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

CHEMEXCIL NEWS

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CHEMEXCIL BSM-BOGOTA 3rd SEPT-2018

From left Mr. Manuel Salgado, Investment Manager, PROCOLOMBIA, Mr. Jaime Mantilla Member of the Board of Directors of Chamber of Commerce Bogotá, Mr. Satish Wagh, Chairman, Chemexcil, Shri Ravi Bangar, Ambassador of India to Colombia and Ecuador, Mr. Prafulla Walhe, Dy. Director, Chemexcil, Mr. V.K. Sharma, First Secretary Commerce & Culture, Embassy of India, Colombia, Mr. Cristhian Salamanca, Directors of Chamber of Commerce Bogotá

CHEMEXCIL'S 55TH ANNUAL GENERAL MEETING HELD ON 25TH SEPTEMBER, 2018

Shri Ajay Kadakia, Vice Chairman CHEMEXCIL addressing the 55th Annual General Meeting of the Council

Shri S.G. Bharadi, Executive Director, CHEMEXCIL reading out the Notice and Agenda of 55th Annual General Meeting

From Left Shri S.G. Bharadi, Executive Director, Shri Ajay Kadakia, Vice Chairman, Shri S.G.Mokashi, Addl. Vice Chairman, Shri Abhay Udeshi, Chairman – Castor Oil & Specialty Chemicals Panel during the 55th Annual General Meeting.

IN THIS ISSUE

Editorial

Chairman's Desk

My dear fellow exporters,

"As we all know, delay in refund of IGST/ Un-utilised ITC on exports has been a serious concern for exporters as it was impacting their competitiveness in the export market. In this regard, I would like to appreciate the pro-active approach of Government in organising three IGST/ Un-utilised ITC refund liquidation drives in the last few months helping ease out our liquidity constraints.

I also thank the Finance Minister, the Revenue Secretary and the Chairperson of CBIC for initiatives and close monitoring resulting in the success of refund fortnights.

I am pleased to share that the Council on its part had also organised seminars/ workshops during these refund fortnights to sensitize the exporters so that they don't commit mistakes and also on how to rectify if error is identified. We also hope that in near future the process of refunding un-utilised ITC on exports will become completely online to reduce transaction time and cost.

Natural disaster in the form of massive floods has struck Kerala having devastating effect on its economy and people. Thousands have been rendered homeless, hundreds of lives have been lost, and 11 out of 14 districts of the state have been impacted with varying degree. My heartfelt sympathy lies with the people who are impacted and hope they are able to resurrect their lives soon.

The country also lost one of its great leaders with the passing away of the Hon'ble Shri Atal Bihari Vajpayee, former Prime Minister and truly a 'Bharat Ratna'. As a statesman, he was always committed and dedicated to India's growth and development. We convey our condolences to our departed leader.

CHEMEXCIL News in its regular feature on a major market strategy has in the current issue come up with an export strategy to Mexico.

There is also concern with regard to rising trade deficit on account of swelling of crude imports bill, which is adding pressure on Indian Rupee, coupled with huge withdrawal by FIIs from the Indian debt & equity market. However, currency depreciation would definitely provide some edge to Indian exports as Rupee is the worst performing currency is Asia in the current fiscal. Yet its impact will vary from sector to sector and entity to entity.

Chemexcil has taken up various issues with concerned departments, few of which are as under-

- Removal of Pre-import condition on Advance Authorisation
- Pending fixation of Ad-hoc norms of member-exporters with NC3 & NC4
- Environment related issues faced by Chemical Sector projects in Maharashtra and Gujarat
- Facility to check Status of Norms Fixation of Advance Authorisations obtained under Self declaration basis
- Items allowed for export to Iran (after recent OFAC relaxation)
- Refund of Balance IGST due against Exports for 2017-2018 Exports through Nhava Sheva Port.
- MEIS - Intent declaration ticked "N" as well as not mentioned in the text of shipping Bill
- Trade Complaint by a Turkish Buyer against M/s. White World Multi Chem Pvt. Ltd, Bulandshahar/Kanpur, India
- Comments on the exclusion list for imports from China/ other countries under RCEP
- Inputs for 5th OECD Economic Survey.
- Request for Clarification on buyers registration requirement in Cameroon
- Inputs for 8th Edition of the CII-LAC Business Conclave in Santiago, Chile on 1-2nd October, 2018

Chemexcil also participated in consultation meeting with drawback Department Committee regarding AIR DBK 2018. Undersigned along with my some of committee members requested DBK Committee to maintain AIR DBK of around 4 % for chemical items which will boost exports and an additional consideration of around 1% be also provided for neutralization of embedded taxes/ state levies which are not refunded. The DBK committee assured that the submission will be examined and necessary action will be initiated by the department in the interest of export promotion.

Friends, now a days ministry has embarked on an extensive exercise on boosting exports across various regions USA, China, LAC, ASEAN,EU, etc.

In this regard, regular consultation meetings are being held in Department of Commerce (DoC), New Delhi with EPC's to formulate the strategy for boosting exports to USA, China, ASEAN and other regions and also to understand the impediments faced and support required for exports.

It is a welcome initiative by department of commerce and Industry that commodity divisions along with the territory divisions are conducting these meetings with concerned EPCs. Within the commodity division focus has been given to key commodities/ HS codes contributing to major exports as India has the capacities to export in these commodities. Commodity wise action revision try to make more specific. Action may be started on high priority items and indicated in the status such as higher MEIS / SEIS for certain HS codes for specific markets to overcome tariff disadvantages, flexibility in MAI for meeting regulatory compliance costs, visits, eligibility conditions, etc. US and China divisions and Commodity Division also made specific action points for US and China markets for key commodities. Similarly, Services division also identified the action points for short term strategy. Commodity/ Territory divisions jointly identified such HS Codes/tariff lines where those territories are huge importers from the world and Indi's share in their imports is very less even though we are exporting to other countries/territories.

In this regard, council has organised a stakeholder consultation meeting in Mumbai on "Boosting exports to major regions (USA, China, ASEAN and other markets)" on 28th September 2018 at 3.00pm in Mumbai at Conference Room, Chemexcil Head Office, Mumbai. A questionnaire was prepared in consultation of trade experts and it was sent to all stakeholders in order to get the feedback on countries trade specific issues. The objective of this interaction is to understand the impediments being faced by the members in certain important markets/ regions, items of high export potential and also the support required from the government.

The response to this meeting was excellent and altogether 25 members were present during the meeting. A detailed presentation was made during the meeting by Mr. Sudhakar Kasture Exim consultant. Views and opinions of members were considered for discussion.

Chemexcil participated in Dyechem Brazil 2018 Exhibition from 27th -30th August-2018 at Sao Paulo, Brazil. Total 24-member exporters participated in this exhibition. This exhibition was followed by trade delegation to Bogota, Colombia dated 3rd September-2018 wherein 24-Indian delegates participate in this BSM. The response to both the events was good.

Chemexcil organised Interactive Session on GST Refunds and other queries on 25th September-2018 in Mumbai at Hotel Marine Plaza. The objective of the interactive session was to address the queries of member-exporters on GST (Refunds etc.) so that they can be sensitized about correct procedures and can also take needful corrective actions in case of errors. Response to this seminar was good. Altogether 38-members participated in this seminar. This seminar was followed by Chemexcil's 55th Annual General Meeting in the same venue.

Friends, the DGCI&S trade data pertaining to items under Chemexcil's purview showed exports for August, 2018-19 were valued at USD 1.665 billion with a growth of 36.46 per cent. Cumulative value of exports for the period April-August, 2018-19 was USD 7.76 Billion registering a growth of 36.02 percent over the same period last year. Imports for the month of August, 2018-19 were valued at USD 2.173 billion representing a growth of 37.31 percent. Cumulative value of imports for the period April-August 2018-19 was USD 10.61 billion registering a growth of 25.63 per cent over the same period last year. The trade deficit for August 2018-19 was estimated at USD 0.508 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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Authorized Economic Operator (AEO)

A Privileged Certification for Exporters & Importers

SN Panigrahi

➢ AEO is a Trade Facilitation Scheme for ease of doing business in light of international development

➢ Holder of this Certificate is Entitled for Privilege, Benefits, Exemption and Relaxation on account of import and export

➢ This certificate is issued for Particular Period after that to be renewed.

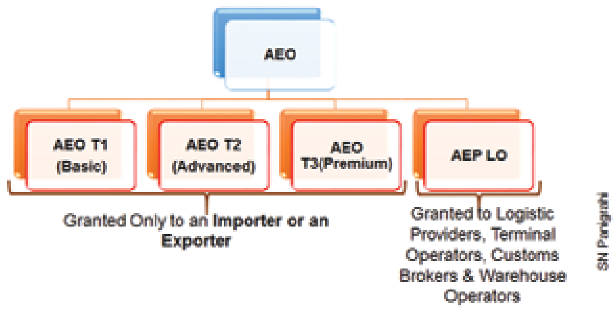
➢ This scheme is based on principle of sharing role and responsibility of customs with trade and industry and objective is to delink payment and clearance, to accept paperless declaration, increases efficiency, self-certification, earliest refund and drawback, request based examination/ inspection etc.

➢ AEO Program provides businesses with an Internationally Recognized Status as a "Secure Trader & Reliable Trading Partner

Who is Entitled to get AEO benefits?

1. Importers.
2. Exporters.
3. Custodians, Warehouse providers, Logistics Providers, CHAs, etc.

Types of AEO



Benefits of AEO Scheme

Some of the Attractive Features and Benefits AEO Certification are mentioned in the below Table.

Benefits of Certificate under AEO Scheme

Benefits	AEO-T1	AEO-T2	AEO-T3
Direct Port Delivery (DPD) / or Direct Port Entry (DPE)	✓	✓	✓
Deferred Duty Payment	✗	✓	✓
Fast Tracking of Drawback	✓	✓	✓
Time Bound Refund Claims	✗	✓ (45 Days)	✓ (30 Days)
Bank Guarantee only to the extent of	50%	25%	0.00%
Post Clearance Audit (PCA)	✓ (once in 2 Yrs)	✓ (once in 3 Yrs)	✓ (only if Required)
Investigations – Completion Period	6-9 Months	6 Month	6 Month
Dispute Resolution	within 6 Months.	within 6 Months.	within 6 Months.
e-mail regarding arrival / departure of the vessel	✓	✓	✓
24/7 clearances on request at all sea ports and airports	✓	✓	✓
Out of Charge/Let Export Order without any scrutiny by the officers	✗	✓	✓

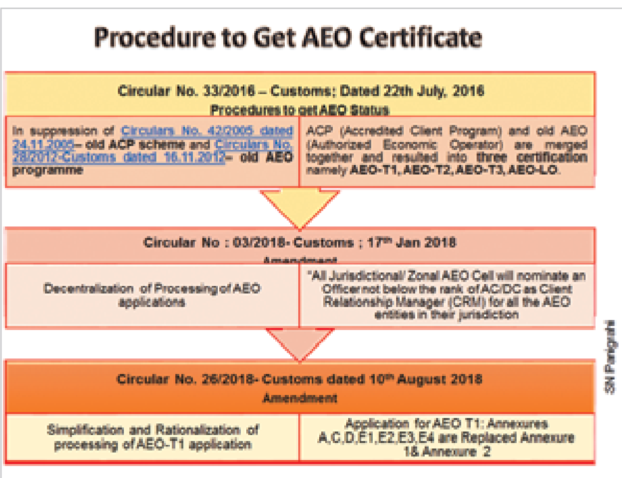
SN Panigrahi

Eligibility Criteria for AEO scheme

No difficult condition is to be fulfilled. Main condition is that no case of fraud, etc of evasion of duty, etc should be booked against the party. Genuine parties are always welcome. And this Government scheme indicates that AEO parties must have robust internal checks and balances for security of goods, data, records security, professional grade management control and supervision mechanisms, etc so that fraud does not take place.

Procedure to Get AEO Certificate

The Procedure for applying for AEO Certification and its related Forms are available in the following Circulars



More Details can be viewed @ YouTube:

https://www.youtube.com/watch?v=ORX1zE0XuK8

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.

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How to Fill Dangerous Goods Declaration

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

Do you know an incorrectly filled dangerous goods declaration can put transport workers and ships at risk.

In maritime transport the decision to place a container on a specific location on board vessel is purely taken from the information provided in Dangerous Goods Declaration. Majority of the stakeholders do not physically see the packages or containers with its labels, marks, or placards to make any decision to accept to load or where to place it whether on deck or under deck or need segregation from other containers.

This sums up the prime importance of correctly filled dangerous goods declaration.

Filling up Dangerous Goods Declaration

For ease of understanding we will divide the sections of dangerous goods declaration into three, box 1 to 13, box 14 & Box 15 to 22

Box 1 to 13

MULTIMODAL DANGEROUS GOODS FORM

This form may be used as a dangerous goods declaration as it meets the requirements of SOLAS 74, chapter VII, regulation 4; MARPOL 73/78, Annex III, regulation 4

1 Shipper/Consignor/Sender		2 Transport document number	
		3 Page 1 of Pages	4 Shipper's reference
			5 Freight Forwarder's reference
6 Consignee		7 Carrier (to be completed by the carrier)	
		SHIPPER'S DECLARATION I hereby declare that the contents of this consignment are fully and accurately described below by the Proper Shipping Name, and are classified, packaged, marked and labelled/placarded and are in all respects in proper condition for transport according to the applicable international and national governmental regulations.	
8 This shipment is within the limitations prescribed for: (Delete non-applicable)		9 Additional handling information	
PASSENGER AND CARGO AIRCRAFT	CARGO AIRCRAFT ONLY		
10 Vessel/flight no. and date	11 Port/place of loading		
12 Port/place of discharge	13 Destination		

<u>1 Shipper/Consignor/Sender</u>

Fill up full address of the shipper

<u>2 Transport document number</u>

This is the booking number issued by Carrier

<u>3 Page 1 of pages</u>

Here page number must be entered consecutively example if the DGD has only 1 page then entre as Page 1 of 1 Pages. If the DGD has 3 pages then on first sheet entre Page 1 of 3 pages, on second sheet page 2 of 3 pages and on third sheet page 3 of 3 pages. Numbering pages consecutively is mandatory and important to identify exact missing page, if any, during transport.

4 Shipper's reference

This box is for entering shipper's on reference number, such as his own booking number.

5 Freight forwarder's reference

If freight forwarder has their own booking number it can be entered here.

6 Consignee

Here we must enterfull address of the consignee

7 Carrier (to be completed by the carrier)

This box will be filled by carrier with their name. Example Maersk Line, MOL, MSC etc.

8 This shipment is within the limitations prescribed for: (Delete non-applicable)

This section is applicable only for air transport hence can be ignored for ocean transport

9 Additional handling information

In this box shipper can fill in any additional handling requirement. It can be preferring underdeck stowage or away from heat etc. However, carrier will stow the box only according to IMDG Code requirement for stowage and carrier's own inhouse rule.

10 Vessel/flight No. and date

Fill in here vessel's name and date. Date can be either the date of preparing the DGD or the date of handing over DGD to the first carrier.

11 Port/place of loading

First port of loading to be filled here

12 Port/place of discharge

Last port of discharge to be filled here

13 Destination

Final destination to be filled here.

Box 14

14 Shipping marks	*Number and kind of packages; description of goods	Gross mass (kg)	Net mass (kg)	Cube (m^3)

This is the most important field where dangerous goods information need to be filled in.

Any additional information provided in this filed or any other field, refer box no.9 must not

- divert attention from the safety information required by IMDG Code or by the competent authority;
- contradict the safety information required by IMDG Code or by the competent authority; or
- duplicate information already provided.

Description of Dangerous Goods must only be entered in below sequence without any change.

1. the UN number preceded by the letters "UN";
2. the proper shipping name, including the technical name enclosed in parenthesis, when special provision 274 or 318 is assigned in column 6
3. the primary hazard class or, when assigned, the division of the goods, including, for class 1, the compatibility group letter. The words "Class" or "Division" may be included preceding the primary hazard class or division numbers;
4. subsidiary hazard class or division number(s) corresponding to the subsidiary risk label(s) required to be applied, when assigned, shall be entered following the primary hazard class or division and shall be enclosed in parenthesis. The words "Class" or "Division" may be included preceding the subsidiary hazard class or division numbers;
5. where assigned, the packing group for the substance or article, which may be preceded by "PG" (e.g."PG II").

Always remember "dangerous goods description means points 1 to 5 mentioned above.

Examples of dangerous goods descriptions:

UN 1098, ALLYL ALCOHOL 6.1 (3) I (21°C c.c.)

UN 1098, ALLYL ALCOHOL, class 6.1, (class 3), PG I, (21°C c.c.)

UN 1092, Acrolein, stabilized, class 6.1 (3), PG I, (-24°C c.c.), MARINE POLLUTANT/ENVIRONMENTALLY

HAZARDOUS

UN 2761, Organochlorine pesticide, solid, toxic, (Aldrin 19%), class 6.1, PG III, MARINE POLLUTANT

In above examples flashpoint within brackets, word marine pollutant and technical name within bracket (Aldrin 19%) are information which supplement the proper shipping name.

After above description, other details such as details of package and quantities need to be entered.

Empty Uncleaned Package

If the package is uncleaned and returning with residue then the words "EMPTY UNCLEANED" or "RESIDUE LAST CONTAINED must be entered before or after the dangerous goods description.

Example

EMPTY UNCLEANED UN 1098, ALLYL ALCOHOL 6.1 (3) I (21°C c.c.)

Or

UN 1098, ALLYL ALCOHOL 6.1 (3) I (21°C c.c.) EMPTY UNCLEANED

Quantity of dangerous goods

Total quantity of dangerous goods must be entered for each item of dangerous goods bearing a different proper shipping name, UN number or packing group.

Example 10 steel drums 100 KG or 100 fibreboard boxes 1000 kg.

No need to declare net weight or details of inner packing however most carriers insist for this information as well as full description of package hence it be better to declare as below

10 steel non-removable head drums 100 kg gross weight 75 kg net weight

Or

100 fibre board boxes, 2000 glass bottles 1000 kg gross weight 800 kg net weight.

For class 1 explosives the quantity must be net explosive mass, for empty uncleaned packages such as empty uncleaned IBCs or Tanks no need to declare the quantity.

Limited Quantities and Excepted Quantities

If the shipment is in limited quantities the words "limited quantity"

or "LTD QTY" must be included.

If the shipment is in excepted quantities words "dangerous goods in excepted quantities" must be included.

There are various other requirements of providing specific information depending on the goods being transported

Continuation page

If there are more goods which cannot be fitted into box 14 of the first page then continuation page must be used where boxes 1 to 5 must be same as in page 1 and box 3 must have page numbers entered consecutively.

Additional document

Some of the goods may require additional document to be attached with DGD such as a weathering certificate; as required in the individual entries of the Dangerous Goods List

Boxes 15 to 22

1 5

15 Container identification No./ vehicle registration No.	16 Seal number(s)	17 Container/vehicle size & type	18 Tare mass (kg)	19 Total gross mass (including tare) (kg)
CONTAINER/VEHICLE PACKING CERTIFICATE I hereby declare that the goods described above have been packed/ loaded into the container/vehicle identified above in accordance with the applicable provisions. † MUST BE COMPLETED AND SIGNED FOR ALL CONTAINER/VEHICLE LOADS BY PERSON RESPONSIBLE FOR PACKING/LOADING.		21 RECEIVING ORGANISATION RECEIPT Received the above number of packages/containers/trailers in apparent good order and condition unless stated hereon: RECEIVING ORGANISATION REMARKS:		
20 Name of company		Haulier's name		22 Name of company (OF SHIPPER
Name/Status of declarant		Vehicle reg. no.		Name/status of declarant
Place and date		Signature and date		Place and date
Signature of declarant		DRIVER'S SIGNATURE		Signature of declarant

Container identification No./ vehicle registration No.

Enter the container number here

16 Seal number(s)

Enter the seal number here

17 Container/vehicle size & type

Enter the size and type of container here

18 Tare mass (kg)

Empty container or empty tank weight to be entered here

19 Total gross mass (including tare) (kg)

This box must be filled with total weight of cargo + weight of dunnage + empty container weight.

20 Name of company

This is the box where the details of the company who packs the container need to be filled in. Packer of the container may be the shipper himself of a consolidator

21 RECEIVING ORGANISATION RECEIPT

Receiver to fill in this box as acknowledgement

22 Name of company (OF SHIPPER PREPARING THIS NOTE).

Here fill in the shipper's details.

If the DGD is prepared electronically then the signature may be replaced with by the name(s) (in capitals) of the person authorized to sign.

Shippers who sign the DGD is undertaking the declaration written just below box 7 which reads

I hereby declare that the contents of this consignment are fully and accurately described below by the proper shipping name, and are classified, packaged, marked and labelled/placarded and are in all respects in proper condition for transport according to the applicable international and national governmental regulations.

For full details of how to fill in DGD correctly please refer to chapter 5.4 of IMDG Code and do not forget to refer special provisions which may have additional requirement with respect to additional documents or marks

Future of export incentives- Changing scenario

Sudhakar Kasture
Director,
EXIM Institute

By and large Indian exporting community always asks for additional incentives, to increase exports. Incentives, when seen in the light of anti-subsidy and countervailing measures of WTO, can be briefly termed as schemes under Foreign Trade Policy, particularly MEIS, EPCG scheme & other subsidies given by central or state government, which are based on export performance.

