Basic Chemicals, Cosmetics &
Dyes Export Promotion Council
(Set - up by the Ministry of Commerce & Industry Government of India)

CHEMEXCIL NEWS

Issue October - November 2018

CHEMEXCIL'S 19TH REVERSE BUYER SELLER MEET, MUMBAI
5TH OCTOBER, 2018

Shri Satish Wagh, Chairman, Chemexcil felicitating Chief Guest Shri Samir Kumar Biswas, IAS,Jt. Secretary (Chemicals) Department Of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers, Govt. of India along with Shri S.G. Bharadi, Executive Director, Chemexcil

GLIMPSES OF RBSM CHEMEXCIL

Mr. Banwari Lal Jhawar delegate from Tanzania being felicitated by Chairman Shri Satish Wagh along with Chief Guest Shri Samir Kumar Biswas, IAS, Jt Secretary (chemicals) Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers and other dignitaries on dais during 19th Reverse Buyer Seller Meet held on 5th october, 2018 at ball room of hotel hyatt regency, Mumbai..

Ms. Christine Murungi delegate from Kenya being felicitated by Vice Chairman Shri Ajay Kadakia along with Chief Guest Shri Samir Kumar Biswas, IAS, Jt Secretary (chemicals) Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers and other dignitaries on dais during 19th Reverse Buyer Seller Meet held on 5th october, 2018 at ball room of hotel hyatt regency, Mumbai.

Ms. Mary kariuki ruguru, delegate from Kenya being felicitated by regional Chairman Shri Bhupendra Patel along with Chief Guest Shri Samir Kumar Biswas, IAS, Jt Secretary (chemicals) Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers and other dignitaries on dais during 19th Reverse Buyer Seller Meet held on 5th october, 2018 at ball room of hotel hyatt regency, Mumbai

From Left Shri Bhupendra Patel, Regional Chairman, Shri Ajay Kadakia, Vice Chairman, Shri Satish w Wagh, Chairman Chief guest Shri Samir Kumar Biswas, IAS, Jt. Secretary (Chemicals) Department of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers Shri S. G Bharadi, Executive Director, and Shri Deepak Gupta, Dy. Director, Chemexcil.

19TH REVERSE BUYER SELLER MEET IN PROGRESS.

View of Delegates during inauguration of 19th Reverse Buyer Seller Meet 2018 at Ball Room of Hotel Hyatt Regency, Mumbai on 5th October, 2018

IN THIS ISSUE

1 Chairman Desk

2 Security Provisions for Dangerous Goods

3 How to look at 2019?

3 Complete Analysis of EPCG Scheme

4 Export Strategy- Russia

5 Chemexcil Activities

6 News Articles

7 Chemexcil Notices

Editorial

Chairman's Desk

My dear fellow exporters,

We are extremely saddened by the passing away of Shri Ananth Kumar Ji Hon. Union Minister of Chemicals and Fertilizers and Parliamentary Affairs due to ill health he was Union Minister of Chemicals and Fertilizers and Parliamentary Affairs from 2014 till on 12th November-2018. He was a remarkable leader, who entered public life at a young age and went on to serve society with utmost diligence and compassion. He will always be remembered for his good work. As the minister for chemicals and fertilizers, Kumar implemented 100% mandatory neem-coating of urea, in a move that was expected to save Rs 10,000 crore per annum on account of stopping diversion for industrial usage, apart from additional benefit of slowing the release of nitrogen, thus reducing the overall consumption. Ananth Kumar took affordable healthcare concept ahead via price reduction. Taking India on the way to becoming net exporter of fertilizers from currently being a net importer by 2022, he launched an initiative to revive 6 closed fertilizer plants with over 48,000 cr investment, along with coal and oil & natural gas ministry.

I would like to appreciate the move of CBIC, they have introduced Single Window Interface for facilitating Trade (SWIFT) as part of ease of doing business initiative to integrate Customs and other Participating Government Agencies (PGAs) for seamless processing of import and export clearances. One of the component of SWIFT is e-SANCHIT, which allows a trader to submit all supporting documents for clearance of consignments electronically with digital signatures. This obviates the need for the trader to approach different regulatory agencies with hardcopies of the documents, thereby making the entire process of consignment clearance faceless and paperless. It has been made mandatory that all the importers are required to upload the documents relating to regulatory compliances electronically from 01st April, 2018 onwards. Shortly e-SANCHIT facility will be extended to exports also, for which a pilot is underway.

After introduction of e-Sanchit vide Public Notice No. 31/2018, dated 01.03.2018, the earlier system of deposit of hard copy of EDI Bill of Entry has been discontinued. Moreover, correction of wrong particulars entered in the Bill of Entry is actually "amendment process", which is required to be carried out in the system after payment of amendment fees. In view of above, it has been decided to discontinue the existing manual endorsement procedure being followed at Nhava Sheva.

I would like to inform you that GST Portal has uploaded an Advisory for Taxpayers to file Refund for Multiple Tax periods. As you might be aware, filing of un-utilized ITC application for multiple tax periods has been an issue with various tax payers. The council had also sent representation to the concerned officers. The detailed advisory note is already circulated by council to all members and is also uploaded on our website.

As per information available with us, HS Codes 2834.10.10, 2841.61.00, 2907.15.10, 2914.31.00, 2920.23.00, 2921.42.21, 2921.42.23, 2922.29.26, 2930.90.30, **GSP benefit has been withdrawn by USA** for exports from India

The validity period of EPCG Authorization from the date of issue has been extended from 18 months to 24 months by Directorate General of Foreign Trade.

As per the directive of MoC, Govt of India , Chemexcil Ahmedabad Regional Office had organized a "Stakeholder Consultation Meeting on Boosting Exports to USA, China, ASEAN & Other Markets" in Ahmedabad on the 1st October 2018, Monday, at the GDMA Conference Hall. Representatives of different member Companies gave their opinion about various hurdles faced either in export documentation, registrations, licenses, approvals, and technology, or constraints in manufacturing.

As an export promotion measure, CHEMEXCIL participated in India Chem 2018 exhibition organized by FICCI from 4th October to 6th October, 2018 at Hall 1, Bombay Exhibition Centre, Mumbai. This show was inaugurated by Shri Nitin Gadkari, Hon. Minister of Road Transport & Highway of India. Considering the overwhelming response received from member-exporters as well as foreign participants in the last REVERSE BUYER-SELLER MEETS, coinciding with INDIACHEM 2016 Exhibition, CHEMEXCIL organized 19th REVERSE BUYER-SELLER MEET on 5th October, 2018 coinciding with INDIACHEM 2018 at The Hyatt Regency, Mumbai under Market Access Scheme of the Government of India. Altogether 50 foreign delegates and 83 Indian participants attended this RBSM. The 19th Reverse Buyer-Seller Meet was inaugurated by Shri Samir Kumar Biswas, I.A.S., Joint Secretary (Chemicals) Department of Chemicals & Petrochemicals, Ministry of Chemicals Fertilizers, Govt. of India at Ball Room of Hotel Hyatt Regency, Mumbai.

Council also organized an Awareness Seminar on "SWIFT / FTAs / Impact of GST on Trade / Export Incentives / Schemes for MSMEs" on 22nd October, 2018 at Hotel The Hans, New Delhi.

Shri Babu Lal Meena, IRS, Asst. Commissioner, (SW), CBIC, Ministry of Finance & Shri Gaurav Joshi, Deputy Director, O/o Development Commissioner, MSME, Govt. of India, were the guest speakers and they made the presentation on SWIFT / Various Schemes of MSMEs & interacted with the participants.

I am glad to inform you that Hon'ble Prime Minister, Shri Narendra Modi-ji, has launched a historic support and outreach programme on 02/11/2018 for the Micro, Small and Medium Enterprises (MSME) sector. As part of this programme, the Prime Minister has unveiled 12 key initiatives which will help the growth, expansion and facilitation of MSMEs across the country. The Prime Minister said that there are five key aspects for facilitating the MSME sector. These include access to credit, access to market, technology upgradation, ease of doing business, and a sense of security for employees. Council has already sent detailed circular to exporters on the important points of the same. In this connection the council received intimation from the Department of Commerce regarding participation in MSME Support and Outreach Program at Morarjee Desai Community Hall, Valsad, Gujarat on 02/11/2018. This program was to be formally launched in the afternoon by Hon'ble Prime Minister, Shri Narendra Modi-ji, via Video conferencing and subsequently implemented all over the country. The lead agency for this event was Bank of Baroda. This program at Valsad was graced by Shri Bhupendra Singh Chudasma, Hon'ble Education Minister, Gujarat, Dr. O. P. Chaudhary, Joint Secretary (DoAHD&F), General Manager- Bank of Baroda, Deputy Commissioner (CGST &CX), Shri S. G. Bharadi Executive Director Chemexcil and other dignitaries. The vital points are already circulated to members and also uploaded on our website.

Chemexcil also organized a seminar on Global Market Outlook and Forex Risk Management followed by Networking dinner at Hotel Radisson Blue, Nr. Panchvati Circle, Off C G Road, Ambawadi, Ahmedabad on 22nd November, 2018, Thursday from 6.00pm to 8.00pm. The key speakers of the seminar was Shri P V Tirumala (Deputy DGFT, Ahmedabad), Shri Greeven Kharawala, Managing Director, Jay Chemicals Ltd., Shri Rohit Jethra (Executive Vice President, Kotak Mahindra Bank. Council received good response from the participants of Ahmedabad region. The seminar was well appreciated by all the participants.

Friends, the DGCI&S trade data pertaining to items under Chemexcil's purview showed exports for October, 2018-19 were valued at USD 1.633 billion with a growth of 35.72 per cent. Cumulative value of exports for the period April-October, 2018-19 was USD 11.04 Billion registering a growth of 32.17 percent over the same period last year. Imports for the month of October, 2018-19 were valued at USD 2.231 billion representing a growth of 28.04 percent. Cumulative value of imports for the period April-October 2018-19 was USD 14.862 billion registering a growth of 26.20 per cent over the same period last year. The trade deficit for October 2018-19 was estimated at USD 0.598 billion.

I hope you will find this news bulletin informative and useful. The secretariat looks forward to receiving your valuable feedback and suggestions which will help us to further improve this bulletin.

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Security Provisions for Dangerous Goods

Shashi Kallada
Consulting & Training - Dangerous Goods by Rail, Road, River & Sea

11th September 2011 attack on U.S. threw up a new revelation and threat that terrorists can cause mass casualties without using weapons of mass destruction.

The attack on oil tanker Limburg at Gulf of Aden on 6 October 2002 resulted in 90,000 barrels of oil leaking into sea, vessel catching fire, death of one crew, injuries to 12 crews, 45 million USD loss to vessel, Yemen losing 3.8 million USD in port revenues.

The International Ship and Port Facility Security (ISPS) Code is an amendment to the Safety of Life at Sea (SOLAS) Convention (1974/1988) on minimum security arrangements for ships, ports and government agencies.

International Maritime Organisation states that *"The International Ship and Port Facility Security Code (ISPS Code) is a comprehensive set of measures to enhance the security of ships and port facilities, developed in response to the perceived threats to ships and port facilities in the wake of the 9/11 attacks in the United States"*

In different ways terrorists may try to reach their objective of disrupting public life, attracting media coverage, targeting high value individuals, demand release of prisoners, instil fear, economic loss, etc.

RISK = Threat x Vulnerability.

Driver leaving vehicle carrying dangerous goods on the road, gap in the peripheral fence of a port or CFS, blind sectors of security cameras are some **vulnerabilities**.

Threat is a probability of an attack on a target which may be stationary, ports, CFS, warehouses, or on the move, road vehicles and rail cars.

Risk is the probability of threat attacking above exampled vulnerabilities.

- *Some chemicals which are used in the commercial industry can also be used by terrorists for plotting attacks with mass causalities.*
- *Talking to strangers revealing details of dangerous goods, especially while transporting, will cause vulnerability.*
- *Some oxidizers can be turned into explosives by mixing with mineral oil*

Unauthorized access must never be allowed to facilities having dangerous goods. Any person seen loitering around the boundary of the facility must be questioned. Unauthorized photography or filming must not be permitted. While moving high consequence dangerous goods, the route used must be assessed for vulnerabilities and possible need of change in route or need of security escort must be considered.

Every goods must have security measures to prevent unauthorized access, misuse and theft. IMDG Code Chapter 1.4 deals with Security Provisions for Dangerous Goods in which Consignors and others engaged in the transport of high consequence dangerous goods are advised to adopt, implement and comply with a separate security plan. **High consequence dangerous goods** are those which have the potential for misuse in a terrorist event and which may, as a result, produce serious consequences such as mass casualties, mass destruction or, particularly for Class 7, Radioactive Materials, mass socio-economic disruption.

An indicative list of high consequence dangerous goods

Class 1, Division 1.1 explosives

Class 1, Division 1.2 explosives

Class 1, Division 1.3 compatibility group C explosives

Class 1, Division 1.4 UN Nos. 0104, 0237, 0255, 0267, 0289, 0361, 0365, 0366, 0440, 0441, 0455, 0456 and 0500

Class 1, Division 1.5 explosives

Class 2.1 flammable gases in quantities greater than 3,000 L in a road tank vehicle, a railway tank wagon or a portable tank

Class 2.3 toxic gases

Class 3 flammable liquids of packing groups I and II in quantities greater than 3,000 L in a road tank vehicle, a railway tank wagon or a portable tank

Class 3 liquid desensitized explosives

Class 4.1 solid desensitized explosives

Class 4.2 goods of packing group I in quantities greater than 3,000 kg or 3,000 L in a road tank vehicle, a railway tank wagon, a portable tank or a bulk container

Class 4.3 goods of packing group I in quantities greater than 3,000 kg or 3,000 L in a road tank vehicle, a railway tank wagon, a portable tank or a bulk container

Class 5.1 oxidizing liquids of packing group I in quantities greater than 3,000 L in a road tank vehicle, a railway tank wagon or a portable tank

Class 5.1 perchlorates, ammonium nitrate, ammonium nitrate fertilizers and ammonium nitrate emulsions or suspensions or gels in quantities greater than 3,000 kg or 3,000 L in a road tank vehicle, a railway tank wagon, a portable tank or a bulk container

Class 6.1 toxic substances of packing group I

Class 6.2 infectious substances of category A (UN Nos. 2814 and 2900)

Class 7 (see 1.4.3.1.3 of IMDG Code)

Class 8 corrosive substances of packing group I in quantities greater than 3,000 kg or 3,000 L in a road tank vehicle, a railway tank wagon, a portable tank or a bulk container

Specific Security Plan for High Consequence Dangerous Goods must have at least below elements:

a) specific allocation of responsibilities for security to competent and qualified persons with appropriate authority to carry out their responsibilities;

b) records of dangerous goods or types of dangerous goods transported;

c) review of current operations and assessment of vulnerabilities, including intermodal transfer, temporary transit storage, handling and distribution, as appropriate;

d) clear statements of measures, including training, policies (including response to higher threat conditions, new employee/employment verification, etc.), operating practices (e.g. choice/use of routes where known, access to dangerous goods in temporary storage, proximity to vulnerable infrastructure, etc.), equipment and resources that are to be used to reduce security risks;

e) effective and up-to-date procedures for reporting and dealing with security threats, breaches of security or security-related incidents;

f) procedures for the evaluation and testing of security plans and procedures for periodic review and update of the plans;

g) measures to ensure the security of transport information contained in the plan; and

h) measures to ensure that the distribution of transport information is limited as far as possible.

It is not always terrorists who may attack, a protest rally by political parties may turn violent torching vehicles and buildings which if have dangerous goods will multiply into catastrophic damage and loss of lives.

Insider threat is more difficult to assess and identify as she/he may lie low for right time knowing the vulnerabilities of the organisation. Insider can be a sleeping terrorist or a disgruntled employee who may take revenge or an imprudent employee who unknowingly give the details of vulnerabilities to his or her friend who may utilize same to attack. An organisation can put in place multi-pronged approach to detect insider threat, this includes assessing cultural, social, political, economic sector and specific local factors and backgrounds. The publications "Insider Risk Evaluation and Audit" and "Ten Tales of Betrayal: The Threat to Corporate Infrastructures by Information Technology Insiders Analysis and Observations" published by Defense Personnel Security Research Center are useful guide and reference to evaluate insider threat.

For security provisions of Radioactive Material refer to chapter 1.4 of IMDG Code and IAEA publication "Convention on Physical Protection of Nuclear Material" and the IAEA circular "The Physical Protection of Nuclear Material and Nuclear Facilities" need to be applied.

SAFER shipping can only be guaranteed by SECURE shipping!

How to look at 2019?

Sudhakar Kasture
Director,
EXIM Institute

Year 2019 is going to be a challenging year for exporting community. The protectionist policies of various countries, trade war between China & USA, Aggressive FTA negotiations between countries & challenges due to climate change are some critical factors.

Let's examine each one of them:-

1. **Protectionist policies of various countries:-** Protectionism impacts immediate trade & has serious consequences. For example country 'A' increases duty let say from 10% to 20% without any prior notice & as a result the manufacturing process gets into additional costs. This may result into cancellation of orders for the exporter & additional burden for the importer. This also impacts the sustainability of supply chain. If duty on product 'X' increases substantially in country like US, the suppliers in China would think of increasing supplies to other countries like India, Canada etc. This in turn would create imbalance in domestic market of India & Canada. Protectionist policies can also take the route of import quotas or technical barriers hence, it is utmost important that one should be aware of what is happening with major trade partners.

2. **Trade war between China & USA :-** The impact of a trade war between the superpowers may have implications which may impact the global and the Indian economies. The effects of a trade war are unlikely to be restricted to merely these two countries. Due to this, India too could find some changing dynamics in its economy. The basic principles of economics, i.e., demand and supply, will once again come into play. The shortage of supply of a good, either finished material or raw material, will increase the final consumption price for the consumer. Under present uncertain circumstances, importer / exporter have a significant role to play in keeping the business environment stable.

3. **Aggressive FTA negotiations between countries:-** Various countries are engaging themselves into bilateral or multilateral FTAs.

Recent Notifications		
RTA Name	**Coverage**	**Date of entry into force**
EFTA - Philippines	Goods & Services	Jun 1 2018
Peru - Honduras	Goods & Services	Jan 1 2017
Turkey - Singapore	Goods & Services	Oct 1 2017
China - Georgia	Goods & Services	Jan 1 2018
El Salvador - Ecuador	Goods	Nov 16 2017

Source:- https://www.wto.org

In addition to this Transpacific partnership (excluding USA) has also been finally ratified by few countries.

Progress on RCEP:-

(Joint Leaders' Statement on the RCEP Negotiations - 14 November 2018, Singapore.) "Negotiations on goods and services market access and on investment Reservation Lists have advanced significantly with all RCEP Participating Countries (RPCs) intensively engaged in a series of bilateral and plurilateral negotiations throughout the year. There has been a genuine effort by RPCs to progress market access negotiations while recognizing that different RPCs have different sensitivities toward each other.

Negotiations on rules have also progressed substantially. This year alone, RPCs managed to conclude the Chapters on Customs Procedures and Trade Facilitation (CPTF); Government Procurement; Institutional Provisions; Sanitary and Phytosanitary (SPS) Measures; and Standards, Technical Regulations, and Conformity Assessment Procedures (STRACAP); which, added to the earlier concluded Chapters on Economic and Technical Cooperation (ECOTECH) and on Small and Medium Enterprises, bring the total number of concluded chapters in RCEP to seven."

Source:- https://dfat.gov.au

4. **Challenges due to climate change** :- "Climate change is the biggest sustainable development challenge the international community has had to tackle to date. Measures to address climate change need to be fully compatible with the international community's wider ambitions for economic growth and human advancement.

   The WTO is one part of the architecture of multilateral cooperation. It provides a framework of disciplines to facilitate global trade and serves as a forum to negotiate further trade openness. Freer trade is not an end in itself; it is tied to crucially important human values and welfare goals captured in the WTO's founding charter, the Marrakesh Agreement. Trade openness can help efforts to mitigate and adapt to climate change, for example by promoting an efficient allocation of the world's resources (including natural resources), raising standards of living (and hence the demand for better environmental quality) and improving access to environmental goods and services."

Source:- https://www.wto.org

Climate change is very serious issue. 23 countries are suffering from food shortages. Recent Wild fires in California are scary examples. Even in Maharashtra we are experiencing uncertain weather. New product development therefore has to be environmental friendly.

To summarize,

The challenges are not only demand & supply or market access. We need to think much more in depth to chart a path of progress.

CHEMEXCIL SMS Alert service Form

1. Name of the Company:
2. Name of the applicant:
3. IEC Number
4. Chemexcil Membership Number
5. RCMC Number
6. Correspondence address.
7. Mobile Number

I undertake to abide by all terms and conditions for SMS alert facility as may be prescribed from time to time by Chemexcil.

Date Place Signature

FOR OFFICE USE **RCMC No.**

The aforementioned standing instruction/ details have been logged and maintained in the system after verification of company and mobile number in use

Date Name of Concern officer Signature of Authorized person.

Please mail above filled form at membership@chemexcil.gov.in

Complete Analysis of EPCG Scheme

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This is a very Beneficial Export Promotion Scheme through which Capital Goods required for Export Production is allowed Duty Free.

Objective

The objective of the EPCG Scheme is to facilitate import of capital goods for producing quality goods and services and enhance India's manufacturing competitiveness.

As per Para 5.01 of Foreign Trade Policy, EPCG Scheme allows **import of capital goods** (except those specified in negative list in Appendix 5 F) **for pre-production, production and post-production *at zero customs duty***.

Capital goods imported under EPCG Authorisation for physical exports are also **exempt from IGST and Compensation Cess upto 31-03-2019** only

Capital goods for the purpose of the EPCG scheme shall include:

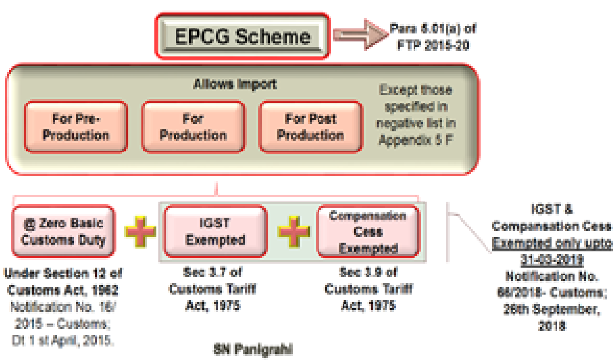
(i) Capital Goods as defined in Chapter 9 including in CKD/SKD condition thereof;

(ii) Computer systems and software which are a part of the Capital Goods being imported;

(iii) Spares, moulds, dies, jigs, fixtures, tools & refractories; and

(iv) Catalysts for initial charge plus one subsequent charge.

