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

CHEMEXCIL NEWS

Issue June - July 2018

Chemexcil Seminar

Mr. Satish Wagh, Chairman, Chemexcil welcoming Mr. S Anantha Krishnan, Commissioner (Exports), ACC Mumbai during interactive session on IGST refunds & AEO on 24.07.2018

Chairman Meetings

Mr. Satish Wagh, Chairman, Chemexcil with Hon'ble Minister Mr. Subhash Desai and Mr. Zheng Xiyuan, Consul General, Consulate General of China, Mumbai, in India SME Economic Summit" organized by SME Chamber of India on 28th April, 2018 at Hotel Sofitel, Mumbai

Mr. Satish Wagh, Chairman, Chemexcil felicitating, Dr. J. Arvind, Consul, Consulate General of India during CPHI Shanghai China 2018

Mr. Satish Wagh, Chairman, Chemexcil with Dr. J. Arvind, Consul, Consulate General of India for inauguration of stall in CPHI Shanghai China 2018

IN THIS ISSUE

Editorial

Chairman's Desk

Dear Member-exporters,

"As you are aware, delays in refund of IGST/ Un-utilised ITC on exports had been a serious concern for exporters as it was impacting their competitiveness in export market. In this regard, I would like to appreciate the pro-active approach of Government in organising IGST/ Un-utilised ITC refund liquidation drives in the last few months.

The Central Board of Indirect Taxes and Customs (CBIC), has observed two special drives cum refund fortnights in the Month of March, 2018 (15th to 31st March, 2018) and June, 2018 (31st May to 16th June, 2018) respectively. These refund fortnights have provided lot of relief to the industry. To liquidate pendency further, and to handhold/guide the trade for applying for the refund claims in a proper manner, CBIC is observing 3rd refund fortnight from 16th July, 2018 to 30th July, 2018. On behalf of all my member exporters, I would like to thank the efforts of CBIC and its field formations during the clearance drive to erase out exporter's liquidity constraints.

On its part, Chemexcil has also organised in Mumbai a workshop on IGST/ Un-utilised ITC refunds on exports during 2nd refund drive in June 2018 which was graced by Joint Commissioner (IGST/ DBK), JNCH and other eminent speakers. A similar event was organised during 3rd refund drive in July 2018 which was graced by Commissioner of Customs (Exports), Air Cargo

Complex, Sahar Mumbai. The CBIC officers not only facilitated on IGST refunds but also made presentation on the AEO program. In addition, seminars were organised on Membership awareness and E-way Bill System/ Export Refunds at Hyderabad, GST / FTP at KOLKATA, and Bengaluru for the benefit of member exporters.

There was a Parliamentary Standing Committee meeting on Commerce in Mumbai from 9th to 11th July 2018 having an interaction on "Impact of banking misappropriation on trade and industry". This visit was coordinated by ECGC. I have taken up the issue of ban on LOUs/LUCs by RBI after Nirav Modi Scam. This move by RBI has created an adverse impact on the working capital requirements of MSMEs and has started affecting exports as a result of lack of affordable funds and reduced working capital cycle. Industry, particularly MSMEs, whose working capital is based as per their trade cycle will require higher working capital or else suffer irreparable losses. I have submitted the following points before the esteemed parliamentary standing committee:

- With the LOU & LOC, the manufacturers, particularly MSMEs used to get total credit of more than 270 days to ease their working capital cycle.
- IGST Refunds being delayed, there is already a huge stress on the working capital.
- The fund used with LOU/LOC was available at 3-4% interest.
- Now with the discontinuance of LOU/LOC, the working capital cycle time has tremendously reduced.
- Instead of low interest funds, now MSMEs have to utilize Bank funds, which is available at 11-14% interest.

I requested that the ban on LOU's/LoC may be re-considered by RBI with adequate checks to avoid misuse. Banks should monitor issuance of the LOU/LUCs and systems have to be strengthened in the Banking Community and genuine companies need not be penalised because of certain fraudulent companies.

I also took up the issue of need for Buyers Credit, Buyer credit is a short term credit available to an importer (buyer) from overseas lenders such as banks and other such financial institution enabling the importers to make good of the payments in due dates against goods they have imported. Buyer's credit helps local importers gain access to cheaper foreign funds that may be closer to LIBOR rates as against local sources of funding which are more costly due to higher rates of interest and or may not be available when the fund is actually required. Buyer's credit has several advantages for the importer. First of all, the overseas exporter gets payment on due dates; whereas importer gets extended date for making an import payment as per the cash flows. The importer can negotiate a better discount and use the buyer's credit route to avail financing. Due to recent scam by handful persons, RBI has now issued instructions to all Banks to put a stop on Buyers Credit to importers. The sudden stand has hampered the SME's/or genuine importers to run here and there to find an alternative to get funds. This has very much affected business, smooth flow of both imports and exports, especially to small scale and small manufacturers. A request is sent that both Government of India and RBI revive this facility and see that SME's/ genuine industries are not disturbed.

Further, I have also highlighted to the esteemed committee other banking issues faced by Indian exporters related to e-BRC delays, Caution Listing, Closure of Iran/ Sudan/ Syria Transactions etc. A detailed note on all issues were sent to the Parliamentary Standing Committee stakeholders.

I also take this opportunity to thank the O/o Directorate General of Foreign Trade, New Delhi for once again organising EODC Camps in DGFT RAs in June 2018 to facilitate expeditious disposal of EODC applications. Since delay in EODC has been an issue for many of our members, I am hopeful that members have availed this opportunity to do the needful during the camp duration.

The recent volatility in the forex market has been a cause for concern amongst the exporters/ importers. In this regard, council is also going to organise seminars on "Trade Finance & Forex Risk Management" with industry knowledge partners to create awareness about various aspects specially among MSME members so that they can take informed decisions about trade finance and risk management.

Chemexcil participated in The Color Vietnam 2018/SpeChem Vietnam 2018 Exhibition from 13^{th}-15^{th} June, 2018 at Saigon Exhibition & Convention Center (SECC) Ho Chi Minh City, Vietnam. Total 33 member exporters participated in this exhibition.

CHEMEXCIL also participated in Chemspec Europe-2018 exhibition being organized by MACK BROOKS EXHIBITIONS LIMITED UK, from 20^{th} to 21^{st} June, 2018 at Hall 8, Koln Messe, Cologne, Germany.. Altogether 41 Chemexcil member-exporters participated in this exhibition.

Friends, the trade data released by the Government showed exports for May, 2018-19 were valued at USD 1.5 billion with a growth of 34.5 per cent. Cumulative value of exports for the period April-May, 2018-19 was USD 3.08 Billion registering a growth of 38.5 percent over the same period last year. Imports for the month of May, 2018-19 were valued at USD 2.1 billion representing a growth of 25.4 percent. Cumulative value of imports for the period April-May 2018-19 was USD 4.1 billion registering a growth of 19.8 per cent over the same period last year. The trade deficit for May 2018-19 was estimated at USD 1.02 billion.

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

Satish Wagh
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Marine Pollutants – Compliance and Exemptions – IMDG CODE 38-16

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

Harmful substances when transported in packaged form needs to follow provisions of annex III of MARPOL and may have certain exemptions from said annex. Annex III of the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 (MARPOL), deals with the prevention of pollution by harmful substances carried by sea in packaged form.

What are harmful substances?

"Harmful substances" are those substances which are identified as marine pollutants in the International Maritime Dangerous Goods Code (IMDG Code) or which meet the criteria in the Appendix of to annex III of MARPOL.

How does IMDG Code identify a substance as marine pollutant?

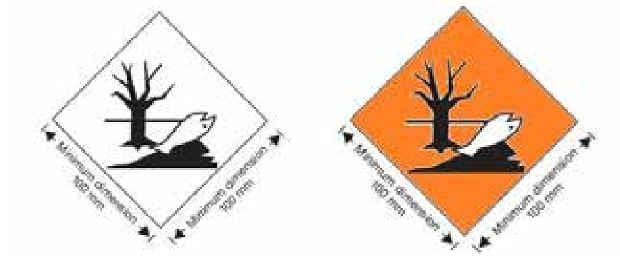
IMDG Code identifies marine pollutants with a symbol "P" in column 4 of dangerous goods list in chapter 3.2. Additionally, certain marine pollutants are identified only in the alphabetical index of IMDG Code. These are those marine pollutants which has not been assigned to an N.O.S. or generic entry.

If an entry is not identified as marine pollutant in column 4 of dangerous goods list in IMDG Code and the substance is not identified as marine pollutant in the alphabetical index however the properties of the substance meet the criteria of appendix of Annex III of MARPOL then it has to be transported as marine pollutant.

Appendix of annex III of MARPOL is in accordance with classification of environmentally hazardous substance in Globally Harmonized System of Classification and Labelling of Chemicals (GHS).

What are the compliance requirements for Marine Pollutants?

All dangerous goods and marine pollutants must only be transported in authorized Packagings, Intermediate Bulk Containers (IBCS) and Tanks with quantity limitations as stipulated by IMDG Code through Packing, IBC and Tank Instructions and must be marked, labelled placarded and documented as per the relevant



provisions of IMDG Code.

Marks:

Every package, IBC and container and tank carrying marine pollutant must be marked with the environmentally hazardous substance mark as shown below.

This mark must be a square set at 45 Deg angle, that is diamond shape. The symbol fish and tree must always be black in a background of white or any suitable contrasting color. The line forming this diamond shape must be 2 mm and the size must be 100 x 100 mm.

Size of Marine Pollutant mark:

On packages and IBCs size must be 100 x 100 mm when these packages and IBCs are loaded into a container all four sides of the container must be marked with 250 x 250 mm marine pollutant marks. When solid or liquid marine pollutants are loaded in a tank container the mark must be 250 x 250 mm size.

Durability of Marine Pollutant Mark:

Durability of marine pollutant mark must be such that it is still identifiable on packages and containers/tanks surviving at least three months' immersion in the sea.

Max quantity per package for marine pollutants:

Packing and IBC instructions in column 8 and 10 of IMDG Code restricts type of packages/IBCs and quantity thereof. When we transport a marine pollutant in tank containers it is little tricky to decide what is the maximum degree of filling. Degree of filling in a tank container is determined according to the hazard involved during transport which takes into consideration of the coefficient of expansion of liquid.

If an entry in dangerous goods list of chapter 3.2 which is not identified as a marine pollutant in column 4 and is assigned with degree of filling as TP1 and the actual cargo is a marine pollutant then shipper must use the formula as per TP2 for calculating degree of filling. Refer section 4.2.1.9.3 of IMDG Code.

Stowage on board ships:

On cargo ships stowage categories, A, B & E is on or under deck and categories C & d is on deck only. However, if a marine pollutant having stowage category A, B or E is being loaded, even though allowed on or under deck, preferably the container must be loaded under deck and for categories C & D which permits only on deck stowage preference shall be given to stowage on well-protected decks or to stowage inboard in sheltered areas of exposed decks.

Documentation:

For any substance which is a marine pollutant the dangerous goods declaration must indicate same by words "MARINE POLLUTANT" which may be supplemented with term ENVIRONMENTALLY HAZARDOUS.

Exemptions:

As per section 2.10.2.7 of IMDG Code Marine pollutants packaged in single or combination packagings containing a net quantity per single or inner packaging of 5 L or less for liquids or having a net mass per single or inner packaging of 5 kg or less for solids are not subject to any other provisions of IMDG Code relevant to marine pollutants provided the packagings meet the general provisions as mentioned in sections 4.1.1.1, 4.1.1.2 and 4.1.1.4 to 4.1.1.8 of IMDG Code.

According to this exemption a cargo which has no other properties of another hazard class but only a marine pollutant which as solid is transported under UN No. 3077 ENVIRONMENTALLY HAZARDOUS SUBSTANCE, SOLID, N.O.S. or as liquid is transported under UN 3082 HAZARDOUS SUBSTANCE, LIQUID, N.O.S., when packed 5 kg or 5 liters less than per pack need not be marked, labelled placarded or documented or stowed as MARINE POLLUTANT.

Re-Import of Exported Goods

SN Panigrahi

In some occasions goods exported out of India are returned back for various reasons like

- Cancellation of Export Order
- For any Trade Disputes like Quality Reasons, Default of Payments, Non-Conformance to any Contractual Terms
- After Exhibition / Display in overseas Country
- Return after Project / Contract Closure or Completion
- Re-import of Exported Goods for Repairs, Reconditioning, Reprocessing
- Imported Goods sent abroad within Warrantee Period and Re-import after repair
- Because of some Certain Compliance / Regulatory / Restrictions in the Importing Country etc.,

SECTION 20 of Customs Act 1962, refers to Re-importation of Goods, which states If goods are imported into India after exportation therefrom, such goods shall be liable to duty and be subject to all the conditions and restrictions, if any, to which goods of the like kind and value are liable or subject, on the importation thereof. Thus according to this section normal customs duty under Section 12 of Customs Act, 1962 shall be payable on re-import of exported goods.