Everyone is aware about the complaint filed by USA, alleging that India offers subsidies to the exporters totaling US $ 7 billion. Is it really true? If we look at annexure VII of receipt budget 2018, the total amount on annualized basis for the year 2017-18 was Rs. 16,408 crores, on account of incentive schemes & Rs. 2,300 crores on account of EPCG scheme. Hence, US $ 7 billion as alleged is definitely far too high compared to actual figures. Schemes like Advance Authorisation & EOU have also been alleged as subsidies. However, these are primarily duty exemption schemes, which neutralize actual impact of duties & hence cannot be considered as subsidies or incentives.

All said and done as per the news of Economic Times of 20th August 2018, the reply filed by India was not accepted & a panel has been set up consisting of experts from Philippines, South Africa & Switzerland as per the provisions of Anti-Subsidy and Countervailing Measures of WTO. What is more worrying for us is that, Brazil, Canada, China, Egypt, The EU, Japan, Kazakhstan, Korea, Russia, Sri Lanka, Taiwan and Thailand have become interested third parties along with USA. In other words, these countries also join USA in opposing subsidies granted by India on the basis of export performance.

When the original complaint was made by USA, the impact would have been felt on export value of US $ 47.88 Billion (our export to USA for the period 2017-18). However, with all other countries joining, it will impact overall exports seriously. Our exports to these countries are as under:

Name of Country	Exports in US$ Billion	% share in India's total exports to World
USA	47.88	15.78
BRAZIL	3.06	1.01
CANADA	2.51	0.83
CHINA P RP	13.34	4.40
EGYPT	2.39	0.79
EU	53.60	17.67
JAPAN	4.73	1.56
KAZAKHSTAN	0.13	0.04
S. KOREA	4.46	1.47
RUSSIA	2.14	0.70
SRI LANKA	4.48	1.48
TAIWAN	2.16	0.71
THAILAND	3.65	1.20

Souce:- http://dgft.gov.in

This means that exports to the extent of 47.61 % (USA plus above mentioned countries) would be impacted. If this case goes against us, we will have to move towards discontinuance of incentives. At the grass route level, people still believe that government should incentivize the exports. Given the fact that we have crossed the threshold limit of per capita income of US $ 1000 at constant 1990 dollars for three consecutive years i.e. 2013, 2014 and 2015, we do not have solid ground to continue with incentive schemes. Even if we continue, other countries will impose CVD against us, which will make our products costly in the overseas market.

The current scenario pose some additional challenges like protectionist policies of many countries, depreciation of currencies, higher interest rates & various negotiations for FTAs between countries. As far as we (India) are concerned major agreements like RCEP, FTA with EU are yet to be concluded.

The Industry should look at some crucial points at this stage:-

1. **Aggressive interest in negotiation of FTAs:-** We should propose more items for demanding duty concessions on our export products (our

attitude is more on defensive side- we normally make a request for no reduction in import duty in India) with proper documentary evidences.

2. **Reduction in transaction costs:-** We have to seriously work on identifying the transaction costs & how to reduce them. Detailed study of provisions of TFA & concepts like AEO will be of great help

3. **Competition Analysis:-**

   We need to do this for all our export products, which will actually give us an idea, what are the possibilities of expansion. We have miniscule exports to more than 100 countries.

   As per Second Report of the Tax Administration Reform Commission (TARC), MoF, GoI September, 2014, the transaction costs in India are estimated around 15%. If we reduce this cost to 3%, there is actually no need of export incentives. We however need collective efforts for achieving desired goal of export of US $ 900 billion. Export has to be real priority & we should look forward to realistic approaches. Crying for incentives is not going to serve any purpose.

Sudhakar Kasture
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E-mail: sk@helplineimpex.co.in

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

EXPORT STRATEGY- MEXICO

BRIEF OF COUNTRY MEXICO

Mexico officially the United Mexican States is a federal republic in the southernmost portion of North America. It is bordered to the north by the United States; to the south and west by the Pacific Ocean; to the southeast by Guatemala, Belize, and the Caribbean Sea; and to the east by the Gulf of Mexico. Covering almost 2,000,000 square kilometres (770,000 sq mi), the nation is the fifth largest country in the Americas by total area and the 13th largest independent state in the world.

With an estimated population of over 120 million people, the country is the eleventh most populous state and the most populous Spanish-speaking state in the world, while being the second most populous nation in Latin America after Brazil. Mexico is a federation comprising 31 states and Mexico City, a special federal entity that is also the capital city and its most populous city. Other metropolises in the state include Guadalajara, Monterrey, Puebla, Toluca, and Tijuana.

Mexico has the 15th largest nominal GDP and the 11th largest by purchasing power parity. The Mexican economy is strongly linked to those of its 1994 North American Free Trade Agreement (NAFTA) partners, especially the United States. In 1994, Mexico became the first Latin American member of the Organisation for Economic Co-operation and Development (OECD). It is classified as an upper-middle income country by the World Bank and a newly industrialized country by several analysts. The country is considered both a regional power and a middle power, and is often identified as an emerging global power. Due to its rich culture and history, Mexico ranks first in the Americas and seventh in the world for number of UNESCO World Heritage Sites. Mexico is an ecologically megadiverse country, ranking fourth in the world for its biodiversity. Mexico has many tourists: in 2016, it was the eighth most-visited country in the world, with 35 million international arrivals. Mexico is a member of the United Nations (UN), the World Trade Organization (WTO), the G8+5, the G20, the Uniting for Consensus group of the UN, and the Pacific Alliance trade bloc. By 2050, Mexico could potentially become the world's fifth or seventh largest economy.

- OFFICIAL NAME: United Mexican States
- FORM OF GOVERNMENT: Republic of federated states
- CAPITAL: Mexico City
- POPULATION: 120,286,655
- OFFICIAL LANGUAGE: Spanish
- MONEY: Peso
- AREA: 758,449 square miles (1,964,375 square kilometers)
- MAJOR MOUNTAIN RANGES: Sierra Madre
- MAJOR RIVERS: Rio Grande, Yaqui

ECONOMY OF MEXICO

Mexico's $2.4 trillion economy – 11th largest in the world - has become increasingly oriented toward manufacturing since the North American Free Trade Agreement (NAFTA) entered into force in 1994. Per capita income is roughly one-third that of the US; income distribution remains highly unequal.

Mexico has become the US' second-largest export market and third-largest source of imports. In 2017, two-way trade in goods and services exceeded $623 billion. Mexico has free trade agreements with 46 countries, putting more than 90% of its trade under free trade agreements. In 2012, Mexico formed the Pacific Alliance with Peru, Colombia, and Chile.

Mexico's current government, led by President Enrique PENA NIETO, has emphasized economic reforms, passing and implementing sweeping energy, financial, fiscal, and telecommunications reform legislation, among others, with the long-term aim to improve competitiveness and economic growth across the Mexican economy. Since 2015, Mexico has held public auctions of oil and gas exploration and development rights and for long-term electric power generation contracts. Mexico has also issued permits for private sector import, distribution, and retail sales of refined petroleum products in an effort to attract private investment into the energy sector and boost production.

Since 2013, Mexico's economic growth has averaged 2% annually, falling short of private-sector expectations that President PENA NIETO's sweeping reforms would bolster economic prospects. Growth is predicted to remain below potential given falling oil production, weak oil prices, structural issues such as low productivity, high inequality, a large informal sector employing over half of the workforce, weak rule of law, and corruption. Mexico's economy remains vulnerable to uncertainty surrounding the future of NAFTA — because the United States is its top trading partner and the two countries share integrated supply chains — and to potential shifts in domestic policies following the inauguration of a new a president in December 2018.

CHEMICAL INDUSTRY IN MEXICO:

Mexico's chemicals industry presents an enormous opportunity. The country's vast wealth of natural resources, which includes medicinal plants, oil, to minerals, timber, marine, and agricultural products, can serve as raw materials and create new openings for developing new businesses and integrating multiple supply chains. At the same time, top-down, government-led structural reforms have opened the economy to further investment and will spur domestic consumption and exports, particularly with its northern neighbor. Mexico's demographic potential is also obvious. In 2015, 53 million of Mexico's 120 million citizens will be active participants in the economy.

According to the National Institute of Geography and Statistics (INEGI), the chemicals industry accounted for 2.6% of Mexico's GDP and 14.5% of manufacturing GDP in 2012, while employment was 0.8% and 8%, respectively. The largest segments of the industry include petrochemicals, rubber and plastics, pharmaceuticals, soaps, detergents and cosmetics.

For the time being, the chemicals industry is slowed by its dependence on imports for raw materials, but savvy and visionary leaders can seize this historical opportunity to increase local production. The petrochemicals sector will be the most closely watched, in light of the opening of the exploration and production segment of the hydrocarbons industry and the privatization of petrochemicals plants. Historically, petrochemicals production has been volatile, with the industry reaching an apex of 51 plants producing 16 million metric tons in 1996, but the subsequent lack of investment and upgrade caused these facilities to decay. Now, with imports rising to nearly 15 billion pesos in the year 2013, price and supply pressures are decreasing competitiveness.

In addition to the reforms, new investment in the ports at Altamira and Coatzacoalcos by Alfa, BASF, Braskem, CYDSA, IDESA and Mexichem will elevate the industry's global competitiveness. Meanwhile, companies are making real progress in addressing Mexico's weaknesses, which include excessive paperwork, unwieldy bureaucracy, corruption, and a lack of security, workforce training, and financing. The National Chamber of Transformation Industry, which represents small- and medium-sized enterprises as well as larger companies, is also working with authorities such as PEMEX and CFE to coordinate supply chain dynamics and integrate purchases of services, machinery and equipment on a national level.

(Source:https://www.gbreports.com/wp-content/uploads/2015/05/Mexico_Chemicals2015_IE.pdf)

MARKET CHALLENGES-MEXICO

Mexico's size and diversity are often under-appreciated. It can be difficult to find a single distributor or agent to cover this vast market. Also, the Mexican legal system differs in fundamental ways from the other countries system, so other countries firms should consult with competent legal counsel before entering into any business agreements. The banking system in Mexico has shown signs of growth after years of stagnation, but interest rates remain comparatively high. In particular, small and medium-sized enterprises (SMEs) find it difficult to obtain financing at affordable rates despite Mexican Government efforts to increase access to capital for SMEs.

Indian companies need to conduct thorough due diligence, and should be conservative in extending credit and alert to payment delays.

Mexican customs regulations, product standards and labor laws may present challenges for Indian companies. Indian Embassy commercial, officers are available to guide firms with respect to regulations that affect their particular export product or business sector.

Mexico is one of the most competitive countries for investments at an international level thanks to its political and macroeconomic stability, size, and strength of its internal market, and unfluctuating inflation. However, doing business can be a time-absorbing task, which is why having local knowledge as part of the venture is crucial.

To make itself more attractive to investors, the Mexican government has made improvements to its infrastructure and fostered competition in sectors such as transportation, energy and telecommunications. As a result, it now stands as the 15th largest economy in the world and the 11th in terms of purchasing power.

One of the biggest changes for Mexico has been its trade policies. Mexico has free trade agreements with 46 countries and has become a global manufacturing base, with strong links to consumer economies in North and South of America. The country offers a strategic location and proximity to the main consumption centres of the world, allowing companies to respond quickly to changes in demand.

There are still many hurdles to overcome when doing business in Mexico. Having local knowledge of the investment environment and good information on the legal, accounting and taxation framework can therefore be an asset for any overseas venture.

Starting a Business

Starting a business in Mexico was once a complex minefield, but thanks to tough government action the procedure today is much more manageable. Mexico ranks 49 overall in the World Bank's Doing Business evaluation, and 90 for ease of starting a business. Still, there are several procedures which can be tricky to navigate for firms unfamiliar with the environment, particularly registration with the Mexican Social Security Institute (IMSS).

Dealing with Construction Permits

It takes around 76 days to deal with construction permits, which is by far more efficient than the Latin America and Caribbean average. Water and sewerage connection takes the most time to complete and obtaining a single zoning certificate stating specific land use and feasibility can be a complex task.

Getting Electricity

According to the World Bank Mexico ranks 92 in the world for ease of getting electricity, underlining the complex nature of the procedure. It is a task laden with bureaucracy, and firms must submit applications, obtain certificates and inspections from the Comisión Federal de Electricidad (CFE), before a contractor can carry out the works.

Registering Property

Registering property is a long and arduous task, it can take almost double the time compared to the norm for OECD countries (22 days average). Dealing with the Public Registry of Property of the Federal District can be particularly time consuming, and obtaining a certificate of good standing with the water service and the Zoning Certificate of the property can also take some time.

Getting Credit

Mexico's well developed financial sector puts it in good stead in terms of getting credit, although it is still relatively difficult compared to most developed nations in the world.

Protecting Investors

Investor protection is still a contentious issue in Mexico, although the North American Free Trade Agreement (NAFTA) has gone a long way in rectifying some of the past issues that existed in the country.

Paying Taxes

Paying taxes is a laborious process in Mexico, taking some more than 240 hours of business time per year, even though there are only six payments to be made. In TMF Group's last Financial Complexity Index, - which ranked 94 countries based on their complexity for accounting and tax compliance - Mexico ranked 15th overall and is 1st for complexity in 'Bookkeeping' (84%). Tax legislation in Mexico is unique in the sense that the basic accepted documentation supporting transactions is the invoice issued by the supplier. Although the country is in the process of adopting IFRS, it is important that every foreign company coming into the country analyses the regulatory and reporting differences, particularly for different industries.

Trading Across Borders

There is a substantial cost associated with trading across borders, far higher than the average in South America and the Caribbean. The cost of importing is around $450 per container and exporting costs $400. It also takes quite a long time to move containers, 12 days when importing and exporting on average.

Enforcing Contracts and Resolving Insolvency

It takes 350 days to enforce a contract, and there are 38 procedures involved in doing so, making it a complex task. Resolving insolvency, on the other hand, is more streamlined, taking only 1.8 years compared to 2.9 in the rest of South America and the Caribbean.

Culture

In Mexico's typical business culture meetings start off slowly, and matters of importance - such as deal making - are generally not discussed until the end of a session. There is a large gap between the executive level and the various levels of the rest of the company, and decisions will usually be made by one person, rather than a board of directors.

(Source*: https://www.export.gov/article?id=Mexico-Market-Challenges*

https://www.tmf-group.com/en/news-insights/articles/top-challenges/doing-business-in-mexico/)

EXPORTING TO MEXICO - MARKET OVERVIEW

Top Five Reasons Why overseas companies Should Consider Exporting to Mexico:

1. Mexico is the 15th largest economy in the world.
2. Given Mexico's large, diversified market, most overseas products can be sold successfully.
3. Mexico continues to experience stable economic growth.
4. Recent economic reforms have liberalized key sectors such as energy and telecommunications, creating market opportunities.
5. Close cultural, social, and economic ties make Mexico a natural market to consider for first-time and expanding exporters.

Mexico's USD 1.1 trillion annual GDP makes it the second largest economy in Latin America and the 15th largest economy in the world. Mexico has a large, diversified economy, and its increasing prosperity is linked to its deepening trade and investment relations with the United States over the past two decades.

The North American Free Trade Agreement (NAFTA), which came into force in January 1994, created a free trade zone for Mexico, Canada, and the United States. As a result of NAFTA, there are no tariffs for qualifying goods and services traded between the three countries. In this timeframe.

NAFTA has been at the center of the U.S.-Mexico commercial relationship. In 2016, with two –way trade totaling just under USD 580 billion, the United States had a USD 7.6 billion surplus in trade in services and a USD 63.2 billion deficit in trade in goods with Mexico. This trade deficit in goods represented 8.6 percent of the global U.S. goods trade deficit (USD 736.8 billion).

Mexico is a member of the World Trade Organization (WTO), the Asia-Pacific Economic Cooperation

(APEC), the G-20, and the Organization for Economic Cooperation and Development (OECD). Mexico has more free trade agreements (FTAs) than any other country in the world – 12 FTAs covering 46 countries – which include the European Union, European Free Trade Area, Japan, the Pacific Alliance, Israel, and ten countries in Latin America. For U.S. exporters, this means that the Mexican market is one of the most open and competitive in the world.

Mexico is the most populous Spanish speaking country in the world. Seventy-nine percent of its 123 million inhabitants live in urban areas. Ten percent of the population is considered wealthy and about 46 percent live in poverty. The remaining 44 percent of the population is considered middle class. Mexico has a very young population with a median age of 28. It offers a large market with a GDP of approximately USD 1.1 trillion with a 2016 estimated per capita income of USD 18,864 (purchasing power parity). There is a large installed base of manufacturing in a wide range of sectors.

Although Mexico's GDP growth has slowed in the past few years, the growth rate has exceeded expectations. The International Monetary Fund recently revised its estimated real GDP growth from 1.7 percent to 1.9 percent in 2017, with growth strongly tied to the U.S. economy and world oil prices. In 2013 and 2014, Mexico passed sweeping reforms in the energy, telecom, labor, financial, and education sectors. These reforms should enable Mexico to increase its global competitiveness. The energy and telecom reforms particularly offer a multitude of new opportunities for U.S. firms.

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

MEXICO - MARKET OPPORTUNITIES

Mexico's current administration came into office in 2012 for a six-year term ending in December 2018. Part of its reform and development platform was a promise to expand strategic public infrastructure and industrial development nationwide. A centerpiece of this effort has been the implementation of a consolidated National Infrastructure Program announced by President Enrique Peña Nieto in April 2013. The plan focuses on transportation, water, energy, health, urban development, communications, and tourism, with an anticipated total investment of USD 586 billion. Some of the projects have been completed, but many still represent opportunities. Facing fiscal pressures, the government continued to cut public infrastructure spending in 2017, delaying some projects. Some of the larger and longer-term projects involve private sector investment to match government spending and will extend for years or decades beyond 2018, such as Mexico City's New International Airport. Decision-making on some projects will slow or pause during the 2018 election cycle. In addition, the government's Pact for Mexico (Pacto por México) – an agreement signed by the country's top three political parties in 2012 containing 95 initiatives aimed at boosting Mexico's GDP growth – led to reforms in several sectors, including education, telecommunications, and energy. These reforms will continue to generate commercial opportunities over the long term. The U.S. Commercial Service continually monitors these infrastructure projects and economic reforms for opportunities to participate and for sales to the Federal Government. For more information on infrastructure opportunities in specific sectors, please see our leading sectors information on transportation infrastructure, construction, aerospace, environmental technologies, energy, and telecommunications.

With a shared Western and Hispanic culture, overseas producers often find it straightforward to market and sell their services and products in Mexico. Mexico's most promising sectors include: agriculture; agribusiness; auto parts and services; aerospace; education services; energy; environmental technology; franchising; housing and construction; packaging equipment; plastics and resins; security and safety equipment and services; information technology; transportation infrastructure equipment and services; and travel and tourism services.

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

MEXICO'S FTA INVOLVEMENT

Mexico's pursuit of free trade agreements with other countries is a way to bring benefits to the economy, but also to reduce its economic dependence on the United States. The United States is, by far, Mexico's most significant trading partner. Approximately 80% of Mexico's exports go to the United States and 47% of Mexico's imports come from the United States. In an effort to diversify and increase trade with other countries, Mexico has a total of 11 trade agreements involving 46 countries. These include agreements with many countries in the Western Hemisphere including the United States and Canada, Chile, Colombia, Peru, and Uruguay. Mexico has also ratified an FTA with Central America (Costa Rica, El Salvador, Honduras, Guatemala, and Nicaragua) that was signed on November 22, 2011. As of September 1, 2013, the FTA had entered into force among all 6 parties. Mexico has also negotiated free trade agreements outside of the Western Hemisphere and, in July 2000, entered into agreements with Israel and the European Union. Mexico became the first Latin American country to have preferential access to these two markets. Mexico has completed a trade agreement with the European Free Trade Association of Iceland, Liechtenstein, Norway, and Switzerland. The Mexican government expanded its outreach to Asia in 2000 by entering into negotiations with Singapore, Korea, and Japan. In 2004, Japan and Mexico signed an Economic Partnership Agreement, the first comprehensive trade agreement that Japan signed with any country. However, the large number of trade agreements has not yet been successful in significantly decreasing Mexico's dependence on trade with the United States

Free trade agreements in force

1. NAFTA
2. Mexico-Chile
3. Mexico-European Union
4. Mexico-European Free Trade Association
5. Mexico-Uruguay
6. Mexico-Japan
7. Mexico-Colombia
8. Mexico-Israel
9. Mexico-Peru
10. Mexico-Central America
    a. Mexico-Costa Rica FTA
    b. Mexico-Nicaragua FTA
    c. Mexico-Northern Triangle (El Salvador, Guatemala and Honduras)
11. Mexico-Panama

Other Agreements.

1. Proposed Trans-Pacific Partnership Agreement
2. Pacific Alliance
3. Mexico-Bolivia Economic Complementation Agreement
4. Partial Scope Agreements
5. Latin American Integration Association

(Source: https://fas.org/sgp/crs/row/R40784.pdf)

MEXICO – TRADE BARRIERS

Import Licenses

Certain sensitive products must obtain an import license, for which the difficulty varies according to the nature of the product. Periodically, the Mexican Government publishes lists that identify the different items that have a specific import control. Items are identified according to their Harmonized System (HS) code number; therefore, it is important that overseas exporters have their products correctly classified. Overseas exporters are encouraged to check with customs brokers as to the accurate classification of their products.

The following are examples of import licenses required and the Mexican Government agencies that administer the particular licenses. Note that this is not a complete list.

The Secretariat of National Defense (SEDENA) requires an authorization to import guns, arms, munitions, explosives, and defense equipment, as well as special military vehicles (new or used).