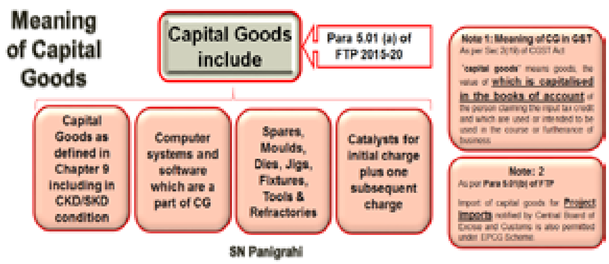
Import of capital goods for Project Imports notified by Central Board of Excise and Customs is also permitted under EPCG Scheme.



Meaning of Capital Goods:

Para 9.08 of FTP : "**Capital Goods**" means any plant, machinery, equipment or accessories required for manufacture or production, either directly or indirectly, of goods or for rendering services, including those required for replacement, modernisation, technological up-gradation or expansion. It includes packaging machinery and equipment, refrigeration equipment, power generating sets, machine tools, equipment and instruments for testing, research and development, quality and pollution control.

Capital goods may be for use in manufacturing, mining, agriculture, aquaculture, animal husbandry, floriculture, horticulture, pisciculture, poultry, sericulture and viticulture as well as for use in services sector.



Coverage of EPCG Scheme

- ➢ Manufacturer exporters with or without supporting manufacturer(s),
- ➢ Merchant exporters tied to supporting manufacturer(s) and service providers.
- ➢ Name of supporting manufacturer(s) shall be endorsed on the EPCG Authorisation before installation of the capital goods in the factory / premises of the supporting manufacturer (s).
- ➢ Export Promotion Capital Goods (EPCG) Scheme also covers a service provider who is designated / certified as a Common Service Provider (CSP) by the DGFT, Department of Commerce or State Industrial Infrastructural Corporation in a Town

of Export Excellence subject to provisions and conditions of Foreign Trade Policy 2015-2020.

Intimation of Blockwise Fulfiment of Export Obligation

(b) The Authorisation holder would intimate the Regional Authority on the fulfilment of the export obligation, as well as average exports, **within three months of completion of the block**, by secured electronic filing using digital signatures.

(c) Where EO of the first block is not fulfilled in terms of the above proportions, except in cases where the EO prescribed for first block is extended by the Regional Authority subject to payment of composition fee of 2% on duty saved amount proportionate to unfulfilled portion of EO pertaining to the block, the Authorization holder shall, within 3 months from the expiry of the block, pay duties of customs (along with applicable interest as notified by DOR) proportionate to duty saved amount on total unfulfilled EO of the first block.

Conditions for Export Obligation

As per Para 5.04 of FTP :

Following conditions shall apply to the fulfilment of EO:-

(a) **EO shall be fulfilled** by the authorisation holder **through export of goods which are manufactured by him or his supporting manufacturer / services rendered by him**, for which the EPCG authorisation has been granted.

(b) **EO under the scheme shall be, over and above, the average level of exports achieved by the applicant in the preceding three licensing years** for the same and similar products within the overall EO period including extended period, if any; except for categories mentioned in paragraph 5.13(a) of HBP. Such average would be the arithmetic mean of export performance in the preceding three licensing years for same and similar products.

(c) In case of indigenous sourcing of Capital Goods, specific **EO shall be 25% less** than the EO stipulated in Para 5.01.

(d) **Shipments under Advance Authorisation, DFIA, Drawback scheme or reward schemes under Chapter 3 of FTP; would also count for fulfillment of EO under EPCG Scheme.**

(e) **Export shall be physical export.** However, supplies as specified in paragraph 7.02 (a), (b), (e), (f) & (h) of FTP (**Deemed Exports**) shall also be counted towards fulfillment of export obligation, along with usual benefits available under paragraph 7.03 of FTP.

(f) EO can also be fulfilled by the supply of ITA-I items to DTA, provided realization is in free foreign exchange.

(g) Royalty payments received by the Authorisation holder in freely convertible currency and foreign exchange received for R&D services shall also be counted for discharge under EPCG.

(h) Payment received in rupee terms for such Services as notified in Appendix 5D shall also be counted towards discharge of export obligation under the EPCG scheme.

Validity for Import

Vide Public Notice No. 47/2015-20; Dated the 16th November, 2018, Para 5.01(d) of FTP was amended to extended Validity period for import **from 18 months to 24 months**.

Actual User Condition

As per Para 5.03 of FTP, Imported CG shall be subject to Actual User condition **till export obligation is completed and EODC is granted.**

Certificate of Installation of Capital Goods

Public Notice No. 31/2015-20, Dated 29th August, 2018; Dated the 29th August, 2018

Para 5.04(a) of HBP:

Authorization holder shall produce, **within six months** from date of completion of import, to the concerned RA, a certificate from the jurisdictional Customs authority or an independent Chartered Engineer, at the option of the authorisation holder, confirming installation of capital goods at factory / premises of authorization holder or his supporting manufacturer(s).

The RA may allow **one time extension** of the said period for producing the certificate by a **maximum period of 12 months** with a composition **fee of Rs.5000/-**.

Where the authorisation holder opts for independent Chartered Engineer's certificate, he shall send a copy of the certificate to the jurisdictional Customs Authority for intimation/record.

Para 5.04(b) of HBP

In the case of import of spares, the installation certificate shall be submitted by the Authorization holder within a period of three years from the date of import.

Shifting of Capital Goods imported under EPCG Scheme

Public Notice No. 31/2015-20, Dated 29th August, 2018; Dated the 29th August, 2018

Para 5.04(a) of HBP:

The authorization holder shall be permitted to shift capital goods **during the entire export obligation period** to other units mentioned in the IEC and RCMC of the authorization holder subject to production of fresh installation certificate **to the RA concerned within six months of the shifting.**

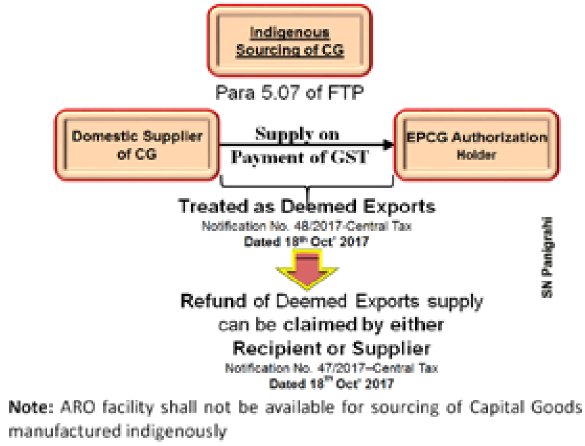
Indigenous Sourcing of CG: Benefits to Domestic Supplier

Para 5.07 of FTP

A person holding an EPCG authorisation may source capital goods from a domestic manufacturer. **Such domestic manufacturer shall be eligible for deemed export benefits** under paragraph 7.03 of FTP and as may be provided under GST Rules under the category of deemed exports.

Such domestic sourcing shall also be permitted from EOUs and these supplies shall be counted for purpose of fulfilment of positive NFE by said EOU as provided in Para 6.09 (a) of FTP.

The Domestic Supplier to EPCG Authorization holder has to Collect and Pay GST and then claim such GST paid as Deemed Export Refund.



Monitoring of Export Obligation

Para 5.15 of HBP

Authorisation holder shall submit to RA concerned by 30th April of every year, report on fulfilment of export obligation by secured electronic filing using digital signatures/ or hard copy thereof.

Comments :

Though the EPCG Scheme is a beneficial Export Promotion Scheme is most misused scheme, as there is no proper monitoring of Export Obligation. Even after expiry of the authorization no actions are being taken by the Concerned authorities. If the cases are opened up it may turn to be a biggest scam since such defaults are happening in collusion with corrupt officials.

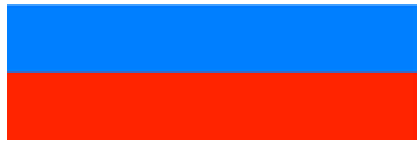
More over the scheme is not WTO Compliant and face any time exit.

Notifications

For more details please see the You Tube @ the following Linkhttps://www.youtube.com/watch?v=04NauOGVQtU&t=2s

Disclaimer : *The views and opinions; thoughts and assumptions; analysis and conclusions expressed in this article are those of the authors and do not necessarily reflect any legal standing.*

EXPORT STRATEGY- RUSSIA



BRIEF OF COUNTRY RUSSIA

Russia officially the Russian Federation is a country in Eurasia At 17,125,200 square kilometres (6,612,100 sq mi Russia is the largest country in the world by area, covering more than one-eighth of the Earth's inhabited land area and the ninth most populous, with over 144 million people as of December 2017, excluding Crimea About 77% of the population live in the western, European part of the country. Russia's capital, Moscow, is the largest metropolitan area in Europe proper and one of the largest cities in the world; other major cities include Saint Petersburg, Novosibirsk, Yekaterinburg and Nizhny Novgorod.

Extending across the entirety of Northern Asia and much of Eastern Europe, Russia spans eleven time zones and incorporates a wide range of environments and landforms. From northwest to southeast, Russia shares land borders with Norway, Finland, Estonia, Latvia, Lithuania and Poland (both with Kaliningrad Oblast), Belarus, Ukraine, Georgia, Azerbaijan, Kazakhstan, China, Mongolia and North Korea. It shares maritime borders with Japan by the Sea of Okhotsk and the U.S. state of Alaska across the Bering Strait.

Following the Russian Revolution, the Russian Soviet Federative Socialist Republic became the largest and leading constituent of the Union of Soviet Socialist Republics, the world's first constitutionally socialist state. The Soviet Union played a decisive role in the Allied victory in World War II, and emerged as a recognized superpower and rival to the United States during the Cold War. The Soviet era saw some of the most significant technological achievements of the 20th century, including the world's first human-made satellite and the launching of the first humans in space. By the end of 1990, the Soviet Union had the world's second largest economy, largest standing military in the world and the largest stockpile of weapons of mass destruction. Following the dissolution of the Soviet Union in 1991, twelve independent republics emerged from the USSR: Russia, Ukraine, Belarus, Kazakhstan, Uzbekistan, Armenia, Azerbaijan, Georgia, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan and the Baltic states regained independence: Estonia, Latvia, Lithuania; the Russian SFSR reconstituted itself as the Russian Federation and is recognized as the continuing legal personality and a successor of the Soviet Union.[30] It is governed as a federal semi-presidential republic.

ECONOMY OF RUSSIA

Russia has undergone significant changes since the collapse of the Soviet Union, moving from a centrally planned economy towards a more market-based system. Both economic growth and reform have stalled in recent years, however, and Russia remains a predominantly statist economy with a high concentration of wealth in officials' hands. Economic reforms in the 1990s privatized most industry, with notable exceptions in the energy, transportation, banking, and defense-related sectors. The protection of property rights is still weak, and the state continues to interfere in the free operation of the private sector.

Russia is one of the world's leading producers of oil and natural gas, and is also a top exporter of metals such as steel and primary aluminum. Russia is heavily dependent on the movement of world commodity prices as reliance on commodity exports makes it vulnerable to boom and bust cycles that follow the volatile swings in global prices. The economy, which had averaged 7% growth during the 1998-2008 period as oil prices rose rapidly, has seen diminishing growth rates since then due to the exhaustion of Russia's commodity-based growth model.

A combination of falling oil prices, international sanctions, and structural limitations pushed Russia into a deep recession in 2015, with GDP falling by close to 2.8%. The downturn continued through 2016, with GDP contracting another 0.2%, but was reversed in 2017 as world demand picked up. Government support for import substitution has increased recently in an effort to diversify the economy away from extractive industries.

CHEMICAL INDUSTRY IN RUSSIA:

Production of chemicals is critical for any economy. One of the earliest chemical industries to appear in Russia was the production of sulfuric and nitric acid, needed to make fertilizers and gunpowder. The production of potassium hydroxide for glass making was another early chemical industry. Some of Russia's earliest chemical factories were built in the early 1800s, mainly around Moscow, along the Volga, and in the Urals. During the Soviet period, much development occurred in the production of organic compounds from coal, petroleum, and natural gas, including plastics, fertilizer, paints, pesticides, detergents, and chemical weapons. Soviet chemists were at the forefront of research in many branches of modern chemistry. The geographic distribution of the chemical industry depends on the availability of the necessary raw materials, access to water, and cheap energy. Moreover, the production of many kinds of chemicals is highly polluting and must be carefully located away from large settlements or fragile natural areas, but it also requires access to a highly skilled labor force, which is frequently problematic. There are five main types of chemical industries in Russia today: (1) mining and enrichment of raw materials (e.g., phosphates, potassium, and sulfur); (2) production of common acids, bases, and other feedstocks to be used in farther chemical processes; (3) basic organic synthesis (alcohols, ethers, formaldehyde, etc.); (4) advanced organic synthesis (e.g., plastics, rubber, and pesticides); and (5) other types, including biomedical, microbiological, and photochemical production. The chemical industry of the U.S.S.R. was well developed and accounted for a bit less than 10% of all industrial output. In Russia today, chemical products account for about 5% of the total industrial output, but remain important both for domestic consumption and for exports. As in the rest of the industry, the early reforms of the 1990s hit the sector hard: Production of sulfuric acid, for example, decreased by about 40% from 12.8 mmt in 1990 to 8.5 in 2002. At the same time, production of synthetic fibers and paints dropped by 75%, production of tires dropped by 25%, and so on. Since 2002, there have been some increases in chemical production again. Russia remains one of the world's leaders in exporting fertilizers; it is also a large producer of plastics, rubber, and paints. Within Russia, about 40% of the chemical industry today is concentrated in the Urals (if Permsky Kray is included, with its giant fertilizer operations) and another 20% in the Central federal district surrounding Moscow. Substantial concentration of chemical enterprises is also found along the Volga, especially in the middle part of the basin from Nizhniy Novgorod to Kazan, Samara, and Saratov. Some types of chemistry production are localized in just a few places. For example, virtually all potassium fertilizer in Russia is produced in Permsky Kray, centered on the giant deposits of potash near Solikamsk and Berezniki. Russia is the second largest producer of potash in the world after Canada (6.3 mmt vs. 11 million in the latter in 2007), while Belarus is third (5.4 mmt). Nitrogen fertilizer is produced in many places where coal or natural gas is available. Russia is the second largest producer of ammonia in the world after China; much of it is produced using cheap natural gas. Ammonia is one of the main export items for Russia. Table salt has traditionally been produced in the Urals and the lower Volga. Plastics are made in many places (e.g., Dzerzhinsk, Kazan, Volgograd, Yekaterinburg, Ufa, Salavat, Nizhniy Tagil, Tyumen, Kemerovo, Tomsk), but largely along the Volga (35%), in the Urals, and in Central Siberia. In contrast, production of synthetic fibers (e.g., polyester) is concentrated overwhelmingly (79%) in the Central district, near the large textile centers in Ivanovo, Shuya, Tver, Ryazan, and Kursk. The Soviet Union was one of only five countries in the world known to stockpile chemical weapons (along with the United States, India, Libya, and Albania). Although new chemical weapons are supposedly no longer produced, there are some stashed away. About one-quarter of them were known to have been destroyed by 2007, in compliance with the international Chemical Weapons Convention. The chemical industry in Russia continues to produce many types of explosives at a few dozen factories, however. Solid and liquid fuels for missiles are widely manufactured as well. Russia is a major producer of hundreds of medical drugs, including very sophisticated modern medicines developed either in the late Soviet period or since the fall of the Soviet Union; there are 340 pharmaceutical producers in Russia. Nevertheless, over half of all medical drugs are now imported. Only 2 Russian companies were in the top 20 suppliers of medical drugs in Russia in 2007: Farmstandard and Otechestvennye Lekarstva. The rest were well-known transnational corporations (e.g., Sanofi-Aventis, Berlin-Chemie, Gedeon Richter, Pfizer, Novartis, Bayer, and others from France, Germany, Switzerland, and the United States). The domestic pharmaceutical industry is also seeing increased competition from India. Little is being done to improve the investments in local production, and pharmacies are known for their corrupt business practices, resulting in high local costs. Outside Russia, the largest chemical enterprises are found in Belarus, Ukraine, and Kazakhstan. All depend to some extent on raw materials from Russia as inputs or sell their products to Russian enterprises. Many of Russia's chemical exports to Europe are shipped via railroads going through Belarus or by trucks through Belarus, the Baltics, or Ukraine. Overall, heavy industry remains the backbone of Russia's economy and provides a major share of the country's exports. It is also well represented in Ukraine, Belarus, and Kazakhstan, and the industries of these four countries remain integrated to a large extent. Light industry, considered in the following chapter, has fared less well.

(Source: https://geographyofrussia.com/the-chemical-industry/)

KEY PROBLEMS OF RUSSIAN CHEMICAL INDUSTRY

1. High Prices and Lack of necessary range of raw material
2. Highly deteriorated production facilities
3. Poor Foreign Trade policy
4. Insufficient development of human, scientific and technological potential with in the chemical industry
5. High Electricity charges and high prices of transportation
6. Poor development of systems of standards and quality control of chemical product
7. Insufficient domestic market capacity
8. Dependence of strategic sectors on imported raw material.

MARKET CHALLENGES-RUSSIA

Russia is a large county with varied market segments spread across eleven time zones. The major markets of Moscow and St. Petersburg are well served and new market entrants will face stiff competition from established businesses. However, other large cities such as Yekaterinburg, Novosibirsk and Vladivostok may not be as developed but can move quickly on a new product/service offering.

- Dating from well before the Russia-Ukraine conflict in 2014, there is a long-term trend of "import substitution" serving as an official policy of the Russian government. Preferential financing for Russian companies, soft guidelines that limit the purchase of foreign products, official "buy-Russian" preferences in government tenders, and mandatory storage of customer data on local servers are representative of policies that can inhibit overseas firms' ability to compete from a price/quality standpoint.

- While business rule of law has improved in the last two decades in Russia, it remains weak by Western standards. Burdensome regulations, weak intellectual property protection, the preponderance and strength of state-owned enterprises, and a government focus on localization present challenges to overseas exporters. Russia is included on the Special 301 Priority Watch List due to significant intellectual property rights (IPR) violations. While the character and severity of these threats varies by industry, the prospect of compulsory licensing for pharmaceuticals is among persistent challenges.
- Russian importers and consumers are price-sensitive and will ask a lot of questions about the product/ service offer. Come with convincing arguments and a strong negotiating position.
- English is not widely spoken, even in large cities such as Moscow and St. Petersburg. A little Russian can go a long way, especially in de rigeur meals and toasts when you meet new business contacts.

(Source and modified: https://www.export.gov/article?id=Russia-Market-Challenges*)*

EXPORTING TO RUSSIA - MARKET OVERVIEW

Russia presents both significant challenges and opportunities for experienced Overseas exporters. Russia's 2014-2016 economic downturn, driven by low oil prices, Western sanctions, and compounded by a lack of structural economic reform, squeezed both Russian corporations and the average consumer. While targeted American and European economic sanctions remain in place and have gradually expanded, there is no overall trade embargo on Russia. On the back of a tight fiscal and monetary policy, coupled with higher oil prices, Russia returned to GDP growth of 1.7% in 2017 and the economy is expected to expand at a comparable or slightly slower pace in 2018. Over 1,000 American firms of all sizes continued to do business in Russia, given its 142 million consumers, $27k+ GDP per capita (as measured in purchasing power parity), a growing middle class and highly educated and trained workforce.

There are two broad considerations when assessing business prospects in Russia: geopolitics and market dynamics. Russia's continued aggression in Ukraine and Syria and interference in the 2016 U.S. elections have raised tensions with the United States and its allies and led to increased economic restrictions. U.S. and European economic sanctions instituted in 2014, and subsequently augmented, remain firmly in place and are not expected to be lifted in the near term. Restrictions on offshore, Arctic and shale oil and gas, the financial sector and the defense industry continue. In addition, a number of Russian entities and individuals are subject to sanctions, requiring overseas firms to conduct careful due diligence on potential business partners. For the past three years, U.S. agricultural exporters have been hit with Russian countersanctions, among a number of protectionist, import-substition policies designed to provide Russian firms implicit or explicit advantages over international competitors. In 2018, the Russian Duma passed legislation endorsing further restrictions on Western imports, and legislation is under consideration to make illegal any cooperation with Western sanctions. These laws may not be implemented, as potential damage to the Russian economy could be significant. Increasing state dominance of the economy, high costs of borrowing and a lack of broad economic reform will likely continue to constrain growth and market potential. Both large, publicly-traded U.S. multinationals and small- and medium-sized enterprises continue to carefully monitor the overall business climate in Russia, balancing opportunity and risk.

As for market-based considerations, both Western and Russian firms approach 2018-2019 eager to capitalize on opportunities but cognizant of the significant challenges facing Western market participants. Stable oil prices, a less volatile ruble and a return to growth in some sectors will likely keep the Russian economy growing in 2018, albeit slowly. Indeed, Western and Russian firms report year-on-year growth in large industrial equipment in the mining, energy, civil aviation, and heavy equipment sectors. However, retail and residential construction are examples of sectors that remain weak. Early in 2018, Standard & Poors and Moody's assigned Russian debt ratings of BBB- (lower investment grade) and Ba1 (a step below investment grade) respectively. A treaty on the avoidance of dual taxation and Russia's WTO accession in 2012 helped create hope that new opportunities might emerge for American trade and investment through more certain and predictable access to the market across tariff, trade rules, and dispute resolution platforms. But, despite the need for deeper economic reform, most analysts doubt there will be any major policy changes that would serve as a catalyst for significant economic acceleration.