S. NO.	Notification No. & Date of Issue	Subject
1	45/2017-Cus,dt. 30-06-2017	Seeks to grant exemption to re-import of goods exported under duty drawback, rebate of duty of under bond on or after the 1st July 2017
2	46/2017-Cus,dt. 30-06-2017	Seeks to grant exemption to re-import of goods exported under duty drawback, rebate of duty or under bond on or before the 30th June 2017
3	47/2017-Cus,dt. 30-06-2017	Seeks to grant exemption to re-import of goods in Fourth schedule exported under duty drawback, rebate of duty or under bond
4	44/2017-Cus,dt. 30-06-2017	Seeks to amend specifide exemption notifications relationg to re-import ot personal private property, articles supplied free under qarranty, free gifts, donations by charitable organizations etc.
5	43/2017-Cus,dt. 30-06-2017	Seeks to amend Specified exemption notifications relating to re-import, bilateral/ multilateral agreements, imports by defense, secutity, sports person to

However certain concessions and exemptions are available for Re-import as per following Notifications :

Let us here discuss about re-import on or after the 1st July 2017 - that is after implementation of GST. The general principle is that the exporters who re-import after export should not get away with any benefits which may have been given as an export incentive or exemption or any other benefits like duty drawback / rebate claims, export under bond or under other export incentive claims, duty exemption schemes, EPCG scheme etc and then these benefits should be recovered by way of duty.

Notification No. 45/2017 – Customs; dt 30th June, 2017 covers different scenarios under which exports are made and applicable Customs Duty Payable upon Re-import of such goods. These provisions are shown in following Table :

Some Salient Features :

Goods Exported	Customs Duty Payable on Re-import
(a) under claim for drawback of any customs or excise duties levied by the Union	Amount of drawback of customs or excise duties allowed at the time of export;
(b) under claim for drawback of any excise duty levied by a State	Amount of excise duty leviable by State at the time and place of importation of the goods. allowed at the time of export;
(c) under claim for refund of integrated tax paid on export goods	Amount of refund of integrated tax, availed at the time of export;
(d) under bond without payment of integrated tax	Amount of Integrated Tax not Paid;
(e) under duty exemption scheme (DEEC/ Advance Authorisation/ DFIA) or Export Promotion Capital Goods Scheme (EPCG)	Amount of integrated tax and compensation cess leviable at the time and place of importation of goods and subject to the following conditions applicable for such goods- (i) DEEC book has not been finally closed and export in question is de-logged from DEEC Book; Advance Authorisation/ DFIA has not been redeemed and the authorisation holder has not been discharged from the export obligation by DGFT (ii) In case of EPCG scheme the period of full export performance has not expired and necessary endorsements regarding reimport have been made

Goods Exported	Customs Duty Payable
(e) under duty exemption scheme (DEEC/ Advance Authorisation / DFIA) or Export Promotion Capital Goods Scheme (EPCG)	(iii) The importer had intimated the details of the consignment re-imported to the Assistant Commissioner of Customs or Deputy Commissioner of Customs in charge of the factory where the goods were manufactured or the premises from where the goods were supplied and to the licensing authority regarding the fact of re-importation and produces a dated acknowledgement of such intimation at the time of clearance of goods; (iv) The manufacturer- exporters may be permitted clearance of such goods without payment of Central Excise duty or integrated tax and compensation cess under transit bond to be executed with the Customs authorities at the port of importation, such bond will be cancelled on the production of certificate issued by the jurisdictional Customs authority about receipt of reimported goods into their factory or the premises from where the goods were supplied.

Goods Exported	Customs Duty Payable
Goods, other than those falling under Sl. No. 1 exported for repairs abroad	Duty of customs which would be leviable if the value of re-imported goods after repairs were made up of the fair cost of repairs carried out including cost of materials used in repairs (whether such costs are actually incurred for not), insurance and freight charges, both ways
Cut and polished precious and semi-precious stones exported for treatment abroad as referred to in Paragraph 4A.20.1 of the foreign Trade Policy, other than those falling under Sl. No. 1.	Duty of customs which would be leviable if the value of re-imported precious and semiprecious stones after treatment were made up of the fair cost of treatment carried out including cost of materials used in such treatment, whether such costs are actually incurred for not, insurance and freight charges, both ways.
Parts, components of aircraft replaced or removed during th course fo maintenance, repair or overhaul of the aircraft in a Special Economic Zone and brought to any other place in India.	**Full Customs Duty**
Goods other than those falling under Sl. No. 1, 2, 3 and 4	**Full Customs Duty**

The above concessional duty or exemptions are applicable subject to certain conditions to be fulfilled. Some of them are :

- This notification shall come into force **with effect from the 1 st day of July, 2017**
- The goods are the same which were exported. The onus of proof is on the Re-importer with satisfactory evidence is produced before the authorities.
- **The Period of Re-import :**

  In case of goods exported under the Duty Exemption Scheme (DEEC / Advance Authorisation / DFIA) or Export Promotion Capital Goods Scheme (EPCG) or Duty Entitlement Passbook Scheme (DEPB) or any reward scheme of Chapter 3 of Foreign Trade Policy: Re-importation of such goods takes place **within one year of exportation** or such extended period not exceeding one more year.

  In all other cases, the goods other than those exported under Duty Exemption Scheme (DEEC / Advance Authorization / DFIA) or Export Promotion Capital Goods Scheme (EPCG) or Duty Entitlement Passbook Scheme (DEPB) or any reward scheme of Chapter 3 of Foreign Trade Policy : re-imported within three years after their exportation or **within such extended** period, not exceeding two years

- **Goods subject to Re-manufacturing or Reprocessing :**

  The goods shall not be deemed to be the same if these are re-imported after being subjected to re-manufacturing or reprocessing through melting, recycling or recasting abroad

- **The beneficial provisions in this notification shall NOT apply to re-imported goods in following cases :-**

  (a) which had been **exported by a hundred percent export-oriented undertaking** or a unit in a Free Trade Zone as defined under section 3 of the Central Excise Act, 1944 (1 of 1944);

  (b) which had been **exported from a public warehouse** or a private warehouse appointed or licensed, as the case may be, under section 57 or section 58 of the Customs Act, 1962 (52 of 1962);

  (c) which fall under the Fourth Schedule to the Central Excise Act, 1944 (1of 1944). (Non- GST Items)

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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CHEMEXCIL

EXPORT STRATEGY- COLOMBIA

BRIEF OF COUNTRY COLOMBIA

Colombia was one of the three countries that emerged after the dissolution of Gran Colombia in 1830 (the others are Ecuador and Venezuela). A decades-long conflict between government forces, paramilitaries, and antigovernment insurgent groups heavily funded by the drug trade, principally the Revolutionary Armed Forces of Colombia (FARC), escalated during the 1990s. More than 31,000 former United Self Defense Forces of Colombia (AUC) paramilitaries demobilized by the end of 2006, and the AUC as a formal organization ceased to operate. In the wake of the paramilitary demobilization, illegal armed groups arose, whose members include some former paramilitaries. After four years of formal peace negotiations, the Colombian Government signed a final peace accord with the FARC in November 2016, which was subsequently ratified by the Colombian Congress. The accord calls for members of the FARC to demobilize, disarm, and reincorporate into society and politics. The accord also committed the Colombian Government to create three new institutions to form a “comprehensive system for truth, justice, reparation, and non-repetition,” to include a truth commission, a special unit to coordinate the search for those who disappeared during the conflict, and a “Special Jurisdiction for Peace” to administer justice for conflict-related crimes. The Colombian Government has stepped up efforts to expand its presence into every one of its administrative departments. Despite decades of internal conflict and drug-related security challenges, Colombia maintains relatively strong democratic institutions characterized by peaceful, transparent elections and the protection of civil liberties.

- OFFICIAL NAME: Republic of Colombia
- FORM OF GOVERNMENT: Republic
- CAPITAL: Bogotá
- POPULATION: 46,245,297
- OFFICIAL LANGUAGE: Spanish
- MONEY: Peso
- AREA: 439,619 square miles (1,138,910 square kilometers)
- MAJOR MOUNTAIN RANGES: Andes, Sierra Nevada de Santa Marta
- MAJOR RIVERS: Magdalena, Cauca, Atrato, Sinú

Colombia is nicknamed the "gateway to South America" because it sits in the northwestern part of the continent where South America connects with Central and North America. It is the fifth largest country in Latin America and home to the world's second largest population of Spanish-speaking people.

Colombia is a land of extremes. Through its center run the towering, snow-covered volcanoes and mountains of the Andes. Tropical beaches line the north and west.

And there are deserts in the north and vast grasslands, called Los Llanos, in the east.

Dense forests fill Colombia's Amazon Basin, which takes up nearly the country's entire southern half. In northwest Colombia, a warm, wet, jungle-filled area called the Chocó reaches across the Panama border.

ECONOMY OF COLOMBIA

Colombia has a long history of democracy. Like the United States, the country is run by a president, who is elected every four years. Laws are made by a House of Representatives and a Senate.

Colombia's biggest trading partner is the United States, which buys 40 percent of the country's exports. Colombia sends a variety of items overseas, including coffee, bananas, oil, coal, gold, platinum, and emeralds.

One of Colombia's worst exports, though, is illegal drugs. With help from the United States, the Colombian government is carrying out Plan Colombia, a costly and wide-ranging effort to rid the country of the gangs, called cartels, that produce illegal drugs for sale around the world.

Colombia heavily depends on energy and mining exports, making it vulnerable to fluctuations in commodity prices. Colombia is Latin America's fourth largest oil producer and the world's fourth largest coal producer, third largest coffee exporter, and second largest cut flowers exporter. Colombia's economic development is hampered by inadequate infrastructure, poverty, narcotrafficking, and an uncertain security situation, in addition to dependence on primary commodities.

Colombia's economy slowed in 2017 because of falling global oil prices and lower oil production due to insurgent attacks on pipeline infrastructure. Although real GDP growth averaged 4.7% during the past decade, it fell to an estimated 1.8% in 2017. Declining oil prices also have contributed to reduced government revenues. In 2016, oil revenue dropped below 4% of the federal budget and likely remained below 4% in 2017. A Western credit rating agency in December 2017 downgraded Colombia's sovereign credit rating to BBB-, because of weaker-than-expected growth and increasing external debt. Colombia has struggled to address local referendums against foreign investment, which have slowed its expansion, especially in the oil and mining sectors. Colombia's FDI declined by 3% to $10.2 billion between January and September 2017.

Colombia has signed or is negotiating Free Trade Agreements (FTA) with more than a dozen countries; the US-Colombia FTA went into effect in May 2012. Colombia is a founding member of the Pacific Alliance—a regional trade block formed in 2012 by Chile, Colombia, Mexico, and Peru to promote regional trade and economic integration. The Colombian government took steps in 2017 to address several bilateral trade irritants with the US, including those on truck scrappage, distilled spirits, pharmaceuticals, ethanol imports, and labor rights. Colombia hopes to accede to the Organization for Economic Cooperation and Development.

CHEMICAL INDUSTRY IN COLOMBIA:

Colombia is roughly equivalent in size to New Mexico, Texas, and Louisiana combined. A unitary republic with 32 departments and a capital district, the country can be divided into five distinct geographic areas: the Andean, Caribbean, Pacific, Orinoquía, and Amazon regions (Figure 1). The Caribbean, Andean, Orinoquía, and Pacific regions are home to most of Colombia's chemical production facilities. The Andean region has the highest concentration of industrial plants, while most oil production occurs in the Orinoquía region, which borders Venezuela.

Figure 1. Colombia's Caribbean (blue), Orinoquía (yellow), Andean (purple), and Pacific (orange) regions are home to most of the country's chemical process industries. The Amazon region (green) is known for its tropical rainforests.

Coal mining, petroleum production and refining, and beer production are important industries in the Caribbean region. Open-pit coal mining is based in the region's Cesar and Guajira departments, while the port city of Santa Marta exports coal. Petroleum is processed at the Reficar refinery in Cartagena, and petroleum derivatives are produced at the Monómeros Colombo Venezolanos chemicals facility in Barranquilla. SABMiller, a multinational brewing and beverage company, has a significant beer production plant in Barranquilla.

The Andean region is the most urbanized and industrially developed. In the Antioquia department, cement, chemical, and food and beverage production are concentrated in the city of Medellín. Grupo Nutresa, a leading producer of processed foods in Latin America, has a facility in the city, as does Grupo Orbis, the country's paint and chemical products conglomerate. Postobón, Colombia's largest beverage company, and Grupo Argos, the region's largest cement producer, also have industrial works in Medellín.

Elsewhere in the Andean region, Ecopetrol processes oil at Barrancabermeja, the country's largest oil refinery, which is supplied with 10,000 barrels per day (bpd) of crude from Infantas oil field, 4,000 bpd from the Provincia field, and 2,000 bpd from the Llanito field (1). Argos and Holcim, two dominant players in the Colombian cement industry, have production facilities in the Boyacá department, while in the capital city of Bogotá, Carboquímica's plants supply raw materials for plastics and polyvinyl chloride production. Food and beverage and personal care manufacturers also have operations in the region. SAB Miller PLC has breweries in both Boyacá and Bogotá, and Belcorp Corp. and Quala S.A. produce cosmetics and personal care products in Bogotá.