- The Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) requires the Hoja de Requisitos Zoo-Sanitarios, which acts as an import permit prior to import authorization for some leather and fur products, and fresh/chilled and frozen meat. Agricultural machinery does not require approval from SAGARPA.

- The Secretariat of Health (SSA), through its Federal Commission for the Prevention of Sanitary Risks (COFEPRIS), requires either an "advance sanitary import authorization" or "notification of sanitary import" for medical products and equipment, pharmaceuticals, diagnostic products, toiletries, processed food, and certain chemicals. Food supplements and herbal products are highly regulated in Mexico, unlike in the United States.
- The Secretariat of Environment and Natural Resources (SEMARNAT) requires import authorizations for products made from endangered species, such as certain eggs, ivory, certain types of wood, furs, etc.
- Toxic and hazardous products require an import authorization from an interagency commission called CICOPLAFEST which has representation from the four agencies mentioned above (SEDENA, SAGARPA, SSA, and SEMARNAT). This list includes a large number of organic and inorganic chemicals.

Commercial samples of controlled products shipped by courier are also subject to these regulations. Liquid, gas, and powdered products cannot be shipped by courier, even in small quantities. Instead, these products must be shipped as a regular shipment with the use of a customs broker. Some special treatment may apply in the case of samples intended for research, product registration, or certification. Unless returned at the sender's expense, Customs often confiscates or destroys samples lacking the proper documentation.

Mexico - Prohibited & Restricted Imports

The following items are prohibited or restricted:

- Narcotics
- Live fish
- Predators of any size
- Images representing childhood in a degrading or ridiculous way, and incitement to violence
- Used clothes that are not part of your personal luggage
- Firearms and amunitions.

A complete list of these items can be found at:

SAT - Prohibited and restricted items list

Mexico - Customs Regulations

Overseas exporters continue to be concerned about Mexican Tax Administration Service (Servicio de Administración Tributaria, or SAT) procedures, including insufficient prior notification of procedural changes, inconsistent interpretation of regulatory requirements at different border posts, and uneven enforcement of Mexican standards and labeling rules.

Agricultural exporters note that Mexican inspection and clearance procedures for some agricultural goods can be long, burdensome, non-transparent and unreliable. Customs procedures for express packages continue to be burdensome, though Mexico has raised the de Minimis level to USD 50 from USD 1. However, Mexican regulations still hold the courier 100 percent liable for the contents of shipments.

Mexican Customs Authority (Aduanas de Mexico) Helpline:

Tel.: 52 1877 448 8728 Monday-Friday / 8:00 A.M.-9:00 P.M. (in Spanish)

General Customs Administration (Administración General de Aduanas)

Tax Administration Service (Servicio de Administración Tributaria)

Tel.: 1 877 448 8728 (from the U.S.)

MEXICO - IMPORT REQUIREMENTS AND DOCUMENTATION

For tax purposes, all Mexican importers must register and be listed with the Official Register of Importers (Padrón de Importadores), maintained by the Secretariat of Finance and Public Credit (SHCP), which also maintains special sector registries. In order to be eligible to import more than 400 different items (including agricultural products, textiles, chemicals, electronics, and auto parts), Mexican importers must apply to the HCP to be listed in these sector registries. Overseas exporters have occasionally encountered problems when products are added to the list without notice or importers are summarily dropped from the registry without prior notice or subsequent explanation.

The basic Mexican import document is the "pedimento de importación." Mexico requires import and export documentation including a completed "pedimento," or import/export form, for all commercial crossings. This document must be accompanied by a commercial invoice (in Spanish), a bill of lading, documents demonstrating guarantee of payment of additional duties for undervalued goods (see "Customs Valuation") if applicable, and documents demonstrating compliance with Mexican product safety and performance regulations (see "Standards"), if applicable. The import documentation should be prepared and submitted by a licensed Mexican customs house broker or by an importer with sufficient experience in completing the documents.

Products qualifying as North American must use the NAFTA Certificate of Origin in order to receive preferential treatment. This must be completed by the exporter and does not have to be validated or formalized. Mexican tax authorities are conducting fiscal audits on certain exporters in sensitive industries. A good source of information is the Mexican Tax Authority's website in English regarding processes for verification of NAFTA Certificates of Origin: SAT English website SAT NAFTA Certificates of Origin website

A change in the law implemented in 2015 resulted in the Mexican importer (registered in the Offical Register of Importers) assuming responsibility for their own import paperwork and compliance with Mexico's customs regulations. Thus, the use of a customs broker for import transactions is no longer a requirement. However, Mexican customs law is very strict regarding proper submission and preparation of customs documentation. Errors in paperwork can result in fines and even confiscation of merchandise as contraband. As a result, a customs broker's services may still be needed for the import process. Since customs brokers are subject to sanctions if they violate customs laws, some have been very restrictive in their interpretation of Mexican regulations and standards.

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

GDP (purchasing power parity): $2.458 trillion (2017 est.),$2.389 trillion (2016 est.)

$2.313 trillion (2015 est.)

Industries: - Food and beverages, tobacco, chemicals, iron and steel, petroleum, mining, textiles, clothing, motor vehicles, consumer durables, tourism.

Exports: - $406.5 billion (2017 est.), $374.3 billion (2016 est.)

Exports Commodities: **-** manufactured goods, electronics, vehicles and auto parts, oil and oil products, silver, plastics, fruits, vegetables, coffee, cotton; Mexico is the world's leading producer of silver.

Exporting Partners: **-** US 79.9% (2017)

Imports: - $417.3 billion (2017 est.), $387.4 billion (2016 est.)

Import Commodities: **-** Metalworking machines, steel mill products, agricultural machinery, electrical equipment, automobile parts for assembly and repair, aircraft, aircraft parts, plastics, natural gas and oil products.

Import Partners: **-** US 46.4%, China 17.7%, Japan 4.3% (2017)

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

CHEMEXCIL EXPORTS TO MEXICO

In USD Million

PANEL	2015-16 (Actual)	2016-17 (Actual)	% over 2015-16	2017-18 (Provisional)	% over 2016-17
(32) Dyes & (29) Dye Intermediates	47.98	44.07	-8.15	53.88	22.26
(28) Inorganic, (29) Organic & (38) Agro chemicals	127.19	121.92	-4.14	145.21	19.10
(33) Cosmetics, (34) Soaps, Toiletries and (33) Essential oils	3.94	3.51	-10.87	7.10	102.28
(15) Castor Oil	3.46	3.03	-12.30	4.60	51.82
TOTAL	182.56	172.53	-5.49	210.79	22.18

Source: DGCI&S

DYES TOP ITEMS EXPORTS TO MEXICO

(Value in US$ million)

HSCode	Country	2015-16	2016-17	2017-18
32041680	REACTIVE BLACKS	5.29	5.29	5.67
32041751	PIGMENT BLUE 15 (PATHALOCYANINE BLUE)	3.98	4.57	5.26
32041650	REACTIVE BLUES	2.94	1.88	3.54
32041218	ACID BLACKS(AZO)	4.70	2.62	3.03
32041630	REACTIVE REDS	2.32	1.85	2.68
32041982	FOOD COLOURING YELLOW 4 (TARTRAZINE)	1.56	1.82	2.24
32041761	PIGMENT GREEN 7 (PATHALOVYANINE GREEN)	2.05	1.65	2.09
32042010	0PTICAL WHITENING AGENTS	3.76	3.29	2.08
32041989	OTHER FOOD COLOURING	1.00	1.23	1.93
32041759	OTHERS PIGMENT BLUE	1.42	1.77	1.91

DYE INTERMEDIATES TOP ITEMS EXPORTS TO MEXICO

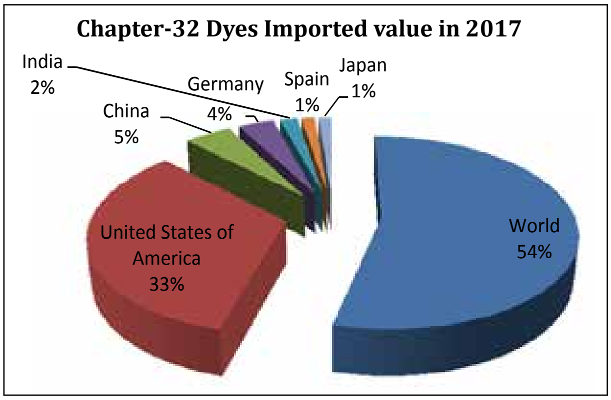
(Value in US$ million)

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 Mexico
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	2166	2126	2292
United States of America	1327	1301	1419
China	230	196	196
Germany	113	125	150
India	70	71	73
Spain	49	53	58
Japan	51	55	53



INORGANIC CHEMICALS TOP ITEMS EXPORTS TO MEXICO

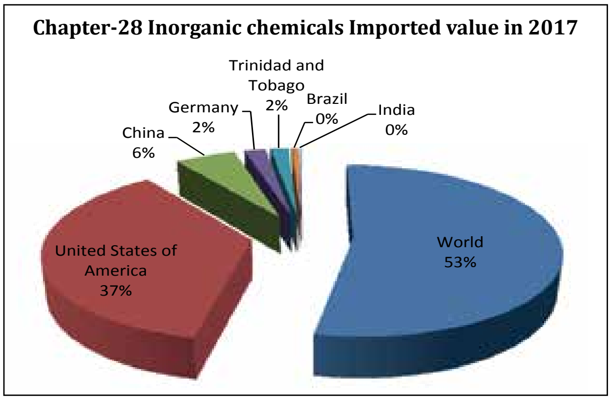
(Value in US$ million)

HSCode	Country	2015-16	2016-17	2017-18
28274900	OTHER CHLORIDE OXIDES AND CHLORID HYDROXIDES	0.00	0.00	5.70
28311010	SODIUM DITHIONITES (SODIUM HYDROSULPHITE)	0.00	0.82	1.60
28291920	POTASSIUM CHLORATE	0.00	0.04	0.38
28183000	ALUMINIUM HYDROXIDE	0.00	0.27	0.36
28429090	OTHER SALTS OF INORGANIC ACIDS/ PEROXOACIDS	0.24	0.20	0.29
28299030	IODATES AND PERIODATES	0.22	0.24	0.24
28272000	CALCIUM CHLORIDE	0.00	0.00	0.22
28421000	DOUBLE OR COMPLEX SILICATES INCL. ALUMINOSILICATES	0.12	0.09	0.20
28332990	OTHER SULPHATES, NES	0.55	0.23	0.20
28341010	SODIUM NITRITE	0.10	0.00	0.19

List of supplying markets for a product imported by Mexico
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	2024	2008	2245
United States of America	1290	1310	1546
China	219	230	238
Germany	99	108	83
Trinidad and Tobago	110	86	71
Brazil	14	21	26
India	8	8	9



ORGANIC CHEMICALS TOP ITEMS EXPORTS TO MEXICO

(Value in US$ million)

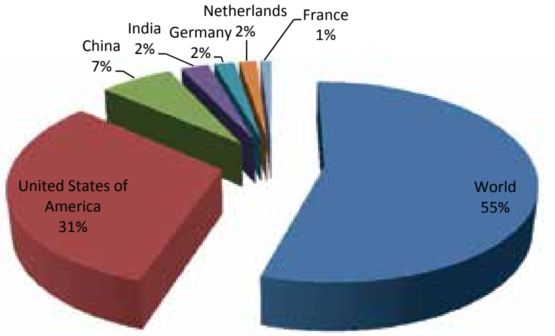
HSCode	Country	2015-16	2016-17	2017-18
29155000	PROPIONIC ACID ITS SALTS AND ESTERS	16.38	19.75	21.39
29051700	SATRTD DDCAN-1-OL(LRYL-ALCHL)HXADECAN-1- OL(CETYL ALCHL) ANDOCTDECN-1-OL(STRYL ALCHL)	3.33	2.90	4.37
29053100	ETHYLENE GLYCOL (ETHANEDIOL)	7.65	1.84	3.54
29163990	OTHER UNSTRD ACYCLIC MONOCRBOXYLC ACDS, CYCLIC MONOCRBOXYLC ACDS, THR ANHYDRDS, HLDS,PEROXIDES AND PEROXYACDS; THR HL	0.65	0.67	3.51
29183090	OTHER CRBXYLC ACIDS WITH A LDHYD/KETONE FN BUT WITHOUT OTHET OXYGEN FN. ETC.	2.36	2.81	3.04
29159090	OTHER SATRTD ACYLC MNOCRBIXYLC ACDS ETC AND THR DRVTVS	2.57	1.92	2.79
29331990	OTHER COMPNDS CNTNG AN UNFUSED PYRAZOLE RING (W/N HYDRGNTD	0.00	1.20	2.72
29322090	OTHER LACTONES	0.00	0.00	2.52
29153990	OTHER ESTERS OF ACETIC ACID	3.51	2.72	2.39
29342000	CMPNDS CNTNG A BENZOTHIAZONE RING-SYSTEM (W/N HYDRGNTD) NT FRTHR FUSED	0.16	1.16	2.22

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

Unit : US Dollar million

Exporters	Imported value in 2015	Imported value in 2016	Imported value in 2017
World	8075	7347	8731
United States of America	4851	4287	5031
China	967	934	1061
India	388	344	406
Germany	321	279	296
Netherlands	118	99	254
France	151	127	156

Chapter-29 Organic chemicals Imported value in 2017



AGRO CHEMICALS TOP ITEMS EXPORTS TO MEXICO

(Value in US$ million)

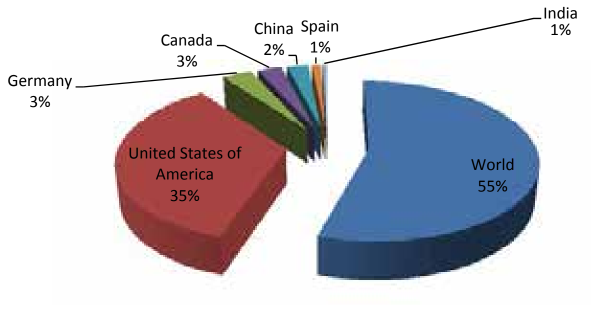
HSCode	Country	2015-16	2016-17	2017-18
38089199	OTHER INSECTICIDE NES	6.49	8.76	10.38
38089910	PESTICIDES, NOT ELSEWHERE SPECIFIED OR INC	8.27	5.69	6.44
38089135	CIPERMETHRIN TECHNICAL	4.26	4.41	5.87
38089290	OTHERS FUNGICIDE NES	7.14	7.66	4.85
38089390	OTHER HERBICIDES-ANTI-SPROUTING PRODUCTS	0.75	5.03	3.12
38089320	2:4 DICHLOROPHENOXY ACTC ACD AND ITS ESTERS	1.90	1.88	1.32
38089124	MELATHION	0.57	0.33	0.74
38089990	OTHER SIMILAR PRODUCTS N.E.S.	1.34	0.35	0.48
38089113	D.D.V.P(DIMETHYL-DICHLORO-VINYL-PHOSPHATE)	0.05	0.00	0.36
38089137	SYNTHETIC PYRETHRUM	0.00	0.25	0.29

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

Unit : US Dollar million

Exporters	Imported value in 2015	Imported value in 2016	Imported value in 2017
World	4458	4419	4655
United States of America	2942	2844	2976
Germany	236	292	290
Canada	252	249	236
China	150	151	205
Spain	79	85	87
India	35	41	42

Chapter 38 Agro & Misc.chemicals Imported value in 2017



COSMETICS AND TOILETRIES TOP ITEMS EXPORTS TO MEXICO

(Value in US$ million)

HSCode	Country	2015-16	2016-17	2017-18
34021190	OTHERS(E.G.ALKYLSULPHATES,TECHNICAL DODECYLBENZENE-SUL	1.40	0.87	2.82
29157040	HCO FATTY ACID(INCL 12-HYDROXY STEARC ACD)	0.47	0.48	0.96
34029091	WASHING AND CLEANING PREPARATIONS HAVING BASIS OF SOAP/ OTHE	0.27	0.14	0.40
33049910	CREAMS FACE (EXCL TURMARIC)	0.09	0.10	0.37
34021900	OTHR ORNGC SRFCE-ACTV AGNTS W/N FOR RTL SL	0.04	0.19	0.31
38099190	OTHR FINISH AGENTS USED IN TXTILE INDUSTRY	0.02	0.11	0.22
38231190	0THER STEARIC ACID/STEARIN	0.26	0.24	0.20
38231200	OLEIC ACID	0.00	0.00	0.18
38231900	OTHER INDUSTRIAL MONOCARBOXYLIC FATTY ACID	0.28	0.36	0.16
29157050	D.C.0. FATTY ACID	0.04	0.03	0.12

ESSENTIAL OILS TOP ITEMS EXPORTS TO MEXICO

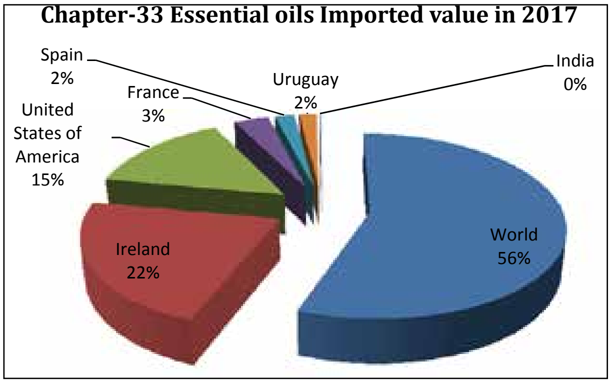
(Value in US$ million)

HSCode	Country	2015-16	2016-17	2017-18
33019033	ESSENCE 0F AMBRETT0LIDE (AMBRETTE SEED 0IL ESSENCE)	0.28	0.21	0.41
33021090	OTHER MXTR OF ODORFRS SBSTNS OF A KIND USDKIND USD IN FOO	0.00	0.00	0.07
33012944	DAVANA OIL	0.05	0.07	0.07
33019090	OTHR CONC OF ESNL OILS IN FATS/FIXD/WAX LIKE TRPNC BYPRDCTS OF DETERPENATION OF ESNL OILS AQUS DISTLTS/SOLTN ESNL OL	0.01	0.02	0.02
33011990	CITRONELLA OIL CEYLON TYPE INCLUDING & CONCETRATE	0.00	0.07	0.01
33012990	OTHER ESSENTIAL OILS	0.07	0.04	0.01

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

Unit : US Dollar million

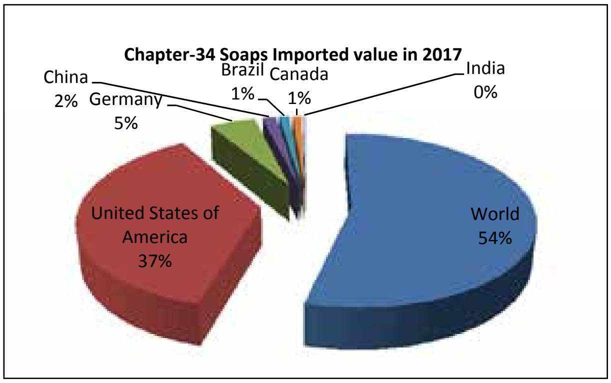
Exporters	Imported value in 2015	Imported value in 2016	Imported value in 2017
World	2666	2780	3039
Ireland	1013	1056	1207
United States of America	741	777	798
France	183	183	188
Spain	85	96	106
Uruguay	85	88	95
India	17	17	14



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



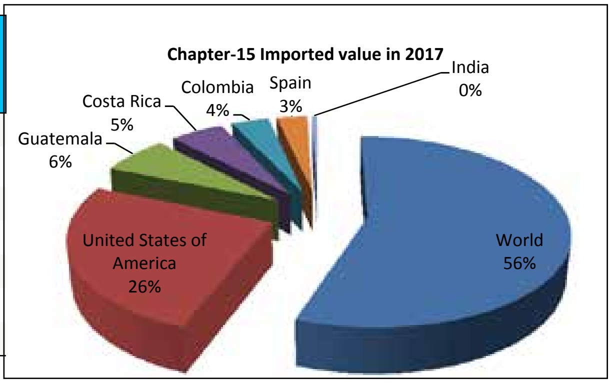
CASTOR OIL TOP ITEMS EXPORTS TO MEXICO

(Value in US$ million)

HSCode	Country	2015-16	2016-17	2017-18
15153090	CASTOR OILANDITS FRCTNS OTHR THN EDBLE GRADE	0.00	0.00	3.72
15162039	OTHR HYDROGNTD CASTOR OIL(OPL WAX)	0.60	0.43	0.84

Unit : US Dollar million

Exporters	Imported value in 2015	Imported value in 2016	Imported value in 2017
World	1312	1287	1380
United States of America	637	620	636
Guatemala	132	166	163
Costa Rica	119	101	128
Colombia	45	54	89
Spain	65	69	72
India	15	12	14



CHEMEXCIL ACTIVITIES

1. Consultation Meeting with Duty Drawback Committee

Chemexcil's presentation on AIR Duty Drawback 2018 before the esteemed Duty Drawback Committee on 09/08/2018 at Grand Hyatt Santacruz, Mumbai

Chemexcil had received intimation from DBK Dept for consultation meeting with the esteemed Drawback Committee regarding AIR DBK 2018 on 09/08/2018 at Hotel Grand Hyatt Santacruz, Mumbai

The esteemed drawback committee comprised of following members:

1. ***Shri G K Pillai, Chairman***
2. ***Shri Y G Parande, Member***
3. ***Shri Gautam Ray, Member***

The council was represented by **Shri Satish Wagh, Chairman Chemexcil, Shri Ajay Kadakia, Vice Chairman Chemexcil, Shri S.G Bharadi, ED and Shri Deepak Gupta, Deputy Director.**

Shri Satish Wagh explained about various issues faced by the members such as DBK, environment issues, pre-import condition etc and how they are impacting exports and need for government support.