(Source Modified: https://www.export.gov/article?id=Russia-Market-Overview *)*

RUSSIA - MARKET OPPORTUNITIES

With a vast landmass, extensive natural resources, more than 142 million consumers, and acute infrastructure needs, Russia remains a major, potential market for overseas exporters. Russia is the world's eleventh largest economy by nominal gross domestic product (GDP) and the sixth largest by purchasing power parity (PPP), as cited by the International Monetary Fund (IMF). According to the IMF, 2017 GDP per capita (PPP) was $27,890, the highest of the BRICS countries (Brazil, Russia, India, China, and South Africa). Russia is a high-income country, with an educated, trained workforce and sophisticated, discerning consumers.

A combination of low oil prices, structural limitations, and sanctions pushed Russia into a recession in 2015, with the economy contracting by four percent. The Russian economy then fell by about 0.6 percent in 2016. The Economist estimates that structural weaknesses, low investment and fiscal tightening will keep GDP growth at about 1-2% a year in the medium term.

Russia's leading individual trading partners are China, Germany, the Netherlands, Belarus, the United States, Italy, Japan, and Turkey.

Russia joined the World Trade Organization (WTO) in August 2012. Congress also enacted legislation to extend permanent normal trade relations to Russia in the same year. Overseas manufacturers and exporters experienced more certain and predictable access to the Russian market because of Russia's commitment not to raise tariffs on any products above the negotiated rates.

For Overseas businesses, Russia's accession to the WTO also provided the following benefits, although Russia has been slow to fulfill many of its WTO obligations:

- More liberal treatment for service exports and service providers;
- Stronger commitments for protection and enforcement of IPR;
- Rules-based treatment of agricultural exports;
- Market access under country-specific tariff-rate quotas;
- Improved transparency in trade-related rule-making; and
- More effective WTO dispute resolution mechanisms.

In some areas, subsequent Russian government actions, such as prohibitions it has placed on imports of most U.S. and European products since August 2014, have effectively negated market-opening measures that resulted from Russia's entry into the WTO.

(Source Modified: https://www.export.gov/article?id=Russia-Market-Opportunities*)*

RUSSIA- FTA INVOLVEMENT

On August 22, 2012 Russia formally joined the WTO, and on December 20, 2012 Russia gained permanent normal trade relations (PNTR).

As part of WTO accession, Russia signed the General Agreement on Trade in Services (GATS) that provides a legal framework for addressing barriers affecting trade in professional services. In the services sector, Russia committed to substantial openness in a broad range of sub-sectors, including the elimination of many existing limitations, such as financial services, telecommunications, distribution, energy, express delivery, professional services, and audio-visual services.

Currently nine countries (Russia, Belarus, Ukraine, Moldova, Tajikistan, Armenia, Kazakhstan, Kyrgyzstan, and Uzbekistan) from the Commonwealth of Independent States (CIS) ratified a Free Trade Agreement (FTA), which provides the free movement of goods within the territory of the member states. However, the ongoing conflict between Russia and Ukraine has resulted in a severe disruption of trade between the two countries.

On January 1, 2015 the Eurasian Economic Union (EAEU) was launched, which incorporated the regulations previously set forth in the Russia-Kazakhstan-Belarus Customs Union (CU) formed in 2010, expanded the tariff provisions to cover services, and established unified standards and labeling requirements. The accession of Armenia and Kyrgyzstan came into force on January 2, 2015 and August 12, 2015, respectively.

On December 30, 2015 President Putin signed a Federal Law 410 Suspending the FTA between Russian and Ukraine mentioned above.

On October 05, 2016 the FTA between the EAEU and Vietnam came into force. On December 28, 2016 Russia, Kazakhstan, Armenia, and Kyrgyzstan signed an agreement to start negotiations with Iran, India, Egypt and Singapore about the FTA. Belarus is expected to sign this agreement as well.

(Source: https://www.export.gov/article?id=Russia-Trade-Agreements)

RUSSIA – TRADE BARRIERS

Overseas companies face a number of tariff and non-tariff trade barriers when exporting to Russia. For example, for importers of alcoholic products there is a long-standing requirement that all Customs duties, excise taxes, and value-added taxes on alcohol be paid in advance using a bank guarantee and deposit, for which the reimbursement process is very slow.

Overseas industry is concerned that the assessment and licensing procedures administered by different Russian government agencies and the EEC (Eurasian Economic Commission, the executive body of the Eurasian Economic Union, a.k.a. EAEU) add an unnecessary level of complexity leading to increased costs and delays.

Overseas companies also cite technical regulations and related product testing and certification requirements as major obstacles. Russian authorities require product testing and certification as key elements of the product approval process for a variety of products, and only an entity registered and residing in Russia can apply for the necessary documentation for those product approvals. Consequently, opportunities for testing and certification performed by competent bodies outside Russia are limited. Additionally, overseas companies have observed that the procedures associated with Russia's requirement to have a "supplier's declaration of conformity" are unnecessarily burdensome. This document is meant to confirm the safety of products for the environment and the health of people and animals. Manufacturers of telecommunications equipment, oil and gas equipment, and construction materials and equipment, in particular, have reported serious difficulties in obtaining product approvals within Russia. Other member countries of the EAEU are in the process of adopting a similar system.

(Source Modified:- https://www.export.gov/article?id=Russia-Trade-Barriers)

RUSSIA - Customs Regulations

The introduction of the Eurasian Economic Union (EAEU) has not affected the internal structure of the Russian Customs service, which continues to be comprised of the Federal Customs Service, regional Customs administrations, Customs-houses, and Customs posts. However, on January 1, 2018, Russia updated its Customs Code to be congruent with its EAEU commitments. Goods that are moved into Russia through other EAEU member countries are placed under the transit Customs regime at the external border of the EAEU and are finally released for free circulation by the Russian customs authorities through electronic notification.

Customs clearance is normally completed by the importer of record (or a customs agent acting on its behalf) filing the Customs declaration along with the required set of supporting documents.

Customs brokers can be utilized to fully outsource the Customs clearance process. In many cases brokers let the companies outsource their import operations without being a party to the international transaction.

Only companies that are local residents of any EAEU member state may act as importers of record before the Customs authorities. The declaring importer of record must have a direct interest in goods imported under a foreign trade transaction (i.e. the right to own, possess, or dispose of the imported goods.). Alternatively, a declarant may clear goods through a Customs broker/agent, as long as the broker/agent is registered on the official list maintained by the EAEU Commission. As a general rule, foreign entities may not act as importers of record, except for a limited number of cases when goods may be imported by representative offices or branches of foreign legal entities accredited in Russia.

The timing for the Customs clearance procedure is usually one business day after the declaration is registered by the Russian Customs authorities provided that all documentation is in order. However, legislation does provide a Customs inspector the right to extend the term by up to 10 business days at the discretion of the chief of a Customs terminal.

The list of documents required for Customs clearance depends on the type and characteristics of the goods, and the terms of their importation. As December of 2014, nearly all Customs declarations were being submitted in electronic format without any documents in hard copy. The transition to full e-documention was completed in January 2017, equipping all the Customs posts with e-docflow. The website of Russia's Federal Customs Service contains regional Customs contact information, as well as a link to the portal for electronic declarations.

(Source: https://www.export.gov/article?id=Russia-Customs-Regulations*)*

RUSSIA - IMPORT REQUIREMENTS AND DOCUMENTATION

Importers are required to complete a Russian Customs freight declaration for every item imported. A declaration must be supported by the following documents (when applicable): contracts, commercial documents such as commercial invoices and packing lists, transport documents, import licenses, TR TS (technical regulation of technical safety) certificates, certificates of origin, sanitary certificates, import permission and licenses (e.g. for products containing encryption technology), and documents confirming the legitimacy of declarants/brokers/importers. All Customs import declarations are submitted electronically. The website of Russia's Federal Customs Service contains the link to the portal for electronic declarations.

As a result of regulatory changes in 2014, Russian Customs authorities should no longer require a separate submission of certificates or declarations of technical compliance as part of the clearance process, as the inclusion of such information within field 31 of the electronic import customs declaration should be sufficient. However, it has been reported that Customs officials may require separate submission of these

Textile articles (other than apparel) Plastic building products

Carpets and rugs

Other articles of plastic

Protective overalls

Shaped and treated sheet glass

Other outer garments Hollow glass

Underclothes Barrels & similar cont. of Fe metals

Other clothing and accessories

Light metal packaging

Knitted and crocheted garments

Non-electric domestic appliances

Other articles of rubber

Power-operated hand tools

Plastic packaging articles

Industrial refrigeration and ventilation equipment

Other general-use machinery and equipment not included elsewhere

Rates of the ecological fee may be revised annually.

Computers and peripherals

Wooden building materials and millwork

Communication equipment

Wooden packaging

Consumer electronics

Corrugated paper and paperboard and paper and paperboard packaging

Optical instruments and photographic equipment

Household and sanitary products and toiletries

Accumulators

Paper stationery

Storage batteries

Other articles of paper and paperboard

Electric lighting equipment

Oil products

Electric domestic appliances

Rubber tires, casings and inner tubes; retreading of rubber documents in practice, especially for controlled items.

The EAEU maintains a unified list of goods to which import and export limitations and prohibitions apply in order to monitor and control movement of goods classified as sensitive by the member states or by the international community. In Russia, import licenses are issued by the Ministry of Industry and Trade in accordance with the unified licensing rules of the EAEU.

Customs payments generally include import/export customs duties, taxes, and customs processing fees. Some goods may also require payment of utilization fees (e.g. wheeled vehicles), or the new ecological fee, introduced on January 1, 2015 for the below 36 groups of goods and packaging subject to recycling:

In addition, currency control regulations require the issuance of a transaction passport for both exports and imports to ensure that hard currency earnings are repatriated to Russia.

(Source: https://www.export.gov/article?id=Russia-Import-Requirements-and-Documentation).

GDP (purchasing power parity): $4.008 trillion (2017 est.), $4.016 trillion (2016 est.) $4.119 trillion (2015 est.)

Industries: - complete range of mining and extractive industries producing coal, oil, gas, chemicals, and metals; all forms of machine building from rolling mills to high-performance aircraft and space vehicles; defense industries (including radar, missile production, advanced electronic components), shipbuilding; road and rail transportation equi pment; communications equipment; agricultural machinery, tractors, and construction equipment; electric power generating and transmitting equipment; medical and scientific instruments; consumer durables, textiles, foodstuffs, handicrafts.

Exports: - $336.8 billion (2017 est.),$281.9 billion (2016 est.)

Exports Commodities: **-** petroleum and petroleum products, natural gas, metals, wood and wood products, chemicals, and a wide variety of civilian and military manufactures.

Exporting Partners: **-** China 10.9%, Netherlands 10%, Germany 7.1%, Belarus 5.1%, Turkey 4.9% (2017)

Imports: - $212.7 billion (2017 est.), $191.6 billion (2016 est.)

Import Commodities: **-** machinery, vehicles, pharmaceutical products, plastic, semi-finished metal products, meat, fruits and nuts, optical and medical instruments, iron, steel.

Import Partners: **-** China 21.2%, Germany 10.7%, US 5.6%, Belarus 5%, Italy 4.5%, France 4.2% (2017)

(Source: https://www.cia.gov/library/publications/the-world-factbook/geos/rs.html *)*

CHEMEXCIL'S EXPORT PERFORMANCE

FOR THE YEARS 2015-16, 2016-17 & 2017-18

USD In million

CHAPTER NO. /PANEL	2015-16 (Actual)	2016-17 (Actual)	% over 2015-16	2017-18 (Provisional)	% over 2016-17
(32) Dyes & (29) Dye Intermediates	2055.09	2108.20	2.58	2403.62	14.01
(28) Inorganic,(29) Organic & (38) Agro Chemicals	7453.43	7712.75	3.48	10665.67	38.29
(33)Cosmetics, (34) Soaps, Toiletries & (33) Essential Oils	1472.02	1566.60	6.43	1801.33	14.98
(15) Castor Oil	705.20	674.73	-4.32	1043.99	54.73
Total	**11685.74**	**12062.28**	**3.22**	**15914.61**	**31.94**

CHEMEXCIL's Export Statistics : RUSSIA
for the years 2015-16, 2016-17 & 2017-18

Value in USD Million

PANEL	2015-16 (Actual)	2016-17 (Actual)	% over 2015-16	2017-18 (Provisional)	% over 2016-17
(32) Dyes & (29) Dye Intermediates	14.34	16.11	12.34	16.90	4.90
(28) Inorganic, (29) Organic & (38) Agro chemicals	33.26	64.14	92.87	75.62	17.90
(33) Cosmetics, (34) Soaps, Toiletries and (33) Essential oils	12.15	13.01	7.10	13.26	1.92
(15) Castor Oil	5.48	4.99	-8.93	8.27	65.73
TOTAL	**65.22**	**98.25**	**50.64**	**114.05**	**16.08**

Source: DGCI&S

DYES TOP ITEMS EXPORTS TO RUSSIA

(Value in US$ million)

HSCode	Country	2015-16	2016-17	2017-18
32041751	PIGMENT BLUE 15 (PATHALOCYANINE BLUE)	2.31	2.29	2.76
32041761	PIGMENT GREEN 7(PATHALOCYANINE GREEN)	2.16	2.27	2.1
32041218	ACID BLACKS	0.99	1.12	1.65
32041990	OTHER INCL. MIXTURE OF COLORING MATTERS OF TWO OR MORE OF SUB-HDNG 320411 TO 320419	1.37	1.29	1.54
32041740	PIGMENT VIOLET	0.45	0.69	0.8
32041719	OTHER PIGMENTS YELLOW	0.86	0.53	0.76
32041680	REACTIVE BLACKS	0.31	0.57	0.63
32041739	OTHER PIGMENT RED	0.66	0.7	0.63
32041650	REACTIVE BLUES	0.33	0.43	0.55
32041759	OTHER PIGMENT BLUE	1.06	1.43	0.54

DYE INTERMEDIATES TOP ITEMS EXPORTS TO RUSSIA

(Value in US$ million)

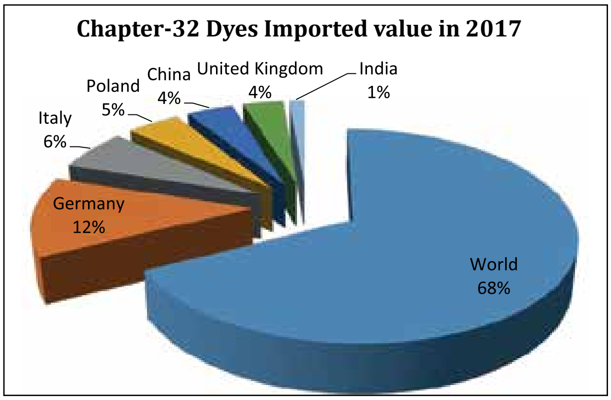
HSCode	Country	2015-16	2016-17	2017-18
29270090	OTHER DIAZO-AZO-OR AZOXY-COMPOUNDS	0.18	0.18	1.42
29214223	DIMETHYL ANILINE	0.52	0.59	0.59
29222140	GAMMA ACID	0.54	0.39	0.55
29214390	OTHR TOLUIDINES AND THR DRVTVS SLTS THEREOF	0.52	0.72	0.36
29041040	VINYL SULPHONE	0.26	0.38	0.22
29214215	2-4-5-TRICHLOROANILINE	0.34	0.07	0.18
29214340	META TOLUIDINE	0.00	0.00	0.15
29270010	PARA AMINO-AZO-BENZENE	0.07	0.10	0.11
29222160	H-ACID	0.78	0.21	0.09
29214330	ORTHO TOLUIDINE	0.07	0.03	0.07

List of supplying markets for a product imported by Russian Federation
Product: 32 Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring

Unit : US Dollar million

Exporters	Imported value in 2015	Imported value in 2016	Imported value in 2017
World	1643	1605	1816
Germany	305	309	335
Italy	137	153	172
Poland	112	110	126
China	70	82	111
United Kingdom	74	88	94
India	25	31	35

Source:intracen



INORGANIC CHEMICALS TOP ITEMS EXPORTS TO RUSSIA

(Value in US$ million)

HSCode	Country	2015-16	2016-17	2017-18
28332990	OTHER SULPHATE N.E.S.	0.88	1.52	2.33
28369100	LITHIUM CARBONATE	0	0	2
28273200	CHLORIDES OF ALUMINIUM	2.79	2.03	1.69
28209000	OTHER MANGANESE OXIDE	1.2	0.65	1.16
28020010	SUBLIMED SULPHUR	0.82	1.34	1.12
28274900	OTHER CHLORIDE OXIDES AND CHLORIDE HYDROXIDES	0	0	1.12
28299030	IODATES AND PERIODATES	1.28	1.22	0.93
38210000	PREPARED CULTURE MEDIA FOR DEVELOPMENT OF MICRO ORGANISMS	0.94	0.79	0.64
28275990	OTHER BROMIDES AND OXYBROMIDES	0.08	0.16	0.58
28332100	MAGNESIUM SULPHATE	0.29	0.22	0.33

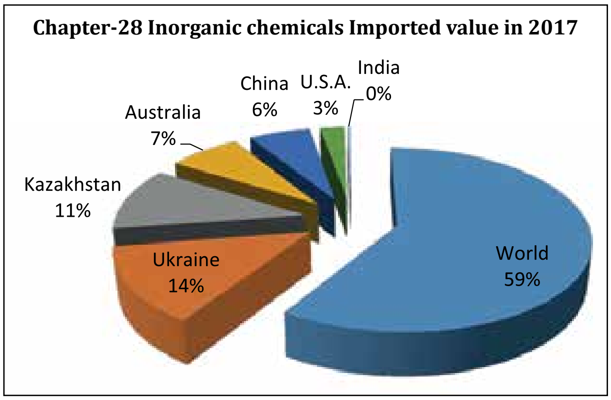
SOURCE:DGCI&S

List of supplying markets for a product imported by Russian Federation
Product: 28 Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals,

Unit : US Dollar million

Exporters	Imported value in 2015	Imported value in 2016	Imported value in 2017
World	3248	2585	2939
Ukraine	656	520	667
Kazakhstan	889	566	564
Australia	372	304	361
China	292	273	306
United States of America	223	92	122
India	10	13	14

SOURCE:INTRACEN



ORGANIC CHEMICALS TOP ITEMS EXPORTS TO RUSSIA

(Value in US$ million)

HSCode	Country	2015-16	2016-17	2017-18
29173600	TERPHTHALIC ACID AND ITS SALTS	0	13.96	16.15
29153100	ETHYL ACETATE	0.19	4.36	7.97
29183090	OTHER CARBOXYLIC ACIDS WITH ALDEHYDE OR KETONE FUNCTION BUT WITHOUT OTHER OXYGEN FUNCTION	1.33	1.6	2.77
29252990	OTHER IMINES AND THEIR DERIVATIVES SALTS THEREOF	0	1.74	2.67
29141990	OTHER ACYCLIC KETONES WITHOUT OTHER OXYGEN FUNCTION	1.79	2.72	1.81
29319090	OTHER ORGANIC/INORGANIC COMPOUNDS	0	1.33	1.29
29062100	BENZYL ALCOHOL	0	0.25	1.19
29181190	OTHERS SALTS AND ESTERS OF LACTIC ACID	0.52	1.16	1.18
29333919	OTHER DERIVATIVES OF PYRIDINE	0.8	1.1	1.07
29212990	OTHER ACYCLIC POLYAMINES AND THEIR DERIVATIVES; SALTS THEREOF	0.35	1.28	0.8

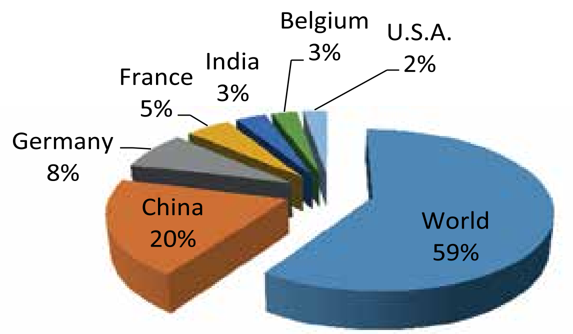
SOURCE:DGCI&S

List of supplying markets for a product imported by Russian Federation
Product: 29 Organic chemicals

Unit : US Dollar million

Exporters	Imported value in 2015	Imported value in 2016	Imported value in 2017
World	2646	2742	3516
China	831	942	1157
Germany	481	378	454
France	233	222	286
India	121	139	194
Belgium	135	127	160
United States of America	96	104	151

Chapter-29 Organic chemicals Imported value in 2017



AGRO CHEMICALS TOP ITEMS EXPORTS TO RUSSIA

(Value in US$ million)

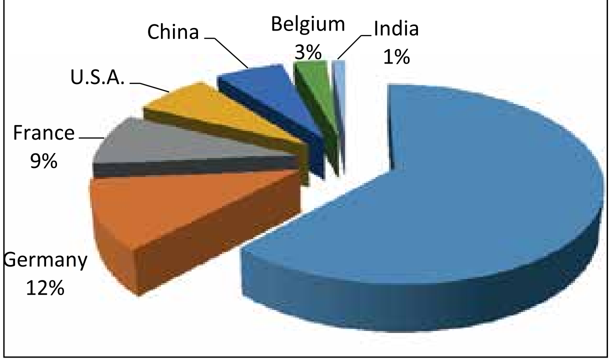
HSCode	Country	2015-16	2016-17	2017-18
38089910	PESTICIDES NOT ELSEWHERE SPECIFIED OR INCLUDED	2.24	3.81	4.57
38089990	OTHER SIMILAR PRODUCTS N.E.S.	1.82	6.95	3.99
38089290	OTHER FUNGICIDES	1.03	1.16	2.17
38089390	OTHER HERBICIDES ANTI-S-SPROUTING PRODUCTS AND PLANT GROWTH REGULATORS	1.52	1.36	1.71
38089199	OTHER INSECTICIDE N.E.S.	1.65	1.07	1.2
38089320	2:4 DICHLOROPHENOXY ACTC ACD & ITS ESTERS	0.24	0.69	1.08
38089135	CYPERMETHRIN TECHNICAL GRADE	0.63	0.59	0.55
38089191	REPELLANT FOR INSECTS SUCH AS FLIES MOSQUITO	0	0	0.36
38089350	WEEDICIDES AND WEED KILLING AGENTS	0.26	0	0.35
38089137	SYNTHETIC PYRETHRUM	0.34	0.18	0.03