Pacific region activities are centered in the Valle del Cauca department, where processed meats, refined sugar, and personal care products are promising industries. Crude oil production drives the Llanos region's chemical industry, with the Quifa oil field yielding 56,000 bpd; the Rubiales field, 163,000 bpd; the Castilla field, 125,000 bpd; and the Chichimene field, 80,000 bpd (1).

HISTORY AND KEY COMPANIES

Colombia's chemicals industry started in the 1940s with the creation of the Institute for Industrial Promotion (Instituto de Fomento Industrial, IFI). Chartered to promote key industrial sectors, IFI supported the National Chlorine and Derivatives Co. (Compañía Nacional de Cloro y sus Derivados), which was founded in 1942 (2). The chlorine industry developed rapidly in the Andean municipalities of Betania in Antioquia and Zipaquirá in Cundinamarca with construction of Colombian Soda Plant's (Planta Colombiana de Soda) production facilities. Now known as Brinsa, the company maintains production facilities in Cartagena (Caribbean region) and Zipaquirá (Andean region).

As the country's agricultural sector developed in the 1960s, demand for fertilizer grew, spurring growth in the chemicals sector. In 1967, the Colombia and Venezuela governments jointly created Monómeros Colombo Venezolanos, which built a caprolactam and compound fertilizer production plant in Barranquilla. This company is now controlled by Venezuela Petrochemicals (Pequiven). In 1956, Carboquímica had begun to produce aromatic solvents in Bogotá and, by 1962, expanded the facility to produce phthalic anhydride. The company continued to expand, opening a synthetic resins production facility in 1974. Today, Carboquímica is one of the leading Colombian companies in this chemical industry sector (2).

In the oil sector, Ecopetrol (Empresa Colombiana de Petróleos) was established in 1948 as a state-owned enterprise. In a historic event, Ecopetrol took over the International Petroleum Company's Barrancabermeja refinery, operational since 1922 (3). In 2007, Ecopetrol became a mixed corporation, with 80% of stock owned by government and 20% held privately. In 2015, Ecopetrol's new Reficar refinery began operations in Cartagena. It was initially conceived as an extension of an existing location. During facility construction, however, process specifications were modified so that the refinery could process heavier crude (18° API gravity). Reficar and Barrancabermeja today have the combined capacity to refine approximately 415,000 bpd.

Colombia produces about 1 million bpd of oil. According to the International Energy Agency (IEA), the country ranks as the 19th largest oil producer in the world and the fourth largest in Latin America after Brazil, Venezuela, and Mexico. Colombia is not a top crude oil refiner in the world or Latin America, ranking fifth in Latin America after Brazil, Mexico, Venezuela, and

Argentina. The country had proven crude reserves of 2,300 million barrels as of 2014, enough to process and sell for about six years at current rates of exploitation.

As the Colombian consumer-product industry developed, alcoholic and nonalcoholic beverage production increased (2). Commercial beer production began in 1913 with the opening of the Águila Brewery in Barranquilla, followed in 1930 by the Bavaria Consortium in Bogotá. Bavaria acquired Águila in the 1970s and became Colombia's largest beer producer. In 2005, Bavaria was acquired by SAB Miller PLC. Carbonated beverages are primarily produced in Medellín by Postobón, which was created when the Posada and Tobón families merged their companies. Postobón is now one of the country's leading private companies, with a large product portfolio of soft drinks, fruit juices, bottled water, tea, and energy drinks.

Colombia does not have large basic-chemicals companies; however, it does have several consumer products companies with international presence. NOEL, a major producer of Colombian cookies, was founded in Medellín in 1916. Since 2005, it has been part of the Nutresa Group, a conglomerate of Colombian companies that produce cookies, ice cream, meat, chocolates, fast food, coffee, and pasta. The National Chocolate Co., a privately held producer of chocolate and chocolate products, was founded in 1920 in Medellín. The company became part of the Nutresa Group in 2009.

The Institute for Industrial Promotion (IFI) was instrumental in promoting the Colombian milk industry in several regions (2). INDUCOLSA, founded in 1952 in Valle del Cauca, is now known as Industria Colombiana de Alimentos. Privately held Alpina was founded in the 1940s in the Andean region and has become a dairy sector leader. The COOLECHERA cooperative was founded in 1964 in Antioquia and is now called COLANTA. One of Alpina's biggest competitors, COLANTA has approximately 7,000 associates and 12,000 producers (4).

CHEMICAL INDUSTRY ECONOMICS

Total gross sales for the Colombian CPI, including consumer products and food and beverage industries, were $70.75 billion in 2014, which represents almost 19% of the country's gross domestic product (GDP) of $378 billion, at current prices. Total gross sales, minus intermediate consumption, represent an added value of $26.6 billion. The National Manufacturing Survey (Encuesta Nacional Manufacturera), which evaluates the economic and productive performance of the country's largest industrial enterprises, consolidates data for Colombia's manufacturing industries (5). The survey only considers production activity. Mining, and activities where marketing adds value, are considered separately.

When industrial sales of processed food and plastic products are subtracted from total gross sales, the chemical sector represents $49 billion (13% of GDP), of which $22.8 billion correspond to petrochemical products. Bioethanol and biodiesel fuel production sales account for $650 million in sales. Refined petroleum products and consumer products, such as food, beverages, and personal care products, account for over half of the industry's sales. Table 1 shows percentages of total gross sales for each of the main industrial chemical sectors.

Table 1. The 2014 percentages of gross sales for various sectors of Colombia's chemical industry (5).

Sector	Percentage
Refined petroleum products	31.8%
Other chemical products	9.6%
Beverages	8.9%
Production of other food products	7.1%
Nonmetallic mineral products	7.1%
Plastic products	5.8%
Basic chemicals, fertilizers, plastics, and synthetic rubber	5.2%
Dairy products	5.0%
Paper, cardboard, and paper products	4.9%
Iron and steel	4.2%
Animal feed	3.8%
Pharmaceuticals, medicinal chemicals, and botanicals	3.6%
Precious metals and nonferrous metals	3.1%
Based on $70.75 billion in gross sales with value added to GDP of $26.6 billion for 2014.	

The mining industry represented an added value of $31 billion in 2014. When compared to the industry's

$26.6 million, it shows the Colombian economy's strong dependence on its mining sector.

Employment. Colombia's CPI sectors, represented in Table 1, provide about 270,000 of the 582,000 manufacturing jobs available in 2014. More than 90,000 jobs were in the processed food industry.

Exports. Colombia registered exports of $54.8 billion in 2014, with a strong dependence on mined products. The country exported 314 million bpd of crude oil, 89,085 ton/yr of coal, and 48.1 ton/yr of gold, representing 70.1% of total annual exports. Figure 2 shows Colombia's top export destinations for mining commodities and crude oil, including the U.S. (26.8% of exports), the European Union (18.4%), and China (14.3%) (6).

Figure 2. Mining products, such as coal and gold, account for about 70% of Colombia's exports, which are shipped to the U.S., the European Union, and China, among other countries.

Colombia exports chemical products to many countries (Figure 3), including Ecuador (16.3% of exports), Venezuela (11.8%), and the U.S. (11.2%). Table 2 summarizes the country's top chemical exports for 2014 (6). Pharmaceuticals accounted for about $450 million in exports, followed by propylene polymer ($392 million), and vinyl chloride ($324 million)

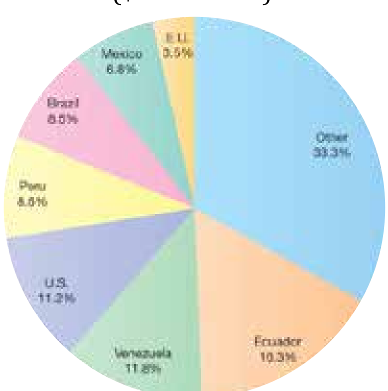


Figure 3. Colombia exports various chemical products to countries including Ecuador, Venezuela, and the U.S

Table 2. Colombia's top chemical exports in 2014 (6).

Product	Sales, $U.S. MM
Pharmaceuticals	449.7
Propylene polymer	392.6
Vinyl chloride	323.6
Cosmetics	163.9
Styrene	110.3
Soaps	106.8
Fragrances	102.9
Batteries	99.0
Mineral fertilizers and other chemicals	98.8

Corporate Sales. The 2014 gross sales for Colombia's leading companies are listed in Table 3(7). Ecopetrol, for which the Colombian state is the largest shareholder, reported total sales of about $29 billion, followed by Bavaria with $2.3 billion in beer sales, and Drummond with $1.6 billion in coal revenues.

Table 3. Total sales for Colombia's principal chemical companies in 2014 (7).

Company	Chemical Sector	Sales, $U.S. MM
Ecopetrol	Oil refining and crude oil	29,000
Bavaria	Beer	2,253
Drummond	Coal	1,610
Colanta	Dairy products	938
Esenttia	Plastics	819
Organización Soila	Animal feed	758
Colombina	Confectionery	649
Cerro Matoso	Ferronickel	655
Tecnoquimicas	Pharmaceuticals	610
Colgate Palmolive	Personal care products	578
Mexichem Resinas de Colombia	Plastic products	494
Diaco	Iron and steel	483
Smurfit Kappa	Cardboard and paper	399

THE FUTURE

Colombia does not have a highly developed chemicals industry. Between 2008 and 2014, high global prices for minerals and petroleum favored the development of these sectors at the expense of others. In 2014, however, with falling international prices and the devaluation of the peso, Colombian leadership realized that the country could not concentrate all its efforts and investments on oil and mining. Colombia then began to develop its production capabilities for consumer products such as food, drinks, toiletries, and cosmetics. Moving forward, these products will provide significant added value to the nation's economy.

When global prices are again favorable, mining will likely offer economic development opportunities for Colombia. The industry, however, needs to address the environmental and social impact of illegal gold mining activities. The effects left by nonregulated exploitation are substantial, and inhibit the country's social development.

Colombia invested heavily in Reficar's construction, which eventually cost $8 billion. While the country's investment promises to increase the value of the chemical industry, value creation depends on reaching projected production levels, and doing so efficiently. Colombia's current oil reserves are also a concern. It is imperative that the country invest in finding new oil and gas wells and investigate exploiting nontraditional production wells.

Given its geographical position, diversity of agricultural products, and reasonable labor costs, Colombia can be competitive in developing its food, beverage, and consumer products industries, as long as it is committed to the necessary investment and research. The agricultural sector, which provides raw materials for the country's consumer products industry, also requires ongoing investment. The required economic investments, which offer a path to prosperity for Colombia, are of a manageable size and do not require taking on excessive debt. It may also be possible to find national and international investors willing to assume the moderate risk of these sectors.

(Source:- https://www.aiche.org/resources/publications/cep/2017/november/past-present-and-prospects-colombias-chemicals-industry)

MARKET CHALLENGES-COLOMBIA

The majority of U.S. made products are not subject to import duties under the U.S.-Colombia Trade Promotion Agreement (TPA) of 2012. For those products still subjected to import duties, most will see tariffs incrementally phased out by the year 2023. Despite the elimination of many market barriers by the TPA, U.S. companies still face challenges to doing business in Colombia. This is particularly the case with extractive industries like oil/gas and mining as well as professional services. Moreover, Colombia has been on the United States Trade Representative (USTR) Special 301 "Watch List" every year since 1991, reflecting ongoing challenges in the enforcement of intellectual property rights.

Environmental licenses must be obtained in order to execute certain projects in sectors such as mining and oil exploration, and the process is often time-consuming, burdensome, and can take up to several years to complete, with many licenses never being granted. Companies in these sectors must frequently go through a process called consulta previa in which indigenous and other ethnic groups must be consulted before projects can be carried out in their communities. This process can also take up to several years with many projects ultimately being denied. The iniciativa popular, or local referendum, is a mechanism used by local communities to oppose activities by companies in the extractive industries, with several recent high-profile cases resulting in the shuttering of major operations.

A ruling in 2016 by Colombia's Constitutional Court allows local government officials broad authority to stop projects in the oil/gas and mining industries out of concern for the environment, among other justifications. Since the ruling, local governments have established "protected areas" where U.S. companies in the extractive industries had operations, thus suspending these projects indefinitely. The pervasiveness of informal and illegal mining in Colombia and the environmental damage that accompany it tarnish the image of the mining industry in general and generate resistance to legitimate mining concerns that adhere to environmental standards and labor regulations.

Regulations and standards are another area of concern for U.S. businesses in Colombia. There is a tendency for regulations to change without adequate notification given to the World Trade Organization, industry, and other relevant stakeholders. Moreover, the comment period normally required for stakeholders to voice their opinions on the proposed regulatory change tends to be insufficient. Consequently, U.S. companies are uncertain how to comply with new regulations and some recently proposed regulations have blocked U.S. companies from the Colombian market entirely. In the area of standards, there have been proposals to adopt European standards at the exclusion of U.S. standards as well as proposals to require standards tests to be conducted by Colombian testing laboratories when no such laboratories exist in Colombia.

The government procurement process in Colombia continues to pose barriers for U.S. companies as a lack of transparency and competitive bidding conditions in the public tender process have resulted in U.S. bidders being excluded from key projects such as infrastructure development and project management. The Colombian government is making efforts to address this issue through initiatives such as Compra Eficiente and the Global Procurement Initiative (GPI).