Shri Ajay Kadakia explained to the DBK Committee, that **DBK Rates 2017 for majority of items under CHEMEXCIL Purview i.e. Chapter 29, 32, 33, 34 & 38 remain at 1.5%.** Earlier, the DBK rates for **our** export products had been reduced from 1.9 % to 1.5% in 2016. In-fact, the DBK Rates of Chapter 28 items have been further reduced to 1.1%. The gradual reduction of DBK rates adversely impacts competitiveness of exporters as the customs duty on import of chemicals has remained stagnant at 5%/ 7.5%.

In addition to these hindrances, it was also pointed out that there are **state levies such as electricity duty, VAT on Natural gas, fuels** etc which are not neutralised and are a cost to the exporters. However, the committee informed that this decision can be taken only by the cabinet.

We have requested DBK Committee to maintain following:

- ***AIR DBK of around 4 % for chemical items which will boost exports (as per Annexure)***
- ***An additional consideration of around 1% be also provided for neutralization of embedded taxes/ state levies which are not refunded.***

The DBK committee assured that the submission will be examined and also advised the council to provide additional data on total imports.

The meeting ended with thanks.

2. Second Meeting of Committee of Administration

Chemexcil organised its 2nd Committee of administration Meeting on 20th August, 2018 at Coral Room of Hotel Sahara Star, Vile Parle East Mumbai Shri Samir Kumar Biswas, Jt. Secretary (Chemicals) DoC&PC in the Ministry of Chemicals & Fertilizers and Shri S.K. Ranjan, Dy. Secretary-EP(CAP),DoC, Ministry of Commerce & Industry attended the meeting from Ministry. From chemexcil, Shri Satish Wagh- Chairman, CHEMEXCIL, Shri Ajay Kadakia- Vice Chairman, Shri Harin D. Mamlatdarna-Member, Dyes &Dye Intermediates Panel, Shri Bhupendra Patel-Regional Chairman, Gujarat Region, Dr. Smita Naram-Chairman of Cosmetics, Toiletries & Essential Oils Panel, Shri Abhay Udeshi-Chairman of Castor Oil & Speciality Chemicals Panel, Shri Kirit Mehta-Member, Dyes and Dye Intermediates Panel, Special Invitees, Shri S.G Bharadi-ED and other officers/ staff of chemexcil also attended the meeting and discussed various agendas

3. CHEMEXCIL'S participation in Dye Chem Brazil-2018 exhibition

Form left Mr. Chirthiano Branco, commerce and Marketing advisor, Mr. Leonardo Ananda Gomes, President Brazil India Chamber of Commerce, Mr. Venugopal, Consul, Shri. Satish Wagh, Chairman, Chemexcil, Mr. Vijay Singh Chauhan, Consul General of India, Brazil, Mr. Prafulla Walhe, Dy. Director, Chemexcil.

CHEMEXCIL is participated in Dye Chem Brazil-2018 exhibition being organized by Conference and Exhibition Management Services Ltd (CEMS), from 28th to 30th August, 2018 at Centro De Eventos PRO MAGNO, São Paulo – Brazil. This project is sanctioned under MAI scheme. Altogether **25** chemexcil member-exporters participated participation in this exhibition.

CHEMEXCIL Booked 225 sq. mt. space in Space is converted in India Pavilion. 200+ visitors from various countries and regions visited this exhibition.

Target visitors consisting of Operation / Production / Industrial Managers, Senior Production Representatives, Purchase Departments of Processing Industry, Decision makers and Professionals from all related Industries, Consultants, Agencies, Manufacturers, Exporters, Government Officials, Associations, Importers & Traders from all manufacturing sectors of the Industry of Brazil, Trading Companies, Export Houses.

4. CHEMEXCIL'S participation in Buyer Seller Meet at Colombia

Form left Mr. Manuel Salgado, Investment manager, PROCOLOMBIA, Shri Ravi Bangar, Ambassador of India to Colombia and Ecuador, Mr. Satish Wagh, Chairman Chemexcil Mr. Prafulla Walhe, Dy. Director, Chemexcil Mr. Jaime Mantilla member of the board of directors of Chamber of Commerce Bogotá, , delivering inaugural speech during the inauguration of BSM in Colombia on 3rd September-2018.

CHEMEXCIL is organized Buyer Seller Meet at Colombia Bogota with Embassy of India, Bogota, Colombia along with Colombia Chamber of Commerce and Embassy of India, Bogota, Colombia at Camara de Comercio de Bogota, Calle 67 #8- 32, Bogota on 3rd September, 2018 .

This project was sanctioned under MAI scheme. Altogether 24 chemexcil member-exporters participated in this BSM 150+ visitors from Colombian region visited this BSM.

This BSM focused on strengthening of old ties between member exporter and Colombian counterpart and new normal, new areas, and new opportunities. It closely tracked the pulse of the industry and gathered the essence of industry elite thinking. It is strategic in a global perspective.

Target visitors :- Dyes and Dye Intermediates buyers, Agrochemical intermediates, Catalysts, Colours & Pigments, Flavours & Fragrances, Organic Intermediates, Photographic Chemicals and Water treatment chemicals., International Trade Missions were the target visitors.

CHEMEXCIL deputed Mr. Prafulla Walhe, Dy. Director, to look after the entire arrangements of the event.

5. CHEMEXCIL'S 55th Annual General Meeting 25th September, 2018

From Left Shri S.G. Bharadi, Executive Director, Shri Ajay Kadakia, Vice Chairman, Shri S.G. Mokashi, Addl. Vice Chairman, Shri Abhay Udeshi, Chairman – Castor Oil & Specialty Chemicals Panel during the 55th Annual General Meeting.

55th Annual General Meeting of the BASIC CHEMICALS, COSMETICS AND DYES EXPORT PROMOTION COUNCIL was conducted on Tuesday the 25th September, 2018 at Plaza Room of Hotel Marine Plaza, New Marine Lines, Mumbai - 400 020.

Following officials from Chemexcil Committee of Administration were present during the meeting - Shri Ajay Kadakia, Vice Chairman & Regional Chairman - Eastern Region, Shri S. G. Mokashi, Addl. Vice Chairman & Regional Chairman - Southern Region, Shri Bhupendra Patel, Regional Chairman - Gujarat Region, Shri Abhay Udeshi, Chairman - Castor Oil & Specialty Chemicals Panel and Shri S.G. Bharadi, Executive Director.

CHEMEXCIL

6. Interactive Session on GST (Refunds and other queries)

Shri Abhay Udeshi, Chairman- Castor Oil & Specialty Chemicals Panel, Chemexcil welcoming Shri Mihir Shah- GST Consultant

To guide the exporters regarding the **procedure and process** of the IGST/ ITC refund and once again sensitize them to take appropriate precautions while return filing and rectification of errors, the council had organized an **Interactive Session on GST (Refunds and other queries)"** in Mumbai on 25/09/2018.

The session was graced by following:

Council Representatives

1. **Shri S.G Mokashi,** Additional Vice Chairman, Chemexcil
2. **Shri Abhay Udeshi,** Chairman- Castor Oil & Specialty Chemicals Panel, Chemexcil
3. **Shri S.G Bharadi, ED** and other Officers/staff of Chemexcil
4. Member-exporters of Chemexcil

Faculty

Shri Mihir Shah who is a Consultant, Advisor and Trainer in International Business and also Proprietor – ***Universal Connections.***

Highlights of the interactive session

Shri Mokashi welcomed the gathering and expressed happiness that CHEMEXCIL has organized this interactive session of IGST/ Un-utilised ITC on exports as a service to the members. He encourage the participants to make use of this session to clear the queries.

Shri Mihir Shah explained the entire procedure and process and covered topics like *Categories of Supply under GST, Zero rated supply, Pre-requisites for refunds, Returns and Refund Applications, Refund of un-utilised ITC, Refund of IGST Paid on Exports, Refund under 0.1% merchant exporter supply etc. He particularly stressed that the mistakes like port code, shipping bill number, Invoice number be avoided to ensure smooth and speedy IGST refunds.*

The interactive session was attended by around **38 participants.** The participants interacted with the esteemed faculty on various issues and where satisfied with the response.

7. Stakeholder Consultation Meeting on "Boosting exports to USA, CHINA, ASEAN and other markets"

Shri S.G Bharadi, ED Chemexcil welcoming Shri Sudhakar Kasture, Director (EXIM Institute) during Chemexcil's stakeholder consultation meeting on "Boosting exports to USA, CHINA, ASEAN and other markets" at Conference Room, Chemexcil Mumbai on 28/09/2018

Regular consultation meetings are being held in Department of Commerce (DoC), New Delhi with EPC's to formulate the strategy for boosting exports to USA, China, ASEAN and other regions and also to understand the impediment faced and support required.

The objective of this stakeholder consultation meeting in Mumbai was to understand the impediments being faced by the members in certain important markets/ regions, items of high export potential and also the support required from the government.

The session was graced by following:

Faculty

Shri Sudhakar Kasture who is Director- Exim Institute and consultant to Chemexcil and other Trade associations.

Council Representatives

1. **Shri S.G Bharadi,** Executive Director
2. **Shri Prafulla Walhe,** Deputy Director
3. **Shri Deepak Gupta,** Deputy Director

Highlights of the interactive session

Shri S.G Bharadi welcomed Shri Kasture and the participants and the session commenced.

Shri Kasture initially gave a detailed overview of the ongoing **USA China trade war** and about India's share in the global trade specially in exports to USA and China. He also explained about the large number of **Anti-dumping/ Trade remedy measures by India** on Chinese goods and counter-measures by China.

Shri Kasture, subsequently provided vital inputs on the **future strategy/ action points** which will help exporters boost their exports to China, USA and ASEAN. He laid emphasis that exporters must study the **FTA's** and understand the landed cost of the overseas buyer who is mainly concerned with the most cost effective supplier (whether India or any other country).

He also explained in detail the **TFA** related initiatives such as **AEO, need for improvement of supply Chain, REX system for EU-GSP** etc for reduction in **transaction costs** which will make them competitive in exports rather than relying only on export incentives which are under WTO scrutiny.

Mr. Kasture's presentation session was followed by consultation with the participants.

The members highlighted following major issues:

- REACH registration
- High cost of data generation by Agrochemicals
- Environment related controls
- Delay in getting preferential certificates from EIA
- B/L issue in Brazil customs
- Delay in getting SCOMET licences
- VAT in China which is not neutralised
- Fraud involving B/L in Uganda Banks, etc

The participants also provided their feed-back on **issues faced/ support needed** in the **questionnaire** provided by the council.

The council shall **review the information in the questionnaire** and has also sought specific representations from the participants on new issues they have highlighted.

The consultation meeting was attended by around **25 participants from 17 companies as follows:**

1. **M/s. Aakar Dyes and Chemicals**
2. **M/s. Arabian Petroleum Ltd**
3. **M/s. Balaji Amines Ltd**
4. **M/s. Dayglo Color Corporation**
5. **M/s. Gharda Chemicals Ltd.**
6. **M/s. Godrej Industries Ltd**
7. **M/s. Godavari Bio Refineries Ltd**
8. **M/s. Gulabkhan Peerkhan Co**
9. **M/s. Gujarat Organics Ltd**
10. **M/s. Indo Amines Ltd**
11. **M/s. Jayant Agro Organics Ltd**
12. **M/s. Penta Bio-Sciences**
13. **M/s. Savita Oil Technologies Ltd**
14. **M/s. Shubham Specility Products Pvt Ltd**
15. **M/s. Sarna Chemicals Pvt Ltd**
16. **M/s. Macson Products**
17. **M/s. Royal Agency**

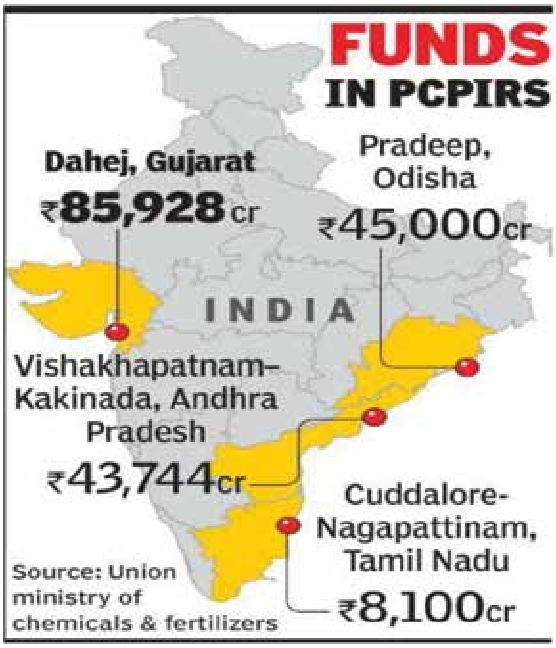
The participants interacted with the esteemed faculty/ council officers and where satisfied with the response.

Glimpses of Dye Chem Brazil-2018 exhibition

NEWS ARTICLE

1. DAHEJ-PCPIR IS INDIA'S TOP DRAW AMEDABAD:

The Petroleum Chemicals and Petrochemical Investment Region (PCPIR) in Dahej, Gujarat, is attracting more investments than the other three notified PCPIRs in India. Estimates by the Union ministry of chemicals and fertilizers show that Dahej-



PCPIR has so far attracted investments to the tune of Rs 85,928 crore, the highest among all the operational PCPIRs in India. The other three PCPIRs are located in Odisha, Andhra Pradesh, and Tamil Nadu. "The actual investment made/committed in Gujarat PCPIR is Rs 85,928 crore and actual employment for 1.32 lakh persons has been generated," said Rao Inderjit Singh, the minister of state for planning and chemicals & fertilizers, responding to a question in the Lok Sabha on the current status of the implementation of PCPIR projects. "The anchor tenant project, ONGC Petro additions Limited's cracker unit, was commissioned in March 2017," Singh said. Dahej-PCPIR spans a 453 square kilometre area located in the Vagra taluka of Bharuch district.

Over the past year alone, Dahej-PCPIR attracted investments to the tune of Rs 25,163 crore. More than Rs 950 crore of this was proposed by chemical manufacturers from South Korea and Sweden, among others. That apart, leading domestic manufacturers including MRF, GACL-NALCO Alakalies and Chemicals Ltd, Bodal Chemicals and Grasim Industries have also committed hefty investments to the region, according to top sources in the state government.

(Source: https://timesofindia.indiatimes.com/city/ahmedabad/dahej-pcpir-is-indias-top-draw/articleshow/65219471.cms *dated 1st August-2018)*

2. THREE MEGA LOGISTICS PARKS TO COME UP IN LUDHIANA

LUDHIANA: In a boon for industries and trade in the state, three mega logistics parks will come up in Ludhiana. These parks, which will come up near Kila Raipur village, include Multimodal Logistics Park by Adani group, logistics park by Punjab Logistics Infrastructure Limited and a logistics park by Punjab State Warehousing Corporation. This was disclosed on Friday by state industry and commerce minister Sunder Sham Arora at Punjab Logistics Conclave organised in Ludhiana by Government of Punjab and Punjab State Container and Warehousing Corporation Limited (CONWARE) in partnership with Federation of Indian Chambers of Commerce & Industry (FICCI) and Deloitte Touche Tohmatsu India LLP. Giving more information about the projects Arora said, "These three mega logistics parks would act as stimulants for the growth of our industry. Logistics has been added in the State Industrial Policy as it is the backbone of our entire industry and cannot be left out. All the three mega logistics parks would be coming up near Kila Raipur village of the district and they would cater to complete logistics need of industrial belt of Ludhiana including industrial hubs located close to regions such as Jalandhar, Amritsar, Bathinda, Sangrur, Patiala, Fatehgarh Sahib and Hoshiarpur. These mega logistics parks would be a one stop solution for all the logistics,

transportation, warehousing needs of the region providing complete logistics solutions. Already a special cell has been formed by the state government so that the logistics sector is not ignored. In another good news for the businessmen we are developing a special warehousing park in the Zirakpur-Tepla-Rajpura Zone." The industry minister also said that the objective of this logistics conclave was to understand the dynamics of the logistics value chain and to identify the gaps in the value chain which would initiate the necessary government interventions to fill these gaps. The Minister also informed that very soon, next such conclave would be organised on leather and sports goods industry in Jalandhar. During the conclave 14 MoUs worth Rs. 869 crores were signed by state government with businessmen today. SK Ahirwar, Director Logistics Division, Ministry of Commerce and Industry, Government of India, spoke on the latest initiatives

of Government of India on the logistics sector. Rakesh Kumar Verma, Principal ecretary, Industries & Commerce, Punjab, DPS Kharbanda, Director of Industries and Commerce, Punjab, Mahesh Khanna , general manager of district industries centre were also present in the conclave and addressed the concerns of the businessmen who were present in large numbers in the program.

(Source: https://timesofindia.indiatimes.com/city/ludhiana/three-mega-logistics-parks-to-come-up-in-ludhiana/articleshowprint/65259990.cms 3rd August-2018)

3. AIR CARGO DEVELOPMENT TO BOOST IN REGION'S CONNECTIVITY'

Country's shortest route to SE Asia is through Assam: Patowary

GUWAHATI: Recalling that the per capita income of Assam was higher than the national average prior to independence, state's Industries and Commerce Minister Chandra Mohan Patowary underlined the state government's commitment to reopen all the trade routes to bring back economic prosperity to the state.

Minister Patowary stated this by while addressing a workshop on 'Air Cargo Development – End to End Logistics Value Chain' held at a city hotel on Friday. The workshop was organised by Airport Authority of India (AAI) in association with the Industries and Commerce Department, Government of Assam.

Minister Patowary highlighted that Assam is India's shortest route to South East Asia. He stressed that the Trilateral Highway, linking of the Brahmaputra River up to Chittagong Port and access to the sea routes will boost trade and commerce activities in the region.

'Assam Government plans to connect seven capitals of ASEAN with Guwahati under the Regional Connectivity Scheme (RCS) for which it has committed Rs. 100 crore for the viability gap funding', added Patowary.

The minister called upon the farmers to switch to organic farming which fetches higher value in the market thereby increasing the farmer's earnings manifold. He cited the recent case of gold tea selling at a record price of Rs. 39,001 per kg at the Guwahati Tea Auction Centre.

'AIDC is working on a project of air cargo terminal for perishable cargo worth Rs. 20 crore at LGBI Airport Complex, Borjhar to support the farmers in exporting fresh horticultural produce to national and international destinations', said the minister. He also advocated that air cargo development will be a major breakthrough in connectivity scenario of the region.

Usha Padhee, Joint Secretary, Ministry of Civil Aviation, said that intra-connectivity in NE needs to be increased for which 42 airports of the region have been recognised under UDAN scheme to turn it into a major hub.

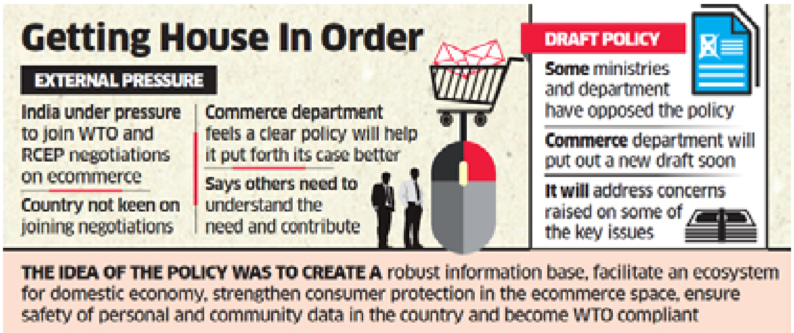
Ravi Capoor, Additional Chief Secretary of Industries and Commerce Department, underscored the region's advantages in terms of connectivity, tourism, natural resources and rich agriculture produce.

Guruprasad Mohapatra, Chairman, AAI, added that SpiceJet had already collaborated with Agricultural and Processed Food Products Export Development Authority (APEDA), an apex body under the Ministry of Commerce and Industry to export the regional fruits to Dubai.

(Source: http://www.theshillongtimes.com/2018/08 /03/air-cargo-development-to-boost-in-regions-connectivity/ dated 3rd August-2018)

4. NEW ECOMMERCE POLICY WILL HELP INDIA IN WTO NEGOTIATIONS: COMMERCE DEPARTMENT

NEW DELHI: The commerce department has asserted that India requires a domestic ecommerce policy as there was pressure from developed countries on it to



take part in WTO negotiations on online trade and also to counter China's domination in the digital space. The commerce department's draft ecommerce policy has come in for criticism from several quarters including government departments and ministers, as reported by ET on Wednesday. But a commerce department official said such a policy was needed by India to safeguard its interests and other ministries and departments were shying away from their responsibilities. The idea of the policy was to create a robust information base, facilitate an ecosystem for domestic economy, strengthen consumer protection in the ecommerce space, ensure safety of personal and community data in the country and become WTO compliant, said another official justifying the department's initiative.

A group of 71 countries - which account for half of WTO's membership and for around 77% of global trade - have already launched intensive discussions on ecommerce. India has so far opposed negotiations on ecommerce but feels with the ecommerce issues

creeping into regional trade agreements as well, it needs to have clarity on what it wants. Many countries have time and again asked India for its stand on negotiating rules on ecommerce at WTO and the Regional Comprehensive Economic Partnership agreement, but India has so far refused to engage in these talks. "We need to have a clear domestic policy to back our stance," a negotiator in the know of the details said.