List of supplying markets for a product imported by Russian Federation
Product: 38 Miscellaneous chemical products

Unit : US Dollar million

Exporters	Imported value in 2015	Imported value in 2016	Imported value in 2017
World	2610	2760	3169
Germany	506	561	582
France	303	367	444
United States of America	403	290	362
China	205	245	326
Belgium	123	158	156
India	41	41	62

Chapter 38 Agro & Misc.chemicals Imported value in 2017



SOURCE:INTRACEN

COSMETICS AND TOILETRIES TOP ITEMS EXPORTS TO RUSSIA

(Value in US$ million)

HSCode	Country	2015-16	2016-17	2017-18
29157040	HCO FATTY ACID(INCLUDING 12-HYDROXY STEARIC ACID)	3.08	3.4	4.99
34021190	OTHERS (E.G. ALKYL SULPHATES TECH. DODECYL BENZENE-SULPHONATES ETC.)	2.13	2.2	1.9
33051090	OTHER HAIR SHAMPOOS (NON SPIRITUOUS)	1.6	2.95	1.35
34021300	NON-IONIC W/N FOR RETAIL SALE	0.47	0.43	0.94
33049990	OTHER BEAUTY MAKE-UP PREPARATION	2.08	0.96	0.92
33061020	DENTIFRICES IN PASTE (TOOTH PASTE)	0.26	0.49	0.61
38231900	OTHER INDUSTRIAL MONOCARBOXYLIC FATTY ACID	0.43	0.15	0.42
33049910	CREAM FACE	0.39	0.16	0.33
33059040	HAIR DYES(NATURAL HERBAL OR SYNTHETICS)	0.2	0.28	0.31
38231190	OTHER STEARIC ACID/STEARIN	0	0	0.24

SOURCE:DGCI&S

ESSENTIAL OILS TOP ITEMS EXPORTS TO RUSSIA

(Value in US$ million)

HSCode	Country	2015-16	2016-17	2017-18
33012944	DAVANA OIL	0.02	0	0.01
33029019	OTHER MIXTURE OF AROMATIC CHEMICALS AND ESSENTIAL OILS AS PERFUME BASE	0.01	0	0.01
33012990	ESSENTIAL OILS OF GERANIUM	0.02	0.04	0
33011990	CITRONELLA OIL CEYLON TYPE INCLUDING & CONCETRATE	0.02	0	0
33019090	OTHER AQUEOUS SOLUTION OF ESSENTIAL OILS.	0.01	0.01	0
33012990	OTHER ESSENTIAL OILS	0.07	0.04	0.01

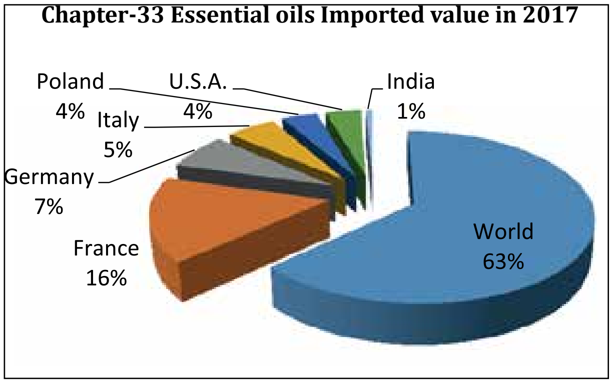
SOURCE:DGCI&S

List of supplying markets for a product imported by Russian Federation
Product: 33 Essential oils and resinoids; perfumery, cosmetic or toilet preparations

Unit : US Dollar million

Exporters	Imported value in 2015	Imported value in 2016	Imported value in 2017
World	2630	2600	3113
France	670	649	797
Germany	341	335	338
Italy	207	217	264
Poland	160	161	190
United States of America	158	142	189
India	19	26	32

SOURCE:INTRACEN

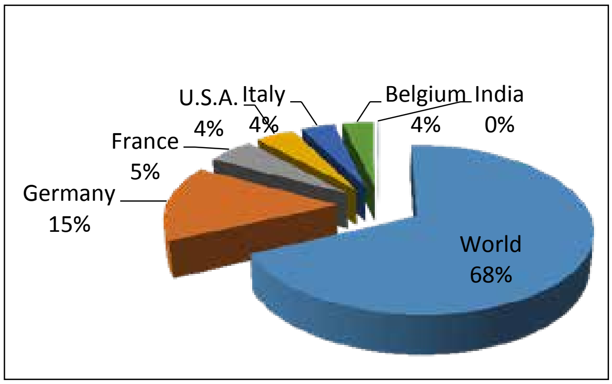


List of supplying markets for a product imported by Mexico
Product: 34 Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial

Unit : US Dollar million

Exporters	Imported value in 2015	Imported value in 2016	Imported value in 2017
World	943	978	988
United States of America	663	668	677
Germany	78	85	89
China	26	28	27
Brazil	12	14	20
Canada	17	16	18
India	4	3	5

SOURCE:INTRACEN



CASTOR OIL TOP ITEMS EXPORTS TO RUSSIA

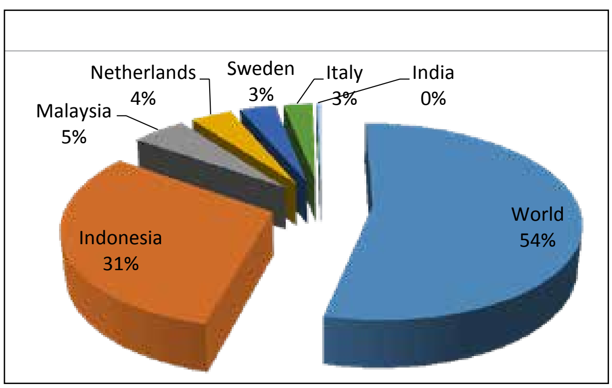
(Value in US$ million)

HSCode	Country	2015-16	2016-17	2017-18
15153090	CASTOR OIL AND ITS FRCTNS OTHR THN EDBLE GRADE	5.39	4.92	7.98
15162039	OTHER HYDROGENATED CASTOR OIL (OPAL WAX)	0.06	0.07	0.23
15180029	OTHER CASTOR OIL DEHYDRATED	0.03	0	0

Unit : US Dollar million

Exporters	Imported value in 2015	Imported value in 2016	Imported value in 2017
World	1064	1088	1212
Indonesia	632	646	695
Malaysia	111	91	113
Netherlands	99	102	87
Sweden	47	60	75
Italy	40	48	61
India	8	10	9

SOURCE:INTRACEN



CHEMEXCIL ACTIVITIES

1. Stakeholder Consultation Meeting in Ahmedabad

From Left to Right: Shri Yogesh Parikh, President, GDMA; Shri Bhupendra Patel, Regional Chairman, Chemexcil, Shri Haresh Bhuta, Hon. Secretary, GDMA and Shri Dharmendra Joshi, Regional Director, Chemexcil

As per the directive of MoC, Govt of India, Ahmedabad Regional Office had organized a "**Stakeholder Consultation Meeting on Boosting Exports to USA, China, ASEAN & Other Markets**" in Ahmedabad on the 1st October 2018, Monday, at the GDMA Conference Hall.

Overall 17 member representatives from 16 Companies were present in the meeting.

Regional Chairman, Shri Bhupendra Patel, welcomed all members and explained the purpose of the meeting as being very important in providing a feedback of various issues faced by member exporters in exporting their products, especially in the focus regions of USA, China ASEAN and other markets, in the wake of China's downturn in the Chemical sector and recent USA sanctions on Chinese products. He remarked that the opportunity that has arisen in the current situation should result in enhanced exports. He, however, also remarked that since the export figures do not show an expected rise, the GoI, and in particular, the PMO is worried, and has been trying to understand the issues faced by exporters through such consultative meetings, after which CHEMEXCIL shall be presenting the issues to the GoI which has shown eagerness to resolve them.

Regional Director, Mr. Dharmendra Joshi made a quick statistical presentation showing India's export figures to USA, China & ASEAN countries with a comparison of the referred countries' imports from the countries of the world other than India. The figures showed that India's share of exports to these countries is very marginal in comparison of total imports and hence, meaning there is a huge scope of enhancing exports.

Representatives of different member Companies gave their opinion about various hurdles faced either in export documentation, registrations, licenses, approvals, and technology, or constraints in manufacturing. (List of a compilation of such issues is attached separately).

Members appreciated CHEMEXCIL's initiative of such meeting and requested to arrange it regularly. Regional Director, Mr. Dharmendra Joshi thanked all attendees for their valuable time and feedback, and also thanked GDMA for their support in organizing the meeting in their Conference Hall.

2. CHEMEXCIL'S Participation In India Chem 2018 Exhibition

Shri Nitin Gadkari, Hon. Minister of Road Transport & Highway of India chief guest for India Chem-2018 exhibition along with Shri Satsih Wagh Chairman Chemexcil during the inaugural function on 4th October-2018 at Hall 2 Bombay Exhibition Centre, Goregaon Mumbai

As an export promotion measure, CHEMEXCIL has participated in India Chem 2018 organized by FICCI from 4th October to 6th October, 2018 at Hall 1, Bombay Exhibition Centre, Mumbai. This show was inaugurated by Shri Nitin Gadkari, Hon. Minister of Road Transport & Highway of India.

India Chem *2018* exhibition is a gateway to the Dyes and F ine & Specialty Chemicals sector of India and a perfect platform for overseas manufacturers of Dyes & Dyes Intermediate, Basic chemicals to showcase their products under one roof.

The Council booked 90 sq mt space which was converted in to 9-sq.mt. stalls wherein 10 exporters had showcased their products.

The India Chem 2018 exhibition evinced good response with more than 200 visitors on Chemexcil stall.

3. CHEMEXCIL's 19^{th} Reverse Buyer Seller Meet

Considering the overwhelming response received from member-exporters as well as foreign participants in the last REVERSE BUYER-SELLER MEETS, coinciding with INDIACHEM 2016 Exhibition, CHEMEXCIL had organized 19th REVERSE BUYER-SELLER MEET on 5th October, 2018 at The Hyatt Regency, Mumbai under Market Access Scheme of the Government of India. The main objectives of the RBSM was:

- To showcase Indian capabilities in the field of Dyes and Dye Intermediates, Basic Inorganic & Organic Chemicals including Agrochemicals, Specialty Chemicals, Castor Oil, Leather Chemicals and Oil Field Chemicals
- To highlight India's capability to offer a steady and sustainable supply of low cost, international quality products to partner countries
- To provide a unique opportunity to major buyers from Focus Africa, Focus ASEAN, Focus CIS, Focus WANA and SAARC Region to interact with Indian manufacturers for sourcing their products requirements from India.
- Explore joint Ventures
- Assess the investment potential of partner countries in the above sectors
- To facilitate commercial and technical cooperation in above sector.

Total 50 foreign delegates and 83 (approx.) Indian participants attended this RBSM.

19^{th} Reverse Buyer-Seller Meet was inaugurated by Shri Samir Kumar Biswas, I.A.S., Joint Secretary (Chemicals) Department of Chemicals & Petrochemicals, Ministry of Chemicals Fertilizers, Govt. of India at Ball Room of Hotel Hyatt Regency, Mumbai on 5th October, 2018 at 9.30 am. Along with him, Shri Satish W Wagh, Chairman, CHEMEXCIL, Shri Ajay Kadakia, Vice Chairman, Mr. Bhupendra Patel, Regional Chairman and Mr.S.G. Bharadi, Executive Director were present on dais.

CHEMEXCIL

4. AWARENESS SEMINAR ON "SWIFT / FTAS / IMPACT OF GST ON TRADE / EXPORT INCENTIVES / SCHEMES FOR MSMES

Shri Babu Lal Meena, IRS, Asst. Commissioner, (SW), CBIC, Ministry of Finance, Govt. of India being welcomed by Shri Satish Wagh, Chairman, CHEMEXCIL & Regional Chairman, Northern Region during the Awareness Seminar on "SWIFT / FTAs / Impact of GST on Trade / Export Incentives / Schemes for MSMEs" on 22nd October, 2018 at Hotel The Hans, New Delhi.

Council had organized an Awareness Seminar on **"SWIFT / FTAs / Impact of GST on Trade / Export Incentives / Schemes for MSMEs»** on 22nd October, 2018 at Hotel The Hans, New Delhi.

Shri Satish Wagh, Chairman, CHEMEXCIL & Regional Chairman, Northern Region, CHEMEXCIL gave the welcome address and Shri Babu Lal Meena, IRS, Asst. Commissioner, (SW), CBIC, Ministry of Finance & Shri Gaurav Joshi, Deputy Director, O/o Development Commissioner, MSME, Govt. of India, were the guest speakers and made the presentation on SWIFT / Various Schemes of MSMEs & interacted with the participants respectively.

Shri Hans Raj Chugh, Consultant & Chartered Accountant, M/s A S H M & Associates was the speaker for this seminar, who has made presentation on FTAs / Impact of GST on Trade / Export Incentives & interacted with the participants.

The seminar got good response with participation of nearly 45 delegates including representatives from EP(CAP) Division, Department of Commerce.

There was a good interaction during Q/A Session and the participants were satisfied with the clarifications given by the dignitaries on their queries.

Vote of thanks were delivered by Dr. J P Tiwari, Regional Director, CHEMEXCIL.

Shri Hans Raj Chugh, Consultant & Chartered Accountant, M/s A S H M & Associates, Guest Speaker making the presentation on FTAs / Impact of GST on Trade / Export during the Seminar.

Dignitaries interacting with the Participants during the Awareness Seminar on "SWIFT / FTAs / Impact of GST on Trade / Export Incentives / Schemes for MSMEs"

Participants at Awareness Seminar on "SWIFT / FTAs / Impact of GST on Trade / Export Incentives / Schemes for MSMEs" on 22nd October, 2018 at Hotel The Hans, New Delhi.

Officials from EP(CAP) Division, Department of Commerce along with CHEMEXCIL Representatives during the Awareness Seminar on "SWIFT / FTAs / Impact of GST on Trade / Export Incentives / Schemes for MSMEs" on 22nd October, 2018 at Hotel The Hans, New Delhi.

5. MSME Support and Outreach Program at Valsad, GujaRAT

Shri Bhupendra Singh Chudasma, Hon'ble Education Minister, Gujarat, Dr. O. P. Chaudhary, Joint Secretary (DoAHD&F), Shri S.G Bharadi ED and other dignitaries lighting the lamp during the program

The council had received intimation from the Department of Commerce regarding participation in MSME Support and Outreach Program at Morarjee Desai Community Hall, Valsad, Gujarat on 02/11/2018. This program was to be formally launched in the afternoon by Hon'ble Prime Minister, Shri Narendra Modi-ji, via Video conferencing and subsequently implemented all over the country.

The lead agency for this event was Bank of Baroda.

This program at Valsad was graced by **Shri Bhupendra Singh Chudasma, Hon'ble Education Minister, Gujarat, Dr. O. P. Chaudhary, Joint Secretary (DoAHD&F), General Manager- Bank of Baroda, Deputy Commissioner (CGST &CX), Shri S.G Bharadi ED- Chemexcil and other dignitaries.**

The Hon'ble Minister and Joint Secretary (DoAHD&F) addressed the gatherings and welcomed this event meant for launch of the MSME support and program.

Shri S.G Bharadi also welcomed the MSME support program and apprised the gathering about the services offered by the council such as participation in overseas Trade fairs, BSMs, dissemination of information on EXIM matters, representing issues to the ministry etc.

Later on with launch of this program by Video conferencing, the Prime Minister has unveiled 12 key initiatives which will help the growth, expansion and facilitation of MSMEs across the country. The Prime Minister said that there are five key aspects for facilitating the MSME sector. These include access to credit, access to market, technology upgradation, ease of doing business, and a sense of security for employees.

The important points are highlighted as follows:

1. Launch of **59-minute loan portal (https://www.psbloansin59minutes.com)** for sanction of up to Rs 1 crore for small and medium enterprises.
2. GST-registered MSMEs will **get 2 per cent rebate on an** incremental loan of up to Rs 1 crore.
3. Increase in **interest Subvention on pre and post shipment credit for exports by MSMEs from 3 per cent to 5 per cent.**
4. **Mandatory that all the companies with a turnover of more than Rs 500 crore will have to join TReDS platform,** that is Trade Receivables e- Discounting System, so that MSMEs doesn't face trouble in cash flow.
5. Mandatory sourcing by **PSUs from MSMEs increased to 25 per cent** from the previous limit of 20 per cent.

6. Government companies to **buy at least 3 per cent of their purchases from women entrepreneurs.**

7. Mandatory for the companies to take **GeM (Government e-Marketplace) membership** now. Not only this, but the companies will now register its all MSME vendors on this platform, which will also benefit the MSME.

8. Regarding technological upgradation, **20 hubs will be formed across the country and 100** spokes in the form of tool rooms will be established.

9. Announced MSME sector's ease of doing business to pharma companies. **Clusters will be formed of pharma MSMEs.** He said 70 percent cost of establishing these clusters will be borne by the Union Government.

10. Now the establishments to be visited by an **Inspector will be decided through a computerised random allotment.**

11. **Environmental Clearances:** As part of establishing a unit, an entrepreneur needs two clearances namely, environmental clearance and consent to establish. Now both these have been merged as a single consent. Further, the return will be accepted through self-certification.

12. An Ordinance has been brought, under which, **for minor violations under the Companies** Act, the entrepreneur will no longer have to approach the Courts, but can correct them through simple procedures.

The program in Valsad was well attended with reportedly more than 1500 participants inside the hall. They appreciated the efforts by the government for support to MSME's.

6. Seminar on "Global Market Outlook & Forex Risk Management" AT AHMEDABAD

From L – R: Mrs. Ranak Setalvad, Sr. VP & Regional Business Manager, Kotak Mahindra Bank Ltd.; Shri Dharmendra Joshi, Regional Director; Shri Bipin Patel, Former Regional Chairman & PP, GCCI; Shri Shankerbhai Patel, PP, GCCI; Shri Rohit Jethra, EVP, Kotak Mahindra Bank Ltd.; Shri Satish Wagh, Chairman, Chemexcil; Shri Greeven Kharawala, MD, Jay Chemical Industries Ltd.; Shri Ajay Kadakia, Vice Chairman, Chemexcil; Shri Bhupendra Patel, Regional Chairman; Shri S G Bharadi, ED, Chemexcil; Shri Shailesh Patwari, PP, GCCI; and Shri Yogesh Parikh, President, GDMA

Chemexcil Ahmedabad Regional Office organized a Seminar on "Global Market Outlook & Forex Risk Management" at the Hotel Radisson Blue in Ahmedabad on 22nd November 2018, with support from the Kotak Mahindra Bank Ltd., followed by Networking Dinner.

The Chief Guest of the Seminar was Shri K V Tirumala, Dy. DGFT, Ahmedabad, while Shri Greeven Kharawala, Managing Director of world renowned Dyes & Intermediate manufacturer Jay Chemical Industries Ltd., was the Key Note Speaker.

The Seminar started with welcoming of the Guests & Dignitaries and greeting them on behalf of Chemexcil. Shri Satish Wagh, Chemexcil Chairman, in his welcome address, also spoke about Chemexcil and its activities, specifically about the kind of initiatives taken to promote exports, like the Exhibitions, BSM & RBSMs, various Seminars, etc. He also gave information about the different representations that the Council has made to the government to ensure that the exporter members benefit on the Ease of Doing Business, and the impediments to export are removed.

Mr. Tirumala, Dy. DGFT, in his address, talked about the government initiatives, digitalization in particular, and its firm commitment to remove inspector interface, as the biggest reform to benefit the businesses in the country. He also talked about the recent MSME Outreach & Support initiative launched by the GoI. He also accepted that there are still issues which need to be looked into but said that although with the limitations faced by the government, the intention to resolve them is very strong. He talked about various tariff barriers, and requested industries to provide feedback on negative tariff outcomes so that they can be corrected in the next round of inter-government negotiations. He also emphasised and asked members to focus on research and innovation in the industry.

Mr. Rohit Jethra, EVP-Treasury, Kotak Mahindra Bank Ltd., in his presentation, gave a very minute view of the changing paradigm of world economy, particularly being affected by the changes in crude oil process, and the escalating trade wars between the US and China, and the US and Iran. He explained how such measures and incidences affect Indian imports, manufacturing and exports. Through graphs, he showed the trend of strength of INR against major world currencies based on major events occurring in the countries. He then explained how various financial tools are available and can be used to hedge or offset the effects of changing crude prices on our businesses.

Shri Greeven Kharawala, MD, Jay Chemical Industries Ltd., the Key Note Speaker, gave an informative presentation on status of Indian Imports & Exports, Chemexcil Imports & Exports, and highlighted the Top 25 countries countries where Chemical products falling under Chemexcil have best market. He also gave a comparision of Indian Exports v/s Import from other parts of the world for USA, China & ASEAN countries, highlighting the trade gap and resulting potential for Indian exports. He also showed the top 5 countries for Indian Export for each of the Chemexcil Panels. He remarked that although the Indian government is slow in executing reforms in comparision to China, and the industry is facing a lot of administrative hurdles, the industry has to find ways to compete globally and enhance exports on its own.

After a brief interactive session, the Seminar concluded with Regional Chairman Shri Bhupendra Patel proposing a Vote of Thanks, and thanking the guests for sparing time, and thanking Kotak Mahindra Bank Ltd. and its officials for supporting the Seminar.

Apart from the above mentioned dignitaries, Shri Ajay Kadakia, Vice Chairman, Chemexcil; Shri S G Bharadi, Executive Director, Chemexcil, Shri Jaimin Vasa, President Gujarat Chamber of Commerce & Industry; Shri Shankerbhai Patel, Shri Bipin Patel and Shri Shailesh Patwari, all Past Presidents of GCCI; Shri Yogesh Parikh, President if Gujarat Dyestuff Manufacturers Association; and Shri Ankit Patel, Regional Committee Member and President, Vatva Industries Association, also attended the Seminar. Mr. Amit Kumar, Branch Manager, ECGC Ahmedabad, was also present. Totally about 125 exporter members attended the event.