Although the TPA eliminated most barriers to U.S. exports of manufactured products, barriers still exist for U.S. professional services firms in Colombia:

- A commercial presence is required to provide information processing services and to bid on Colombian government contracts.
- Economic needs tests are required when foreign providers of professional services operate temporarily; residency requirements restrict trans-border trade of certain professional services such as accounting, bookkeeping, auditing, architecture, engineering, urban planning, and medical and dental services.
- In order to offer services, international banking institutions are required to maintain a commercial presence in Colombia through subsidiary offices.
- Insurance companies are restricted from offering policies to underwrite risk on government sponsored infrastructure projects due to Colombian regulations that do not recognize insurance policies as equivalent to bank guarantees.
- Only firms licensed under Colombian law may provide legal services; foreign law firms can operate in Colombia by forming a joint venture with a Colombian law firm and operating under the licenses of the Colombian lawyers in the firm.
- Telecommunications barriers to entry include cross subsidies, the requirement for a commercial presence in Colombia, and an economic needs test.

(Source: https://www.export.gov/article?id=Colombia-market-challenges)

EXPORTING TO COLOMBIA - MARKET OVERVIEW

The Republic of Colombia is the fourth largest economy in Latin America, after Brazil, Mexico, and Argentina, and has the third largest population with approximately 49 million inhabitants. Aided by major security improvements and steady economic growth in recent years, Colombia has increased its commercial and investment ties to the United States, Europe, Asia and the rest of Latin America.

Since the implementation of the U.S.-Colombia Trade Promotion Agreement (TPA) in May 2012, U.S. exports to Colombia initially increased substantially but have decreased over the last two years due to a combination of factors, with the main contributor being a depreciation of the Colombian currency that resulted from lower global oil prices (the county's principal export), a drought, and a national strike by transportation workers. Nonetheless, certain U.S. exports to Colombia continue to see strong growth, especially agricultural products like pork, chicken, seafood, soy products, dairy, and beans. Colombia's ranking as an export market for U.S. agricultural products jumped from 24th place in 2011 to 12th place in 2016. Agriculture exports to Colombia from the United States were valued at USD 2.38 billion in 2016, more than double their 2011 value. Cereals, especially corn, saw the greatest gain in real terms.

Other U.S. exports to Colombia that have enjoyed significant growth since the implementation of the TPA include aircraft and aircraft parts, which benefited from the elimination of a five percent tariff. These exports surged to an average of nearly USD 700 million per year over the period 2012-2016, up from USD 334 million in 2011. Exports of pharmaceutical products, which amounted to USD 200 million in 2011, have averaged USD 270 million per year under the TPA.

Political stability, a growing middle class, the signing of the peace accord between the government and the Revolutionary Armed Forces of Colombia (FARC) guerrillas, and a vastly improved safety and security environment have supported an optimistic outlook and moderate economic growth in recent years in Colombia.

The drop in commodity prices, adverse weather conditions, and labor strikes slowed economic output in 2016. Gross Domestic Product (GDP) growth slowed to two percent in 2016 and foreign direct investment is estimated to have decreased slightly to USD 11.6 billion. Over half of Colombia's global exports are petroleum products and lower oil prices are expected to continue taking a toll on the country's economy in 2017, with annual GDP growth projected at 1.8 percent and foreign direct investment expected to slow to USD 9.8 billion.

Colombia's inflation rate was 5.75 percent in 2016 (and nearly nine percent in July of that year), again due in large part to low oil prices, drought, and labor strikes. This prompted Colombia's Central Bank to raise its benchmark interest rate to 7.75 percent at the end of 2016. Inflationary pressures have since eased and the Central Bank has repeatedly lowered short term interest rates at each of its board meetings in 2017. On April 28, the Central Bank reduced the benchmark interest rate from 7.0 to 6.5 percent, a 50 basis-point cut that exceeded analysts' expectations and marked the fourth reduction in five months. Inflation stood at 4.66 percent in April 2017 and Central Bank analysts predict a short term inflation rate of 4.49 percent by December 2017.

The passage of a tax reform package at the end of 2016 helped to prevent a possible downgrade in Colombia's credit rating by shoring up the country's public finances, which have been negatively impacted by the drop in oil revenue. Fitch Ratings affirmed Colombia's BBB credit rating and revised its outlook from negative to stable in March 2017. A consequence of the tax reform, however, was depressed consumer spending since the reform included a rise in the value-added tax from 16 percent to 19 percent.

The United States is Colombia's largest trading partner and Colombia was the 22nd largest market for U.S. exports in 2016. U.S. exports to Colombia in 2016 were valued at USD 13 billion, a decline of almost 20 percent compared to the prior year. Due to Colombia's close ties to the United States and Colombians' appreciation for the quality and reliability of U.S products, consumers in Colombia often favor U.S. products and services over those of our foreign competitors. However, Colombia is a price-sensitive market and price often dictates purchasing decisions. Consequently, Chinese products are increasingly capturing market share and China is now Colombia's second largest trading partner.

Extractive industries such as coal mining and oil and gas exploration and production are the principal areas of U.S. foreign direct investment in Colombia (though the amount of investment in these sectors dropped significantly in 2016), followed by consumer goods, high tech, franchising, and tourism.

Over the next decade there will be greater investment in infrastructure projects ranging from roads, airport modernization, port construction and expansion, and major hotel developments. A sample of the major U.S. companies in Colombia includes: Drummond, Chicago Bridge and Iron, General Electric, General Motors, Occidental Petroleum, Chevron, ExxonMobil, ConocoPhillips, Microsoft, Unisys, Kimberly Clark, Johnson and Johnson, Goodyear, Kraft, 3M, Pfizer, Baxter, Corning, Marriott, and Sonesta Collection Hotels.

The Colombian Government has implemented bilateral or multilateral trade agreements with most countries in the Western Hemisphere, including the United States and Canada. Colombia also has trade agreements with the European Union, the Pacific Alliance (Colombia, Chile, Mexico and Peru), and South Korea. Agreements with Panama and Israel are pending ratification, and negotiations with Japan and Turkey are ongoing.

The U.S.-Colombia Trade Promotion Agreement entered into force in May 2012 and immediately eliminated import tariffs on 80 percent of U.S. exports of consumer and industrial products to Colombia, with remaining tariffs to be phased out over ten years. Other provisions include stronger protection for U.S. investors (legal stability), expanded access to service markets, greater intellectual property rights protection, market access for remanufactured goods, increased transparency, and improved dispute settlement mechanisms (arbitration).

Colombia has five commercial hubs in the country: Bogotá, Medellin, Cali, Barranquilla, and Cartagena. In contrast to the majority of Latin American countries that have one or two major cities, Colombia offers U.S exporters access through multiple commercial hubs, each of which has its own American Chamber of Commerce. While these cities and many other secondary cities offer unique market opportunities, they are close enough via air routes that it is common to have one partner (agent, distributer, or representative) cover the entire country.

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

COLOMBIA - MARKET OPPORTUNITIES

The post-peace accord environment in Colombia is expected to generate a period of stability and economic prosperity that will see development of several key sectors, including infrastructure, tourism, job training, education, and rural development.

Colombia's extensive, ongoing infrastructure projects will generate demand for project financing, logistics, construction equipment for public roads and airports, water treatment, water supply, electric power generation, oil and gas exploration and pollution control equipment, air navigational and port security aids, railway construction, transportation equipment, security and defense items and services, and mass transit systems. The city of Bogotá is in the early stages of developing a metro rail system and continues to expand its bus rapid transit system.

The consortium OPAIN was awarded a contract in 2006 for upgrades and expansion of Bogotá's El Dorado International Airport, and these renovations are ongoing. There have also been proposals to develop a second airport in the Bogotá area, El Dorado 2. Several regional international airports in Colombia are undergoing upgrades and expansions, and all concessionaires are seeking equipment to modernize their facilities.

The United States Trade and Development Agency (USTDA) and the United States Export Import Bank (EXIM) support U.S. companies as they craft solutions to development challenges and make inroads in key sectors such as oil and gas, petrochemicals, renewable energy, telecommunications, and ports. USTDA grants have resulted in significant contracts being awarded to U.S. companies at Colombia's two oil refineries. EXIM's commitment of USD one billion to Ecopetrol and USD 2.8 billion to Reficar for its refinery project has provided myriad export opportunities for U.S. exporters of oil and gas equipment and services. USTDA grants for customs security and operational enhancements at the ports in Cartagena, Buenaventura, and Puerto Salgar should also increase prospects for U.S. exporters.

Other opportunities for exporters include: agricultural products like cotton, wheat, and pork; automotive parts and accessories; aviation parts and accessories; computer hardware and software services; IT equipment and services; electrical power systems; safety and security equipment; food and beverage processing and packaging equipment; medical equipment; plastics materials and resins; oil and gas equipment; mining equipment; and franchising.

(Source: https://www.export.gov/article?id=Colombia-market-opportunities)

COLOMBIA's FTA INVOLVEMENT

Colombia is a relatively open, free market economy that is party to many free trade agreements (FTAs) worldwide. It has signed free trade agreements with many of its biggest trading partners including the United States and the European Union, and is a founding member of the Pacific Alliance regional trade bloc.

FREE TRADE AGREEMENTS IN FORCE

1. Pacific Alliance (founding member, along with México, Perú and Chile)
2. Panama - Colombia Agreement
3. Canada–Colombia Free Trade Agreement[1]
4. El Salvador, Guatemala Honduras – Colombia Free Trade Agreements
5. United States-Colombia Free Trade Agreement

6. Colombia – European free trade association (Efta) agreement
7. Colombia – European Union Association agreement

TRADE ORGANIZATION MEMBERSHIP

1. Pacific Alliance (founding member)
2. Andean Community
3. Caribbean Community (CARICOM) Agreement
4. World Trade Organization
5. Latin American Integration Association

(Source: https://en.wikipedia.org/wiki/Colombia_trade_agreements)

COLOMBIA - IMPORT REQUIREMENTS AND DOCUMENTATION

Overseas exporters should be aware that their importers in Colombia must follow the basic steps below to complete an import transaction into Colombia:

- Buy and fill out the Import Registration form. File the Import Registration form with Ministry of Commerce, Industry and Tourism. The form requires a complete product description and tariff classification.
- Customs inspects the merchandise, when they consider it necessary, and then authorizes withdrawal of goods.
- Fill out the "Andean Custom Value Declaration" (Declaración Andina de Valor en Aduana) when the import value is equal to or more than US$ 5,000 FOB.
- Fill out the Import Declaration ('Declaración de Importación'). When the import value is equal or more than US$ 1,000, Customs Brokers should do all the paperwork and get the shipment out of Customs.
- Go to an authorized financial entity and pay the import duties, VAT, surcharges, and other fees.
- Make arrangements with a Customs Agency to receive the merchandise and get it out of customs. The following are the main steps to be followed:
- Make arrangements with a financial entity to pay for the imported goods. Ask the exporter to ship goods to a Colombian port.
- Obtain approval from Ministry of Commerce, Industry and Tourism for the Import Registration Form or Import License (in the few cases when this is required).
- Present all documents to customs.
- Request the Cargo Manifest from the transportation firm.
- The importer must keep import documents for a period of no less than five years.
- When required, obtain import permits from pertinent government agencies. For example: Ministry of Social Protection (for medicines), Ministry of Agriculture (for certain food products), and Civil Aviation Department (for aircraft).

IMPORT DECLARATION

The importer must submit an import declaration to the DIAN (Customs). This declaration includes the same information contained on the import registration form and other information such as the duty and sales tax paid, and the bank where these payments were made. This declaration may be presented up to 15 days prior to the arrival of the merchandise to Colombia or up to two months after the shipment's arrival. Once the import declaration is presented and import duties are paid, customs will authorize the delivery of the merchandise.

Customs officials are responsible for inspecting merchandise to verify that the description and classification are consistent with the importer's declaration. A customs inspection group often performs after-clearance random investigations to detect fraud, foreign exchange irregularities, and tax evasion. Major customhouse brokers have a customs office in their own bonded warehouses where most clearance procedures are completed before the merchandise is delivered to the customers.

TO CARRY OUT AN EXPORT, THE EXPORTER MUST:

1) Remit the pro-forma invoice,
2) Obtain acceptance of conditions from the client (letter of credit, draft bill),
3) Negotiate (through a local financial institution)

the letter of credit/draft bill from the endorsing foreign bank,

4) Present (to Ministry of Commerce, Industry and Tourism) a form known as "Registration as National (local) Producer, Export Offer and Determination of Origin,"

5) Present the certificate of origin (when necessary) with copy of the commercial invoice, and other certificates required by the country of destination (textile visa, phytosanitary certificates, etc.), and

6) Complete and present the export declaration form, also known as shipping authorization of final export declaration, with all attachments as required.

Products that require special documentation include: vegetables, plants, fruits, animals, gold, emeralds, oil, coal, nickel, platinum, textiles, products exported through the General System of Preferences (GSP), and products exported through any free trade agreement.

Most of Colombia's foreign trade procedures have been streamlined through the Unified Portal for Foreign Trade (VUCE), which gives users access to forms, online payments and follow-up on requests and processes related to an import or export operation.