Fresh Draft

The department says if attempts at WTO are successful, developing countries may be left with little flexibility to take measures for nurturing the domestic digital economy and bridge the divide to reach a more balanced dispensation. "It is, therefore, imperative that the approach the government takes on issues related to ecommerce in international trade negotiations and discussions is fully cognizant of the need to preserve flexibility and create a level-playing field…," the draft policy says, justifying

why adomestic policy is needed

Moreover, it is against ecommerce being pitched as a trade facilitating platform and becoming the back door for securing market access objectives, especially in the garb of small and medium enterprises. Recently, India and South Africa have asked WTO to explain why customs duty should not be levied on electronic transmissions. "As

more products, which are presently traded in physical form, get digitized and delivered through electronic transmissions, the moratorium on customs duties would result in higher revenue loss," the two said in their joint submission. The two have requested the organization to examine all issues related to the imposition of customs duties on electronic transmissions as the US, Singapore and Korea demanded the temporary moratorium be made permanent. The commerce department will soon put out a fresh draft policy for further debate after taking feedback from other stakeholders

including relevant ministries and departments. The hotly debated issues in the draft policy relate to data localisation, setting up of an ecommerce regulator, move to allow 49% foreign investment in inventory-based online retail, restrictions on deep discounts, and preference for RuPay.

(Source: https://economictimes.indiatimes.com/news/economy/policy/new-ecommerce-policy-will-help-india-in-wto-negotiations-commerce-department/printarticle/65346522.cms dated 10th August-2018)

5. INTER-STATE OFFICE SERVICES TO ATTRACT GST

NEW DELHI: Is your human resource department hiring for your offices in other states? Or your finance department preparing payrolls for employees in other centres? These services by one office to branches in other states will be treated as "supply" and attract goods and services tax (GST), according to an order by the Karnataka Authority of Advance Rulings. The ruling implies that companies with offices in many cities will need to raise invoices for in-house service functions and pay GST. Although the tax can be claimed as an input credit by the receiving location in most cases, it would substantially increase the compliance burden for businesses spread across states. According to the ruling, a large business with its head office, say, in Mumbai, where the entire finance, IT and HR functions are centralized for its offices across states, would be deemed to be providing support services to other locations and hence need to raise invoices charging GST. In cases where goods or services are fully or partially exempt from GST - such as hospitals and schools - this would be an incremental cost. The AAR, in a ruling sought by Bengaluru-based Columbia Asia Hospitals, held that the employer employee relationship in the corporate office exists only there and not with other office units, even if they are part of the same legal entity, as far as the GST law is concerned.

"The activities… shall be treated as supply as per Entry 2 of Schedule I of the CGST Act," the AAR said. It also held that the employee cost incurred at the corporate office should be considered while arriving at the value of goods or services provided by such offices to other locations. Tax experts said the ruling has wide ramifications for businesses, especially large ones with offices in various cities. "The government should therefore immediately look into this and provide a suitable clarification that at least the employee's salary/cost should be excluded from the value of supply made by one office to another," said Pratik Jain, leader, indirect taxes, at PwC. Abhishek Jain, tax partner at EY, said: "This ruling opens a Pandora's box, especially for those businesses that are into exempt or non GST supplies, as these companies, with this Advance Ruling, may need to charge GST on notional head office employee costs as well, with credit of such GST not being available to the recipient branch or company."

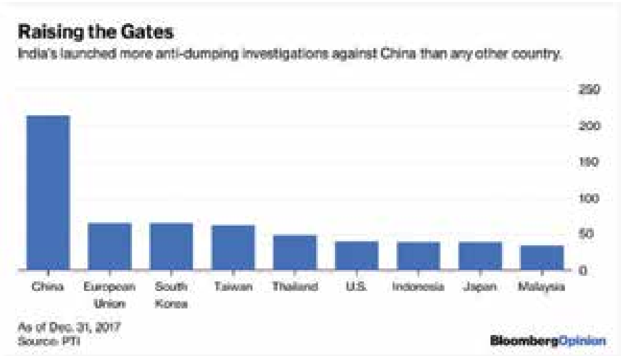
Jain said in sectors that are exempt or not within the ambit of GST, such as healthcare, education, petroleum and liquor, such inter-office activities should ideally not be considered as a service subject to GST and an exception should be carved out. There is also the issue of valuation of the service for levying the tax. "While there has been clarity that cross-charge of expenses would be liable to GST, the challenge lies in its valuation. As the cross charge is between the same entities, such expenses are cross-charged at cost without any mark-up. It would be interesting to see whether such valuation is acceptable to the tax authorities," said Harpreet Singh, partner, indirect tax, at KPMG. AAR is a quasi-judicial body that allows assesses to get guidance on their potential tax liabilities in a transaction beforehand. Its rulings are case-specific but they have a persuasive impact on tax assessment in the cases of other firms under similar circumstances.

(Source: https://economictimes.indiatimes.com/news/economy/policy/inter-state-office-services-to-attract-gst/articleshow/65394509.cms dated 14th August-2018)

6. INDIA CAN'T AFFORD TO TURN ITS BACK ON FREE TRADE

India's state is a mirror of its noisy, messy democracy. It's often hard to achieve even a modest internal consensus between government departments in New Delhi. Right now, he heads of several ministries are scrambling to find a common position on the Regional Comprehensive Economic Partnership, or RCEP -- a giant trade deal that stitches together India, the Association of Southeast Asian Nations, Oceania, China, Japan and Korea. At the end of August, ministers from the 16 RCEP countries will meet in Singapore; India needs to work out a constructive stand by then. There's a very real chance that, if New Delhi's negotiators continue to be obstructionist, the other 15 countries will move ahead without India.

For many here, that wouldn't be a tragedy. And, frankly, even free-traders like myself see their point. India's goods trade deficit with China appears unsustainable: It was $63 billion in 2017-18, up from $51 billion in



the previous financial year and $16 billion ten years ago. That's 60 percent of India's overall trade deficit. As far as Indian policymakers are concerned, much of what's being imported is sub-standard or otherwise fair game for antidumping legislation. China's the main target of Indian anti-dumping action, with 214 separate investigations opened -- and, even so, Indian legislators are worried that the measures are ineffective. India can also justly complain that the RCEP's focus on reducing goods tariffs misses the point. First of all, services trade should be opened up simultaneously; greater freedom of movement for professionals -- a major source of foreign currency for India, through remittances -- must be part of that. Secondly, the real constraints on the growth of trade now are "behind the border" -- non-tariff barriers of one sort or another that, for example, make competing in the Chinese domestic market such a nightmare. Less justly, specific Indian sectors are panicked about competition. Steel -- which is slowly recovering after years of pummeling thanks to Chinese overcapacity -- is one of them. Dairy producers obsess about Australia and New Zealand. Manufacturers worry about everyone. But the validity (or otherwise) of Indian concerns is beside the point. The problem is that, at the moment, RCEP is the only game in town -- and New Delhi runs the risk of being left on the sidelines. If India doesn't have a more positive, forward-looking approach ready by the end of the month, then it must also abandon its ambition to infiltrate global supply chains. And that would be a disaster for a country that will shortly have both the world's largest workforce and a mere a two-percent share of world trade.

How can India move forward? Most importantly, it mustn't let China run away with the initiative. India is hardly the only country concerned about China's overcapacity and its ability to dump goods wherever it pleases. A regional trade agreement that prevents countries from bringing fair, transparent and temporary anti-dumping actions is in nobody's interest -- a point India needs to make to countries like Japan. China has cleverly used regional and bilateral trade agreements to short-cut the World Trade Organization -- just as the U.S. has in the past. RCEP shouldn't be one of them. If and only if the deal begins to build a new and equitable architecture for trade in Asia and the Pacific does it deserve to succeed. At the same time, India can't afford to be the villain of the piece. The signalling would be awful; most observers would see such a move as the final culmination of a turn away from the world under the current government. India has raised tariffs on 400 products over the past two years, which officials concede is a major departure from a generation-long trend towards greater openness. It has unilaterally scrapped investor protection treaties with almost 60 countries. Even the government's choice of economic policy advisers reflects a new distrust of the world. The American-educated economists who defined the Modi government's initial years have been eased out, not entirely gracefully. The government believes, perhaps, that India's fragile status as the only mildly bright spot amid collapsing emerging markets means that it doesn't need anything from the rest of the world. This is absurd. In fact, India needs more than ever. Investors are interested in India only because they think they can make money here. And they will make money only if

PROTECTIVE POLICY

What is the China threat?

- Trade war with US means Beijing will look for export opportunities to India through a third country. India has free trade pacts with its neighbours, which provide outlet
- Textile industry allege Bangladesh garments, which come duty free, are using

How govt is fighting threat?

- Import duty imposed on 328 textile items. Textiles is India's sixth-largest job creator
- Higher duty on electronic parts, espe-

Indians are more productive and have more to spend. An India that retreats from the turnpike of world trade to the dirt road of autarky -- to borrow a metaphor from one of those American educated economists who's been eased out of government -- is one that will be poorer in both the medium- and long-term. If the government wants to reassure the world that India isn't willing to put up with the dirt road, then it needs to find a way to be more positive about RCEP.

(Source: https://economictimes.indiatimes.com/news/economy/foreign-trade/india-cant-afford-to-turn-its-back-on-free-trade-mihir-sharma/articleshow/65395955.cms dated 14th August-2018)

7. INDIA'S MERCHANDISE EXPORTS RISES 14.3% IN JULY 2018 TRADE DEFICIT JUMPS TO US$ 18.01 BILLION FOR JULY 2018

India's merchandise exports increased 14.3% to US$ 25.77 billion in July 2018 over a year ago. Meanwhile, merchandise imports moved up 28.8% to US$ 43.79 billion. The trade deficit jumped 57.3% to US$ 18.01 billion in July 2018, which is highest in five year, from US$ 11.45 billion in July 2017.

Oil imports galloped 57.4% to US$ 12.35 billion, while the non-oil imports also moved up 20.2% to US$ 31.44 billion in July 2018 over July 2017. The share of oil imports in total imports was 28.2% in July 2018, compared with 23.1% in July 2017. The price of India's basket of crude oil galloped 53.6% to US$ 73.50 per barrel in July 2018 over July 2017.

Among the non-oil imports, the major contributors to the overall rise in imports were electronic goods imports rising 26.4% to US$ 5.12 billion, gold 40.9% to US$ 2.96 billion, electrical & non-electrical machinery 30.6% to US$ 3.15 billion, coal 33.7% to US$ 2.06 billion, organic & inorganic chemicals 25.9% to US$ 2.03 billion, non-ferrous metals 29.0% to US$ 1.30 billion, iron & steel 19.9% to US$ 1.60 billion and pearls, precious & semi-precious stones 11.4% to US$ 2.51 billion.

The imports also improved for artificial resins, plastic materials etc by 20.0% to US$ 1.37 billion, transport equipment 21.4% to US$ 1.29 billion, medicinal & pharmaceutical products 52.7% to US$ 0.58 billion and chemical material & products 23.2% to US$ 0.64 billion.

Further, the imports have moved up for metaliferrous ores & other minerals by 16.7% to US$ 0.76 billion, fertilizers, crude & manufactured 18.2% to US$ 0.62 billion, professional instrument, optical goods etc 16.0% to US$ 0.42 billion, wood & wood products 7.7% to US$ 0.52 billion, while imports of vegetable oil declined 32.1% to US$ 0.72 billion in July 2018.

On exports front, the petroleum products recorded an increase in exports by 30.1% to US$ 3.91 billion, followed by gems & jewellery 24.6% to US$ 3.19 billion, engineering goods 9.1% to US$ 6.33 billion, organic & inorganic chemicals 19.9% to US$ 1.68 billion, and electronic goods 42.2% to US$ 0.68 billion. The exports also moved up for plastic & linoleum by 28.1% to US$ 0.68 billion, cotton yarn/fabrics/made-ups, handloom products etc 15.3% to US$ 0.91 billion, meat, dairy & poultry products 15.1% to US$ 0.38 billion and rice 8.1% to US$ 0.66 billion in July 2018.

Further, the exports has improved for mica, coal & other ores, minerals including processed minerals by 14.9% to US$ 0.32 billion, drugs & pharmaceuticals 2.2% to US$ 1.42 billion, spices 8.3% to US$ 0.26 billion and ceramic products & glassware 4.7% to US$ 0.18 billion in July 2018.

However, the exports declined for marine products by 14.6% to US$ 0.58 billion, leather & leather products 5.1% to US$ 0.47 billion, RMG of all textiles 0.6% to US$ 1.27 billion, handicrafts excluding handmade carpet 3.0% to US$ 0.15 billion, man-made yarn/fabrics/made-ups etc 1.0% to US$ 0.38 billion, and fruits & vegetables 1.8% to US$ 0.16 billion in July 2018.

Merchandise exports in rupees increased 21.8% to Rs 177041 crore, while imports moved up 37.3% to Rs 300785 crore in July 2018 over July 2017. The trade deficit surged to Rs 123743 crore in July 2018 compared with Rs 73801 crore in July 2017.

India's merchandise exports increased 14.2% to US$ 108.24 billion, while merchandise imports moved up 17.1% to US$ 171.20 billion in April-July 2018. An increase in imports was driven by a 51.5% jump in oil imports to US$ 46.98 billion. India's merchandise trade deficit rose to US$ -62.95 billion in April-July 2018 from US$ -51.50 billion in April-July 2017.

(Source: https://www.business-standard.com/article/news-cm/india-s-merchandise-exports-rises-14-3-in-july-2018-118081401259_1.html dated 14th August-2018)

8. FTA TWEAK HINT TO CURB CHINA GOODS

New Delhi: India is keen to change the rules of origin clauses in free trade pacts, including the South Asian Free Trade Agreement, to give its industry greater protection from Chinese goods routed through other countries using the trade deals. With the US-China trade war escalating, Indian policy makers fear Beijing will increasingly route its manufactures into the Asian markets. The trade deficit with China has already increased to $62.9 bn in 2017-18 from $51.1 bn in 2016-17 out of a bilateral trade worth $89.6bn in the last fiscal. Since China does not have any free trade pact (FTA) with India, policy makers feel Beijing will use other countries in South East Asia and South Asia, such as Bangladesh, with which India has FTAs. Officials point out the Confederation of Indian Textile Industry has already brought to their notice the growing use of Chinese cloth and yarn in garments from Bangladesh. India has not imposed any sourcing restrictions on less developed countries (LDCs), extending the duty-free, quota-free facility to all such 49 LDCs on a unilateral basis. Analysts believe China can well use the LDC route.

Besides Bangladesh, within Asia, Nepal, Afghanistan, Myanmar, Maldives and Cambodia are LDCs. "This in itself is a matter of some concern. What we need to guard against is any attempts to sell Chinese products by mere re-packaging or minor value addition in a third country which enjoys duty free status in India," the officials said. The Narendra Modi government has already doubled duties on some 328 textile items in a quiet move last week, making imported garments costlier. The textile sector is India's second largest job creator after agriculture, and accounts for about one sixth of its total exports. Officials said the textile industry has been crying hoarse about the worsening terms of trade and Chinese dumping post the trade war with the US. "We have more leeway in imposing tariff on textiles if we feel we are under pressure. It is a priority sector for India," said Biswajit Dhar, former director-general of RIS and currently professor, Centre for Economic Studies & Planning, JNU.

India imported some $21.3 billion worth of electronics last year, and this is expected to go up despite the higher tariffs to encourage local manufactures, especially telecom instrument.

The country has already increased its basic customs duty on printed circuit boards, including populated, stuffed and loaded PCBs, as well as camera modules and connectors used in mobile phones to 10 per cent from zero, seen as part of a bid to kick-start the much hyped "Make in India" campaign launched some three-and-half-year back which was supposed to entice foreign manufacturers especially electronics makers to Indian shores. Officials warned if China starts dumping the mild tariff walls created by India may not help to stem imports.

(Source: https://www.telegraphindia.com/business/fta-tweak-hint-to-curb-china-goods-252828 dated 18th August-2018)

9. EU, 11 OTHERS BACK US COMPLAINT AGAINST INDIA'S EXPORT SUBSIDIES AT WTO

The European Union, Russia, China, Japan and eight other countries have backed the US Complaint against India's export promotion schemes at the World Trade Organisation (WTO). These countries have joined the dispute as third parties. The US has challenged almost all of India's export programmes at the WTO saying they will harm its workers, citing the Agreement on Subsidies and Countervailing Measures (ASCM). It pegged the subsidies at $7 bn. "The number of third parties in the issue is a matter of concern and has serious implications. They are backing the complainant," said a person aware of the development. Negotiators had expected other countries to join the dispute when it began in March. Former commerce secretary Rita Teaotia has said there was a "real" possibility that India could lose the trade dispute. "It is a much larger issue now with the number of countries targeting India," the person added. Brazil, Canada, China, Egypt, the EU, Japan, Kazakhstan, Korea, Russia, Sri Lanka, Taiwan and Thailand have become third parties in the dispute.

All these are interested parties because some countries have market access issues with us while others have problems related to RCEP," said a Delhi-based trade expert.

(Source: https://economictimes.indiatimes.com/news/economy/foreign-trade/eu-11-others-back-us-complaint-against-indias-export-subsidies-at-wto/articleshow/65465089.cms dated 20th August-2018)

10. DGFT CONSIDERING POLICY FOR EXPORT OF CHEMICALS UNDER 'DUAL USE' CATEGORY

Specialised Chemicals falling under 'Dual Use' category, i.e. items that have both civilian and military use, are regulated under Indian export control list - SCOMET.

In order to facilitate the export of specialized chemicals falling under the 'Dual Use' category, the Directorate General of Foreign Trade (DGFT) is actively considering a policy of issuing general and bulk licenses.

In order to facilitate the export of specialized chemicals falling under the 'Dual Use' category, the Directorate General of Foreign Trade (DGFT) is actively considering a policy of issuing general and bulk licenses, drawing upon the templates used by several countries that are members of multilateral export control regimes.

This was stated by Mr. Sanjay Tiwari, Deputy Director, Directorate General of Foreign Trade while addressing the workshop on 'Trading in Strategic and Dangerous Chemicals: What the Industry needs to know organized by FICCI in association with the Indian Chemical Council (ICC) and Henry L. Stimson Centre (Washington, DC).

DGFT is committed to a sustained dialogue to further enhance corporate compliance so that India maintains its strong non-proliferation record while also maximizing the opportunity for robust growth in the chemical sector, he added.

Dr. Anupam Srivastava, CEO, SafeZone India and Non Resident Fellow, Stimson Centre, highlighted the need for updated policies, control list and guidelines upon joining the Australia Group (on Jan 19, 2018), eliciting industry feedback on whether any process-level simplifications might facilitate them for meeting their compliance obligations, and the international best practices in manufacturing and meeting chemical safety and security standards.

Specialised Chemicals falling under 'Dual Use' category, i.e. items that have both civilian and military use, are regulated under Indian export control list - SCOMET (Strategic Chemicals, Organisms, Materials, Equipment, and Technologies". All items under this list require a license from DGFT, DAE or DDP/Ministry of Defence, prior to export of the regulated commodities.

Ms. Anandi Venkateswaran, Under-Secretary (D&ISA), Ministry of External Affairs said that robust compliance standards by the industry were crucial in building trust with foreign partners and forging technology-based partnerships.

The workshop witnessed participation from a range of companies from the Indian Chemicals sector, experts from Government of India, US Department of Energy, Stimson Centre and the Indian industry who engaged in a technical and policy discussion relating to trade in dual-use items, technologies, and services.

(Source: https://www.devdiscourse.com/Article/134456-dgft-considering-policy-for-export-of-chemicals-under-dual-use-category dated 25th August-2018)

11. EAEU-INDIA FREE TRADE ZONE: INITIAL NEGOTIATIONS EYE IMPROVED ACCESS TO NEW MARKETS

The Eurasian Economic Union (EAEU) is a political and economic union of five states located in central and northern Eurasia – Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia.

Having established an integrated single market, the EAEU has a GDP of US$4 trillion and covers a population of about 183 million people.

The EAEU facilitates the free movement of goods, capital, services, and people among its member countries. It also directs common policies in the macroeconomic sphere: transport, industry, agriculture, energy, foreign trade and investment, customs, technical regulation, and competition and antitrust regulation.

Given India's surging economic growth and huge market size, the EAEU is keen to negotiate a free trade arrangement. Meanwhile, India is also interested in tapping into new markets and accessing the technology capabilities of EAEU countries.

Free trade zone between EAEU and India

Preparatory consultations on a possible EAEU-India free trade zone (FTZ) were held in January 2018 in anticipation of official negotiations commencing between the EAEU and India.

Prior to this, a joint research group submitted its analysis in 2016, approving the substantial trade potential and economic gains of an EAEU-India FTZ.

Both parties are currently working out key aspects of what the FTZ will look like, as well as technical and organizational concerns, information on regulatory systems, and data sourcing and management.

Once these issues get sorted, the two sides will begin framing the text of an FTZ agreement.

Negotiators on both sides are looking to assess the following:

- Reduction of tariff and non-tariff barriers;
- Choosing goods on which tariffs will be eliminated immediately; and
- Fixing the transitional periods for those tariff reductions that will be achieved in a phased manner.

EAEU-India trade potential

The biggest draw for EAEU member countries is the size and scope of India's market, and the fact that it remains under-tapped by these countries.

Trade revenue between the EAEU and India could grow by 30 to 40 percent through effective tariff liberalization.

Expert evaluations are quite ambitious: the EAEU's GDP could increase by US$1.4 billion in the short-term to

US$2.7 billion in the long-term while India's GDP could register a three-percentage point increase.