7. Meeting With H. E. Alejandro Zothner Meyer, Acting Consul General" Of Argentine, Mumbai at Ahmedabad,

H. E. Alejandro Zothner Meyer, Acting Consul General, Consulate General & Promotion Centre of Argentina, was in Ahmedabad on 22nd November 2018 and Gujarat Chamber of Commerce & Industry had organized a courtesy meeting with him. Chemexcil was officially invited to the meeting personally by GCCI President Shri Jaimin Vasa.

Mr. Dharmendra Joshi, Regional Director, had attended the meeting. Apart from GCCI officials, there were a few members from trade & industry.

In the interaction that followed, we had informed of the trade gap of Indian exports to Argentina v/s Argentine imports from rest of the world in Chemexcil products. On that he replied that Argentina has a recessive economy since some time, and business has reduced. He also expressed better opportunities in coming time, after General Election in 2019, mentioning that his country is 8th largest in area and 3rd largest economy in LAC, and has good potential. 30% of Argentina still lives BPL and hence, the economy is poised to grow. Chemical industry is facing a lot of pollution issues and has major imports from the world.

As a part of Mercosur, Brazil enjoys better benefits and hence is major supplier. China also has a great presence. But since China is facing pollution issues, India has good opportunity. He said Argentina is open to enhance trade with India, and the Argentine PM shall be visiting India to meet Indian PM in end of January when better trade opportunities shall be discussed.

NEWS ARTICLE

1. Russia calls for rupee-rouble trade; prepares economic strategy for India

Russia has called for introduction of rupee-rouble trade to boost bilateral trade with India, and has said it is creating a strategy to increase economic cooperation with India.

"Our country is looking at an investment protection and avoidance of double taxation agreement with India.... We are also looking at trade in national currencies and a strategy for economic cooperation," Russian Economic Development Minister, Maxim Oreshkin, said addressing a joint business council organised by CII on Thursday.

The Russian Trade Minister is part of a high-level delegation accompanying Russian President Vladimir Putin to India.

A rupee-rouble mechanism will help the two economies hedge against foreign currency risks and by-pass banking sanctions from the US against trade with Russia.

Commerce & Industry Minister Suresh Prabhu, who also addressed the gathering, proposed an agreement with Russia for diamond imports in a manner that does not adversely impact balance of payment of India. He said India is the hub for cutting and polishing of diamonds and Russia has huge diamond reserves.

The Minister also announced the setting up of a fast-track, single-window mechanism for Russian companies, which would be chaired by the Secretary, Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry.

"The two countries could promote cooperation in areas such as Digital India and pharmaceuticals, among others," said Sergei Cheremin, Moscow Government Minister, Chairman of the Board of the Business Council for Cooperation with India.

India-Russia bilateral trade jumped 42 per cent in 2017-18 to touch $10.68 billion, compared to $7.48 billion in 2016-17. India's exports, however, were valued at just over $2 billion, while Russia exported goods worth $8.5 billion. Two-way investments have already crossed $30 billion and a fresh target of $50 billion for 2025 could be set.

(Source:- https://www.thehindubusinessline.com/economy/macro-economy/prabhu-calls-for-govt-level-agreement-for-diamond-imports-from-russia/article25131509.ece*)*

2. Suresh Prabhu announces fast track mechanism to promote Russian investments in India

New Delhi, Oct 5 (UNI) In addition to the Russia Desk, set up earlier to promote Russian investment in India, Commerce and Industry Minister Suresh Prabhu on Friday announced the setting up of a fast track, single-window mechanism for Russian companies. Highlighting the areas of cooperation between the two countries, the Minister stated that the two economies

were complementary and could build on each others strengths. Addressing the India-Russia Business Summit, being organised by the Confederation of Indian Industry (CII) in cooperation with DIPP and Invest India here, the Minister said, 'The two countries, according to him, could cooperate in sectors such as energy resources, gold and diamonds, timber, infrastructure development, digital technologies and agriculture among others. The single window mechanism would be chaired by Secretary, Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry. The minister said work on the International North South Transport Corridor was underway. Russian Minister of Economic Development Maxim Oreshkin stated that their government was creating a strategy to increase economic cooperation with India.

He noted that Russia was also working closely with the other members of the Eurasian Economic Union (EaEU) to conclude an free-trade agreement (FTA) between India and the EaEU. The Minister highlighted the need to promote inter-regional partnerships between the states of India and the various regions of Russia. DIPP Secretary Ramesh Abhishek highlighted the reforms undertaken by the Government of India since 2014 and stated that this has helped improve the ease of doing business in India. He stated that thanks to these reforms, USD 222 billion of FDI had been received as compared to USD 152 billion between 2010-14. CII president Rakesh Bharti Mittal stated that Indian Industry looked forward to the implementation of the International North South Transport Corridor and the Green Corridor to improve connectivity with Russia. He also looked forward to the conclusion of the India EaEU FTA and called for accelerating the Double Taxation Avoidance Treaty between India and Russia

(Source:- http://www.uniindia.com/suresh-prabhu-announces-fast-track-mechanism-to-promote-russian-investments-in-india/business-economy/news/1370166.html dated 5th Oct-2018)

3. Chemical sector must use agri material to make chemicals, says Gadkari

The industry must explore the possibility of using agricultural material to make chemicals, which can be a game-changer for the country. This was stated by Nitin Gadkari, minister for road transport and highways, shipping, water resources, river development and Ganga rejuvenation, Government of India, at the inauguration of India Chem 2018 - the 10th Biennial International Exhibitions and Conference - Chemical and Petrochemicals - Advantage India, which commenced in Mumbai recently.

India Chem 2018, a three-day event which concludes on October 6, is the largest event dedicated to the chemical and petrochemical industry in India, jointly organised by the Department of Chemicals and Petrochemicals, Ministry of Chemicals and Fertilisers, Government of India and the Federation of Indian Chambers of Commerce and Industry (FICCI).

Gadkari said it was time for the country to go for alternative fuel sources such as ethanol, methanol and bio-diesel. Stressing on the importance of alternative fuels, he added that ethanol was the future and that the government had decided to increase its production. The Cabinet has given its approval to finance ethanol factories. The minister said that the country needed to reduce its imports and increase exports, adding that new initiatives for import substitution were very important and needed to be supported.

Delivering his address on the occasion, he added that India was the fastest-growing large economy and those investing in India will have a huge advantage. He said, "India is doing well in technology, entrepreneurship, innovation and research and development (R&D), and that a lot of new research is taking place, through which India can work miracles in the world. Particularly in petrochemicals, India has huge potential, but we need to be cost-effective and pollution-free. The minister spoke of the importance of ecology and environment, and highlighted that bio-plastics can be made from ethanol. Organic plastics can give a new vision for the petrochemicals industry."

Speaking about the importance of diversification in agriculture towards the needs of the energy and power sector, Gadkari said that new crops have to be identified.

On the occasion, the Minister released the India Chem 2018 knowledge paper.

P Raghavendra Rao, secretary, Department of Chemicals and Petrochemicals, said, "Chemical and petrochemical production, start-up culture, ease of doing business and innovation are the factors because of which India is a global destination for investment. The chemicals and petrochemicals industry has been growing at 6.2 per cent."

"The chemical industry is growing rapidly due to the positive reforms undertaken by the Government of India. Between 2014 and 2018, net import of chemicals has grown at 5.8 per cent in volume and is projected to reach $304 billion by 2025. The Government of India is very conscious of the positive role that the chemical industry plays for the welfare of the society. The industry has grown significantly in recent years and is a major employment generator, with the small and medium enterprises (SME) sector playing a major role," he added.

The most important objective behind organising the India Chem series is to highlight the investment possibilities in the country's chemical industry and give a fillip to the Make in India initiative of the Government of India. A congregation of over 300 leading chemical and petrochemical companies from all over the world, predominantly from Iran, China, Japan, the United Kingdom, Spain, the United States, Germany, Italy, Brazil, Turkey and South-East Asian countries are participating as exhibitors, delegates and visitors.

(Source: http://www.fnbnews.com/Top-News/chemical-sector-must-use-agri-material-to-make-chemicals-says-gadkari-43817 *dated 6th Oct-2018)*

4. Time for India to look to alternative fuel sources: Nitin Gadkari

Union minister for road transport and highways, shipping, water resources, river development and Ganga rejuvenation Nitin Gadkari today said it is time for the country to go for alternative fuel sources such as ethanol, methanol and bio-diesel.

Speaking at the inauguration of India Chem 2018 - the 10th Biennial International Exhibitions and Conference, `Chemical and Petrochemicals - Advantage India', in Mumbai on Thursday, the minister said ethanol is the future and government has decided to increase its production. The cabinet has given approval for a plan to finance ethanol factories.

The minister said the country needs to reduce its imports and increase exports and new initiatives for import substitution are very important and need to be supported.

He said India is the fastest growing large economy and those investing in India will have a huge advantage. He cited the vast reserve of minerals and manpower available as two strengths of India. Gadkari said, India is doing well in technology, entrepreneurship, innovation and R&D and that a lot of new research is happening through which India can work miracles in the world, particularly in petrochemicals.

He said India has huge potential in the sector but it needs to be cost-effective and pollution-free. He spoke of the need for transparency, investment and at the same time encouragement of exports.

Speaking about the importance of diversification in agriculture towards the needs of the energy and power sector, Gadkari said new crops have to be identified. The minister exhorted the industry to explore the possibility of using agricultural material for making chemicals, which he said can be a great game changer for the country.

The minister spoke of the importance of ecology and environment, and highlighted that bio-plastics can be made from ethanol. Organic plastics can give a new vision for the petrochemicals industry, he said.

Secretary in the Department of Chemicals and Petrochemicals P Raghavendra Rao said chemical and petrochemical production, start-up culture, ease of doing business and innovation are the factors that make India is a global destination for investment. The chemicals and petrochemicals industry has been growing at 6.2 per cent, he added.

Between 2014 and 2018, net import of chemicals to the country has grown at 5.8 per cent in volume and is projected to reach $304 billion by 2025.

Over 300 leading chemical and petrochemical companies from all over the world mostly from Iran, China, Japan, United Kingdom, Spain, USA, Germany, Italy, Brazil, Turkey and South East Asian countries are participating as exhibitors, delegates and visitors.

India Chem 2018 is the largest event of Chemicals and Petrochemical Industry in India, jointly organised by the Department of Chemicals and Petrochemicals, Ministry of Chemicals & Fertilizers, Government of India and FICCI.

(Source: https://www.domain-b.com/industry/oil_gas/20181005_nitin_gadkari.html *dated 5th Oct-2018)*

5. High Court stays action against some exporters for wrongly availing GST benefits

In what may provide a respite for many exporters, the Gujarat High Court has asked the primary anti-smuggling intelligence agency to not initiate any action against some exporters charged with wrongly availing tax exemptions in cases where exports proceeded imports.

The court, in an interim order on Wednesday, asked the Directorate of Revenue Intelligence (DRI) to not take any coercive action against the petitioners and stayed the proceedings around 'pre-import' condition set by the tax authorities. An amendment in the GST law had brought in a pre-import condition that every exporter holding advance authorisation licences must follow to avail duty exemptions. The condition essentially denies IGST benefits to those imports which had happened after exports. IGST, or integrated goods and services tax, is the GST applicable to interstate transaction of goods and services. The high court bench of Justices Akil Kureshi and BN Karia went into details on the objective and scope of the 'pre-import condition', and issued notices to DRI and others. The court studied the background of the case, starting from a Delhi High Court decision in the case of Narendra Plastic versus Union of India where the order favoured the petitioner that is an advance authorisation license holder.

Advance authorisation licence holders are issued these to allow duty free import of inputs, which are then used to make finished products for exports.

The Gujarat HC also heard the administrative problems faced by the exporters that have been issued the notice, because no matter where they are based they are required to travel to Kolkata for the summons. who argued for the petitioners. "The moot point before the court was that the term has not been defined and the objective sought to be achieved by the preimport condition," he said. DRI, the country's primary anti-smuggling intelligence agency, started issuing showcause notices to exporters for wrongfully availing exemptions in cases where exports preceded imports. The notices asked exporters to pay IGST in cases where raw material was imported only after goods were partially or fully exported. The tax department also claimed the exporters must pay IGST first as the foreign trade policy had been amended and several notifications have been issued by the government in the last six months. "The issue would be keenly contested by DRI and the importer fraternity, given that the implications are substantive," said Suresh Nair, partner at EY. "Even otherwise, the benefit of appearing before the nearest zonal office of DRI rather than attending summons at Kolkata is a relief which DRI should consider, even without the Court intervention," he said.

(Source: https://economictimes.indiatimes.com/news/economy/policy/high-court-stays-action-against-some-exporters-for-wrongly-availing-gst-benefits/articleshow/66065425.cms dated 4th Oct-2018)

6. India defies chemical conventions

The Chemical and Biological Weapons prohibited under international conventions are slowly and surreptitiously finding their way back into periphery conflicts. The accusations include the Syrian Conflict, 'Skripal Incident' in UK, cyber hacking of OPCW offices in Hague, Holland and Indian held Kashmir. India is also being accused of using riot control agents, incendiaries and chemicals against freedom fighters in Indian Held Kashmir.

Indian chemical industry is well advanced and Bhopal Tragedy is a case in point of India importing and producing dual use chemicals. Indian chemical or front companies are known to be selling dual use chemicals to Iraq, and Syria. Considering seven decades of military dependence, their cooperation with Russia cannot be ruled out.

In Syria, these weapons have been used by rebel groups supported by USA and its allies. Egged on by Russia and an article published in this daily, Syria quickly moved to invite OPCW to inspect all its facilities. Though a clean chit was obtained, the fact that access was limited in conflict zones leaves doubts. Russia is still trying to hack into OPCW systems, most probably to obtain information on grey areas. As events indicate, something is fishy and a lot is going on.

Chemical companies in USA France, India, Belgium, Czechoslovakia, Switzerland, Malaysia, Italy, Singapore, USSR, Japan, China, North Korea, Germany, Thailand, Netherlands, Austria, and UK had circumvented sanction to keep supplying dual-use chemicals to Iraq, Libya and Syria during the nineties. Even after CWC came into force there is evidence of German, British and Indian companies providing chemicals to Syria used to produce Sarin, a lethal chemical.

Britain accused Russian intelligence of using two detectives with nerve agents that almost killed a former Russian intelligence officer Sergei Skripal turned double agent and his daughter. Later two British citizens contacted the same nerve agent in mysterious circumstances and are recovering in hospital. Russia was quick to deny allegations but complicated the matter through many twists to the tales it created including a dubious interview of the alleged agents on state media.

Western intelligence has drawn a detailed narrative about Russian involvement in chemical attacks in Syria and Britain, linked it to confusion created by Russia and repeated attempts by GRU Close Access Unit to hack OPCW Headquarters in Hague, World Anti-Doping Agency and UK Foreign Office. A similar unit was caught red handed in Hague by British and Dutch Joint Intelligence for hacking attempts on OPCW. Following the UK-Dutch pre-emption, Russia's Defense Ministry on 4 October 2018 accused USA of running a clandestine biological weapons programme in Georgia, posing a direct security threat to Russia. USA rubbished the allegation.

India has had a long term and historic arms relationship with Russia. Suspicions about their cooperation in chemical weapons always existed. India could have acted as a waypoint on Russian behest. In the late nineties, when the Convention for Prohibition in Use of Chemical Weapons was being intensely debated, India vehemently denied manufacturing or maintaining any chemical facilities. In 1996 India ratified the convention and signed it as a country that never involved in any such activity. At the same time, India curiously kept pushing its closest ally Russia to destroy all its stockpiles and facilities and ratify the treaty.

As a confidence-building measure, Pakistan and India signed a Joint Declaration on the Complete Prohibition of Chemical Weapons in 1992, undertaking not to develop, produce, acquire or use chemical weapons. Both countries signed the Chemical Weapons Convention in 1993. From the Indian side, this was a hoax. Though Pakistan verifiably adhered to its commitments, in 1997, India after ratification as a compliant country declared that it was involved in research, production and trials of chemical weapons and had military stockpiles. In 1997, India declared 1,044 tons of Sulfur Mustard, a basic compound for manufacturing various types of mustard gas agents including Sarin.

This was a huge quantity by military estimates. The evidence of field testing of this chemical in firing ranges is empirically available in the local population of Maharashtra with high incidence of mysterious sicknesses and cancer. Pakistan decried India's declaration as a breach of the 1992 Joint Declaration, but nonetheless ratified the treaty later that year. Pakistan did not declare any chemical agent production facilities or stockpiles. Pakistan's compliance with OPCW and Nuclear Threat Initiative (NTI) is of Good Standing.

OPCW declared that destruction of Indian chemicals was completed in 2009 making India the third state to completely destroy its chemical weapons stockpile. Pakistan failed to substantially push the verification procedures but held back ratification of the convention till October 1997. In simple words, Pakistan let India off the hook.

This did not mean that Pakistan's suspicions about the Indian use of chemical weapons against its forces deployed on LOC and Kashmiri Freedom Fighters were allayed.

In 1997, India had used a suspicious non persistent agent on the line of control to raid a Pakistani protective detachment. Prior to the raid, the entire post was incapacitated with some unknown chemical. The murder of Pakistani soldiers was brutal.

Again in 1999, Pakistan accused India of firing chemical shells across the line of Control. These were once again non persistent agents that dissipated quickly. Pakistan's diplomatic efforts were lukewarm and India did not permit inspectors of United Nations Military Observer Group in India and Pakistan (UNMOGIP) in the area. Later, these incidents were overshadowed by Kargil War.

Ever since the escalation of freedom struggle in Indian held Kashmir, there are repeated accusations of Indian security forces using a mix of riot control agents, non-persistent chemicals, white phosphorous, incendiaries and pellet guns against armed and unarmed civilians. Wherever, the resistance is strong, India employs a scorched earth policy using incendiaries. Being a universally accepted disputed territory under UN Resolutions and a legitimate freedom struggle thereof, India continues to flout international conventions while resorting to such weapons of mass destruction.

On 4 July 2017, the Indian Army had destroyed houses in South Kashmiri's Pulwama district and incinerated 3 Kashmiri beyond recognition. Use of white phosphorous to burn wooden houses is common. Soon after, Pakistan called for an international investigation of the incidents. A foreign office handout said, "We call upon the international community, particularly, relevant international organisations to initiate investigations into reports about Indian forces in the Indian Occupied Kashmir, using ammunition containing chemical agents and precursors to kill Kashmiri youth and destroy Kashmiri properties." But this is where it ended.

Curiously Pakistan in 1996-99 and 2017 was ruled by PMLN with a reputation for going soft on India. It is hoped that Pakistan's foreign office and arms control organisations under the PTI government will become more observant and proactive. Chemical and biological weapons are surfacing once again in Pakistan's proximately and the government should never be caught napping

(Source: https://nation.com.pk/06-Oct-2018/india-defies-chemical-conventions *dated 6th Oct-2018)*

7. India's Chemical Industry Expected To Grow By 9 Pct: Report

The country's chemical industry is expected to grow at around 9 per cent per annum to reach USD 304 billion by FY25, from USD 163 billion in FY18, a report said.

The growth is likely to be driven by rising demand in end-use segments for speciality chemicals and petrochemicals intermediates said the India Chem Strategy report by Tata Strategic group, brought in association with leading industry body Ficci.

The country's chemical industry is one of the fastest growing in the world, currently ranked the third largest in Asia and sixth globally with respect to output after the US, China, Germany, Japan and Korea.

The study said the domestic chemical sector (other than fertiliser) attracted FDI investment of USD 1.3 billion in FY18, which is about 3 per cent of the total FDI inflow.

Noting that the domestic chemical industry's growth is largely driven by country's consumption growth story, the report said the per capita consumption of chemicals in the country is 1/10th of world average with India a low consumption country even among developing nations.

"Indian consumption is low. This makes India a very attractive destination to invest and grow," the report said. The study also noted that Indian chemical companies have started focusing on global markets for investments.

Recently, India's largest agrochemical company, UnitedPhosphorous, announced the acquisition of Arysta Lifescience for about USD 4.2 billion. Among the other mega projects, Saudi Aramco showed interest in investing USD 44,000 million in the mega petrochemical project, ONGC plans investment of USD 11,000 million in greenfield oil and gas project and Sabic is investing USD 4,300 million in brownfield petrochemical complex.

Deepak C Mehta, chairman-FICCI national chemical committee and chairman and managing director, Deepak Nitrite, feels the significantly growing domestic market and the upheaval in international markets, particularly with respect to China, augur well with opportunities for the Indian chemical industry to rapidly grow in size and capability.

"As India gains increased traction from major countries, looking at investment in the Indian chemical sector, both driven entrepreneurs and a positive government need to put their combined vigour to grow the chemical industry multi-fold in the coming decade," Mehta said.

The country must target to become the third largest player in the next few years, he added. According to BASF India chairman and managing director Raman Ramachandran, the chemical industry will be a key enabler and catalyst in achieving the target of USD 1 trillion manufacturing economy by 2028, from the current USD380 billion.

"The projected high local demand will provide us with a strong platform to also establish ourselves as a major supplier of speciality chemicals to the world with right investments. "Thus, the chemical sector is very strategic to achieving our country's vision encompassed in Make in India, SwachhBharat, Housing for All and Power for All," he said.

(Source: https://www.devdiscourse.com/Article/business/209356-indias-chemical-industry-expected-to-grow-by-9-pct-report *dated 7th Oct-2018)*

8. Brexit Will Turn Britain Into Second Class Power: Ex-Indian Diplomat

New Delhi: Britain's exit from the European Union (EU), popularly called Brexit, will turn the former imperial power into a second-class power, according to former Indian diplomat Bhaswati Mukherjee.

Speaking here on Tuesday at the launch of her book "India and EU: An Insider's View", published by the Indian Council of World Affairs (ICWA), Mukherjee said that once Britain exits the EU in March 2019, it will find itself in a post-Second World War, post-colonial situation and "become a second class power in the world order". Having spent much of her career dealing with Europe, Mukherjee, who has served as Indian Ambassador to the Netherlands, averred that Britain was the cause for much of the impediments in the development of ties between India and Europe.

She said that even as the EU and India were negotiating a Bilateral Trade and Investment Agreement (BTIA), Britain kept putting impediments under pressure from the US in a balance of power game. Negotiations for the BTIA started in 2007 but were put on hold in 2015. In all, 16 rounds of negotiations have been held.