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

GDP (purchasing power parity): $712.5 billion (2017 est.),$700.6 billion (2016 est.), $687.2 billion (2015 est.)

Industries: - Textiles, food processing, oil, clothing and footwear, beverages, chemicals, cement; gold, coal, emeralds.

Exports: - $36.79 billion (2017 est.), $33.38 billion (2016 est.)

Exports Commodities: - Petroleum, coal, emeralds, coffee, nickel, cut flowers, bananas, apparel.

Exporting Partners: - US 33.5%, Panama 6.3% (2016)

Imports: - $44.68 billion (2017 est.), $43.24 billion (2016 est.)

Import Commodities: - Industrial equipment, transportation equipment, consumer goods, chemicals, paper products, fuels, electricity.

Import Partners: - US 26.4%, China 19.1%, Mexico 7.5%, Brazil 4.7% (2016)

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

CHEMEXCIL EXPORTS TO COLOMBIA

for the years 2015-16, 2016-17 & 2017-18

Value in USD Million

PANEL	2015-16 (Actual)	2016-17 (Actual)	% over 2015-16	2017-18 (Provisional)	% over 2016-17
(32) Dyes & (29) Dye Intermediates	11.90	12.49	4.97	14.15	13.29
(28) Inorganic, (29) Organic & (38) Agro chemicals	51.32	54.12	5.45	48.97	-9.52
(33) Cosmetics, (34) Soaps, Toiletries and (33) Essential oils	3.62	3.75	3.63	4.09	9.07
(15) Castor Oil	0.50	0.35	-30.44	0.29	-17.14
TOTAL	67.34	70.71	5.00	67.50	-4.54

Source: DGCI&S

DYES TOP ITEMS EXPORTS TO COLOMBIA

(VALUE US$ IN MILLION)

HSCode	Product	2014-15	2015-16	2016-17
32041680	REACTIVE BLACKS	2.07	1.94	1.43
32041759	OTHERS PIGMENT BLUE	1.58	1.4	1.29
32041751	PIGMENT BLUE 15 (PATHALOCYANINE BLUE)	1.3	1.34	1.26
32041761	PIGMENT GREEN 7 (PATHALOVYANINE GREEN)	1.48	1.71	1.25
32041630	REACTIVE REDS	0.48	0.48	0.72
32041218	ACID BLACKS(AZO)	0.54	0.46	0.55
32041739	OTHERS PIGMENT RED	0.59	0.42	0.5
32041982	FOOD COLOURING YELLOW 4 (TARTRAZINE)	0.39	0.34	0.44
32041650	REACTIVE BLUES	0.51	0.36	0.4
32042010	0PTICAL WHITENING AGENTS	0.49	0.26	0.38
TOTAL		9.43	8.71	8.22

DYE INTERMEDIATES TOP ITEMS EXPORTS TO COLOMBIA

(VALUE US$ IN MILLION)

HSCode	Product	2014-15	2015-16	2016-17
29214213	DICHLOROANILINE	0.59	0.85	1.47
29072200	HYDROQUINONE (QUINOL) AND ITS SALTS	0.3	0	0.49
29222990	OTHER AMINO-NAPHTHOLS AND OTHER AMINO- PHENOLS, THEIR ETHERS,ESTERS AND SALTS	0.12	0.13	0.34
29270090	OTHER DIAZO-AZO-OR AZOXY-COMPOUNDS	0.17	0.16	0.14
29215140	O-DIAMINOTOLUENE	0.09	0.1	0.06
29049070	SODIUM META NITROBENZENE SULPHONATE	0.05	0.06	0.04
29214390	OTHR TOLUIDINES AND THR DRVTVS SLTS THEREOF	0	0	0.03
29041040	VINYL SULPHONE	0.03	0.03	0.03
29093019	OTHER ANISOLE AND THR DRVTVS	0.01	0.03	0.03
29041030	NAPTHALENE SULPHONIC ACID	0	0	0.01
TOTAL		1.36	1.36	2.64

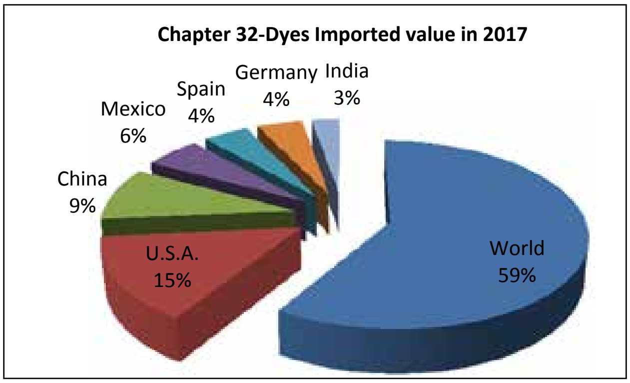
SOURCE:DGCI&S

List of supplying markets for a product imported by Colombia

Product: 32 Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring ...

US Dollar million

Exporters	Imported value in 2015	Imported value in 2016	Imported value in 2017
World	390	366	379
United States of America	103	93	94
China	48	52	60
Mexico	33	30	36
Spain	33	30	29
Germany	29	27	29
India	18	15	17



SOURCE:INTRACEN

INORGANIC CHEMICALS TOP ITEMS EXPORTS TO COLOMBIA

(VALUE US$ IN MILLION)

HSCode	Product	2014-15	2015-16	2016-17
28332990	OTHER SULPHATES, NES	0.59	0.24	0.31
28151110	FLAKES OF SODIUM HYDROXIDE(NAOH),SOLID	0	0	0.29
28020010	SUBLIMED SULPHUR	0.21	0.15	0.28
28299030	IODATES AND PERIODATES	0.22	0.18	0.27
28276010	POTASSIUM IODIDE	0.06	0.08	0.12
28275110	SODIUM BROMIDE	0	0	0.12
28365000	CALCIUM CARBONATE	0	0	0.11
28012000	IODINE	0.09	0.03	0.08
28417090	OTHER MOLYBDATES	0.02	0.03	0.04
28273990	OTHER CHLORIDES, NES	0.02	0.04	0.04
TOTAL		1.21	0.75	1.66

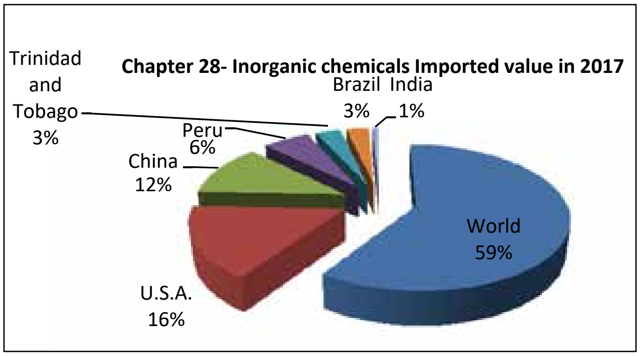
SOURCE:DGCI&S

List of supplying markets for a product imported by Colombia

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	367	338	350
United States of America	96	87	95
China	78	76	69
Peru	21	22	35
Trinidad and Tobago	24	18	19
Brazil	21	18	17
India	3	3	4



SOURCE:INTRACEN

ORGANIC CHEMICALS EXPROTS TO COLOMBIA

HSCode	Product	2014-15	2015-16	2016-17
29333990	OTHER CMPNDS CNTNG AN UNFUSED PYRDN RING (W/N HYDRGNTD) IN STRUCTURE	1.18	2.5	2.6
29335990	OTHER CMPNDS CNTNG A PYRIMIDINE RING (W/N HYDRGNTD) OR PIPERAZINE RING IN STRUCTURE	0.57	0.89	1.3
29319090	OTHER	0	0	0.96
29241900	OTHER ACYCLIC AMIDES AND THEIR DERIVTVS, SALTS	0.7	1.11	0.89
29052290	OTHER UNSATURATED A CYCLIC TERPENE ALCOHOL	0.02	0	0.89
29331990	OTHER COMPNDS CNTNG AN UNFUSED PYRAZOLE RING (W/N HYDRGNTD	0.43	0	0.81
29095090	OTHER ETHR-PHNLS,ETHR ALCHL-PHNLS	0.61	0.67	0.77
29054290	OTHER PENTAERYTHRITOL	0.36	0.27	0.64
29156020	PENTANOIC ACIDS, THR SLTS AND ESTRS	0.32	0.87	0.6
29225090	OTHER FRUSEMIDE AMINODIAL DOMPERIDONE	0.58	0.56	0.54
TOTAL		4.77	6.87	10

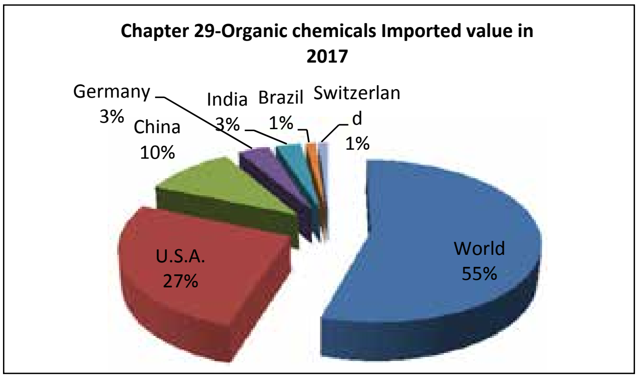
SOURCE:DGCI&S

List of supplying markets for a product imported by Colombia

Product: 29 Organic chemicals

Unit : US Dollar million

Exporters	Imported value in 2015	Imported value in 2016	Imported value in 2017
World	2072	1914	2037
United States of America	848	835	992
China	362	425	377
Germany	115	105	129
India	111	105	105
Brazil	101	53	42
Switzerland	48	39	40



SOURCE:INTRACEN

AGROCHEMICALS TOP ITEMS OF EXPORTS TO COLOMBIA

(VALUE US$ IN MILLION)

HSCode	Product	2014-15	2015-16	2016-17
38089290	OTHERS FUNGICIDE NES	9.35	18.17	15.85
38089199	OTHER INSECTICIDE NES	6.99	6.73	11.79
38089390	OTHER HERBICIDES-ANTI-SPROUTING PRODUCTS	3.22	4.41	4.11
38089320	2:4 DICHLOROPHENOXY ACTC ACD AND ITS ESTERS	0.78	1	1.91
38089135	CIPERMETHRIN TECHNICAL	1.42	1.52	1.7
38089910	PESTICIDES, NOT ELSEWHERE SPECIFIED OR INC	5.16	2.97	1.5
38089990	OTHER SIMILAR PRODUCTS N.E.S.	2.59	0.42	0.69
38089340	PLANT-GROWTH REGULATORS	0	0	0.01
38089210	MANEB	0.08	0	0.01
38089137	SYNTHETIC PYRETHRUM	0.09	0	0
TOTAL		29.68	35.22	37.57

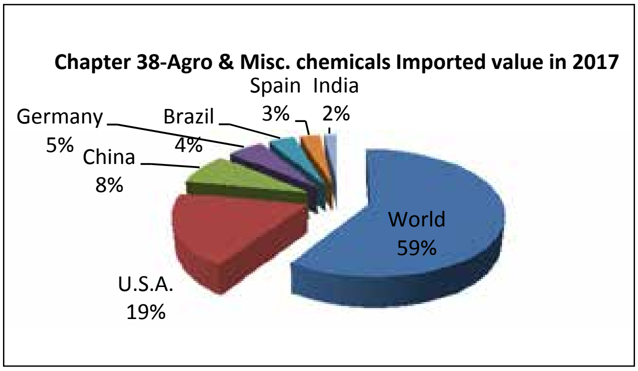
SOURCE:DGCI&S

List of supplying markets for a product imported by Colombia

Product: 38 Miscellaneous chemical products

Unit : US Dollar million

Exporters	Imported value in 2015	Imported value in 2016	Imported value in 2017
World	1028	902	912
United States of America	366	297	287
China	112	113	126
Germany	101	84	82
Brazil	65	58	59
Spain	32	35	46
India	27	23	28



SOURCE:INTRACEN

COSMETICS AND TOILETRIES TOP OF ITEM OF EXPOORTS TO COLOMBIA

(VALUE US$ IN MILLION)

HSCode	Product	2014-15	2015-16	2016-17
34021190	OTHERS(E.G.ALKYLSULPHATES,TECHNICAL DODECYLBENZENE-SUL	1.52	0.89	0.93
33049910	CREAMS FACE (EXCL TURMARIC)	0.41	0.16	0.68
34029091	WASHING AND CLEANING PREPARATIONS HAVING BASIS OF SOAP/ OTHE	0.19	0.32	0.32
33030090	OTHER PERFUME AND TOILET WATERS	0	0.4	0.22
34021900	OTHR ORNGC SRFCE-ACTV AGNTS W/N FOR RTL SL	0.16	0.15	0.22
34021300	NON-IONIC W/N FOR RTL SALE	0.18	0.29	0.2
33059040	HAIR DYES (NATURAL,HERBAL 0R SYNTHETIC)	0.16	0.1	0.17
33030050	PERFMES CONTNG SPIRIT FOR RETAIL SALE	0.34	0.25	0.16
29157040	HCO FATTY ACID(INCL 12-HYDROXY STEARC ACD)	0.1	0.21	0.15
38099190	OTHR FINISH AGENTS USED IN TXTILE INDUSTRY	0.2	0.18	0.13
TOTAL		3.26	2.95	3.18