EAEU countries can supply a diverse range of products in the following sectors:

- Agriculture – Grains, oils, vegetables, drinks, including water, among others.
- Industry – Fertilizers, machinery and equipment, vehicles, mechanical engineering products, salt, chemicals, rubber, plastics, steel, and wood products.

India's potential exports include agricultural, food, and textile products, chemicals, and pharmaceuticals, among others.

India is particularly interested in the EAEU's capacity in aircraft engineering, shipbuilding, metallurgical engineering, chemical industry, and urban planning, architecture, and development.

As India looks to expand its manufacturing capacity, access to global supply chains will be key.

Further, the national program to build 100 smart cities will also benefit from the advanced technological expertise of the EAEU's member countries.

Currently, India is only in the top 20 major trade partners of the EAEU – 18th in terms of imports and 15th in terms of exports. Their trade turnover in 2016 was US$8.8 billion, and increased by 23 percent to US$10.8 billion in 2017.

In 2017, EAEU exports to India included the following:

- Crude oil (21.8 percent);
- Mineral and chemical fertilizers (5.8 percent);
- Hard coal (3.4 percent);
- Paper (2.7 percent);
- Petroleum products (2.5 percent);
- Turbojet engines (2.5 percent); and,
- Industrial or laboratory equipment (2.1 percent).

In 2017, India's exports to the EAEU included:

- Pharmaceuticals (20.7 percent);
- Mechanical equipment (8.1 percent);
- Organic chemical compounds (6.4 percent);
- Tea and coffee (5.7 percent); and,
- Electrical equipment (4.3 percent).

The EAEU's top export partners in 2017 were: China (11.71 percent), Netherlands (10.75 percent), Germany (7.09 percent), Italy (5.86 percent), Turkey (5.08 percent), South Korea (3.5 percent), and Poland (3.43 percent).

Main importers to the EAEU were: China (23.23 percent), Germany (11.21 percent), US (5.83 percent), Italy (4.83 percent), France (4.27 percent), Japan (3.40 percent), and South Korea (3.11 percent).

(Source: https://www.india-briefing.com/news/eaeu-india-free-trade-zone-initial-negotiations-improved-access-new-markets-17606.html/ dated 4th Sept-2018)

12. RCEP COUNTRIES OPEN TO EASING INVESTMENT RULES, AGREE TO EASE ISDS CLAUSES

Despite treading diametrically opposite paths on tariffs and market access, India and China, along with other nations, have hit it off on talks regarding investment norms in the proposed Regional Comprehensive Economic Partnership (RCEP) pact.

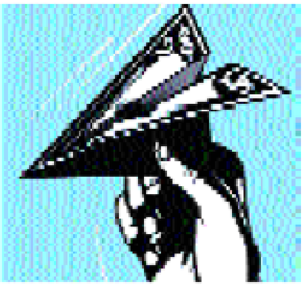
In a bid to fast-track the deal, most nations have agreed to ease the investor-state-dispute settlement (ISDS) clauses.

These refer to a broad range of legal and policy norms regulating the process by which an investing private entity from another nation may seek legal recourse in the event of a dispute with the state.

The RCEP is a proposed pact between 10 Asean economies and six other nations (New Zealand, Australia, China, India, Japan and South Korea). So far, 23 rounds of talks have concluded, apart from six minister-level meets.

BIG MONEY AHEAD FOR INDIA

Nation	Amount of inbound FDI ($million)*
Singapore	73,289
Malaysia	906.49
Indonesia	629.1
Thailand	386.67
The Philippines	238.24
Cambodia	10.34
Myanmar	8.97
Vietnam	4.95
Brunei	0.43
Laos	NA
Asean combined	75,474.19



FTA partners

Nation	Amount of inbound FDI ($million)*
Japan	28,159.95
South Korea	3,106.81
China	2,058.48
Australia	915.62
New Zealand	63.41

NA: Figure not available in government database *(April 2000 - June)
Source: Department of Industrial Policy and Promotion; FTA: Free trade agreement

We are reducing the application of ISDS in the investment chapter. India is cautious with regard to any measure that allows the aggrieved party to approach an international tribunal of law due to bad experiences earlier," a senior official said. Back in 2012, international investors in telecom companies, whose operational permits were cancelled by the Supreme Court in the wake of the 2G scam, had approached an international tribunal and sued the government for damages. While India avoided paying significant amount of the charges, the episode had dented the country's reputation as an investment destination.

Harnessing investments from the Asia-Pacific region had always been a target for India in the RCEP talks.

In the last ministerial-level meet in Singapore, held in August-end, it was decided to not have ISDS applied on a 'most favoured nation' basis, the official said.

This would mean that investment norms decided by India with one RCEP member nation may differ significantly from its agreement on investment with another.

India also secured a commitment that ISDS will also not be valid on 'prohibition of performance requirements', that deals with technology transfer and royalty payments, sources said.

If the trade pact takes shape, India may be staring at a major influx of foreign direct investment (FDI) as the grouping includes the second and third-largest global investors – Singapore and Japan – apart from South Korea. The government is also open to the possibility of major inflows of funds from China.

Model bilateral investment treaty not the end

However, the RCEP talks on investment may not go hand in hand with India's model bilateral investment treaty (BIT) as it only represents a 'skeleton structure' and can accommodate changes, the official said.

From 2016, the Centre had terminated every BIT it had entered into earlier with various countries. New Delhi now maintains that all future investment pacts will be negotiated under the framework of the model BIT issued by the government in 2015.

But most of those negotiations are not time-bound, and global investors – many of them from major investing nations such as the European Union (EU) – have complained of a legal vacuum. The ISDS continues to be the main stumbling block in any discussion.

"The EU's prime concern with the BIT is with the clause stipulating that if an investor-state dispute arises, a foreign investor can only seek the option of international arbitration when all domestic legal routes have been exhausted. While India feels this is required to keep a control on litigation and reduce the chances of extremely high penalties from international tribunals, the EU calls the Indian legal system slow and corrupt," a senior Delhi-based trade expert said.

For India, RCEP presents a platform to give a boost to its strategic and economic status in the Asia-Pacific region. Expected to be the largest regional trading bloc in the world, accounting for nearly 45 per cent of the global population and with combined gross domestic product of $21.3 trillion, it may bring the biggest economies of the region into a trading arrangement for the first time.

(Source: https://www.business-standard.com/article/economy-policy/rcep-countries-open-to-easing-investment-rules-agree-to-ease-isds-clauses-118090800031_1.html dated 8th September-2018)

13. INDIA REITERATES CALL FOR TAKING FORWARD FTA TALKS WITH EU

India and the European Union (EU) should find new and innovative ways to move ahead with negotiations for a free trade agreement (FTA) they are engaged in, the Secretary (West) in the External Affairs Ministry, Ruchi Ghanashyam, has said.

"The Broad-based Trade and Investment Agreement (BTIA) is an example where both sides need to find new and innovative ways of moving ahead," Ghanashyam said while delivering the keynote address at a symposium on "EU and India -- Partners for stability in a new international environment" here on Thursday evening.

"Effective standards that are helpful in engaging industry and protecting consumer interests should not raise new trade walls," she said.

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.

Ghanashyam said India was an open society with a strong rule of law that provides adequate protection to foreign investors. "India's FDI regime has addressed most demands of the EU even before investment negotiations had commenced," she said.

"The government, through its reform-oriented agenda, is placing heavy emphasis on performance to bring about transformational changes in the country."

Stating that over 1,200 archaic laws that affected business, governments and day-to-day life of the common man have been repealed, Ghanashyam said India's flagship programmes in the areas of manufacturing, digitisation, skills, financial inclusion, urbanisation, start-ups, infrastructure in energy and transportation were driving economic growth.

"The unprecedented roll-out of the Goods and Services Tax (GST) in July 2017 has resulted in making India a single market very much like the EU and has thrown up multiple business opportunities to European businesses," she stated.

Describing India and the EU as "natural partners", she said that in the last two years engagements between the two sides have substantially increased.

"There are over 30 dialogue mechanisms between India and the EU," Ghanashyam said. "The EU is one of India's largest trading partners."

EU Ambassador to India Tomasz Kozlowski said that Thursday's symposium coincided with the start of the political autumn season in Europe and that the EU planned to adopt a new strategy for relations with India.

The bloc will publish an EU strategy on connecting Europe and Asia.

(Source: https://www.business-standard.com/article/news-ians/india-reiterates-call-for-taking-forward-fta-talks-with-eu-118091400480_1.html dated 14th Sept-2018)

14. INDIA'S PETROCHEMICALS POLICY TO FOCUS ON SUSTAINABILITY

India is formulating a policy for petrochemicals giving importance to sustainability and green practices to address significant gaps in basic feedstock, according to P Raghavendra Rao, secretary, department of chemicals and petrochemicals in the chemicals and fertilizers ministry. The aim is to make the policy more action-driven and not prescriptive, he said.

Considering the feedstock requirement gaps, the country will urgently need at least five new integrated cracker plants, each with 1.5-million-tonne capacity before 2025, he said.

That will work for at least 20-30 per cent of value addition for the feedstock requirement and serve the increasing domestic demand of petrochemical products, he told the 'Indian Chemical & Petrochemical Conference (ICPC) 2018: Vision 2040' conference recently in New Delhi.

The ICPC policy forum was organised by the Confederation of Indian Industry (CII) in association with the ministry, according to a CII press release.

The demand for petrochemicals will jump up to 30-40 million tonnes in next three years, it said.

The government has set up two-level perspective plans for the years 2025 and 2040.

The ethylene gap is projected to reach 7-7.5 million tonnes by 2025, the secretary added.

A CII report titled 'Chemicals & Petrochemicals: Current scenario and the road ahead' was also launched during the conference.

The report highlights gaps like disproportionate rise in imports due to limited availability of feedstock, unfavourable comparative advantage in duty structure, and difficult access to infrastructure and technology. (DS)

(Source: https://www.fibre2fashion.com/news/textiles-policy-news/india-s-petrochemicals-policy-to-focus-on-sustainability-244568-newsdetails.htm dated 15th Sept-2018)

15. COMMERCE MINISTRY EASES PROCESS FOR EXPORT INCENTIVES UNDER MEIS SCHEME

Under Merchandise Exports from India Scheme, the govt provides duty benefits depending on the product and country.

New Delhi: The commerce ministry's foreign trade arm DGFT has simplified the procedure for traders to avail export incentives under the MEIS scheme, a move aimed at promoting ease of doing business for exporters.

Under Merchandise Exports from India Scheme (MEIS), the government provides duty benefits depending on the product and country. The Directorate General of Foreign Trade (DGFT) will start the process of system driven approval of the MEIS claim applications from tomorrow in respect of exports made through EDI (electronic data interface) shipping bills.

The move will enable automatic approval of claims made by exporters to avail incentives under this scheme and the new process is allowed through electronic data interchange ports.

"Under the new system -- E com Module for MEIS, regional authorities will not check the MEIS applications. It will be automatically approved. DGFT officials will have to just attest the print and the duty credit scrips," a government official said.

Rewards under the scheme are payable as percentage of realised free-on-board value and MEIS duty credit scrip or certificate can be transferred or used for payment of a number of duties, including the basic customs duty. "This will reduce time, effort and lead to faster claim approval," the official said.

The directorate has been on regular basis taking measures to simplify the implementation process of the foreign trade policy schemes by establishing processes, which are smooth, free from manual interface and are quick and efficient.

In a notice the DGFT said: "In line with the government's motto of facilitating the ease of doing business, this directorate would start the process of system driven approval of the MEIS claim applications".

The country's exports grew by about 10 per cent to USD 303 billion in 2017-18. Since 2011-12, India's exports have been hovering at around USD 300 billion. Promoting exports helps a country to create jobs, boost manufacturing and earn more foreign exchange.

(Source: https://www.deccanchronicle.com/business/in-other-news/160918/commerce-ministry-eases-process-for-export-incentives-under-meis-schem.html dated 16th Sept-2018)

17. 'INDIA TO SET PACE IN DEMAND AND VALUE ADDITION WITH NEW CHEMICAL POLICY'

With the Centre in the process of preparing a perspective plan for the chemicals and petrochemicals industry in order project the demand-supply scenario in the future, the demand for petrochemicals will jump for 30 to 40 million tons in next three years, said a top official recently.

Considering the feedstock requirement gaps, the country will urgently need at least five new integrated cracker plants, each with 1.5-million-ton capacity before 2025. That will work for at least 20-30% of value addition for the feedstock requirement and serve the increasing demand of petrochemical products in the country, said P Raghavendra Rao, Secretary, Department of Chemicals & Petrochemicals.

India moves big in its commitment to avail basic feedstock for the Chemicals & Petrochemicals industry, by setting up two-level perspective plans for the years 2025 and 2040, he added.

Rao was speaking in the Indian Chemical & Petrochemical Conference (ICPC) 2018: Vision 2040 conference in New Delhi.

The ICPC policy forum organized by the Confederation of Indian Industry (CII) in association with the Ministry of Chemicals & fertilizers.

T Government wishes to make the policy more action-driven and not prescriptive, giving sustainability and green practices adequate importance. That would further help spurring industrial as well as overall socio-economic development of the country, the Secretary added.

(Source: http://www.smetimes.in/smetimes/news/top-stories/2018/Sep/21/india-chemical-policy40551.html dated 21st Sept-2018)

CHEMEXCIL NOTICE

NOTICE 1

EPC/LIC/GST 07/08/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-GST Notifications Specifying procedure for completion of migration of taxpayers who received provisional IDs but could not complete the migration process /Exempting payment under reverse charge until 30.09.2019

Dear Members,

The Central Board of Indirect Taxes and Customs (CBIC) has issued Notifications specifying special procedure for completion of migration of taxpayers who received provisional IDs but could not complete the migration process; and for exempting payment under reverse charge until 30.09.2019.

For the convenience of the members, the relevant notifications are mentioned below-

31/2018-Central Tax, dt. 06-08-2018	View (279 KB)	देखें (670 KB)	Seeks to lay down the special procedure for completing migration of taxpayers who received provisional IDs but could not complete the migration process.

Seeks to lay down the special procedure for completing migration of taxpayers who received provisional IDs but could not complete the migration process.

http://cbic.gov.in/resources//htdocs-cbec/gst/Notification-31-2018-central_tax-English.pdf

22/2018-Central Tax (Rate) ,dt. 06-08-2018	View (340 KB)	देखें (587 KB)	Seeks to exempt payment of tax under section 9(4) of the CGST Act, 2017 till 30.09.2019.

http://cbic.gov.in/htdocs-cbec/gst/notfctn-22-2018-cgst-rate-english.pdf

Members are requested to take note of the same and do the needful, if applicable. The original notifications are available for download using hyperlinks provided above.

Thanking you,

NOTICE 2

EPC/LIC/JNCH/ AEO-DPD 08/08/2018

To
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- JNCH (Public Notices)

- Introduction of priority assessment and priority examination for AEO and DPD Clients
- Procedure to be followed for obtaining unique DPD code to DPD importers
- Operationalization of "one time default intimation" to Shipping Lines by DPD importers at JNCH
- Standard Operating Procedure for movement of Domestic Containers from hinterland (ICD's) to JNPT Terminals

Dear Members,

We would like to inform you that the O/o The Commissioner of Customs, JNCH, NhavaSheva has issued several important Publics pertaining to Introduction of priority assessment and priority examination for AEO and DPD Clients, Procedure to be followed for obtaining unique DPD code to DPD, importers Operationalization of "one time default intimation" to Shipping Lines by DPD importers at JNCH & Standard Operating Procedure for movement of Domestic Containers from hinterland (ICD's) to JNPT Terminals, respectively.

For the convenience of members, the said PNs are listed as follows for reference/ download:

SN	SUBJECT	DATED
PN-117-18	Introduction of priority assessment and priority examination for AEO and DPD Clients – reg.	02-Aug-2018
PN-116-18	Procedure to be followed for obtaining unique DPD code to DPD importers -Reg.	02-Aug-2018
PN-115-18	Operationalization of "one time default intimation" to Shipping Lines by DPD importers at JNCH -Reg	02-Aug-2018
PN-114-18	Standard Operating Procedure for movement of Domestic Containers from hinterland (ICD's) to JNPT Terminals – reg.	01-Aug-2018

Members (specially AEO/ DPD) are requested to take note of above facilitation measures and do the needful accordingly. The above-said PNs can be downloaded using hyperlinks provided above.

Members may also send their feed-back to the council on our e-mail ids deepak.gupta@chemexcil.gov.in and info@chemexcil.gov.in .

Thanking You,

NOTICE 3

EPC/LIC/IEC 09/08/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- Application of IEC Issuance/ Modification Simplified and Auto Generated

Dear Members,

We would like to inform you that the O/o Directorate General of Foreign Trade (DGFT) has amended FTP Para 2.05 and HBP Para 2.08 with regards to IEC and modification of IEC vide notification no. 24 dated 08.08.2018 and public notice no. 27 dated 08.08.2018.

For the convenience of the members, the amendments are highlighted as follows:

- The Procedure for filling online application for IEC/ modification in IEC/e-IEC is laid down.
- IEC will henceforth be system generated and applicant will be informed through e-mail and SMS. Applicant can also view and print e-IEC from IEC module on DGFT website.
- The Requirement of Digital Signature is also done away with for application of IEC /Modification of IEC.
- Procedure of IEC online has been moved from FTP Para 2.05 To HBP Para 2.08.
- Only those service exporters who wish to take Chapter 3 benefits under FTP are required to take IEC.
- As per updates on DGFT site, the old IEC module is closed from 5PM on 8th August and new IEC Module will be active from 9th Aug 2018 - 11AM.

- Members are requested to take note of these amendments in IEC issuance/ Modification. The relevant Notification/Public Notice are available for reference using below links-
- Notification 24/2015-20 Dt. 08.08.2018*
  http://www.dgft.gov.in/sites/default/files/Notification-24-8.8.18%28E%29.pdf
- Public Notice No. 27/2015-20 Dt 08.08.2018*
  http://www.dgft.gov.in/sites/default/files/PN-27-8.8.18%28E%29_0.pdf

Thanking You,

Yours faithfully,

NOTICE 4

EPC/LIC/GST_Returns 13/08/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- Due dates for filing of FORM GSTR-1 and FORM GSTR-3B for the period from July, 2018 to March, 2019.

Dear Members,

Kindly note that Government has issued notifications regarding due dates for filing of Form GSTR-3B, GSTR-1 etc for July, 2018 to March, 2019 period.

The Gist of the due dates are as follows:

- Due dates for filing FORM GSTR-3B for the months of July, 2018 to March, 2019

  Notification No. 34/2018 – Central Tax dated 10th August, 2018 hereby specifies that the return in FORM GSTR-3B for each of the months from July, 2018 to March, 2019 shall be furnished electronically through the common portal, on or before the twentieth day of the month succeeding such month.

  Payment of taxes for discharge of tax liability as per FORM GSTR-3B.– Every registered person furnishing the return in FORM GSTR-3B of the said rules shall, discharge his liability towards tax, interest, penalty, fees or any other amount payable by debiting the electronic cash ledger or electronic credit ledger, as the case may be, not later than the last date, as specified in the first paragraph, on which he is required to furnish the said return.
- Due date for quarterly furnishing of FORM GSTR-1 for taxpayers with aggregate turnover of up-to Rs.1.5 crore.
- As per Notification No. 33/2018 – Central Tax dated 10th August, 2018- for taxpayers with aggregate turnover of up-to Rs.1.5 crore, following due dates are specified for return filling:

Table

Sl. No.	Quarter for which details in FORM GSTR-1 are furnished	**Time period for furnishing details in FORM GSTR-1**
(1)	(2)	(3)
1	July - September, 2018	31St October, 2018
2	October - December, 2018	31St January, 2019
3	January - March, 2019	30th April, 2019

- Due dates for monthly furnishing of FORM GSTR-1 for taxpayers with aggregate turnover of more than Rs.1.5 crores.

Notification No. 32 /2018 – Central Tax dated 10th August, 2018 hereby specifies that the time limit for furnishing the details of outward supplies in FORM GSTR-1 by registered persons having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year, for each of the months from July, 2018 to March, 2019 will be eleventh day of the month succeeding such month.

Member-exporters are requested to take note of the above notifications and do the needful accordingly. The original notifications are available for download/ reference using below links:

Central Tax Notifications

34/2018-Central Tax ,dt. 10-08-2018	View (261 KB)	Seeks to prescribe the due dates for filing FORM GSTR-3B for the months from July, 2018 to March, 2019
33/2018-Central Tax ,dt. 10-08-2018	View (401 KB)	Seeks to prescribe the due dates for quarterly furnishing of FORM GSTR-1 for those taxpayers with aggregate turnover of upto Rs.1.5 crores for the period from July, 2018 to March, 2019
32/2018-Central Tax ,dt. 10-08-2018	View (260 KB)	Seeks to prescribe the due dates for furnishing of FORM GSTR-1 for those taxpayers with aggregate turnover of more than Rs. 1.5 crores for the months from July, 2018 to March, 2019

Thanking you.

NOTICE 5

EPC/LIC/JNCH/SELF-SEAL 13/08/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT: - JNCH - Facilitation of Self Sealed Containers

Dear Members,

We would like to inform you that the O/o Commissioner of Customs, NS-II, JNCH has issued Public Notice No. 118/2018 dated 01/08/2018 regarding Facilitation of Self Sealed Containers.

As per the above Public Notice, it has been observed that a large number of exporters have not declared the seal type at the shipping bill filing stage even though they are self-sealing the cargo using (RFID) seal.

In view of the above, exporters are advised to necessarily declare the seal type in the column so provided in the shipping bill at the time of filing of shipping bill so as to reap full benefit of the risk management system..