Those in the know say that after India renounced its bilateral investment treaties (BITs) with all countries, investments from European nations are now not protected. India has terminated all BITs following a new BIT model New Delhi released in December 2015. The 28 EU member states have now passed on the responsibility of investment protection negotiations to the EU. EU Ambassador to India Tomasz Kozlowski, who was at the book launch ceremony, said the EU was ready to resume negotiations with India for the BTIA.

"We perceive India as a major growing economy," he said. "For us, India is an emerging global partner with a major role in a multipolar world." Stating that the EU was India's largest trading partner and investor, Kozlowski said that Brussels and New Delhi were continuing to work for the conclusion of the BTIA. French Ambassador Alexendre Ziegler, who was also present, said that if India and the EU have lost a battle, it was the battle of perception. He said that the image of India was deteriorating in the European Commission as New Delhi was perceived as a difficult partner. "But the reality of the EU and India relationship is that there are very big opportunities," Ziegler said. (IANS)

(Source:- https://www.sentinelassam.com/news/brexit-will-turn-britain-into-second-class-power-ex-indian-diplomat/ *dated 11th Oct-2018)*

9. India: GST Trends - September 2018

The month of September witnessed certain crucial announcements under the GST regime. The government notified formats of the much-awaited GSTR-9 - Annual Return and GSTR-9C - Reconciliation Statement. The suspended provisions relating to Tax Deduction at Source (TDS) and Tax Collection at Source (TCS) have also been made applicable with effect from 1 October 2018.

Top Trends

The 30th GST Council meeting was held on 28 September 2018. The Council has formed a Group of Ministers (GoM) to look into the possibility of levying a special cess to provide financial assistance to the State of Kerala, in undertaking relief and rehabilitation projects in consequence of the devastating floods, which had hit the state in August this year.

IGST and compensation cess exemption under FTP extended The Directorate General of Foreign Trade (DGFT) vide Notification No. 35/2015-20 dated 26 September 2018 has extended exemption of IGST and compensation cess available under the following schemes till 31 March 2019:

- Advance Authorization (AA) under Para 4.14 of Foreign Trade Policy 2015-20 (FTP 2015-20)
- Export Promotion Capital Goods (EPCG) Scheme

Product	Old rate	Revised rate
Footwear	20%	25%
Air conditioner	10%	20%
Refrigerator	10%	20%
Washing machine (capacity of up to 10 kg)	10%	20%

- **One year time limit for availing input tax credit under Section 140(3) struck down as unconstitutional -** The Honorable Gujarat High Court in Filco Trade Centre Pvt Ltd vs Union of India has struck down Clause (iv) of subsection (3) of Section 140 of the CGST Act, 2017 as unconstitutional. The court has held that the said provision takes away the vested right of the first stage dealers to avail the benefit of credit of eligible duties in accordance with the CENVAT credit rules in relation to goods, which were purchased prior to one year from 1 July 2017. However, the judgment has been stayed till 31 October 2018 on the request of the government.
- **GSTR-9 - Annual return -** Key features of GSTR-9 are as follows:
- **Input Tax Credit -** To be trifurcated into Input Tax Credit (ITC) on inputs, capital goods and input services.
- **ITC of IGST availed on imported goods -** To be reported along with IGST paid on imports.
- **HSN wise summary of inward supplies -** Although GSTR 2 remains suspended, this needs to be disclosed separately in annual return.
- **Adjustments of any errors -** Contrary to industry expectations, the annual return does not provide an option to adjust/amend any errors made at the time of filing the periodical returns. Hence, it should be ensured that any pending adjustments/ amendments, on account of such mistakes, are made in the return filing for September 2018, especially taking credit for the amounts remaining unavailed.
- **Credit notes -** Only the credit notes declared (where GST is adjusted) through Table 9B of GSTR-1 have to be disclosed in the annual return.
- **Transactions related to previous financial year (i.e., July 2017 to March 2018 in this case) disclosed in return for the period of April 2018 to September 2018 -** This would have to be disclosed separately along with the differential tax paid on account of such disclosures.
- **GSTR-9C - Reconciliation Statement -** The form requires taxpayers to provide a reconciliation between the audited financial statements and GSTR-9, i.e., the annual return in respect of certain key items such as:

✓ Gross turnover

✓ Taxable turnover

✓ Tax paid and rate wise liability

✓ Net input tax credit

TDS provisions - In view of the implementation of the TDS provisions from 1 October 2018, businesses providing taxable supplies to government departments, local authorities, public sector undertakings and other specified agencies should ensure that they obtain TDS certificates for the tax deducted by such specified agencies. Vendors making taxable sales to such government departments must ensure that the credit of such TDS is reflected in their GSTR-2A.

(Source: http://www.mondaq.com/india/x/744500/sales+taxes+VAT+GST/GST+Trends+September+2018 *dated 11th Oct-2018)*

10. European, Asian leaders want free trade, push back at Trump

European and Asian leaders pose for a group photo at the ASEM summit in Brussels on Friday. At front left is Latvian Prime Minister Maris Kucinskis; to his right at front are Prime Minister Shinzo Abe, German Chancellor Angela Merkel, Chinese Premier Li Keqiang and European Council President Donald Tusk. Laughing and wearing glasses is the Netherlands' prime minister, Mark Rutte. | REUTERS

BRUSSELS – Europe and Asia presented a united front Friday in support of free trade based on international rules and cooperation, starkly underscoring their differences with U.S. President Donald Trump's "America First" policy.

That support for free trade "is the most important signal from this summit, especially valid in the current geopolitical context," EU Council President Donald Tusk said at the end of a two-day Europe-Asia summit in Brussels.

The meeting comes at a time when Trump is increasingly distancing the United States from global organizations like the United Nations. Trump told the U.N. General Assembly last month: "We reject the ideology of globalism, and we embrace the doctrine of patriotism."

Those at the summit - 30 European leaders, their counterparts from 21 Asian nations as well as top officials from the European Union and the Association of Southeast Asian Nations — have the economic clout to stand up to that kind of rhetoric from Trump. The officials came from countries that represent some two-thirds of the world's economic output, 55 percent of global trade and 60 percent of the world's population.

A written statement said the leaders "highlighted the vital need of maintaining an open world economy and upholding the rules-based multilateral trading system, with the World Trade Organization at its core."

Trump slapped 25 percent tariffs on steel imports and 10 percent on imported aluminum from the EU on June 1. He said the move was to protect U.S. national security interests, but the Europeans claim it is simply protectionism and breaks global trade rules.

The EU hit back with tariffs on about €2.8 billion worth ($3.4 billion) of U.S. steel, agricultural and other products.

The stakes are even higher in Trump's trade war with China. Trump has imposed tariffs on about $250 billion worth of Chinese products amid U.S. accusations that China engages in cybertheft and coerces foreign companies into handing over technology in return for access to the Chinese market, as well as by Trump's anger over China's trade surplus with the U.S.

The wide-ranging agenda in Brussels also included discussions on fighting both climate change and cybercrimes. In their closing statement, the leaders expressed "profound concern that current global efforts are insufficient" to meet goals set out in the 2015 Paris climate accord. Trump has removed the U.S. from that deal.

On the sidelines of the meeting, the EU signed a pact with Vietnam that aims to tackle illegal logging and was to sign a free trade deal with Singapore.

The two-day meeting also was the backdrop for numerous bilateral meetings — EU foreign affairs chief Federica Mogherini discussed human rights violations in Cambodia and Myanmar with those countries' representatives, while British Prime Minister Theresa May tried to talk up her nation's post-Brexit relationship with China, South Korea and Singapore in meetings with officials from those countries.

In another of the meeting's conclusions that ran counter to U.S. policy, European and Asian leaders praised the Iran nuclear deal - another multilateral initiative rejected by Trump.

"Preserving the nuclear deal with Iran is a matter of respecting international agreements, and promoting international security, peace and stability," they said.

One region where the leaders in Brussels were more closely aligned with Trump was the Korean Peninsula, where the U.S. president has been involved with efforts to end North Korea's nuclear program. The statement in Brussels hailed efforts by South Korea and "other partners" to "achieve lasting peace and stability on a Korean Peninsula free of nuclear weapons."

Rights groups and lawmakers had called on the European leaders to push their Asian counterparts on human rights, citing abuses in many Asian nations, including the Rohingya crisis in Myanmar and Bangladesh.

Buddhist-majority Myanmar's military is accused of widespread rights violations against the Muslim Rohingya - including rape, murder, torture and burning villages — which has forced about 700,000 Rohingya to flee to Bangladesh since August 2017.

Without mentioning the Rohingya by name, the leaders underscored the need to pave the way for the "safe, voluntary, dignified and sustainable return of displaced persons to Rakhine State" in Myanmar.

A U.N. mission reported last month that at least 10,000 Rohingya are believed to have died in the violence. The U.N. has called for Myanmar's top military generals to be prosecuted for genocide and crimes against humanity for their treatment of the Rohingya.

(Source: https://www.japantimes.co.jp/news/2018/10/20/business/european-asian-leaders-want-free-trade-push-back-trump/#.W8203EszbIU *dated 20th Oct-2018)*

11. Exporters in a spot over U.S. move on GSP

Are Indian exports to the U.S. eligible for duty-free entry into the U.S. under the Generalised System of Preferences (GSP)? Exporters appear to be confused on this .

Some say the policy uncertainty and the resultant confusion are leading to a diversion of orders meant for India to neighbouring countries. Under the GSP, the U.S. grants eligible countries duty-free entry into the country for about 4,800 products.

The U.S. is now reviewing whether India is still eligible for GSP benefits, even as the Indian government is maintaining that exporters can still receive the benefits. One of the largest exporter-bodies, however, has said that its members have not been receiving the benefits since December 2017. "From December 2017, we have not been having GSP benefits," Ajay Sahai, director general and CEO at the Federation of Indian Export Organisations, told The Hindu. "If you look at the GSP benefits that have been granted to India, as a percentage of exports to the U.S., it is not too important. But in some sectors, where there is cut-throat competition, it is certainly affecting our MSME exporters," he added.

'Small exporters hit'

"Small exporters are definitely affected in price-sensitive sectors."

"Even a difference of 4-5% makes a lot of difference in sectors such as carpets, chemicals, some engineering sectors," he added.

However, the Engineering Export Promotion Council of India has claimed that its members are still availing of the GSP benefits. "So far, GSP benefits has not yet been denied," Suranjan Gupta, Executive Director at EEPC India, said. "The review is still on. The reports I have is that the exports are still getting GSP benefits. My members told me that as of now their buyers are reporting that the GSP benefits are coming in."

"Currently, it is hanging in the air [whether] they will extend the waiver or not," Mr. Gupta added. "There could be diversion of exports to other countries if GSP benefits are withdrawn," he noted. The government is unequivocal about the issue, however, with the Commerce Ministry stating that Indian exporters are still eligible for GSP benefits.

"Our exports are going on under GSP still," the Commerce Ministry spokesperson said. "We are still in talks with the U.S. on GSP and no concrete decision has been taken as yet on whether GSP is being withdrawn or has been withdrawn..."

Exporters say the confusion around whether Indian exports are eligible for GSP has meant orders that would otherwise have been given to Indian exporters are now being sent to countries such as Bangladesh, Sri Lanka, and Vietnam.

Having announced its decision to review India's eligibility under GSP earlier this year, the Office of the United States Trade Representative (USTR) held the first hearing on the issue on June 19. The review process is still on.

The USTR notice said the India review would "focus on whether it is meeting the eligibility criterion that requires a GSP beneficiary-country to assure the [U.S.] that it will provide equitable and reasonable access to its market." The USTR is "accepting two petitions asserting that India is not meeting this criterion: one from the National Milk Producers Federation and the U.S. Dairy Export Council, and the other from the Advanced Medical Technology Association."

(Source: https://www.thehindu.com/business/exporters-in-a-spot-over-us-move-on-gsp/article25265767.ece *dated 19th Oct-2018)*

12. Indian scientists develop gel to protect farmers from pesticide toxicity

Indian farmers usually do not wear any protective gear while spraying chemicals in fields. This exposes them to harmful toxics contained in pesticides, causing severe health impacts and even death in extreme cases. Indian scientists have now developed a protective gel to address this problem.

The gel can be applied on skin and can break down toxic chemicals in pesticides, insecticides and fungicides including the most hazardous and widely used organo phosphorous compounds. The gel deactivates these chemicals, preventing them from going deep into the skin and organs like the brain and the lungs. It has been found to be effective in tests done in rats and researchers hope to soon test it in humans.

Exposure to chemicals contained in pesticides interferes with an enzyme called acetylcholinesterase (AChE) which is present in the nervous system and is critical for neuromuscular functions. When its functioning is disrupted by chemical pesticides entering the body through the skin, it can cause neurotoxicity, cognitive dysfunction and even death in severe cases. When the gel was applied on rats and they were exposed to a lethal dose of pesticide MPT, it did not lead to any change in their AChE level, showing it could prevent penetration of the pesticide into the skin.

The gel, named poly-Oxime, has been prepared by researchers at the Institute for Stem Cell Science and

Regenerative Medicine (InStem), Bangalore from a nucleophilic polymer. In lab studies, rats treated with poly-Oxime gel survived pesticide treatment, whereas rats with no gel or sham gel showed symptoms of poisoning or died. The results of the study were reported in journal Science Advances on Thursday.

The gel does not act like a physical barrier, but it acts like a catalyst to deactivate organophosphate. An oxime could hydrolyze multiple organophosphate molecules, one after another. And it can do so at temperatures ranging from 20 to 40 degrees, and even after long exposure to ultraviolet light. "Our data suggests that a thin layer of poly-Oxime gel can hydrolyze organophosphates on the skin; therefore, it can prevent AChE inhibition quantitatively in blood and in all internal organs such as brain, lung, liver, and heart," the study notes. It has also been found that the catalytic gel can work against a range of commonly used commercial pesticides, insecticides, and fungicides.

Members of the research team (left to right): Ketan Thorat, Sandeep Chandrashekharappa and Praveen Kumar Vemula

"At present, we are conducting extensive safety studies in animals which will be completed in four months. Subsequently we plan a pilot study in humans to demonstrate efficacy of the gel," Dr Praveen Kumar Vemula, a senior member of the research team, told India Science Wire.

As the next logical step, the research group plans to develop an active mask to deactivate pesticides since the gel now developed does not provide any protection from inhalation of pesticide vapours, according to Dr Vemula.

In order to understand the problem of toxicity caused by pesticides, researchers interacted with several farmers and their families. While many of them said they experienced pain right after spraying pesticides, they had no access to protective means. Farmers, according to researchers, showed willingness to adopt any low-cost topical methods that can prevent pesticide exposure.

The research team included Ketan Thorat, Subhashini Pandey, Sandeep Chandrashekharappa, Nikitha Vavilthota, Ankita A. Hiwale, Purna Shah, Sneha Sreekumar, Shubhangi Upadhyay, Tenzin Phuntsok, Manohar Mahato, Kiran K. Mudnakudu-Nagaraju, Omprakash Sunnapu and Praveen K. Vemula.

(Source:- https://www.techexplorist.com/indian-scientists-develop-gel-to-protect-farmers-from-pesticide-toxicity/17787/ *dated 19th Oct-2018)*

13. MINISTRY OF COMMERCE AND INDUSTRY IS WORKING TO MAKE GOA A START-UP AND LOGISTICS HUB: PRABHU

New Delhi, Oct 22 (KNN) Union Minister for Commerce and Industry and Civil Aviation Suresh Prabhu said his ministry is working on a blueprint to make Goa a start-up and logistics hub.

He said this after the inauguration of the 'green' building centre at Kudaim

Industrial Estate by ACC Cement Company in partnership with Goa's ALCON group.

Prabhu said that global investors will meet in Goa in December to help finance the start-up community in the State.

He said the Centre was thinking of making Goa as the start-up and logistics hub to create more jobs and that it will also promote agricultural export from the coastal state.

Prabhu quoted, "Goa has a port, good railway connection, and an airport. We have already sent a team here. We are preparing a blue print, and the State government will have to be part of that."

"One of the problems faced by start-ups is finance. We have called all global players who are into financing. This event, to be held on December 7, will bring in global players for investment in the sector for the first time," Prabhu said.

"We are thinking of creating a national hub of start-ups in Goa," he said, adding that he is also looking forward to see the state become a new hub of "green ideas".

A logistics hub will also be set up in Goa as the state has the entire infrastructure required for the facility, he mentioned.

"All logistics-related issues are under my ministry. We are preparing for the first time an integrated logistics plan for India and in that plan, I had said that we will keep a logistics hub in Goa," he said.

Prabhu said, "Goa is ideal for creating the logistics hub which will result in huge job creation."

(Source: https://knnindia.co.in/news/newsdetails/state/ministry-of-commerce-and-industry-is-working-to-make-goa-a-start-up-and-logistics-hub-prabhu *dated 22.10.2018)*

14. Invest India wins UN award for excellence in promoting investments in sustainable development

GENEVA, OCTOBER 23

Invest India, the country's investment promotion body, has won the UN Award for excellence in promoting investments in sustainable development. The award was presented by Armenian President Armen Sarkissian to Deepak Bagla, the CEO of Invest India, on Monday at the World Investment Forum, Geneva.

The event is being attended by more than 6,000 participants, including more than 10 heads of state, and ministers from 50 countries. Agencies from Bahrain, Lesotho and South Africa have also won top honours during the function.

The awards, organised by the United Nations Conference on Trade and Development (UNCTAD), honour investment promotion agencies (IPAs) and their governments for their achievements, but also showcase best practices in attracting investment into Sustainable Development Goals-related projects that can inspire investment promotion practitioners in developing and developed countries.

Invest India received the award for excellence in servicing and supporting a major global wind turbines company in the establishment of a blade manufacturing plant in India while committing to train local staff and produce 1 gigawatt of renewable energy, according to an official statement.

Implementation of the project is expected to reduce India's wind energy cost significantly, the judges said. "A proud day for us! Invest India awarded as WINNER of the 2018 United Nations Award for excellence in promoting investments in sustainable development at the World Investment Forum Geneva," the agency tweeted.

As the national investment promotion and facilitation agency, Invest India focuses on sector-specific investor targeting and development of new partnerships to enable sustainable investments in India.

In addition to a core team that focuses on sustainable investments, Invest India also partners with substantial investment promotion agencies and multilateral organisations. Invest India also actively works with several Indian states to build capacity as well as bring in global best practices in investment targeting, promotion and facilitation areas.

Invest India is set up as a non-profit venture under the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.

(Source: https://www.thehindubusinessline.com/news/invest-india-wins-un-award-for-excellence-in-promoting-investments-in-sustainable-development/article25297079.ece *dated 23rd Oct-2018)*

15. Commerce Ministry will soon come up with the state specific export strategy: Prabhu

New Delhi, Oct 27 (KNN) In a bid to boost merchandise and service exports, Commerce Ministry will soon unveil a comprehensive state specific export strategy, said Suresh Prabhu, Commerce Minister.

Speaking at the Export Summit organised by industry chamber CII in Delhi, Prabhu said that the strategy has been prepared in taking inputs from sectoral ministries.

After consultations with concerned ministries and stakeholders a matrix of specific action points have been prepared sector wise, commodity wise and territory wise, he explained.

Further he added that the strategy will be 'released in a few days'.

Besides, an agri-export policy will also be in place soon, said Prabhu.

Also to boost service exports, government has identified 12 champion service sectors including IT, healthcare and tourism and set aside Rs 5000 crore to promote those sectors, he added.

The government is also revamping its project export strategy and preparing country and region specific export guidelines.

In addition, champion merchandise sectors that includes gems and jewellery, leather, textile and apparels will also get special support from the government, said Prabhu.

According to the minister, the government's export friendly measures have caused India's exports to grow by 9.8 per cent in financial year 2017-18.

"This is exceptional in the light of huge decline in export growth in the previous years", he said.

Further, the positive growth in exports happened at a time when there are a lot of negative headwinds globally, the minister added.

Apart from this, Parbhu informed that he is personally monitoring the progress and regular meetings are being held with sectoral ministries, export promotion councils and exporters.

(Source: https://knnindia.co.in/news/newsdetails/sectors/commerce-ministry-will-soon-come-up-with-the-state-specific-export-strategy-prabhu *dated 27th Oct-2018)*

16.US withdraws duty benefits on Indian exports worth $75 million

Indian exports of certain musical instruments, leather, textiles, dairy, chemicals and processed fruits and vegetables to the US will no longer enjoy duty-free access, with the Trump administration withdrawing such concessions effective November 1.

The annual exports of these items to the US is estimated at about $75 million.

"…in 2017 certain beneficiary developing countries exported eligible articles in quantities exceeding the applicable competitive-need limitations. I hereby terminate the duty-free treatment for such articles from such beneficiary developing countries," US President Donald Trump said in a presidential directive dated October 30.

Other countries that have had duty concessions withdrawn by the US include Thailand, Argentina, Pakistan, Turkey, the Philippines, Brazil, Suriname, Belize, Ecuador, Falkland Islands, Kazakhstan, Egypt and Bosnia and Herzegovina.

However, the number of Indian products affected, at 50, is the highest. The benefits are given to developing countries under the Generalized System of Preferences. India, which gets $5.6 billion duty concessions through the programme, is the largest beneficiary. Total US imports under GSP in 2017 were worth $21.2 billion. However, officials and experts said this is an annual exercise that is not aimed at any particular country.

"They review products every year, as per their law. This is a product-specific step, not country-specific," said an official aware of the move.

The US said in April it would review preferential or dutyfree access to its market for India's exports including mechanical and electrical

machinery, organic and inorganic chemicals, plastics and vegetables. The review will impact almost 3,500 Indian products exported to the US.

"There is a review of the limit every year because GSP is not reciprocal and the US does not get anything in return," said a trade expert.

The competitive-need limitations are built-in import ceilings to curb duty-free access to the US market for products and countries that might not otherwise be "competitive." The GSP statutes require termination of GSP benefits for products if they account for 50% or more of the value of total US imports of that product or exceed a certain dollar value. This value was $145 million in 2010 and increased by $5 million per year.