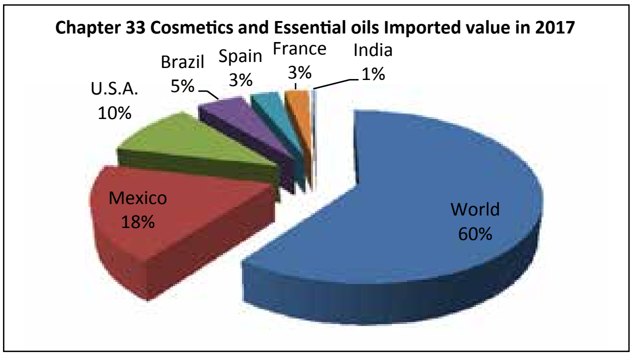
SOURCE:DGCI&S

List of supplying markets for a product imported by Colombia

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	613	565	571
Mexico	192	179	175
United States of America	96	90	97
Brazil	43	44	48
Spain	20	23	28
France	32	26	24
India	4	5	4



SOURCE:INTRACENw

ESSENTIAL OILS TOP ITEMS EXPORTS TO COLOMBIA

(VALUE US$ IN MILLION)

HSCode	Product	2014-15	2015-16	2016-17
HSCode	Product	2014-15	2015-16	2016-17
33012990	OTHER ESSENTIAL OILS	0.26	0.24	0.25
33012590	OTHER MINT OILS	0.05	0.24	0.15
33012400	ESSNTL OIL OF PEPPERMINT(MENTHA PIPERITA)	0.23	0.07	0.05
33012945	CUMIN OIL	0.02	0.04	0.04
33019033	ESSENCE 0F AMBRETT0LIDE (AMBRETTE SEED 0IL ESSENCE)	0.03	0.04	0.03
33012932	NUTMEG OIL	0.02	0.03	0.03
33029019	OTHER MXTR OF AROMATIC CHEMICALS ANDESSN OIL	0	0	0.03
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	0.02
33021090	OTHER MXTR OF ODORFRS SBSTNS OF A KIND USDKIND USD IN FOOD/DRINK INDUSTRIES	0.02	0	0.01
33012922	CORIANDER SEED OIL	0.01	0.01	0.01
TOTAL		0.65	0.67	0.62

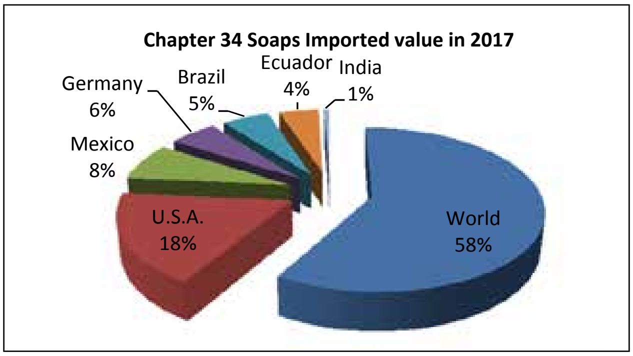
SOURCE:DGCI&S

List of supplying markets for a product imported by Colombia

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	252	217	227
United States of America	85	73	70
Mexico	41	29	29
Germany	22	22	21
Brazil	21	21	21
Ecuador	9	7	17
India	3	2	2



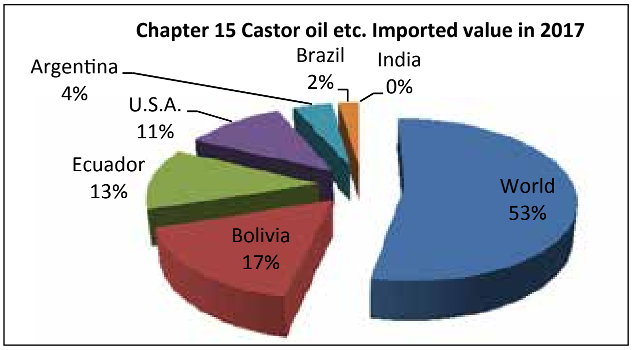
SOURCE:INTRACEN

List of supplying markets for a product imported by Colombia

Product: 15 Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal ...

Unit : US Dollar million

Exporters	Imported value in 2015	Imported value in 2016	Imported value in 2017
World	495	600	598
Bolivia	232	229	187
Ecuador	81	143	139
United States of America	80	84	125
Argentina	14	30	48
Brazil	16	8	24
India	1	1	1



SOURCE:INTRACEN

CHEMEXCIL ACTIVITIES

1. Seminar on "Chemexcil Membership awareness E-way Bill System, Export Refunds at Hyderabad

Chemexcil Chairman, Shri Satish Wagh felicitating Shri Gowra Srinivas, President, FTAPCCI with a bouquet of flowers during the seminar. Shri S. G. Bharadi, Executive Director Chemexcil at the right.

From left Shri S.N. Pangrahi, Consultant, Shri Satish Wagh, Chairman, Chemexcil, Shri Gowra Srinivas, President, FTAPCCI, Shri S.G. Bharadi, Executive Director, Chemexcil, Shri Sanjay Kapoor, Secretary General, FTAPCCI

Chemexcil along with Federation of Telangana Andhra Pradesh Chamber of Commerce and Industry (FTAPCCI) conducted seminar on "Chemexcil Membership awareness and E-way Bill System/ Export Refunds at Hyderabad on 6th June 2018 at FTAPCCI Auditorium, Hyderabad.

The very objective of this seminar was to create Chemexcil awareness and educate the members on various aspects of E-way Bill System/ Export Refunds under GST.

The Speaker for the seminar was Shri. Satish Wagh, Chairman Chemexcil, Shri. S. G. Bharadi, Executive Director Chemexcil along with Shri. S. N. Panigrahi, a Versatile Practitioner, Strategist, Consultant, Energetic Coach, Learning Enabler, & Public Speaker, Shri Gowra Srinivas President (FTAPCCI), Shri Sanjay Kapoor, Secretary General FTAPCCI

Shri S.G. Bharadi, Executive Director Chemexcil covered the important topic of Chemexcil Membership Awareness and made a comprehensive presentation on the topic which was Customized has briefly explained Chemexcil assistance to the members & Foreign Buyers, Achievements and Chemexcil Events.

Shri S.N. Pangrahi, Consultant - covered the important topic of e-way bill system and Export Refunds and made a comprehensive presentation on both topics

Total 35-members and 5 Media Person from Hyderabad region attended this seminar.

CHEMEXCIL

2. Chemexcil Workshop on IGST/ Un-utilized ITC refund at Mumbai

Shri Satish Wagh, Chairman Chemexcil welcoming Shri Rohit Singla, IRS, Jt Commissioner, NS-II, JNCH

To guide the exporters regarding the **procedure and process** of the IGST/ ITC refund, sensitize them to avoid hassles while applying for the refund and take appropriate measures to rectify the errors, the council had organized a **"Workshop on Refund of IGST/Un-utilised ITC for Exporters" on 7th June 2018 at Hotel Marine Plaza, Mumbai.**

Participants

Shri Rohit Singla, IRS, Joint Commissioner of Customs, NS-II, Jawaharlal Nehru Custom House graced the workshop as a key note speaker and also interacted with the participants. The Council had also invited **Shri Mihir Shah who is a Consultant, Advisor and Trainer** in International Business and also Proprietor – ***Universal Connections*** to give a detailed presentation on procedure and process of refunds. From the council side **Shri Satish Wagh-** Chairman, Shri S. G Bharadi-ED and other Officers/ staff of Chemexcil attended the Workshop.

Highlights of the workshop

Shri Wagh welcomed the esteemed panelists/ participants and opined that the timing of the workshop was apt since Government has organized refund drive fortnight. He urged the members to make best use of this opportunity to clear their pending refunds. Shri Rohit Singla briefed the members about the Special Drive by JNCH from 31.05.2018 to 14.06.2018. Regarding exporters who have mentioned IGST in 3.1(a) of GSTR-3B, **he informed that in such cases the details are being sent to GSTN who will subsequently transmit to Customs EDI for processing.** Exporters will have to later on submit a certificate from Chartered Accountant before 31st October, 2018 to the DC(IGST), JNCH at the port of export to the effect that there is no discrepancy between the IGST amount refunded on exports and the actual IGST amount paid on exports of goods for the period July 2017 to March 2018. Further, **Shri Singla** added that in cases where there is a short payment of IGST proof of payment shall be submitted to Assistant/ Deputy Commissioner of Customs in charge of IGST at JNCH. Later on they will submit a certificate from Chartered Accountant before 31st October, 2018 to the DC(IGST), JNCH.

He also informed that other errors like **SB003, SB005 & SB006 are also being handled now during the drive and in the last few days refunds worth at-least 1000 crs have been processed.** Replying to queries on short payment, supplementary claims and merchant exporter Notification, **Shri Singla** advised that these are **new queries and will have to be taken up with CBIC for final resolution.** He also advised the council to send such representations with details for examination.

Shri Mihir Shah explained the entire procedure and process in detail 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.*

Shri Shah also gave a demo on *"sign up / create login at ICEGATE portal"* *for IGST Validation Inquiry* during the session.

The Workshop got excellent response with **more than 70 Member Exporters** attending the workshop.

The participants asked several queries during the Workshop which were answered satisfactorily by the eminent panelists.

3. Chemexcil's Participation in Chemspec Europe-2018

CHEMEXCIL is participated in Chemspec Europe-2018 exhibition being organized by MACK BROOKS EXHIBITIONS LIMITED UK, from 20th to 21st June, 2018 at Hall 8, Koln Messe, Cologne, Germany.

This project is sanctioned under MAI scheme. Altogether 41 chemexcil member-exporters participated in this exhibition. CHEMEXCIL Booked 836 sq. mt. space in Hall No.8. 300 Sq.mt. Space is converted in India Pavilion, Branding INDIA. 5000+ visitors from various countries and regions visited this exhibition.

Visitors from Agrochemical intermediates, biotechnology, Catalysts, Colours & Pigments, Flavours & Fragrances, Organic Intermediates, Photographic Chemicals and Water treatment chemicals., International Trade Missions are the target visitors.

4. Chemexcil Seminar on GST / FTP at KOLKATA

From Left are Shri S.G. Bharadi, Executive Director - Chemexcil, Shri Subir Ghosh, PRO Commercial Taxes, Government of West Bengal, Shri Rajib Sankar Sengupta, Joint Commissioner, Commercial Taxes, Government of West Bengal, Shri Satish Wagh, Chairman - Chemexcil, Shri Mohan Lal Sukhpal, Joint Commissioner Customs (Port), Shri A.K. Basak, Chairman - Plexconcil, Captain Himangshu Shekar, Traffic Manager, Kolkata Port Trust, Shri Rohit Soni, Asst DGFT

The above Seminar was jointly organized by the CHEMEXCIL and PLEXCONCIL on issues related to Kolkata Port / GST / FTP at Hotel Lalit Great Eastern, Kolkata. From CHEMEXIL, the seminar was attended by Shri Satish Wagh, Chairman - Chemexcil and Shri S.G. Bharadi - Executive Director - Chemexcil and from Plexconcil Shri A.K. Basak, Chairman was attended. The program began with honoring the distinguished guests with presentation fresh flowers.

Objective –	**Topics coverage –**
With the onset of GST regime, there have been lot of concerns amongst the member-exporters regarding refunds, e-way bill, custom issues related to port, fate of export promotion schemes etc and also Foreign Trade Policy 2015-2020 etc. To address the concerns of the exporters, the Council organized this Seminar and Interactive Session on ISSUES RELATED TO KOLKATA PORT / GST / FTP.	• Custom issues related to Kolkata Port Categories of Supply under GST • Zero rated supply • Pre-requisites for refunds • Returns and Refund Applications • Refund of un-utilised ITC. • Refund under 0.1% merchant exporter supply • e-Way Bill • e-sealing for export containers / RFID e-seals • Foreign Trade Policy 2015-2020 • Other Trade remedies

Speakers –

- Shri Mohan Lal Sukhpal, Joint Commissioner of Customs (Port)

- Captain Himangshu Shekar, Traffic Manager, Kolkata Port Trust
- Shri Rajib Sankar Sengupta, Joint Commissioner, Commercial Taxes, Government of West Bengal
- Shri Subir Ghosh, PRO, Commercial Taxes, Government of West Bengal
- Shri Rohit Soni, Assistant DGFT

Shri A.K. Basak, Chairman - Plexconcil, welcomed the gathering and informed about the plastic potential in the world market. India's share only 1% in export in worldwide.

Shri Satish Wagh, Chairman – Chemexcil delivered his address and informed to the participants that Central Government is working on a draft chemical policy which would focus on meeting the rising demand of chemicals from domestic industry and reduce dependence on imports. He informed that Rs.6,087 crore IGST refund has been sanctioned by the CBIC at the end of 16th June, 2018. He appealed to the exporters to ensure that the correct procedure of filing returns, giving accurate information in Shipping Bills and submitting RFD01A application forms to the jurisdictional formations are followed for quick disbursal of their refund claims. He thanks to the Government of West Bengal Government for taking initiative to develop deep sea port project in PPP basis at Tajpur, in Midnapore district, West Bengal.