Members are requested to take note of this requirement and do the needful accordingly. Difficulty, if any, may be brought to the notice of Deputy / Assistant Commissioner in charge of Appraising Main (Export) through email / phone (email address: appraisingmain.jnch@gov.in , Phone No : 022- 27244979).

Persistent issues, if any, may also be brought to the notice of the council on e-mail id's deepak.gupta@chemexcil.gov.in and info@chemexcil.gov.in .

Thanking You

NOTICE 6

EPC/LIC/CBIC/AEO 14/08/2018

To
ALL THE MEMBERS OF THE COUNCIL

SUBJECT: - Simplification and rationalization of processing of AEO-T1 application

Dear Members,

As you are aware, Authorized Economic Operator (AEO) programme seeks to provide tangible benefits in the form of faster Customs clearances and simplified Customs procedures to those business entities who offer a high degree of security guarantees in respect of their role in the supply chain. The Indian The Indian AEO Programme is governed by the Circular 33/2016- Customs dated 22.7.2016 which was amended vide Circular 3/2018- Cus) dated 17 January 2018.

We understand that Multiple suggestions have been received by CBIC, wherein it has been emphasised that the compliance requirements for AEO T1 are not commensurate with the benefits allowed to AEO T1 entities. The suggestions also highlighted the fact that this has made it difficult to attract entities into the AEO fold.

Taking cognizance of the feed-back received, Central Board of Excise & Customs (Directorate of International Customs) has issued Circular No. 26/ 2018 Customs dated August 10th 2018 whereby it has been decided that-

- The present Annexure for AEO T1 application i.e. Annexure A, C, D, E1,E2,E3& E4 shall be hereby replaced with the Annexure 1 and Annexure 2 (enclosed with the circular). The processing by way of new annexures, annexure 1 & 2, will come in effect immediately. All the new applications for AEO T1 are to be mandatorily filed in form of the new annexures — annexure 1 & 2.
- Alongside, to implement the simplified processing and to ensure its desired effectiveness, it is decided by the competent authority that the process of accreditation of AEO-T1 shall be decentralized to the Zonal level.

In this decentralized scheme of work, the AEO- T1 application will be filed with the Zonal AEO Cell (as already been done by virtue of Circular 3/2018- Cus). The said application will be processed by the Zonal AEO cell and the final acceptance or rejection will be decided by Zonal AEO Programme Manager [designated Pr. Commissioner/ Commissioner rank officer in Customs Zone nominated by Pr. Chief Commissioner/ Chief Commissioner, Customs]. The Zonal AEO cells will only intimate the decision of Zonal AEO Programme Manager to Directorate of International Customs for generation of certificate [with relevant information of the applicant — Name, IEC Number & PAN] and statistics management.

However, for the application that have already been received by the Customs Zones prior to the of issuance of this circular, the Zonal AEO Programme Manager will have discretion to allow the processing of the application either by way of earlier annexures (Annexure A, C, D, El, E2, E3 & E4) or by way of new annexures (annexure 1 &2) on case to case basis.

Further, the digitization of processing of AEO T1 application is already underway. The online processing of AEO T1 application will commence as soon as the necessary digital infrastructure is in place.

In the meantime, the processing of new AEO T1 application in form of the new annexures (annexure 1 &2) will come in effect immediately. This will ensure proper preparedness and adequate time to Customs Zones to take up necessary outreach to the trade, informing them about the relevant changes as well as imminent automation of AEO T1 application processing, before the process of transition to digitization is initiated. The Board Circular No. 33/2015- Customs dated 22/7/2016 as amended stands modified.

Members are requested to take note of the Simplification and rationalization of processing of AEO-T1 application and benefit from the same. The Circular No. 26/ 2018 Customs dated August 10th 2018 is available for download/ reference using below links:

26/2018	View (63 KB)	10-08-2018	F.No. D-20/DIC/AEO/16/2017	Simplification and rationalization of processing of AEO-T1 application

http://cbic.gov.in/htdocs-cbec/customs/cs-circulars/cs-circulars-2018/Circular_No_26-2018-Customs-updated.PDF

Thanking you

NOTICE 7

EPC/LIC/GST/Petroleum 14/08/2018

To
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- Clarification regarding applicability of GST on petroleum gases retained for the manufacture of petrochemical and chemical products

Dear Members,

The Central Board of Indirect Taxes and Customs (CBIC) has issued Circular No.53/27/2018-GST dated 9th August, 2018 to clarify regarding applicability of GST on petroleum gases retained for the manufacture of petrochemical and chemical products.

We understand that CBIC has received representations from some of the manufacturers of petrochemical and chemical products for clarification on applicability of GST on petroleum gases, which are supplied by oil refineries to them on a continuous basis through dedicated pipelines, while a portion of the raw material is retained by these manufacturers (recipient of supply), and the remaining quantity is returned to the oil refineries. In this regard, an issue has arisen as to whether in this transaction GST would be leviable on the whole quantity of the principal raw materials supplied by the oil refinery or on the net quantity retained by the manufacturers of petrochemical and chemical products

In this regard, CBIC has issued the above-said circular whereby it is clarified that, in the aforesaid cases, GST will be payable by the refinery only on the net quantity of petroleum gases retained by the recipient manufacturer for the manufacture of petrochemical and chemical products.

Though, the refinery would be liable to pay GST on such returned quantity of petroleum gases, when the same is supplied by it to any other person. It is reiterated that this clarification would be applicable mutatis mutandis on other cases involving supply of goods, where feed stock is retained by the recipient and remaining residual material is returned back to the supplier. The net billing is done on the amount retained by the recipient.

Concerned members are requested to take note of this clarification. The above-said circular is available for download/ reference using hyperlinks provided below-

53/2018	View (248 KB)	09-08-2018	F.No.354/255/2018-TRU (Part-2)	Circular No. 53/27/2018-GST dated 09.08.2018 i.r.o. clarification regarding applicability of GST on petroleum gases retained for the manufacture of petrochemical and chemical products

Thanking you

NOTICE 8

EPC/LIC/DGFT/SIONs 17/08/2018

To
ALL THE MEMBERS OF THE COUNCIL

Subject:- Facility to check Status of Norms Fixation of Advance Authorizations obtained under Self declaration basis

Dear Members,

The O/o Directorate General of Foreign Trade, New Delhi has issued Trade Notice No.24/2018-19 dated 16/08/2018 regarding new facility for checking Status of Norms Fixation of Advance Authorisations obtained under Self declaration basis.

You will appreciate that lack of information on status of Norms fixation and also delay as such has been a long-standing issue amongst the exporters. The council has also taken up this matter regularly with DGFT HQ/ GRC meetings.

In view of above, we are pleased to inform you about the new facility introduced by DGFT EDI division which enables exporters who have obtained Advance Authorizations under self-declaration basis to view status of their applications online.

As per the trade notice, the method to access this facility is as follows:

- Visit http://dgft.gov.in/
- On left hand side there is a menu by name QUICK LINKS
- In QUICK LINKS click CASE STATUS AT NORMS COMMITTEE
- In the new page that opens, please enter authorization no and other details.
- Status of authorization in relation to fixation of norms will be displayed.

We understand that the up-dation of the status is done every 15 days. There may be a little time lag in relation to actual status of the case and status displayed in the site. The status displayed is for information only and for regularization of Authorisation, actual signed minutes uploaded in DGFT website may only be referred.

Members are requested to take note and do the needful accordingly. The above-said Trade Notice is available for reference using below link:

S. No.	Notice No.	Subject	Date	Details
1	Trade Notice No. 24/2018-19	Status of Norms Fixation of Advance Authorisations obtained under Self declaration basis- reg	16/08/2018	Download (505.1 KB)

http://dgft.gov.in/sites/default/files/TRADE%20NOTICE.pdf

Members may also send their feed-back on this new facility on our e-mail ids deepak.gupta@chemexcil.gov.in &balani.lic@chemexcil.gov.in .

Thanking You

NOTICE 9

EPC/LIC/CBIC/EOU 16/08/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- Clarification regarding bank guarantee requirement for bond executed by EOUs

Dear Members,

The Directorate General of Export Promotion, CBIC, has issued Circular No. 27/2018-Customs dated 14/08/2018 whereby a Clarification is provided regarding bank guarantee requirement for bond executed by EOUs.

We understand that various representations have been received by CBIC/ DGEP regarding difficulties faced by EOUs with respect to requirements of bank guarantees in view of Circular no. 48/2017-Customs dated 08.12.2017 issued by CBIC.

The matter has been examined and vide this circular it is reiterated that waiver of bank guarantee/ surety to EOUs would continue to be governed by various circular issued from time to time by CBIC with regard to B-17 bonds executed by EOUs and will not be guided by the Circular no. 48/2017-Customs dated 08.12.2017 which governs the general importers and not the EOUs.

Relevant Members (specially EOUs) are requested to take note of this clarification. The said circular is available for download using below links:

27/2018	View (62 KB)	14-08-2018	Clarification regarding bank guarantee requirement for bond executed by EOUs-reg

http://cbic.gov.in/htdocs-cbec/customs/cs-circulars/cs-circulars-2018/circ27-2018cs.pdf

Thanking You

NOTICE 10

EPC/LIC/DGFT/EPCG 16/08/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- Acceptance of installation certificate under EPCG Scheme by the RAs, wherein installation certificate is submitted beyond 18 months, without penalty

Dear Members,

The O/o Directorate General of Foreign Trade, New Delhi has issued Public Notice No. 30/2015-20 dated 14/08/2018 regarding acceptance of installation certificate under EPCG Scheme by the RAs, wherein installation certificate is submitted beyond 18 months, without penalty.

We understand that the submission of installation certificate by exporters to the RAs was not within the time prescribed on account of various reasons, including delay in installation of the machinery/delay in issuance of installation certificate etc. As a facilitative measure, Public Notice No.37/2015-20 dated 25.10.2017 was issued permitting one time relaxation for condonation of time period upto 31.03.2018 condoning the delay in submission of installation certificate on payment of penalty of Rs.5000/- per authorization (provided the installation has happened within the period of 18 months). The benefit of said Public Notice was further extended upto 30.09.2018 vide Public Notice No.01/2015-20 dated 26.04.2018.

However, representations were received by DGFT for accepting the submission of installation certificate without insisting on penalty, if the installation has happened within the specified time prescribed.

To facilitate the ease of doing business for the purpose, it has now been decided to permit the RAs to accept the installation certificate without insisting for penalty in respect of authorization issued upto 31.03.2015 as long as the installation has happened within 18 months from the date of import, provided the EPCG authorization is not under any investigation/ adjudicated by RA/ customs authority/ any other investigative agency. This relaxation will be available upto 31.03.2019. There will not be any refund of the penalty already paid under the Public Notice No.37/2015-20 dated 25.10.2017.

As an effect of this Public Notice, one time relaxation and condonation of delay in submission of installation certificate to RAs under EPCG Scheme for authorizations issued up-to 31.03.2015 without payment of any penalty.

Members are requested to take note of this relaxation and do the needful, accordingly. The said PN is available for download/ reference using below link:

http://dgft.gov.in/sites/default/files/PUBLIC%20NOTICE%2030%20english.pdf

Thanking You

NOTICE 11

EPC/LIC/GST/NODAL_OFFICERS 21/08/2018

To
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- CGST Nodal Officers for IT Grievance Redressal Mechanism

Dear Members,

This has reference to our recent circular dated 14/08/2018 with details of CGST Nodal Officers for IT Grievance Redressal Mechanism for few cities.

Now as per updates on www.cbec-gst.gov.in, details of CGST Nodal Officers for IT Grievance Redressal Mechanism are available for 21 Central Tax Zones. The details are accessible using below links-

CGST Nodal Officer for IT Grievance Redressal Mechanism, click here

https://www.cbec-gst.gov.in/cgst-nodal-officer.html

As you might be aware, Circular No. 39/13/2018-GST dated 03/04/2018 was issued regarding setting up of an IT Grievance Redressal Mechanism to address the grievances of taxpayers due to technical glitches on GST Portal ((Form Tran-1/ GSTR-3B etc). It was proposed that government would appoint nodal officers in requisite number to address the problem a taxpayer faces due to glitches, if any, in the Common Portal. This would be publicized adequately.

In view of the same, members are requested to take note of this initiative and contact the relevant nodal officers, in case of technical glitches on GST Portal (Form Tran-1/ GSTR-3B etc).

Thanking you

NOTICE 12

EPC/LIC/GSTR 23/08/2018

To
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- Extension of last date for filing GST returns by taxpayers in Kerala, Mahe and Kodagu

Dear Members,

The "Central Board of Indirect Taxes and Customs (CBIC)" has issued press release regarding Extension of last date for filing GST returns by taxpayers in Kerala, Mahe and Kodagu.

As per above-said press release, in view of the disruption caused due to severe floods in Kerala, Mahe (Puducherry) and Kodagu (Karnataka), the competent authority has extended the due dates for filing of the following GST returns by taxpayers registered in these areas:

S I. No.	Return	Class of taxpayers registered in Kerala, Mahe (Puducherry) and Kodagu (Karnataka)	Extended due date
1	FORM GSTR-3B for the month of July, 2018	All taxpayers	5^{th} October, 2018
2	FORM GSTR-3B for the month of August, 2018	All taxpayers	10^{th} October, 2018
3	FORM GSTR-1 for the quarter July to September, 2018	Taxpayers having turnover uptoRs. 1.5 crore	15^{th} November, 2018
4	FORM GSTR-1 for the month of July, 2018	Taxpayers having turnover above Rs. 1.5 crores	5^{th} October, 2018
5	FORM GSTR-1 for the month of August, 2018	Taxpayers having turnover above Rs. 1.5 crores	10^{th} October, 2018

Member-exporters (having GST registrations in above areas) are requested to take note and do the needful as per extended time lines provided in CBIC press release which is available for reference using below link:-

http://cbic.gov.in/resources//htdocs-cbec/press-release/Return_Last_Dates_Kerala.pdf;jsessionid=C03506E0B09747B2545D00993228AD3C

The relevant Notifications for the same shall be issued shortly by the competent authority.

Thanking you

NOTICE 13

EPC/LIC/DGFT/Import 23/08/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- Amendment in import policy of biofuels

Dear Members,

The O/o Directorate General of Foreign Trade (DGFT), New Delhi has issued Notification no. 27/2015-20 dated 21/08/2018 regarding amendment in import policy of biofuels under Chapter 22, 27 and 38 of ITC (HS), 2017, Schedule — I (Import Policy).

For the convenience of the members, the amendments in import policy of Bio-fuels as per above notification, are highlighted as follows:

Exim Code	Item Description	Present Policy	Policy Conditions	Proposed Policy	Proposed Policy Conditions
22072000	Ethyl alcohol and other spirits, denatured, of any strength.	Free	-	Restricted	Import is allowed only for non-fuel purposes subject to Actual User condition.
27102000	Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, containing biodiesel, other than waste oils.	Free	-	Restricted	Import is allowed only for non-fuel purposes subject to Actual User Condition.
38260000	Biodiesel and mixtures thereof, not containing or containing less than 70 % by weight of petroleum oils and oils obtained from bituminous minerals.	Free	- .	Restricted	Import is allowed only for non-fuel purposes subject to Actual User condition.

As an effect of the Notification, the Import Policy of bio-fuels has revised from 'Free' to 'Restricted' and allowed for non-fuel purpose on Actual user basis as per the National bio-fuel Policy, 4 June 2018.

Members are requested to take note of this amendment and do the needful accordingly. The above said notification is available for reference using below link-

S. No.	Notification No.	Subject	Date	Details
1	27/2015-20	Amendment in import policy of biofuels	21/08/2018	Download (262.7 KB)

http://dgft.gov.in/sites/default/files/Notification%20No-27%28E%29.pdf

Thanking you.

NOTICE 14

EPC/LIC/Un-utilized_ITC 27/08/2018

To
ALL THE MEMBERS OF THE COUNCIL

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

Dear Members,

Kindly note 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 has also sent representation to the concerned officers.

Taking cognizance of the issues faced, GST portal has issued an Advisory for Taxpayers to file Refund for Multiple Tax periods. 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:
    - Export of Goods & Services-Without payment of Tax
    - Supplies made to SEZ Unit/SEZ Developer-Without payment of Tax
2. Refund application can be filed using refund application Form GST-RFD-01A & selecting a particular tax period
3. The multiple tax period application has following restrictions:
    - Multiple tax period selection should be within financial year
    - 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 eg: April 2018 to June2018 refund application cannot be filed till application or No refund application declaration is filed for any tax period prior to April 2018
4. For claiming refund, taxpayer would have to upload invoice details mandatorily in the statement template available in the refund application itself
5. 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
6. Only after validating data from system, the taxpayer would be able to file refund application.
7. All the invoice details are to be provided in a single statement .Taxpayer is not required to upload multiple statements for different periods separately.
8. 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
9. Taxpayer can also attach any other supporting document, if required 4 documents can be uploaded with a single refund application in pdf format. Max size allowed for a document is 5MB
10. After filing of refund application by taxpayer, refund application Form GST-RFD-01A along with the statement and documents uploaded shall be available to tax officer for review and processing of refund
11. As the functionality for multiple tax period has been made available, therefore to avoid duplication, the refund applications in the categories mentioned in point2 above, that were SAVED in the GST system will be purged and removed from the system.

    Concerned members are requested to take note of this facility and do the needful accordingly. The original advisory can accessed using folloowing link on GST portal:-

    https://www.gst.gov.in/newsandupdates/read/228

Thanking you

NOTICE 15

EPC/LIC/PESTICIDES 28/08/2018

To
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- The Pesticides (Prohibition) Order, 2018 (List of 18 prohibited pesticides)

Dear Members ,

We would like to inform you that Department Of Agriculture, Co-Operation and Farmers Welfare, Ministry of Agriculture and Farmers Welfare has issued The Pesticides (Prohibition) Order, 2018 vide S.O. 3951(E) dated 08/08/2018 (published in gazette on 16/08/2018) having List of 18 Prohibited Pesticides.

Please note following:

- This Order may be called the Pesticides (Prohibition) Order, 2018. It shall come into force on the date of its publication in the Official Gazette.
- No person shall manufacture, import, formulate, transport, sell, use any pesticide specified under column (2) of the Schedule to this Order from the date specified under column (3) thereof.
- The details of 18 pesticides are available in the S.O. 3951(E) dated 08/08/2018 (http://agricoop.nic.in/sites/default/files/18%20pesticde%20banning%20188458.pdf)
- The Registration Committee shall call back the certificate of registration granted for the pesticides specified in the said Schedule.
- If any person, who holds the certificate of registration fails to return the certificate to the Registration Committee, referred to in sub-paragraph (2), within a period of three months, action shall be taken under the provisions contained in the said Act.
- The certificate of registration for the pesticides specified in the Schedule granted under section 9 of the said Act shall be deemed to be cancelled from the date under column (3) of the said Schedule.
- Every State Government shall take such steps under the said Act and the rules made thereunder, as it considers necessary, for the implementation of this Order in the State.

Members are requested to take note of this restriction and do the needful accordingly. The original SO with list of 18 prohibited pesticides is available for reference/download using below link-

Plant Protection

Title	Published Date	Details
The Pesticides (Prohibition) Order, 2018	16th August, 2018	Download (1.74 MB)

http://agricoop.nic.in/sites/default/files/18%20pesticde%20banning%20188458.pdf

Thanking you

NOTICE 16

EPC/LIC/IEC 29/08/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- DGFT - Acceptance of new format for IEC

Dear Members,

We would like to inform you that the O/o Directorate General of Foreign Trade (DGFT) has issued Trade Notice No.27/2018 dated 28.08.2018 regarding Acceptance of new format for IEC.

Here we would like to add that vide DGFT Trade Notice No. 23 dated 08.08.2018, the guidelines for filing online application for Importer Exporter Code Number (IEC) was issued. The provision of photograph of the applicant has been done away with in the new system.

However, it is noted by DGFT that new IEC allottees who have printed their electronic copy of IECs without any photograph on the IECs are facing difficulties in obtaining Registration cum Manufacturers Certificate (RCMCs) from the Export Promotion Councils (EPCs). It has been brought to notice that EPCs are not entertaining the applications for RCMC without photographs on the IEC.

With this Trade Notice, it is clarified that w e.f 9.8.2018 Photograph in the IEC has been dispensed with. IEC is now PAN-based system generated code and may no longer be treated as identity card for identity purposes.

Members are requested to take note of these amendments in IEC. The relevant Trade Notice is available for reference using below links-

http://dgft.gov.in/sites/default/files/Trade%20Notice-27.pdf

Thanking You

NOTICE 17

EPC/LIC/SCOMET 29/08/2018

To
ALL THE MEMBERS OF THE COUNCIL

SUBJECT: - DGFT - Status of applications for Import /Non-SCOMET Export/ SCOMET Export Licenses

Dear Members,

The Directorate General of Foreign Trade, New Delhi has issued Trade Notice No.26/2018 dated 27.08.2018 regarding facility to check Status of applications for Import /Non-SCOMET Export/ SCOMET Export Licenses on DGFT's website http://dgft.gov.in/ .

Attention of members is invited to Trade Notice No. 18/2018 dated 20.06.2018 vide which it was informed that application seeking authorization for import/export of restricted items could be made through e-mail. In continuation of the above trade facilitation measure, it is requested that applicant may kindly include the ECOM reference invariably with the pdf copy of their application, importer-exporter profile as well as other document necessary for processing the application.

Further, vide Trade Notice No.26/2018, it is being informed that applicants may now view the status of their applications on the DGFT's website dgft.gov.in.