(Source: https://economictimes.indiatimes.com/news/economy/foreign-trade/us-withdraws-duty-benefits-on-indian-exports-worth-75-million/articleshow/66469683.cms *dated 2nd November-2018)*

17. RCEP:Why India shouldn't allow this free trade deal to fail

The Regional Comprehensive Economic Partnership, or RCEP, is not a "competitor" to the Trans-Pacific Partnership (or, as it's now known after adding the adjectives "comprehensive" and "progressive," the CPTPP). Yes, the CPTPP very obviously excludes the People's Republic of China while the RCEP does not. But, unlike the former, the RCEP is a more traditional sort of trade deal, in which tariff cuts on tradeable goods - rather than high standards for labor, environmental and intellectual-property protections - are at the center of the discussion.

That's part of the reason India is leery of signing it. This week, as leaders of the 16 RCEP nations met in Singapore, India managed to postpone its moment of reckoning: Instead of concluding negotiations by the end of the year as hoped, the leaders agreed that the deal would be signed next year. Prime Minister Narendra Modi called for an "early conclusion" to the talks, and others said that significant progress had been made. But the truth is that the gulf between India and the other 15 countries in the RCEP remains deep, and it isn't clear how or if it can be bridged. RCEP is is essentially a deal between the 10 members of the Association of Southeast Asian Nations and the other countries - Japan, China, South Korea, India, Australia and New Zealand - with which ASEAN has existing free-trade deals. Indian officials already not-so-quietly regret the current pact with ASEAN. They complain that exports from ASEAN into India have grown far quicker than Indian exports to the bloc, which they attribute to the fact that India is a "services economy." Thus, they're willing to hold up RCEP until Indian companies are granted more market access for services than is currently the case. The truth is that those officials have it backwards. India has largely failed to develop a manufacturing sector because its factories aren't competitive and aren't plugged into global supply chains. Over the past few years, tariffs have started rising as well - often in an ad hoc and arbitrary manner - which means that becoming part of spread-out value chains will be even tougher. Modi may want to protect Indian industry. But if he's going to create the manufacturing jobs he promised in his 2014 prime ministerial campaign, he can't turn his back on dense knot of production and trade that the RCEP countries represent.

As for Indian services exports, the truth is that market access isn't as straightforward as all that. Services trade requires harmonized rules and regulations - something that RCEP isn't prioritizing in the first place. And, in fact, many bits of the agreement that do focus on convergence of rules are also unacceptable to India. It will object, for example, to any clause that forbids laws mandating data localization, having already clamped down on foreign payments networks and internet companies Some participants in RCEP might be tempted to dump India and move ahead, signing a reduced version of the agreement just as the other 11 signatories to the CPTPP moved on without Donald Trump's U.S. In the end, though, such a move wouldn't be terribly useful.

New Zealand, for example, already has trade agreements with every RCEP participant except for India. Given the difficulty of getting Indian negotiators to the table for bilateral trade deals, the RCEP remains the best chance to incorporate India into a genuinely open trading bloc.

In the end, success will come down to give and take, and one country will have to give the most: China. India's concerns about hidden Chinese subsidies and closed Chinese markets are shared now by much of the world. And it's not as if Chinese policy makers have no flexibility: After tariffs on U.S. soy exports were imposed as part of the first salvos of the Sino-American trade war, Indian exporters of soymeal found Chinese authorities were far more willing to make things easier for them.

While RCEP may appear to be a multilateral deal, negotiations between China and India lie at its heart. Other countries have now accepted that fact, allowing India to also negotiate separately with China, as well as Australia and New Zealand, under a "bilateral pairing mechanism."

For Beijing, this is an opportunity to demonstrate not just its continuing commitment to free trade but also its willingness to make trade fairer than it's been in the past. If the 2019 deadline is to mean anything, then both India and China will have to think very hard about where their national interests really lie. If they do, they're likely to view compromise much more favorably.

(Disclaimer: The opinions expressed in this column are that of the writer. The facts and opinions expressed here do not reflect the views of www.economictimes.com.)

(Source: https://economictimes.indiatimes.com/news/economy/foreign-trade/rcep-why-india-shouldnt-allow-this-free-trade-deal-to-fail/articleshow/66646568.cms *dated 16th Nov-2018)*

18. HOW APEC CAN BOOST FREE TRADE IN ASIA PACIFIC

Amid trade wars, the outcome of the APEC meeting matters. As globalization is at crossroads, trade in Asia today will shape world trade tomorrow.

As the 21 member countries of the Asia Pacific Economic Cooperation (APEC) meet during the weekend in Papua New Guinea, there is an elevated international concern about the future of global trade amid the tide of nationalism and protectionism.

APEC member economies represent some 40% of global population, the region's combined GDP is more than 60% of global GDP and it accounts for almost 50% of global trade in goods and services. What APEC leaders decide matters.

The paths to global trade There are three possible (but two probable) paths to free trade in Asia Pacific.

The 'mini-TPP'. Founded in the early 2000s by a few smaller regional countries, the initial Trans-Pacific Partnership (TPP) was more economic, open and inclusive by nature. Former President Obama's 'pivot to Asia' opted for a more exclusive, geopolitical and secretive TPP, which aspired to a "gold standard" that would remove tariffs between its members, which represented 40% of global economy. But TPP also deemed provisions on labor rights, environmental protection and state-owned enterprises. These "high standards" made it impossible for China and India to join the TPP, while boosting the role of US multinationals in Asia Pacific trade.

On his first day in office, President Trump killed the TPP. He is considering rejoining a revised TPP, but only if the US is granted a "better deal." Without US participation, other TPP members have agreed on a mini-deal (that is, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, CPTPP), which may be progressive, but it cannot be comprehensive without China, India – and the US.

ASEAN-led RCEP. The Regional Comprehensive Economic Partnership (RCEP) is fueled by the 10 ASEAN members. Since 2012, the goal has been to harmonize free trade agreements among ASEAN countries, advanced economies (Australia, Japan, South Korea, and New Zealand), and China and India. The US has stayed on the sidelines. Seeking to exploit its economic clout, it prioritizes bilateral talks and seeks to defuse ASEAN's bargaining power. As a trade pact, the RCEP is not as exclusive, broad and deep as the Obama TPP. But it is more multilateral, realistic, and inclusive – and could materialize in 2019.

'America First' Asia Pacific. Trump and his trade hawks are pushing a new Asia Pacific alignment, which strategically seeks to cement America's Indo-Pacific Vision to contain China's rise. Economically, it aspires to neutralize China's One Road One Belt initiative. Militarily, it is exploiting the "freedom of navigation" doctrine to dominate the South China Sea as 60% of U.S. naval fleet will be transferred into the region by 2020. However, any geopolitical sphere-of-interest plan would split the region and thus derail the much anticipated Asian Century.

Unsurprisingly, even America's allies Japan and South Korea feel unsettled about new US protectionism. And that leaves only one solution.

Toward the FTAAP

Within the APEC economies, the idea of regional free trade has been around since 1966 when Japanese economist Kiyoshi Kojima advocated a Pacific Free Trade agreement. Three decades later, APEC leaders opted for free and open trade and investment in the Asia Pacific.

In 2006, C. Fred Bergsten, then chief of an influential US think-tank, advocated the Free Trade Area of the Asia Pacific (FTAAP). If the FTAAP could be achieved, he argued, it would represent the largest single liberalization in history.

The TPP-11 is dominated by advanced high-income economies but excludes upper- and lower-middle income regional engines. In contrast, RCEP includes these regional engines and a few high-income economies as well. Yet, the final pact must be able to include the interests of both advanced and emerging economies. Ultimately, only the FTAAP has potential to cover the interests of the RCEP, the TPP-11, the U.S. (when Trump or the next White House accepts a more inclusive deal), Russia, and other potential members.

That's the FTAAP goal that APEC put forward in 2006 and Asian economies support, including China. Ultimately, the TPP-11 and RCEP must agree on harmonization that will facilitate trade and cooperation among regional members and can form a joint path to the FTAAP.

It is very much in the long-term interest also of the US to accept the idea that all nations, including those in Asia Pacific, have interests of their own. Neither the US nor any other country can have a unipolar primacy in world trade; but all countries do have a critical stake in multilateral world trade.

A tentative draft suggests that APEC leaders "acknowledge the importance of APEC's regional economic integration agenda, including how to advance, in a comprehensive and systematic manner, the process toward the eventual realization of a Free Trade Area of the Asia Pacific."

A timely roadmap for the effective implementation of this agreement would be the right start for the region and the world.

This article was originally published by China Daily on November 15, 2018.

(Source: https://www.foreignpolicyjournal.com/2018/11/16/how-apec-can-boost-free-trade-in-asia-pacific/ *dated 16.11.2018)*

19. EU ready to negotiate data security status with India

Fully committed to work on a comprehensive meaningful agreement on trade and investment with India: EU Ambassador to India

The European Union (EU) is ready to explore all options for starting negotiations on data adequacy (security) status with India in the future, according to Tomasz Kozlowski, Ambassador of the European Union to India.

India and the EU, it seems, have also not given up on the long-pending talks on a broad-based trade & investment agreement (BTIA) with the EU Ambassador stating that the two sides would soon start contacts on more general and very specific issues to break the deadlock.

"We are fully committed to the work on a comprehensive bilateral meaningful agreement on trade and investment. We are in the process of active contacts on more general and very specific issues. Let us see how these contacts will finish. But my feeling is that there is political will and trust on both sides," Kozlowski said addressing a media roundtable on Wednesday.

The roundtable was organised for presenting to the media the key points of the paper on 'Elements for an EU strategy on India' adopted by the European Commission on Tuesday. The strategy aims at building a partnership for sustainable modernisation and the rules-based global order, the Ambassador said.

Positive note

The EU agreeing to look at options to start negotiations on data security is a positive development for India as a data secure nation status extended by the block would give European companies the confidence to do more off-shore business with the country. The negotiations on data security status would be independent of the negotiations on the BTIA.

The EU Ambassador, however, pointed out that bilateral investment treaty between India and the EU will not be a separate agreement but would be part of the BTIA. With all existing BITs that India had with its trading partners standing null and void, New Delhi is keen to start negotiations on new pacts based on the model BIT drafted by the Finance Ministry with an emphasis on protecting the government against litigation filed by foreign companies.

However, individual EU countries are no longer interested in negotiating separate investment pacts with India and New Delhi will now have an investments agreement with the entire EU whenever the BTIA takes shape.

On Britain's planned exit from the EU next March, Kozlowski said Brexit as such will not have any significant impact on India-EU relations. "The EU is fully committed to stick to already reached agreement with India, to the current cooperation and to the strategy document published yesterday," he said.

(Source:- https://www.thehindubusinessline.com/economy/eu-unveils-strategy-paper-for-ramping-up-ties-with-india/article25556090.ece dated 21.11.2018)

20. Economic constraints making duty elimination difficult: Commerce Ministry

Government sources in know of the matter told The Indian Express that India has also invoked the fact about US imposition of import tariff on steel and aluminum to protect its domestic industries as an import of 30-35 per cent of their requirements was considered a national economic and security risk.

According to media reports, six countries – the US, China, European Union, Japan, Canada and Norway – planned to raise concerns about India's customs duties on ICT products at the World Trade Organization (WTO) earlier this month.

Snubbing the US' demand to eliminate duties on seven information and communication technology (ICT) products, the Ministry of Commerce & Industry is learnt to have told US trade representatives that factors such as "serious economic constraints" such as rising current account deficit and rupee depreciation "make it difficult" for India to consider the revenue loss arising out of duty elimination. India has further informed the US that duty reduction on products such as certain telecom network equipment, smartwatches, high-end mobile phones costing over Rs 10,000 and some mobile phone parts, will not benefit the US while imposing a "disproportionate and unbearable stress on a "low income country like India at a time of significant economic stress".

Further, government sources in know of the matter told The Indian Express that India has also invoked the fact about US imposition of import tariff on steel and aluminum to protect its domestic industries as an import of 30-35 per cent of their requirements was considered a national economic and security risk. "For similar reasons, on a much more pronounced scale, the threat perception in case of India is much higher in view of huge import of ICT products, and minimal domestic production," US was told, one of the government official said.

During 2017-18, India's imports for the seven items on which the US has sought tariff reduction amounted to $20.44 billion, of which imports from the US were $415.26 million. The highest imports were from China at $15.03 billion, followed by Vietnam and South Korea at $905.51 million and $847.73 million, respectively. In April 2017, the Centre notified a phased manufacturing plan to boost domestic production of mobile phones by introducing import duties on products in a phased manner. As per the plan, duty was introduced on products such as charger/adapter, battery pack, wired headset during 2016-17. In 2017-18, duties were introduced on parts such as microphone and receiver, key pad, USB cable, etc. The printed circuit board assembly, camera module and connectors are to be brought under the duty regime in 2018-19; and display assembly, touch panel, vibrator motor etc are planned to be brought under duties in 2019-20.

With an aim to control the rising current account deficit and falling rupee, the government last month had raised basic customs duty on several mainline telecom network products and introduced fresh duties on printed circuit board assemblies. Base stations, optical transport gear, IP radios, MIMO/4G LTE products, VoIP phones, media gateways, gateway controllers, carrier ethernet switches, packet transport nodes and a mix of packet optical transport product or switches now attract 20 per cent duty from 15 per cent earlier. Import of printed circuit board assemblies used for these now attracts 10 per cent duty. This was a part of the move by the Indian government to curb non-essential imports.

Subsequently, according to media reports, six countries – the US, China, European Union, Japan, Canada and Norway – planned to raise concerns about India's customs duties on ICT products at the World Trade Organization (WTO) earlier this month.

(Source:- https://indianexpress.com/article/business/economy/india-us-trade-economic-constraints-making-duty-elimination-difficult-commerce-ministry-5456530/ dated 21.11.2018)

21. In a post-Brexit scenario, EU may rework FTA with India

EU hints at negotiating balanced, ambitious and mutually beneficial agreements on trade, investment

New Delhi: The European Union (EU) may be looking at reworking the proposed free trade pact with India - called the Broad Based Bilateral Trade and Investment Agreement (BTIA-in a post-Brexit scenario, negotiations for which have dragged on for 11 years with little progress.

In a strategy paper for India released on Tuesday, the EU did not mention BTIA, but sought to negotiate a "balanced, ambitious and mutually beneficial" free trade agreement (FTA) with sufficient level of ambition to respond to each side's key interests in trade and investment.

"In particular, the EU will continue to engage with India to ensure that such an agreement will be economically meaningful, delivering real new market openings in all sectors to both sides, and contain a solid rules-based component," it said in the paper released on Tuesday by the EU's ambassador to India Tomasz Kozlowski.

The EU, however, is adamant on having a comprehensive trade and sustainable development chapter, notably in order to deal with social and environmental impacts.

Negotiations on the India-EU FTA started back in 2007 and 16 rounds have been held since then —the last in 2013, before negotiations were suspended. Both sides have explored restarting negotiations after the Bharatiya Janata Party-led government assumed power in May 2014, but uncertainties over Brexit and inflexibility on both sides have prevented a formal resumption.

The EU in its strategy paper said it wants the investment deal to be negotiated along with the trade agreement including a contentious dispute settlement mechanism which India is reluctant to sign it as it allows private foreign investors to sue the local government for unanticipated policy changes. "Ensuring a high level of investment protection in order to remain an attractive destination for new investments is also a key dimension of the EU-India partnership,"it said.

After India unilaterally terminated its current bilateral investment treaties last year with 57 countries, including with EU member countries, to negotiate fresh deals based on a new model, the EU had raised strong objection.

India brought out a new model BIT in December 2015, intending to replace its existing BITs and future investment treaties, after being dragged into international arbitration by foreign investors who sued for discrimination, citing commitments made by India to other countries in bilateral treaties.

The EU also expressed discomfort with India's reluctance to "open up to imports" and its strong reliance on exports and inward investment. "The EU will continue to encourage India to open up its economy to strengthen its international competitiveness, benefit from a better integration into global value chains, and increase its share in global trade, to bring it more in line with its growing share of global GDP," it added.

The EU also sought India's constructive engagement in addressing global trade challenges in the World Trade Organization (WTO) to fight protectionism. "While the multilateral trading system has been instrumental in integrating the global economy and helping to prevent protectionism, it is confronted with a serious crisis. The EU wants to work with India to develop a common understanding on the issues to be addressed in the WTO and its modernization and to advance rulemaking on fundamental global trade issues," the strategy paper added. The EU also proposed to establish a regular ministerial high-level dialogue to strengthen engagement with India at a strategic level and to identify shared interests on economic, trade and investment issues.

India had expressed reluctance to agree to a similar proposal by EU made earlier, holding that the existing mechanism is sufficient to address contentious issues on both sides. The EU is India's largest trading partner accounting for 14% of its total trade in goods in 2017, while India is the EU's 9th largest trading partner.

(Source:- https://www.livemint.com/Politics/jbN79my4EwLIhGIBlxES9I/EU-unveils-policy-paper-on-boosting-ties-with-India.html *dated 21.11.2018)*


POST-2018
CHALLENGES
SHAPING YOUR BUSINESS BEYOND 2018
ONLY REPRESENTATION
REGISTRATIONS
DOSSIER UPDATES
EVALUATION
SVHCS
AUTHORISATION
RESTRICTION
BREXIT
COMPLIANCE PROGRAM
SUPPLY CHAIN MANAGEMENT
POISON CENTRES
KKDIK
RUSSIA
REACH
K-REACH
The 31st of May 2018 marks the end of 10 years of a chemical registration process. On that date companies can tick the Registration box but will need to continue preparing their businesses for the other REACH challenges: Substance Evaluation, Authorisation and Restriction. At the same time, global regulatory requirements continue to expand and market specific regulations with deadlines will continue to bring more obligations for the chemical industry worldwide.
As a leading expert in the registration, authorisation and notification of chemical substances, inside and outside EU, REACHLaw is happy to help you succeed beyond 2018.
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CHEMEXCIL NOTICE

NOTICE 1

EPC/LIC/CBIC/ICEGATE 04/10/2018

ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-CBIC Advisory circular for registration of beneficiaries on ICEGATE

Dear Members,

The Central Board of Indirect Taxes and Customs (CBIC) has issued Circular No 35/2018-Customs dated 01/10/2018 regarding Advisory circular for registration of beneficiaries on ICEGATE.

As you are aware, CBIC has introduced Single Window Interface for facilitating Trade (SWIFT) as part of ease of doing business initiative to integrate Customs and other Participating Government Agencies (PGAs) for seamless processing of import and export clearances.

One of the component of SWIFT is e-SANCHIT, which allows a trader to submit all supporting documents for clearance of consignments electronically with digital signatures. This obviates the need for the trader to approach different regulatory agencies with hardcopies of the documents, thereby making the entire process of consignment clearance faceless and paperless. It has been made mandatory that all the importers are required to upload the documents relating to regulatory compliances electronically from 01st April, 2018 onwards. Shortly e-SANCHIT facility will be extended to exports also, for which a pilot is underway.

We understand from the circular that, CBIC is embarking on a project under SWIFT to bring all the Participating Government Agencies (PGAs) under e-SANCHIT wherein instead of importer/exporter, the PGAs who issue Licences, Permits, Certificates and Other Authorizations (LPCOs), will upload the documents themselves. Once the LPCO is uploaded by a PGA, a unique IRN (Image reference number) will be generated by the system and the same will be communicated to the beneficiary. For availing this facility, the email id of the beneficiaries registered with ICEGATE will be used. In future, a view facility will also be available, wherein a beneficiary will be able to view the documents uploaded by the PGAs during a given period.

A pilot is expected to be launched shortly for testing the e-SANCHIT facility for PGAs with three PGAs. Thereafter on successful testing, the facility will be extended to all the PGAs. Once the facility of uploading the document on e-SANCHIT by PGAs is implemented, the beneficiaries (importer/exporter) will not be allowed to upload such documents themselves.

Therefore, all the importers/exporters, Customs brokers or any other beneficiary transacting with Customs are requested to come forward and register on ICEGATE. A detailed procedure on registration is available at ICEGATE website under the path www.icegate.gov.in --> Downloads--> Registration--> Demo.

Members are requested to take note of this ease of doing business initiative and do the needful accordingly. The original circular is available for reference using below link-

http://cbic.gov.in/htdocs-cbec/customs/cs-circulars/cs-circulars-2018/Circular-35-2018-Customs.pdf

Thanking you

NOTICE 2

EPC/LIC/JNCH/BE 04/10/2018

To,

ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-JNCH Procedure to be followed for "Manual correction in EDI Bills of Entry" at JNCH

Dear Members,

We would like to inform you that O/o The Commissioner Of Customs, Nhava Sheva-III, JNCH has issued Public Notice No. 134/2018 dated 01/10/2018 regarding procedure to be followed for "Manual correction in EDI Bills of Entry " at JNCH.

After introduction of e-Sanchit vide Public Notice No. 31/2018, dated 01.03.2018, the earlier system of deposit of hard copy of EDI Bill of Entry has been discontinued. Moreover, correction of wrong particulars entered in the Bill of Entry is actually "amendment process", which is required to be carried out in the system after payment of amendment fees.

In view of above, it has been decided to discontinue the existing manual endorsement procedure being followed at Nhava Sheva.

Following procedure would be required to be followed by Importer / Customs Brokers in such cases:

- In case error / mistake is noticed / detected prior to obtaining OOC, the Importer or his Customs Broker have to approach respective group for amendment before taking "Out of Charge". The step by step procedure would be as under:

  a) Approach Group for approval of amendment

  b) Approach Service Centre for amendment

  c) Approval of amendment by Group in the system

  d) Forwarding BE to docks / RMS Facilitation Cell for OOC

- In case, error / mistake is detected after "OOC" has been obtained, OOC has to be cancelled and Bill of Entry would be recalled by the concerned Group for amendment and correction in Container number / other particulars as discussed above. The step by step procedure would be as under:

  a) Approach Group for approval of amendment

  b) Approach EDI for cancellation of OOC

  c) Recall of BE by Group

  d) Approach Service Centre for amendment

  e) Approval of amendment by Group in the system

  f) Forwarding BE to docks / RMS Facilitation Cell for 00C

  - DC/ AC Groups and DC / AC EDI have been advised to approve such amendment requests on priority (within 2 hours of receipt of request).

