KGS	Bikaner	15365	15626	15301
Soya Bean	100 KGS	Indore	2502.5	2512	2562
Mustrdsd JPR	20 KGS	Jaipur	675	678.5	708.2
Sesame Seed	100 KGS	Rajkot	6113	6100	6025
Coconut Oil Cake	100 KGS	Kochi	NA	NA	NA
RCBR Oil Cake	1 MT	Raipur	NA	NA	NA
Kapaskhali	50 KGS	Akola	1188.8	1188.3	1220.2
Coconut Oil	100 KGS	Kochi	6604	6604	6656
Refsoy Oil	10 KGS	Indore	697.65	703.05	715.15
CPO	10 KGS	Kandla	522	527.7	536.9
Mustard Oil	10 KGS	Jaipur	729.6	732.9	760.1
Gnutoilexp	10 KGS	Rajkot	1085	1090	1100
Castor Oil	10 KGS	Kandla	NA	NA	NA
Crude Oil	1 BBL	Mumbai	5014	5039	5081
Furnace Oil	1000 KGS	Mumbai	NA	NA	NA
Sourcrd Oil	1 BBL	Mumbai	NA	NA	NA
Brent Crude	1 BBL	Mumbai	5858	5916	5908
Gur	40 KGS	Muzngr	NA	NA	NA
Sugars	100 KGS	Kolhapur	2820	2820	2812
Sugarm	100 KGS	Delhi	3028	3017	2994
Natural Gas	1 mmBtu	Hazirabad	119.4	126.4	132.1
Rubber	100 KGS	Kochi	18671	18610	18528
Cotton	1 Bales	Rajkot	17250	17250	17140
Cotton Med	1 Maund	Sriganganagar	NA	NA	NA
Jute	100 KGS	Kolkata	2509.5	2488.5	2521
Gold	10 GRMS	Ahmd	27861	27870	27975
Gold Guinea	8 GRMS	Ahmd	22378	22385	22470
Silver	1 KGS	Ahmd	55614	55673	56032
Sponge Iron	1 MT	Raipur	NA	NA	NA
Steel Flat	1000 KGS	Mumbai	NA	NA	NA
Steel Long	1 MT	Gobindgarh	NA	NA	NA
Copper	1 KGS	Mumbai	412.8	411.65	402.3
Nickel	1 KGS	Mumbai	976.3	987.6	971.8
Aluminium	1 KGS	Mumbai	105.65	105.25	105.9
Lead	1 KGS	Mumbai	99.15	98.95	100.5
Zinc	1 KGS	Mumbai	97.35	97.5	97.65
Tin	1 KGS	Mumbai	1201.5	1191	1166

(Source: MCX Spot Prices)

Value Added Measures – iPhones are Made in Japan and Korea, China does the Final Assembly only

Industrial supply chains add to the "blurriness" of the country of origin concept as the value of an imported good does not necessarily fully originate from the geographical origin mentioned in custom documents.

For example, the table below decomposes the US trade deficit in iPhones with China by the different countries having contributed to its production. Contrary to what is observed through the traditional measure, only a very small fraction of the US shortfall is value added originating from China — the remainder stems from Japan, other Asian countries and developed economies where conception and production of critical components as well as R&D or marketing efforts are located.

2009 US trade balance in iPhones (million dollars)

	China	Japan	Korea, Rep. of	Germany	Rest of World	World
Traditional measure	-1,901.2	0	0	0	0	-1,901.2
Value added measure	-73.5	-684.8	-259.4	-340.7	-542.8	-1,901.2

Source: Miroudot, S., Global Forum on Trade Statistics, 2-4 April 2011

WORLD TRADE SCANNER

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Foreign Trade Policy

Customs

Central Excise

CBEC Circulars

RBI Circulars [AP(DIR Series)]

Danube Freezes Hampering Trade

The Danube River, Central Europe's key waterway, has frozen in several places, bringing trade in the region to a halt. Unlike most of Europe, which has diversified away from water-based freight transport, Central European countries on the Danube still rely heavily on the river for trade.

Extremely low temperatures in the past few weeks in Europe have caused several of the continent's inland waterways to freeze, particularly the Danube River.

Bulgaria, Croatia, Romania and Serbia have suspended shipping on the river, which is 90 percent impaired by the ice. The Bulgarian Agency for Exploration and Maintenance of the Danube River announced that the river is completely frozen near the Bulgarian city of Silistra, and authorities temporarily halted two Bulgarian-Romanian ferries. Hungarian officials reported Feb. 10 that the river was 60 to 70 percent frozen there and have closed it to traffic. Shipping also was stopped in certain sections of the river in Austria, making transnational shipping impossible.

Europe has around 50,000 kilometers (31,000 miles) of navigable canals, rivers and lakes regularly used for transportation of goods. This network is mostly concentrated in the northwestern part of the continent, with one major exception - the Danube.

The Danube flows for 2,872 kilometers through Germany, Austria, Slovakia, Hungary, Croatia, Serbia, Bulgaria, Romania, Moldova and Ukraine to the Black Sea. On its way, it flows through four capital cities - Vienna, Bratislava, Budapest and Belgrade - and its tributary rivers fostered the development of important trade centers such as Munich and Zagreb. The completion of the 171-kilometer-long Rhine-Main-Danube Canal in 1992 allowed for travel to the Danube from the North Sea port of Rotterdam via the Rhine.

Contrast this with the rest of Europe, which largely has shifted its goods trade to faster - albeit more expensive - routes. Only about 5 percent of Europe's total inland freight (excluding sea, pipeline and air) is transported via its waterway network, compared to 74 percent by road and 16 percent by rail. This diversification has given countries that are not dependent upon water-based trade more options when dealing with frozen rivers. Moreover, northwestern Europe's most important waterway, the Rhine River, currently is still navigable.

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