To access this facility, applicant may visit the dgft's website and therein-

(i) Under the heading "Exporter Facilitation" scroll down to "Restricted Licenses Application Status"

(ii) Thereafter , click "Restricted License application Status" to view status of either:

- SCOMET Restricted Import Licenses ; or
- Non-SCOMET Export Licenses; or
- Restricted Import Licenses.

Moreover, we understand that up-dation of the status on DGFT site is done for each application, as and when inputs are received from the concerned administrative Ministries/ Departments. There may be a little time lag in relation to actual status of the case and status displayed in the site. The status displayed is for information only and for regularization of Authorization, actual signed minutes uploaded in DGFT website may only be referred to.

Members exporting/ importing captioned categories of items are requested to take note of this facility and do the needful accordingly. The above said trade notice is available for reference/download using below link-

http://dgft.gov.in/sites/default/files/Trade%20Notice%20No.%2026_0.pdf

Thanking You

NOTICE 18

EPC/LIC/DGFT/EPCG 30/08/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- Intimation to Regional Authorities about Block-wise fulfilment of EO under the EPCG Scheme, Shifting of Capital Goods imported under the EPCG Scheme

Dear Members,

The O/o Directorate General of Foreign Trade, New Delhi has issued two Public Notices, respectively, regarding Block-wise fulfilment of EO under the EPCG Scheme & Shifting of Capital Goods imported under the scheme.

For the convenience of the members, brief details are provided below:

- Shifting of Capital Goods imported under the EPCG Scheme

Exporters can now shift the capital goods imported under EPCG Scheme within the branches or units mentioned in their IEC and RCMC during the entire export obligation period. Installation Certificate of the same must be submitted within 6 months to RA within such shifting.

For further details, Public Notice No. 31/2015-20 Dt. 29.08.2018 is available for reference using below link-

http://www.dgft.gov.in/sites/default/files/Pn%20No.31%20english.pdf

- Intimation to Regional Authorities about Block-wise fulfilment of EO under the EPCG Scheme
- EPCG Authorisation holders can now intimate their block wise export obligation fulfilment within 3 months of the completion of the block. The need for secured electronic filing with digital signatures is done away with.

  For further details, Public Notice No. 32/2015-20 Dt. 29.08.2018 is available for reference using below link-

  http://www.dgft.gov.in/sites/default/files/PN%20No.32%20english.pdf Members (EPCG Authorisation Holders) are requested are requested to take note and do the needful accordingly.

Thanking You

NOTICE 19

EPC/LIC/CBIC/E_SANCHIT 04/09/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- Pilot Implementation of Paperless Processing under SWIFT-Uploading of Supporting Documents (eSANCHIT) in Exports (Air Cargo complex, New Delhi and Chennai Customs House)

Dear Members,

As you might be aware, Paperless Processing/eSANCHIT under Single Window Interface for Facilitation of Trade in case of Imports has been implemented by CBIC.

Now with the objective of reducing physical interface between Customs/regulatory agencies & the trade and to increase the speed of clearance in Exports, CBIC has issued Circular No 29 /2018-Customs dated 30/08/2018 regarding a facility to upload digitally signed supporting documents on a pilot basis at Air Cargo complex, New Delhi and Chennai Customs House.

The pilot will cover all types of exports under ICES. After the completion of the pilot, the facility will be extended to all ICES locations. On a voluntary basis, members of the trade may use this facility to upload the supporting documents concerning Shipping Bills that may be filed on or after 01.09.2018. After 15 days of the launch of the facility, a review will be carried out, and thereafter, it will be introduced as a mandatory requirement.

For this pilot, the following procedure will apply:

Uploading supporting documents

The procedure for eSANCHIT on the export side is similar to the one prescribed for eSANCHIT in imports vide Circular No. 40/2017 dated 13.10.2017. Briefly, salient features are described as below: -

For uploading supporting documents on ICEGATE, the authorized persons must Open ICEGATE URL hugs://www.icegate.gov.ini, click on Login/Signup button for login into ICEGATE by using his/her access credentials and then click on eSANCHIT link provided in left vertical menu to redirect on eSANCHIT. The step-by-step procedure for upload of supporting documents is also provided on the ICEGATE website. For customs instructions on procedure in detail, you may download the circular using following link:

29/2018	View(62 KB)	30-08-2018	Pilot Implementation of Paperless processing under SWIFT-uploading of supporting documents (eSANCHIT) in Exports-Reg

Members (specially exporting from Air Cargo complex, New Delhi and Chennai Customs House) are requested to take note of this ease of doing business measure and also inform their CHA's/ Logistics Providers.

Thanking you

NOTICE 20

EPC/LIC/GST_NOTIFICATIONS 05/09/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT: - Notifications/ circulars issued on-

- Clarification on refund related issues
- Recovery of arrears of wrongly availed CENVAT credit under the existing law and inadmissible transitional credit

- E-way bill in case of storing of goods in godown of transporter etc.
- Amendments (Eighth Amendment, 2018) to the CGST Rules, 2017

Dear Members,

We would like to inform you that the Central Board of Indirect Taxes and Customs (CBIC) has issued various notifications/ circulars regarding Clarification on refund related issues, Recovery of arrears of wrongly availed CENVAT credit under the existing law and inadmissible transitional credit, E-way bill in case of storing of goods in go-down of transporter, Amendments (Eighth Amendment, 2018) to the CGST Rules, 2017 etc.

The details of the said circulars/ notifications are highlighted as follows for your reference:

Circulars/Orders

61/2018	View(124 KB)	04-09-2018	E-way bill in case of storing of goods in godown of transporter.
59/2018	View(225 KB)	04-09-2018	Clarification on refund related issues.
58/2018	View(152 KB)	04-09-2018	Recovery of arrears of wrongly availed CENVAT credit under the existing law and inadmissible transitional credit.
57/2018	View(456 KB)	04-09-2018	Scope of Principal-agent relationship in the context of Schedule I of the CGST Act.

Central Tax Notifications

42/2018-Central Tax ,dt. 04-09-2018	View (122 KB)	Seeks to extend the time limit for making the declaration in FORM GST ITC-01 for specified classes of taxpayers
41/2018-Central Tax ,dt. 04-09-2018	View (72 KB)	Seeks to waive the late fee paid for specified classes of taxpayers for FORM GSTR-3B, FORM GSTR-4 and FORM GSTR-6
40/2018-Central Tax ,dt. 04-09-2018	View (104 KB)	Seeks to extend the time limit for making the declaration in FORM GST ITC-04
39/2018-Central Tax ,dt. 04-09-2018	View (521 KB)	Seeks to make amendments (Eighth Amendment, 2018) to the CGST Rules, 2017

Members are requested to take note of above notifications/ circulars and do the needful accordingly. For further details, the above-said notifications are available for download using hyperlinks provided therein.

Thanking you

NOTICE 21

EPC/LIC/CBIC 06/09/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- Setting up of the Office of Commissioner (Investigation-Customs) created under CBIC 24x7 Clearance at M/s Adani Kattupalli Sea port in Chennai

Dear Members ,

The Central Board of Indirect Taxes and Customs(CBIC) has issued few important circulars respectively, regarding Setting up of the Office of Commissioner (Investigation-Customs) created under CBIC & 24x7 Clearance at M/s Adani Kattupalli Sea port in Chennai.

- CBIC circular no 30/2018 dated 29/08/2018

  As per the above circular, we understand that a new position Commissioner (Investigation-Customs) was created with re-organisation of directorate and field formations. The work allocation and contact details for the position are provided in the circular for information of members.

  (http://cbic.gov.in/htdocs-cbec/customs/cs-circulars/cs-circulars-2018/Circular-30-2018-Customs.pdf)

- CBIC circular no 31/2018 dated 05/09/2018

  Vide above circular it is informed that facility of 24x7 Customs clearance was made available at the 19 sea ports besides 17 Air Cargo Complexes. CBIC has now decided that the facility of 24x7 Customs clearance for specified imports viz. goods covered by 'facilitated' Bills of Entry and specified exports viz. reefer containers with perishable/ temperature sensitive export goods sealed in the presence of Customs officials as per Circular No.13/2018-Cus dated 30.5.2018 and goods exported under free Shipping Bills will be made available at M/s Adani Kattupalli Sea port in Chennai, Tamilnadu. This would be the 20th Sea port in the country where 24x7 facility would be in operation.

  Members may take note of above information. The CBIC circulars are available for reference using below links-

Circulars/ Instructions

31/2018	View (582 KB)	05-09-2018	F.No.450/25/2009-Cus-IV	24x7 Clearance - regarding
30/2018	View (62 KB)	29-08-2018	F.No. 394/38/2017-Commr (Inv.-Cus.)	Setting up of the Office of Commissioner (Investigation-Customs) created under CBIC-Regarding.

Thanking you

NOTICE 22

EPC/LIC/DGFT 07/09/2018

ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-DGFT - Amendments in Appendices &AayatNiryaat Forms pertaining to Chapter 6 & Chapter 7 of FTP/HBP 2015-20

Dear Members,

The Directorate General of Foreign Trade (DGFT) has issued two Public Notices regarding amendments in Appendices &AayatNiryaat Forms pertaining to Chapter 6 & Chapter 7 of FTP/HBP 2015-20.

As you are aware, Chapter 6 & Chapter 7 of FTP/ HBP 2015-20 pertains to EOU's and Deemed exports respectively. These changes in ANF's have been brought in the light of GST implementation and up-dation consequent to Mid-Term Review of the FTP 2015-20.

Members (especially EOU's and Deemed exporters) are requested to take note and do the needful accordingly. The above said PNs are available for download using below links-

S. No.	Public Notice No.	Subject	Date	Details
1	37/2015-20	Amendments in Appendices &AayatNiryaat Forms pertaining to Chapter 7 of FTP/HBP 2015-20 - reg.	04/09/18	Download (208.37 KB)
2	36/2015-20	Amendments in Appendices &AayatNiryaat Forms pertaining to Chapter 6 of FTP/ HBP 2015-20 - reg.	04/09/18	Download (442.87 KB)

Thanking you

NOTICE 23

EPC/LIC/JNCH/DPD 07/09/2018

To
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- JNCH - Introduction of module for online application for DPD permission

Dear Members,

We would like to inform you that the O/o The Commissioner of Customs, JNCH (NS-III) has issued Public Notice No. 128/2018 dated 29.08.2018 regarding Introduction of module for online application for DPD permission.

As a further trade facilitation measure, JNCH has introduced "Online DPD Permission Module" and dispensed with the need to provide hard copy of application and documents for DPD permission such as Annexure A, PAN etc. in physical form. This module has been created to enable traders / importers willing to avail DPD facility to apply online on DPD JNCH website (www.dpdjnch.com).

Importers can apply for DPD by filling relevant details online and uploading the necessary documents. Details are as under:

- Importers or their authorised Customs Brokers are required to visit DPD JNCH website (www.dpdjnch.com) and follow the steps mentioned below:-
- To click on Apply Letter of Permission online tab on http://dpdjnch.com/apply-letter-of-permission-online.aspx url.
- On Apply Letter of Permission (LOP) Online screen, to fill in the relevant details such IEC, Name of the importer, Importer's address, E-mail ID, Contact No., Importer's representative and/or Authorised Customs Broker's details etc. They can also provide preferred CFS name for cases wherein the container is not RMS facilitated. If importer is an AEO client, AEO number must be provided.
- Subsequently, documents be uploaded and click on submit. A confirmation mail will be generated. For further details members may refer to the above said Public Notice.

Importers may avail the above trade facilitation measure, as it will reduce the need for submission of hard copies of documents physically and would reduce release time and costs involved.

In case of any difficulty, the specific issue may be brought to the notice of the Additional Commissioner in charge of DPD Cell, NS-III, JNCH (email address: dpd.amijnch@gmail.com).

For the convenience of members, the said PN is available for reference using below links-

PN	SUBJECT	DATED
PN-128-18	Introduction of module for online application for DPD permission – reg	29-Aug-2018

http://jawaharcustoms.gov.in/pdf/PN-2018/PN_128.pdf

Members may also send their feed-back to the council on our e-mail ids deepak.gupta@chemexcil.gov.in and info@chemexcil.gov.in

Thanking You

NOTICE 24

EPC/LIC/DGFT/MEIS 12/09/2018

To
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- Guidelines to apply for MEIS under the System Driven approval mechanism for MEIS applications for shipping bills from EDI ports

Dear Members ,

The O/o Directorate General of Foreign Trade (DGFT) has issued Trade Notice No. 30/2018-19 dated 11/09/2018 regarding Guidelines to apply for MEIS under the System Driven approval mechanism for MEIS applications for shipping bills from EDI ports.

As an "Ease of doing business " measure, DGFT would start the process of system driven approval of the MEIS claim Applications from 13.09.2018 in respect of exports made through EDI shipping bills.

For the sake of convenience of the members, the procedure/guidelines are reproduced as follows:

Information for Applicants:

i. The process of logging into the E-com module would be the same as before. However, after entering the MEIS application window, the applicants would be prompted to select whether their MEIS claim is for Project Exports or not. The applicants are required to tick the relevant box in case they wish to apply for MEIS under Project Exports benefits as per procedure specified in Trade Notice 14 /2018-19 dated 30.05.2018. These applications would be submitted, but would be processed at the DGFT HQs as informed vide the above Trade Notice.

ii. The rest of the application process is same for EDI shipping bills. However, the applicants are being informed that the Online module would not accept the submission of the MEIS application if-

  a) The applicant firm (IEC) is in Denied Entity List/ Suspended TEC/ Cancelled IEC.

  b) The applicant's RCMC is not valid as on date of application.

  c) The application is not made as per para 3.06 (a) of HBP 2015-20 under which the applicants are required to submit MEIS application for one financial year in one Jurisdictional Regional office. To illustrate, if an exporter has chosen RA Chennai for claiming rewards for exports made in 2017-18, then all claims for exports made in 2017-18, irrespective of the date of application shall be made to RA Chennai only. Date of export shall be reckoned as per criteria specified in Para 9.12 of HBP.

  d) The shipping bills, already attached in any of the earlier applications and later disallowed for any reason whatsoever, would not be allowed to be accepted again under the new MEIS module w.e.f. 13.09.2018. Such shipping bills need to be re-activated before filing claims. For reactivation of disallowed Shipping Bills, Shipping Bills of Cancelled Scrips and Rejected Applications, a request letter has to be sent after examination of the issue by Regional Office to the EDI Division, DGFT HQ with a copy to NIC DGFT HQ, quoting the File No, Shipping Bill Number, Shipping Bill Date and. Shipping Bill Port.

iii. The applicants would also be prompted to select the mode of dispatch of the duty credit scrip. i.e, whether they want to collect the MEIS scrip in person from the Counter of the Jurisdictional Regional Office of DGFT or wish to have the scrip sent to them by post at the address specified. This choice needs to be necessarily filled in by the applicants in the online module.

iv. After submission, the Online Module would segregate the applications into Manual (non-automated) and automated applications.

   The applications in which all shipping bills meet the following requirements would be approved by the system automatically at the end of submission process.

a) Shipping Bills from EDI PORT - Please note that SEZ shipping bills are non EDI port shipping bills for this system.

b) Shipping Bills having Let Export date on or after 01.01.2017.

c) No shipping Bill under the application should have any of the ITC(HS) codes as listed in Annexures to PN 62 dated 16.02.2018 and PN 13 dated 12.06.2018.

d) MEIS applications with Total Claim value of less than Rs.2 Crore.

v. The system approved MEIS applications would be available for printing at the regional offices of DGFT and would be authenticated (attested). Scrips shall be dispatched as per option selected by the applicant.

vi. Further, the members of the trade may note that all kind of MEIS applications, except as in (iv) above would continue to be processed in the RAs as per the current practice through the non-automated procedure.

Further, we understand from the trade notice that for transition to this new system of MEIS application processing., the E com module for MEIS, at the DGFT portal would not be available on 12.09.2018.

Members are requested to take note this ease of doing business measure and benefit from the same. The above said Trade Notice is available for reference using below links-

Thanking you

NOTICE 25

EPC/LIC/SCOMET 14/09/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT: "To do list" for SCOMET Policy/Procedure' for feedback/inputs from industry for simplification of licensing procedure of SCOMET items

Dear Members,

We would like to inform you that the Directorate General of Foreign Trade, New Delhi has issued Trade Notice No. 31/2018 dated 13.09.2018 regarding "To do list" for SCOMET Policy/Procedure' for feedback/inputs from industry for simplification of licensing procedure of SCOMET items.

This is further to several initiatives taken by DGFT in recent past, to streamline the processes of licensing of dual use SCOMET items, including policy interventions in the areas, where there existed policy gaps. These measures include centralised issue of SCOMET licenses from DGFT Headquarters, live status of license applications on the home page of DGFT website under 'export facilitation' and recent public notices simplifying the procedure for export of SCOMET items.

In continuation of the above trade measures, a 'Google spread sheet' containing `To do list for SCOMET Policy/ Procedure' has been created. The Google spread sheet can be accessed at the URL address: goo.gl/TPiieG

We understand from the Trade Notice that while the industry would be kept updated on the status of action taken on their feedback/suggestions received so far, they can also add new issues in a separate row below the existing entries. These suggestions will also be taken into account and status would be updated from time to time.

Members exporting SCOMET items are requested to take note of this initiative and do the needful accordingly. The above said trade notice is available for reference using below link- http://dgft.gov.in/sites/default/files/Trade%20 Notice%20No.%2031.pdf

Thanking You

NOTICE 26

EPC/LIC/EU_GSP_REX 14/09/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- DGFT - Charging of Fees for REX Registration

Dear Members,

We would like to inform you that the O/o Directorate General of Foreign Trade, New Delhi has issued Trade Notice No. 32/2018 dated 14.09.2018 regarding Charging of Fees for REX Registration.

As you might be aware, The European Union (EU) had introduced a self-certification scheme for certifying the rules of origin under GSP from 01.01.2017 onwards. In this regard, DGFT had brought out a Public Notice No. 51 dated 30.12.2016 regarding registration of exporters under EU GSP Registered Exporter System (REX) System and assigning them a REX number enabling them to self-certify the origin of product through Statement of Origin for duty preference under European Union Generalised System of Preferences. For doing the REX registration, some agencies had been identified and details of these agencies were given in the Public Notice No. 51 dated 30.12.2016.

However, it has been brought to the notice of the Department of Commerce that some of the agencies are charging exporters for REX registration, which is not correct and in violation of the instructions laid down in Public Notice No. 51 dated 2016. It is reiterated that REX registration under EU GSP Scheme is free and no fees can be charged from Exporters for REX registration.

It has also been noted that RAs of DGFT and Local Authorities for REX are not registering some applicants under REX as they are under DEL. In this regard, it is clarified that registering an applicant under REX is not a benefit being granted under the FTP. Registration under REX enables an exporter to export to EU under the EU-GSP Scheme and get a preferential tariff. Accordingly, applicant's, even if under DEL, may be registered under REX for exports to EU-GSP.

Members exporting to EU are requested to take note of this clarification and do the needful accordingly. The above said trade notice is available for reference using below link-

http://dgft.gov.in/sites/default/files/TN-32%20dt-14.09.2018.pdf

Thanking You,

CHEMEXCIL BULLETIN ADVERTISEMENT TARIFF

In ₹

SR. NO.	POSITION OF ADVERTISEMENT	SIZE OF ADVERTISEMENT	RATE OF COLOR ADVERTISEMENT RATE			RATE OF BLACK AND WHITE ADVERTISEMENT		
			AMOUNT	GST @18%	TOTAL AMOUNT	AMOUNT	GST @18%	TOTAL AMOUNT
1	FULL PAGE	18 CM WD X 23.5 CM HT	10500	1890	12390	8625	1552.5	10177.5
2	HALF PAGE (HORIZONTAL)	18 CM WD X 11.5 CM HT	7000	1260	8260	4600	828	5428
3	HALF PAGE (VERTICAL)	8.5 CM X 23.5 CM	7000	1260	8260	4600	828	5428
4	QUARTER PAGE	8.5 CM WD. X 11.5 CM HT.	5000	900	5900	2300	414	2714
5	STRIPS ADVTS	4 CM HT X 18 CM WD	NA	NA	NA	2300	414	2714
6	INSIDE COVER PAGES (FULL PAGE)	18 CM WD X 23.5 CM HT	15000	2700	17700	NA		
7	BACK COVER INSIDE (FULL PAGE)	18 CM WD X 23.5 CM HT	12000	2160	14160	NA		
8	BACK COVER (FULL PAGE)	18 CM WD X 23.5 CM HT	20000	3600	23600	NA		

NOTE

- Rates quoted above are per insertion basis (For single insertion) and not for whole year.
- 10% discount will be extended after 2nd insertion onwards if member would like to continue for all 6-issues of year and for next 2-3 years.
- If member want to publicize the advertisement for whole year we shall issue full amount invoice as per the discounted rate and member shall pay the full amount in advance.
- All payments by Cheque/ Demand Draft/RTGS in advance only to be made in favor of "CHEMEXCIL SBI account No. 10996680725", Payable at Mumbai
- SPECIAL DISCOUNTS can be consider on Series of Advertisements at least 4 insertions
- For Colour advertisements, high resolution images to be sent to us.
- Advertisement material must reach us 7 days before the date of publication
- Positioning of the Advt other than Cover Positions will be at Chemexcil discretion
- Only ColourAdvts will be entertained on Cover Positions.
- No Classified Advertisements will be entertained
- For further details such as series discounts, etc
  please contact on : ed@chemexcil.gov.in;adreach@chemexcil.gov.in

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