Shri Mohan Lal SukhPal, Joint Commissioner of Customs (Port) delivered his key note address and inform to obtain facility of AEO. From the Kolkata Customs made PPT presentation about the AEO benefits and exemption on account of import and export. They informed to our members that AEO certification is Three-Tier AEO (T1, T2, T3) and this certification is launched by Indian Customs. Small and Medium Scale Enterprises who have filed 25 documents i.e. either Bills of Entry or Shipping Bills during the last financial year is also entitled for AEO. The applicant should have business activities for at least three financial years preceding the date of application.

Captain Himangshu Shekar, Traffic Manager, Kolkata Port Trust made presentation of ppt about the Kolkata Port Performance Analysis, Highlights of existing infrastructure, current constraints of Kolkata dock system, Projects already implemented, Projects in pipeline.

Shri Rajib Sankar Sengupta, Joint Commissioner, Commercial Taxes, Government of West Bengal made presentation of ppt about Refunds and e-way bill.

Shri Rohit Soni, Asst DGFT also address the gathering.

Floor was subsequently opened for queries. With the detailed and suitable illustrations on the technical session which evoked a good response from the participants. Over 80 participants attending the seminar. The participants asked several queries during the seminar and where answered satisfactorily by the eminent speakers.

In the Vote of Thanks session, Shri S.G. Bharadi, Executive Director then briefed the participants about the various export promotional initiatives undertaken by the council with a strong commitment to enhance export growth significantly. He urged member-exporters to get Certificate of Origin from the regional office immediately after shipment. and informed member exporters to give export return on quarterly basis regularly through use our ONLINE facility. He requested to the participants to check the Chemexcil website on daily basis to get up-to-date information.

5. Chemexcil Workshop on IGST, Un-utilized ITC refund AEO at Bangalore

Shri Satish Wagh, Chairman, Chemexcil welcoming Smt Priya Patil, Deputy Commissioner, AP & ACC

A Sensitization Workshop on IGST/Un-utilized Refunds and Authorized Economic Operators (AEO) was organized on July 12, 2018 at Bangalore. Shri. Satish Wagh, Chairman, Chemexcil, welcomed the participants and two senior customs officials Mrs Priya Patil, Deputy Commissioner, AP & ACC and Mr Shafeeq, Assistant Commissioner, Bangalore East GST Commissionerate

To guide the exporters regarding the procedure and process of the IGST/ ITC refund, sensitize them to avoid hassles while applying for the refund and take appropriate measures to rectify the errors, the council had organized a "Workshop on Refund of IGST/Un-utilised ITC for Exporters" on 12th June 2018 at Hotel Radisson Hotel, Bangalore. The Council had invited Mrs Priya Patil, Deputy Commissioner and Mr Shafeeq, Assistant Commissioner. From the council side Shri Satish Wagh- Chairman, Shri S.G Bharadi-ED and other Officers/ staff of Chemexcil attended the Workshop. Highlights of the workshop Shri Wagh welcomed the esteemed participants and opined that the timing of the workshop was apt since Government has organized refund drive fortnight. He urged the members to make best use of this opportunity to clear their pending refunds. Smt Priya Patil, Assistant Commissioner and Shri Shafeeq, Assistant Commissioner, briefed regarding exporters who have mentioned IGST in 3.1(a) of GSTR-3B, She informed that in such cases the details are being sent to GSTN who will subsequently transmit to Customs EDI for processing. Exporters will have to later on submit a certificate from Chartered Accountant before 31st October, 2018 to the DC(IGST), at the port of export to the effect that there is no discrepancy between the IGST amount refunded on exports and the actual IGST amount paid on exports of goods for the period July 2017 to March 2018. Further, Smt Priya Patil added that in cases where there is a short payment of IGST proof of payment shall be submitted to Assistant/ Deputy Commissioner of Customs in charge of IGST at Customs. Later on they will submit a certificate from Chartered Accountant before 31st October, 2018 to the DC(IGST), Customs. She also informed that other errors like SB003, SB005 & SB006 are also being handled now during the drive. Replying to queries on short payment, supplementary claims and merchant exporter Notification, Smt Priya Patil advised that these are new queries and will have to be taken up with CBIC for final resolution. She also advised the council to send such representations with details for examination. Shri Shafeeq explained the entire procedure and process in detail 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..

Calling AEO a safety programme, Mrs Priya Patil exhorted all those engaged in international business to get AEO certified to endure in the competitive global trade environment. Almost 70-80 countries have already joined AEO. She cautioned while expressing concerns over very few AEOs in the country in comparison with China and European Union. Mrs Priya Patil explained in detail the following benefits of AEO: Inclusion of Direct Port Delivery (DPD) of imports to ensure just-in-time inventory management by manufacturer clearance from wharf to warehouse; Inclusion of Direct Port Entry (DPE) for factory stuffed container meant for export by AEOs; Provision of deferred payment of duties – delinking duty payment and customs clearance; Mutual Recognition Agreements with other Customs Administration; Faster disbursal of drawback amount; Fast tracking of refunds and adjudications; Acceptance of self-certified copies of FTA/PTA origin related or any other certificates required for clearance; Paperless declarations with no supporting documents and Recognition by Participating Government Agencies (PGAs) and other stakeholders n Government of India has introduced Authorized Economic Operators (AEO) scheme as part of its obligation to World Customs Organization under the framework of Standards to Secure and Facilitate global trade (SAFE). The scheme envisages various benefits to different categories of economic operators. The intention is to give AEO certified operators preferential treatment in terms of lesser customs examination, relaxed procedural requirements etc. Authorized Economic Operators include inter alia manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses and distributors. Any economic operator such as manufacturer, importer, exporter, logistics provider and CHA can apply for authorization, provided they fulfill and comply with certain provisions.

The Workshop got excellent response with more than 38 Member Exporters. The participants asked several queries during the Workshop which were answered satisfactorily by the eminent panelists

6. Interactive session with the Commissioner of Customs (Exports), Air Cargo Complex, Mumbai

Shri S Anantha Krishnan, Commissioner (Exports), ACC Mumbai addressing the participants during interactive session on IGST refunds & AEO on 24.07.2018 in Mumbai

Delays in IGST refunds/ un-utilised ITC on exports due to inadvertent errors etc has been a cause of concern amongst the exporters.

As a service to the member-exporters, the council had organized an Interactive session **with** the Commissioner of Customs (Exports), Air Cargo Complex, Mumbai on "Third Refund Fortnight **from 16th July, 2018 to 30th July, 2018** & "Authorised Economic Operator" Program.

The objective of this session was to create awareness about the **"Third Refund Fortnight from 16th July, 2018 to 30th July, 2018 to clear pending refunds"** & also make the trade aware of benefits of the **"Authorised Economic Operator"** program.

The seminar was graced by following:

Customs Officers

1. Shri S. Anantha Krishnan, Commissioner of Customs (Exports), Air Cargo Complex Mumbai
2. Shri Tapan Kumar, Joint Commissioner, Air Cargo Complex Mumbai
3. Shri Jaideep Dubey, Assistant Commissioner of Customs, Drawback, Air Cargo Complex
4. Other officers/ staff of Air Cargo Complex Mumbai

Council Representatives

1. Shri Satish Wagh, Chairman Chemexcil
2. Shri Ajay Kadakia, Vice Chairman Chemexcil
3. Shri S.G Bharadi, ED and other Officers/staff of Chemexcil

4. **Member-exporters of chemexcil**

Shri Wagh welcomed the gathering and expressed happiness that CHEMEXCIL has organized this interactive session at the appropriate time when CBIC is Observing Third Refund Fortnight to Clear Pending Refunds" from **16th July 2018 to 30th July 2018** all over the Country for facilitating IGST/ Un-utilised refunds on exports. This initiative which is third such drive after the one in March & June is really commendable and will hopefully resolve liquidity issues of the exporters. He also thanked **Shri S. Anantha Krishnan, Commissioner of Customs (Exports), Air Cargo Complex, Mumbai** and his officers for sparing their valuable time for interaction with the participants.

Shri S. Anantha Krishnan, Commissioner of Customs (Exports), Air Cargo Complex, Mumbai informed that till date IGST refund disbursed @ ACC was around Rs. 1572 cr. Total pending claims due to SB 005 errors is Amount Rs 64.19 cr and Pending Claims due to PFMS rejection Rs 19.58 Crs. He urged all the participants to kindly take note and if applicable submit the Annexure A for rectification of errors/ refund processing.

Shri Jaideep Dubey explained in detail the step wise process of refund and also took specific company wise queries. Wherever any deficiency was observed, he advised to do the needful for processing.

Shri Tapan Kumar made detailed presentation on AEO scheme and explained the process of application, documents needed, benefits etc.

The interactive session was attended by around **30 participants.** They participants interacted with the Customs officers and where satisfied with the response. The session ended with vote of thanks followed by networking lunch.

7. Seminar on "Trade Finance & Forex Risk Management" in association with Kotak Mahindra bank at Mumbai.

Shri Satish Wagh, Chairman Chemexcil attending the seminar on Trade Finance & Forex Risk Management

Volatility in Forex markets and high cost of export finance has been a cause for serious concern amongst the members exporters.

As a service to the members, the council had organised a knowledge seminar on **"Trade Finance & Forex Risk Management"** in association with **Kotak Mahindra bank** on 27/07/2018 in Mumbai.

The objective of this seminar was to create awareness about various aspects of **"Trade Finance & Forex Risk Management"** specially among MSME members so that they can take informed decisions about trade finance and risk management.

The seminar was graced by following:

Council Representatives

1. ***Shri Satish Wagh-*** *Chairman Chemexcil*
2. ***Shri Deepak Gupta-*** *Deputy Director, Chemexcil*
3. *Member-exporters of chemexcil*

Kotak Mahindra Bank Faculty

1. ***Shri Venu Gopal Rao Paidimarry-*** *National Manager- Trade Finance, Kotak Mahindra Bank (KMB)*
2. ***Shri Rohit Jethra-*** *Sr. Vice President- Treasury, KMB*
3. ***Shri Maneesh Srivastava-*** *Vice President- Priority Banking, KMB*

4. ***Shri Milind Gokral****- Chief Manager- Privy Business Banking KMB*

5. ***Shri Pankaj Kapoor,*** *Sr Manager, KMB*

Shri Maneesh Srivastava welcomed the participants for the seminar and particularly thanked Shri Satish Wagh, Chairman for providing this opportunity to Kotak Mahindra Bank for interaction with our members.

Shri Venu Gopal Rao Paidimarry made a comprehensive presentation on Trade Finance touching all the aspects of Trade Finance, credit risk including business with OFAC countries and also briefed about certain trade finance products of KMB which can be useful for exporters.

Shri Rohit Jethra explained in detail the dynamics of INR/ USD movement in India for the last few years and the important reasons for depreciation such as crude oil price, election, Trade war with US etc. He also explained the risk management products like forward contracts, options, FCTL etc. He advised the members to avoid speculation and take an informed view on forex risk management.

The interactive session was attended by around **30 member-exporters.** The participants interacted with the eminent experts from Kotak Mahindra Bank and where satisfied with the response.

The session ended with vote of thanks by **Shri Satish Wagh, Chairman** followed by Hi-Tea.

CHEMEXCIL

NEWS ARTICLE

1. CAN INDIA-CHINA'S TRADE GAP BE TRIMMED? BOOSTING EXPORTS IN THESE AREAS MAY HELP, SAYS REPORT

While widening trade deficit between India and China is continuing to raise concerns, a recent report suggests that rice exports could actually help India to reduce the trade gap which it currently runs with China.

While widening trade deficit between India and China is continuing to raise concerns, a recent report suggests that rice exports could actually help India to reduce the trade gap which it currently runs with China. An SBI 'Country Wrap' report released earlier this week said that India should try to tap sectors such as pharmaceuticals and agriculture — particularly in commodities like rice — in the Chinese market with an aim to bridge the widening trade gap.

According to the Economic Research Department of the SBI, China is a top importer of rice globally. However, for some reason, India has not been able to export enough rice to China. Once India is able to tap those (agriculture and pharma) markets and increase its exports, the trade deficit will be quite balanced.

Demand for Indian goods has been on a decline in the Chinese market, while India's dependence on China for items such as electric equipment, machines, medical and surgical instruments and fertilizers, among others, is on a rise. Other top imports from China include organic chemicals, plastic, ships and boats, iron and steel, and optical photographic. The report pointed out that this has led to a widening trade deficit between India and China. Huge imports of Chinese goods by India has made China the country's largest trade partner, it added.

In FY17, India's trade deficit with China expanded to $51.11 billion from $38.72 billion in FY13. Structural reforms in China has reduced its imports from India, the report said. Commerce ministry data showed on Tuesday that the US emerged as the top export destination for India with $47.9 billion worth of shipments in FY18, PTI reported. However, China was India's largest source country for imports during 2017-18 with $76.3 billion worth of imports.

Items like ores, cotton, organic chemicals mineral fuels copper, iron and steel, nuclear reactor and mechanical appliances, electrical machinery and plastic make it to the list of top export items from India to China, the report said.