- It is also advised that Custom Brokers should be more systematic and sincere while filing Bills of Entry to avoid such typing mistakes as such mistakes not only delays the clearance but also increases cost.
- Applicable fee of such amendment in system to be paid. [Please refer Notification No. 36/2017-Cus (NT), dated 11.04.2017 (Levy of Fees (Customs Documents) Amendment Regulations, 2017) regarding amendment of Bill of Entry under Section 149 of Customs Act, 1962].
- In case of any difficulty, the specific issue may be brought to the notice of Additional Commissioner in charge of
- `RMS Facilitation Cell', NS-III.
- Revised procedure as specified in this Public Notice will be effective from 5th October 2018.

Members are requested to take note of this Public Notice and do the needful accordingly (in case of B/E correction). The above said PN is available for reference using below link-http://jawaharcustoms.gov.in/pdf/PN-2018/PN_134.pdf

Thanking you.

NOTICE 3

EPC/LIC/GST/EPCG 10/10/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT: GST, Rule 96(10) prospectively amended to allow exporters who have received capital goods under the EPCG scheme to claim refund of the IGST paid on exports.

Dear Members,

The Central Board of Indirect Taxes & Customs (CBIC) has issued Notification No. 54/2018 – Central Tax dated 9th October, 2018 whereby Rule 96(10) is prospectively amended to allow exporters who have received capital goods under the EPCG scheme to claim refund of the IGST paid on exports.

Members are requested to take note of this notification. The same is available for reference using below link-

54/2018-Central Tax ,dt. 09-10-2018	View (350 KB)	Seeks to make amendments (Twelfth Amendment, 2018) to the CGST Rules, 2017. This notification amends rule 96(10) to allow exporters who have received capital goods under the EPCG scheme to claim refund of the IGST paid on exports and align rule 89(4B) to make it consistent with rule 96(10)

http://cbic.gov.in/resources//htdocs-cbec/gst/notfctn-54-central-tax-english-2018.pdf

Thanking you

NOTICE 4

EPC/LIC/JNCH/ DBK_BRC 15/10/ 2018

To,

ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- JNCH, Monitoring of realisation of export proceeds on shipping bills on which drawback has been claimed & disbursed

Dear Members,

We would like to inform you that the O/o Commissioner of Customs, JNCH- NS-II has issued Public Notice No. 137/2018 dated 10/10/2018 regarding Monitoring of realisation of export proceeds on shipping bills on which drawback has been claimed & disbursed. Earlier JNCH- NS-II had issued Public Notice No. 108/2018 dated 11/07/2018 regarding the same matter.

For the convenience of members, we would like to highlight following points as mentioned in the above-said Public Notice:

- RBI-BRC module is effective for all the shipping bills for which LEO (Let Export Order) date is on or after 01.04.2014. Accordingly the list of defaulting IECs along with count of shipping bills whose 'Expected Realisation Date' is from 01.01.2015 to 30.09.2018 has been generated from RBI -BRC Module and uploaded on the website- http://www.jawaharcustoms.gov.in.
- The defaulters list has been generated for every quarter from 01.01.2015 onwards and listed IEC-wise for convenience of exporters. For any LEO date the default period will fall normally after 9 months or more if the exporter got extension of time limit from RBI.
- The exporters listed in the defaulters list are advised to follow up with their authorised dealer bank for updating the export proceeds realisation details in the respective bank's EDPMS system so that data is transmitted to customs for reconciliation, failing which suitable alerts shall be placed against the defaulting exporters and show cause notices shall be issued for recovery of drawback disbursed along with interest.
- It is further informed that for the shipping bills listed in the defaulters lists on this public notice (shipments on or after 01.04.2014), no manual BRCs/ Negative statements will be accepted.

Any difficulties faced in this regard may be brought to the notice of the Deputy Commissioner of Customs in-charge of Export Proceeds Realisation Monitoring Cell, Drawback Section, N.S.-II immediately. The e-mail of the cell is drawbackquery.jnch@gmail.com.

Members are requested to check and do the needful at the earliest, if applicable. The said PN is available using below links: http://jawaharcustoms.gov.in/pdf/PN-2018/PN_137.pdf

Thanking You

NOTICE 5

EPC/LIC/Un-utilized_ITC 24/10/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT: - GST Portal Advisory for Taxpayers to file Refund for Multiple Tax periods

Dear Members,

We would like to inform you that GST Portal has uploaded an Advisory for Taxpayers to file Refund for Multiple Tax periods.

As you might be aware, filing of un-utilised ITC application for multiple tax periods has been an issue with various tax payers. The council had also sent representation to the concerned officers.

The contents of the advisory are reproduced as follows for your convenience:

Advisory for Taxpayers to file Refund for Multiple Tax periods

1. Refund application filing for multiple tax period is available for below grounds of refund:

i. Export of Goods & Services-Without payment of Tax

ii. Export of services with payment of tax

iii. Supplies made to SEZ Unit/SEZ Developer-Without payment of Tax

iv. Supplies made to SEZ Unit/SEZ Developer-With payment of Tax

v. ITC accumulated due to inverted tax structure

vi. Claim by recipient /supplier of deemed exports

2. Refund application can be filed using refund application Form GST-RFD-01A & selecting the tax period range.

3. The multiple tax period application has following restrictions:

a. Multiple tax period selection should be within a single financial year

b. Application has to be filed chronologically for tax periods and in case refund application is not to be filed for any tax period, a declaration of "No Refund Application" is to be provided.

-For e.g.: If tax payer wants to file refund application for period April 2018 to June 2018 and there is no refund application filed for period previous to April 2018, then: First, taxpayer would have to file No refund application till April 2018 & Post that file refund application for April 2018 to June 2018

4. For claiming refund, taxpayer would have to upload invoice details mandatorily in the statement template available in the refund application itself. The statement uploaded by taxpayers will be validated by system from the invoice data declared/provided by the taxpayer at the time of filing return for that period for which refund is claimed. Only after validating data from system, the taxpayer would be able to file refund application.

5. All the invoice details are to be provided in a single statement. Taxpayer is not required to upload multiple statements for different periods separately.

6. After filing refund application, taxpayer would not be able to claim refund for that invoice again in some other refund application as the system will lock the invoice for which refund is claimed in one application. Also, taxpayer would not be able to amend invoice details after claiming refund.

7. Taxpayer can also attach any other supporting document (maximum 4 documents in pdf format of size 5MB each)

8. After filing of refund application by taxpayer, refund application Form GST-RFD-01A along with the statement and documents uploaded shall be made available to jurisdictional tax officer for review and processing of refund.

Concerned members are requested to take note of this advisory and do the needful accordingly. The original advisory can accessed using following link on GST portal:- https://www.gst.gov.in/newsandupdates/read/238

Thanking you

NOTICE 6

EPC/LIC/GST 29/10/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- GST, Clarifications on certain issues related to refund

Dear Members,

The GST Policy Wing, Central Board of Indirect Taxes and Customs (CBIC) has issued Circular No. 70/44/2018 -GST dated 26th October, 2018 regarding clarifications on certain issues related to refund.

We understand that, CBIC was in receipt of representations seeking clarification on certain issues relating to refund. In order to clarify these issues and to ensure uniformity in the implementation of the provisions of law across the field formations, they have issued this circular.

The important points of the above-said circular are re-produced/ highlighted as follows for your convenience:

1. Status of refund claim after issuance of deficiency memo and re-credit of electronic credit ledger

- Para 7.1 of circular No. 59/33/2018-GST dated the 4th September, 2018 clarifies the intent of law in cases where a deficiency memo is issued in respect of a refund claim. In para 7.2 of the said circular, the practise being followed in the field formations was elaborated and it was clarified that show cause notices are not required to be issued (and consequently no orders are required to be issued in FORM GST RFD-04/06) in cases where refund application is not resubmitted after the issuance of a deficiency memo (in FORM GST RFD-03). It was also clarified that once a deficiency memo has been issued against an application for refund, the amount of Input Tax Credit debited under sub-rule (3) of rule 89 of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the "CGST Rules") is required to be re-credited to the electronic credit ledger of the applicant by using FORM GST RFD-01B and the taxpayer is expected to file afresh application for refund.

- The issue has been re-examined and it has been observed that presently the common portal does not allow a taxpayer to file afresh application for refund once a deficiency memo has been issued against an earlier refund application for the same period. Therefore, it is clarified that till the time such facility is developed, taxpayers would be required to submit the rectified refund application under the earlier Application Reference Number (ARN) only. Thus, it is reiterated that when a deficiency memo in FORM GST RFD-03 is issued to taxpayers, re-credit in the electronic credit ledger (using FORM GST RFD-01B) is not required to be carried out and the rectified refund application would be accepted by the jurisdictional tax authorities with the earlier ARN itself. It is further clarified that a suitable clarification would be issued separately for cases in which such re-credit has already been carried out.

2. Allowing exporters who have received capital goods under EPCG to claim refund of IGST paid on exports:

- Representations have been received requesting that exporters who have received capital goods under the Export Promotion Capital Goods Scheme (hereinafter referred to as "EPCG Scheme"), should be allowed to avail the facility of claiming refund of the IGST paid on exports. GST Council, in its 30th meeting held in New Delhi on 28th September, 2018, had accorded approval to the proposal of suitably amending the said sub-rule along with sub-rule (4B) of rule 89 of the CGST Rules prospectively in order to enable such exporters to avail the said facility notification No. 54/2018 — Central Tax dated the 9th October, 2018 has been issued to carry out the changes recommended by the GST Council. Alongside the amendment carried out in the said sub-rule through the notification No. 39/2018- Central Tax dated 4th September, 2018 has been rescinded vide notification No. 53/2018 — Central Tax dated the 9th October, 2018.

- For removal of doubts, it is clarified that the net effect of these changes would be that any exporter who himself/herself imported any inputs/capital goods in terms of notification Nos 78/2017-Customs and 79/2017-Customs both dated 13th October, 2017 shall be eligible to claim refund of the IGST paid on exports till the date of the issuance of the notification No. 54/2018 — Central Tax dated the 9th October, 2018 referred to above.

- Further, after the issuance of notification No. 54/2018 — Central Tax dated the 9th October, 2018 , exporters who are importing goods in terms of notification Nos. 78/2017-Customs and 79/2017-Customs both dated 13th October, 2017 would not be eligible for refund of IGST paid on exports as provided in the said sub-rule. However, exporters who are receiving capital goods under the EPCG scheme, either through import in terms of notification No. 79/2017-Customs dated 13th October, 2017 or through domestic procurement in terms of notification No. 48/2017-Central Tax, dated 18th October, 2017, shall continue to be eligible to claim refund of IGST paid on exports and would not be hit by the restrictions provided in the said sub-rule. All clarifications issued in this regard vide any Circular issued earlier are hereby superseded.

Members are requested to take note of this circular and do the needful accordingly. This circular is available for reference using below links-

70/2018	View(342 KB)	-	26-10-2018	F. No. 20/16/04/2017-GST	Clarification on certain issues related to refund

http://cbic.gov.in/resources//htdocs-cbec/gst/Circular-No-70.pdf ; jsessionid=E770BEF7939827D394FC5 A29B4 A36 4A9

Thanking you

NOTICE 7

EPC/LIC/MSME 05/11/2018

To
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-Important, Government's Support and Outreach Initiative for MSME sector

- PM unveils 12 key initiatives
- 59 minute loan portal to enable easy access to credit for MSMEs
- Interest equalisation rate on pre-shipment & post shipment credit increased for export from 3% to 5%
- Environmental clearance and consent to establish to be merged
- Mandatory 25 percent procurement from MSMEs by CPSEs
- Ordinance for simplifying procedures for minor offences under Companies Act
- Others

Dear Members,

We are pleased to inform you that the Hon'ble Prime Minister, Shri Narendra Modi-ji, has launched a historic support and outreach programme on 02/11/2018 for the Micro, Small and Medium Enterprises (MSME) sector.

As part of this programme, the Prime Minister has unveiled 12 key initiatives which will help the growth, expansion and facilitation of MSMEs across the country. The Prime Minister said that there are five key aspects for facilitating the MSME sector. These include access to credit, access to market, technology upgradation, ease of doing business, and a sense of security for employees.

For the convenience of the exporters, the important points are highlighted as follows:

1. Launch of 59-minute loan portal (https://www.psbloansin59minutes.com) for sanction of up to Rs 1 crore for small and medium enterprises.
2. GST-registered MSMEs will get 2 per cent rebate on an incremental loan of up to Rs 1 crore.
3. Increase in interest Subvention on pre and post shipment credit for exports by MSMEs from 3 per cent to 5 per cent.
4. Mandatory that all the companies with a turnover of more than Rs 500 crore will have to join TReDS platform, that is Trade Receivables e- Discounting System, so that MSMEs doesn't face trouble in cash flow.
5. Mandatory sourcing by PSUs from MSMEs increased to 25 per cent from the previous limit of 20 per cent.
6. Government companies to buy at least 3 per cent of their purchases from women entrepreneurs.
7. Mandatory for the companies to take GeM (Government e-Marketplace) membership now. Not only this, but the companies will now register its all MSME vendors on this platform, which will also benefit the MSME.
8. Regarding technological upgradation, 20 hubs will be formed across the country and 100 spokes in the form of tool rooms will be established.

9. Announced MSME sector's ease of doing business to pharma companies. Clusters will be formed of pharma MSMEs. He said 70 percent cost of establishing these clusters will be borne by the Union Government.

10. Now the establishments to be visited by an Inspector will be decided through a computerised random allotment.

11. Environmental Clearances: As part of establishing a unit, an entrepreneur needs two clearances namely, environmental clearance and consent to establish. Now both these have been merged as a single consent. Further, the return will be accepted through self-certification.

12. An Ordinance has been brought, under which, for minor violations under the Companies Act, the entrepreneur will no longer have to approach the Courts, but can correct them through simple procedures.

Members are requested to take note of the same above announcement which are meant to boost MSME sector. Further notifications for above announcements shall be conveyed to you in due course.

In the interim, members may refer to the PIB release for this program:http://pib.nic.in/PressReleseDetail.aspx?PRID=1551771

Thanking You

NOTICE 8

EPC/LIC/US_GSP 06/11/2018

To
TO ALL THE MEMBERS OF THE COUNCIL

SUBJECT: - US GSP, Withdrawal of GSP benefit by USA on Indian products

Dear Members,

This has reference to US-GSP benefit available on export of products from India to USA.

As per information available with us, on the following HS Codes GSP benefit has been withdrawn by USA for exports from India:

List of products on which USA has withdrawn GSP benefit

Sr. No.	HS Code as per USA Customs Tariff
1	0405.20.80
2	0711.40.00
3	0713.60.60
4	0802.80.10
5	1103.19.14
6	1301.90.40
7	2001.90.45
8	2516.20.20
9	2827.39.25
10	2827.39.45
11	2828.10.00

Sr. No.	HS Code as per USA Customs Tariff
12	2831.90.00
13	2834.10.10
14	2841.61.00
15	2841.70.50
16	2844.30.10
17	2903.83.00
18	2904.10.08
19	2904.99.04
20	2907.15.10
21	2907.29.25
22	2908.19.20

Sr. No.	HS Code as per USA Customs Tariff
23	2913.00.50
24	2914.31.00
25	2915.50.20
26	2918.13.50
27	2920.23.00
28	2921.42.21
29	2921.42.23
30	2922.29.26
31	2924.29.36
32	2924.29.43
33	2930.90.30
34	2931.32.00
35	2931.34.00
36	2932.99.08

Sr. No.	HS Code as per USA Customs Tariff
37	2933.19.35
38	2933.99.06
39	2933.99.85
40	2935.90.20
41	3920.94.00
42	4104.11.30
43	4107.12.40
44	4107.19.40
45	4107.91.40
46	5209.31.30
47	5209.41.30
48	5702.92.10
49	7113.20.25
50	9205.90.14

Also note that, for HS code 28419020 (HS code as per USA Customs), GSP benefit is provided by USA with effect from 01.11.2018.

The items in RED are falling under our purview and shall now attract MFN Tariffs ranging from 3.7% to 6.5 % (depending on the item).

Above changes are applicable with effect from 01.11.2018.

Members exporting above items are therefore requested to take note of these changes.

Thanking You

NOTICE 9

EPC/LIC/e-WayBill 14/11/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT: - Enhancements in E-Way Bill System w.e.f 16.11.2018

Dear Members,

As per latest updates on GST Portal (https://www.gst.gov.in/), certain enhancements will be made in e-Way Bill System w.e.f 16.11.2018.

For the convenience of the members, the important points are highlighted/ reproduced as follows:

- Checking of duplicate generation of e-way bills based on same invoice number : The e-way bill system is enabled in a way that if the consignor has generated one e-way bill on the particular invoice, then he or consignee or transporter will not be allowed to generate one more e-way bill on the same invoice number. If the transporter or consignee has generated one e-way bill on the consignor's invoice, then if any other party (consignor, transporter or consignee) tries to generate the e-way bill, the system will alert that there is already one e-way bill for that invoice, and further it allows him to continue, if he wants.

- CKD/SKD/Lots for movement of Export/Import consignment : CKD/SKD/Lots supply type can now be used for movement of the big consignment in batches, during Import & Export also. Delivery challan and tax invoice need to accompany goods as prescribed in Rule 55 (5) of CGST Rules, 2017.
- Shipping address in case of export supply type : For Export supply type, the 'Bill To' Party will be URP or GSTIN of SEZ Unit with state as 'Other Country' and shipping address and PIN code can be given as the location (airport/shipping yard/border check post/ address of SEZ), from where the consignment is moving out from the country.
- Dispatching address in case of import supply type : For Import supply, the 'Bill From' Party will be URP or GSTIN of SEZ Unit with state as 'Other Country' and dispatching address and PIN code can be given as the location (airport/shipping yard/border check post/ address of SEZ), from where the consignment is entering the country.
- Enhancement in 'Bill To – Ship To' transactions: EWB generation is now categorized to four types now Regular and Bill to Ship to, Bill from Dispatch from & combination of both.
- Changes in Bulk Generation Tool : Facility of EWB generation through the Bulk Generation Tool has been enhanced.

Members are requested to take note of the same and do the needful accordingly. For more information, kindly use following link-https://docs.ewaybillgst.gov.in/Documents/Enhancementsewb16nov.pdf

Thanking you

NOTICE 10

EPC/LIC/DGFT/EPCG 16/11/2018

To
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-DGFT Extension of the validity period of EPCG Authorisation

Dear Members,

We would like to inform you that the O/o Directorate General of Foreign Trade, New Delhi has issued Public Notice No. 47/2015-2020 dated 16/11/2018 regarding Extension of the validity period of EPCG Authorisation.

As an effect of this PN, the validity period of EPCG Authorisation from the date of issue has been extended from 18 months to 24 months.

Further, the import validity period of the EPCG Authorisations which have been issued prior to the date of issuance of this Public Notice and whose validity has not expired on the date of issuance of this Public Notice shall also be extended to 24 months from the date of the issuance of the Authorisation. The Authorisation holders are required to submit the Authorisations to the concerned RA for endorsement. The RAs shall allow such endorsement without insisting upon any fee.

Members (specially EPCG Authorisation holders) are requested to take note and do the needful accordingly.

The above said Public Notice is available for reference using below link-

S. No.	Public Notice No.	Year	Subject	Date	Details
1	47/2015-2020	2018-19	Extension of the validity period of EPCG Authorisation	16/11/2018	Download (2.43 MB)

Thanking you.

NOTICE 11

EPC/LIC/CBIC/NON-EDI 28/11/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-Refund of IGST paid on exports of goods done from Non-EDI sites

Dear Members ,

We would like to inform you that "Central Board of Indirect Taxes & Custom" (CBIC) has issued instructions for field formations vide F.No.450/119/ 2017-CUS IV (Pt-I) dated 26th November, 2018 regarding Refund of IGST paid on exports of goods done from Non-EDI sites.

As per the above said instructions, the procedure for processing of IGST refund claims by customs officers/ field formations for exports made from Non-EDI sites, is as under:

- Firstly, the export data is to be captured using offline utilities and transmitted by the field formations to DG (Systems) by email.
- The data is then uploaded for verification and final submission by the Customs officer in ICES at the nearest EDI site.
- The refund scroll is then generated for the verified SBs after these are matched with the GST Returns data received from GSTN;
- Detailed advisories have been issued from time to time on these steps. Further, a public enquiry has been made available on ICEGATE website for checking the details and IGST status of manual SBs verified in ICES.
- Specific IGST related errors or mismatches can also be checked by an importer/Customs Broker for his SBs using his ICEGATE login.
- It is only when a SB is verified by the Customs officer in ICES does it become ready for the IGST validation procedure.
- Data has been uploaded in ICES for verification of exports made up-to March 2018. However, some sites have not yet sent the data by email for some months and ADG (ICES) has reminded the respective Commissioners vide letter dated 08.10.2018.
- In other cases where the data is available in ICES, the verification process is in progress.
- It is, therefore, requested that in order to speed up the refunds, field formations may be suitably instructed to upload the balance data and also complete the verification process on priority.

The above points as per CBIC instructions are only for information of the exporters having IGST claims from Non-EDI sites. The CBIC instruction is available for reference using below link-

http://cbic.gov.in/htdocs-cbec/customs/cs-instructions/cs-instructions-2018/cs-ins-20-2018.pdf

Thanking you

GLIMPSES OF AHEMDABAD SEMINAR DT. 22nd November, 2018

A view of the Dias: (From L – R) – Shri Rohit Jethra, EVP, Kotak Mahindra Bank Ltd.; Shri Satish Wagh, Chairman, Chemexcil; Shri K V Tirumala, Dy. DGFT; Shri Greeven Kharawala, MD, Jay Chemical Industries, Ltd.; Shri Ajay Kadakia, Vice Chairman, Chemexcil; and Shri Bhupendra Patel, Regional Chairman, Chemexcil

Shri Satish Wagh, Chairman, Chemexcil presenting a bouquet to Shri Shankerbhai Patel, PP, GCCI

Shri Satish Wagh, Chairman, Chemexcil welcoming Shri K V Tirumala, Dy. DGFT with a bouquet & memento.

Shri Bhupendra Patel, Regional Director welcoming Shri Rohit Jethra, EVP, Kotak Mahindra Bank Ltd.

Shri S G Bharadi, Executive Director, Chemexcil, welcoming Shri Bipin Patel, Former Regional Chairman & Past President, Gujarat Chamber of Commerce & Industry

A view of participants as Ahmedabad Seminar