(Source: https://www.financialexpress.com/economy/can-india-chinas-trade-gap-be-trimmed-boosting-exports-in-these-areas-may-help-says-report/1194638/ dated 5th June-2018)

2. US REMAINS TOP EXPORT DESTINATION FOR INDIA WITH SHIPMENTS WORTH $47.9 BN LAST FISCAL: COMMERCE MINISTRY DATA

New Delhi: The US has emerged as the top export destination for India, with $47.9 billion worth of shipments last fiscal, followed by UAE and Hong Kong, as per the commerce ministry data.

"USA was India's top export market during April-March 2018 with exports reaching $47.9 billion, followed by UAE ($28.1 billion) and Hong Kong ($14.7 billion)," the department of commerce said in a series of tweets.

In 2016-17, the country's shipments to America stood at $42.2 billion.

The other key destinations include China, Singapore, UK, Germany, Bangladesh, Vietnam and Nepal.

The top ten exporting products last fiscal included petroleum; pearls, precious, semiprecious stones; pharmaceuticals; engineering goods; chemicals; textiles and rice.

According to trade experts, the US would always be the main export destination for domestic exporters as it accounts for about 16 percent of India's total merchandise shipments.

"It is a very big market for us as the US is largest economy in the world. We need to give special focus on this market as it is going to be an important destination for our exports," Professor at Indian Institute of Foreign Trade (IIFT) Rakesh Mohan Joshi said.

Federation of Indian Export Organisations (FIEO) Direct General Ajay Sahai said that the US, being the biggest consumer, is extremely important for sectors such as apparels and made ups, leather footwear, pharma and engineering.

"We should push those exports which account for major imports into US so as to achieve quantum jump in exports," he said.

Further in terms of imports, China was India's largest source country for imports during 2017-18 with $76.3 billion.

This was followed by America ($26 billion) and Saudi Arabia ($22.1 billion).

Top imported products in India during April-March 2018 were petroleum crude ($87.4 billion) followed by pearls and semi precious stones ($34.2 billion) and gold ($33.7 billion).

In 2017-18, exports recorded a growth of about 10 percent to $303 billion. Imports on the other hand totalled nearly $460 billion, leaving a trade deficit of about $157 billion.

Higher growth in outbound shipments helps create employment opportunities, earn foreign exchange and boost economic activities.

(Source: https://www.firstpost.com/business/us-remains-top-export-destination-for-india-with-shipments-worth-47-9-bn-last-fiscal-commerce-ministry-data-4497355.html dated 5th June-2018)

3. INDIA TO ASK US FOR RENEWAL OF GSP SCHEME

India will ask the United States for a fast renewal of the generalised system of preferences (GSP) scheme, which allows market access at zero or low duties for about 3,500 Indian products, including textiles and chemicals. The US Trade Representative's (USTR) office did not renew the scheme for India in April, saying it wanted to hold an eligibility review.

India's commerce and industry minister Suresh Prabhu will visit Washington in June and is expected to point out that GSP extension should not tied up with India's policy on pricing of medical devices or the dairy industry as the United States had been unilaterally offering the concession to help labour intensive sectors, according to a report in a top Indian business daily.

Though the US Congress had voted to extend the GSP scheme through 2020, it was not done so for India, Indonesia and Kazakhstan. Petitions were filed by the US dairy and medical device industries highlighting trade barriers in India and requesting a review of India's GSP benefits.

The United States is reportedly unhappy with recent caps imposed by India on medical products such as stents and Prabhu may discuss that issue separately during his visit. (DS)

(Source: http://www.fibre2fashion.com/news/textile-news/india-to-ask-us-for-renewal-of-gsp-scheme-242605-newsdetails.htm dated 6th June-2018)

4. CHINA'S 'GREEN' ISSUES BOOST INDIA'S FY18 CHEMICAL EXPORTS

China's decision to shutter several chemical manufacturing units to rein in air pollution and protect the environment has helped Indian chemical exports grow 31.94% to $15.91 billion in 2017-18, a top industry representative has said.

"Indian [chemical] industry has been revived," said Satish Wagh, chairman, Chemexcil (Basic Chemicals, Cosmetics and Dyes Export Promotion Council). He added that the huge volume of exports had resulted in a shortage for domestic consumption.

'Crucial period'

Stating that exports had increased both in volume and value terms, he said the trend was expected to continue for another 2-3 years.

"This period will be very crucial for us to encash and see that we reach all over the world to each and every buyer.

"It is a good opportunity... [we need to build] confidence in buyers," he said, expecting the Chinese manufacturers to bounce back in three years," he said.

Chemexcil executive director S. G. Bharadi said growth last fiscal was significant as in 2016-17 exports rose at a modest 3.22% to $12.06 billion.

Chemexcil members export dyes and dye intermediates; inorganic, organic and agro chemicals among other things.

Inorganic, organic and agro chemicals account for a bulk of these exports, growing to $10.66 billion in 2017-18 ($7.71 billion in 2016-17). Their export growth was 38.29% in 2017-18 against 3.48% in the previous fiscal. Chemexcil office-bearers were in the city for a seminar on export refunds and e-waybill requirements organised at the Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI). There is a huge shortage of basic chemicals in the country, said Gowra Srinivas, president, FTAPCCI. It is against this backdrop, Chemexcil wants the Centre to take a re-look at the processes relating to environmental clearances for the units to help them scale up.

(Source: http://www.thehindu.com/business/chinas-green-issues-boost-indias-fy18-chemical-exports/article24097713.ece dated

5. INDIA: INDIRECT TAX UPDATES: NOTIFICATION OF CUSTOMS AUDIT REGULATIONS, 2018, AMENDMENTS IN THE FOREIGN TRADE POLICY, EXEMPTION FROM PAYMENT OF A LATE FEE UNDER PROFESSION TAX

Important rulings by Authority for Advance Ruling (AAR) Whether the sale of imported goods outside India, without such goods entering into India at any stage, taxable under GST?

AAR, Kerala has held that a transaction wherein a person registered under GST in India places an order for goods in China, and the Chinese supplier, on the directions of such person, ships the goods directly to a customer in the USA, GST will not be applicable in India since the goods cannot be said to have been imported in India in accordance with the provisions of the IGST Act, 2017. Furthermore, the position will not change even in a scenario wherein such goods are directly shipped by the Chinese supplier to such person's warehouse in the Netherlands, and thereafter sold to customers in and around the Netherlands.

(2018-VIL-02-AAR - Synthite Industries Ltd)

Whether reinstatement and access charges paid by businesses to a municipality towards digging and restoration of roads in the course of their business, be taxable under GST?

AAR, Maharashtra has held that recovering restoration charges by a municipality from business entities that have dug up a road cannot be equated to performing a sovereign function as envisaged under Article 243W of the Constitution. Thus, any reinstatement charges and any connected access charges paid to municipal authorities would be liable to GST under reverse charge mechanism.

(2018-VIL-22-AAR - Reliance Infrastructure Ltd)

Whether services of running a restaurant or a canteen for an entity, to provide meals to employees of such an entity, would be classifiable as 'outdoor catering' services (taxable under GST at the rate of 18%) or as 'restaurant' or 'canteen' service (taxable under GST at the rate of 5% without input tax credit)?

AAR, Gujarat, relying on the observations of the Allahabad High Court in the case of Indian Coffee Worker's Co-Op Society Ltd vs CCE & ST, Allahabad [2014 (34) S.T.R. 546 (All.)]), under the erstwhile service tax law, has ruled that services of running a canteen provided to an entity, within the premises of such entity, would not alter the nature of such services just because it is for providing meals to the employees of such entity, and would still be classified as 'outdoor catering' services and not as a restaurant or a canteen service. Consequently, such services would fall under the specific entry of 'outdoor catering services' and thereby be taxable at 18%.

(2018 (5) TMI 1181 - Rashmi Hospitality Services Pvt Ltd)

Applicability of IGST on the supply of Customs warehoused goods

The government vide circular no. 3/1/2018-IGST dated 25 May 2018 has clarified that IGST will be levied and collected on goods supplied while being deposited in Customs bonded warehouse only when such goods are cleared for home consumption from such a warehouse. The IGST would be charged either at the transaction value or the valuation done at the time of filing an into-bond bill of entry, whichever is higher.

It has been further clarified that GST should not be charged on any intermediate sale of such goods while they are deposited in the Customs bonded warehouse.

Notification of Customs Audit Regulations, 2018

Audit was introduced under the Customs law by inserting Section 99A in the Customs Act, 1962 vide the Finance Act, 2018. In furtherance of this, the government vide Notification No. 45/2018-Customs (N.T.) dated 24 May 2018 has introduced Customs Audit Regulations, 2018, guiding such audit under the Customs law.

Amendments in the Foreign Trade Policy

The Directorate General of Foreign Trade (DGFT) has made the following amendments to the Foreign Trade Policy 2015-20 vide public notices:

Public Notice reference	Effect of the notice
7/2015-2020 dated 11 May 2018	The government, after the mid-term review of Foreign Trade Policy 2015-20 vide various public notices, had increased the rate of rewards for certain items under Merchandise Exports from India Scheme (MEIS) and Service Exports from India Scheme (SEIS) till 30 June 2018. Now, vide this public notice, such enhanced benefits would be continued beyond 30 June 2018.
9/2015-2020 dated 14 May 2018	Regional authorities can issue advance authorization for the annual requirement on the basis of self-declaration by the applicant (where the exporter intends to use additional inputs), even where ad-hoc norms already exist for the resultant product.
10/2015-2020 dated 22 May 2018	Exporters can offset excess exports done towards the average Export Obligation (EO) fulfillment of an EPCG authorization against any shortfall in the average EO done in other years. However, it should be ensured that the average EO is maintained on an overall basis, within the block period or the EO period as applicable.

As per para 3.08 (b) of Foreign Trade Policy 2015-2020, to qualify for SEIS, the service provider should have minimum net foreign earnings of USD 15,000 (USD 10,000 for individual service providers and sole proprietorship). Now, DGFT vide Notification No. 8/2015-2020 dated 24 May 2018 has amended the said para to clarify that such minimum threshold limit is to be considered for the year for which the duty credit scrip is being obtained and not the financial year preceding the year of providing the eligible services.

Exemption from payment of a late fee under profession tax

The Maharashtra government vide Trade Circular No. 15 of 2018 dated 21 May 2018 has exempted registered employers from payment of a late fee in respect of monthly or annual returns pertaining to the period April 2016 to June 2018 if the following conditions are fulfilled:

Any amount payable as per the return should have been paid before the due date.

The monthly/annual returns for the said period are submitted before 31 July 2018.

There will be no refund or set off against the liability for late fee already paid.

(Source: http://www.mondaq.com/india/x/707780/sales+taxes+VAT+GST/

6. IRAN, INDIA TO BEGIN PTA TALKS

India will soon begin talks with Iran on a trade accord just as the US has turned hostile toward the Persian Gulf nation, threatening it with renewed sanctions after walking out of a nuclear accord with the country.

The first round of formal negotiations on a preferential trade agreement will be held between India and Iran by August, Indian daily The Economic Times quoted "people with knowledge of the matter" as saying.

Such an accord will see the two giving duty concessions to each other's goods, enabling greater market access for India's pharmaceutical, rice and auto component exports.

"We are making our wish lists," said one of the officials. "The first round of text-based negotiations will take place in a month or two."

Talks on a PTA began two years ago, then slowed because Iran had concerns about India's indirect tax structure.

"Most of Iran's exports to us are intermediates," an unnamed official said. "Initially, they had problems with countervailing duty and its adjustment in the pre-GST (goods and services tax) regime but now it is confident of the new tax structure."

Iran has sought details on India's tax structure before and after the imposition of GST on around 100 products, including urea, various dry fruits and chemicals.

India implemented GST on July 1 last year.

On the issue of PTA talks gaining momentum when the US was becoming belligerent on sanctions, another commerce department official said the two were mutually exclusive.

"PTA is a permanent thing while sanctions are temporary. Moreover, there is already an existing solution-the rupee payment mechanism-which is working," the second official said.

Banks have not objected to India going ahead with the pact despite the threat of sanctions, the official said. "In fact, with a PTA, banks will have to process less payments due to reduction of duties," he added.

Iran's major exports to India are oil, fertilizers and chemicals while imports include cereals, tea, coffee, spices and organic chemicals.

"India can benefit on products such as pharmaceuticals, manmade staple fiber, iron and steel, tea, coffee, spices and chemicals," said Ajay Sahai, director general, Federation of Indian Export Organizations.

The two sides agreed to undertake text-based negotiations on PTA as well as the conclusion of a bilateral investment treaty in a fixed timeframe during Iranian President Hassan Rouhani's visit to India in February.

"India never stopped trading with Iran even when there were US and EU sanctions on that country. Going ahead with a PTA now is a strong signal of our trade partnership," said an expert on trade issues.

India's exports to Iran were $2.6 billion in fiscal 2018-19 while imports were $11.1 billion.

> Indian Delegation to Assess Mood in EU

To assess the mood of the nations in the European Union with regard to the impending US sanctions on Iran, a joint team of the finance, petroleum and natural gas ministries has been sent to meet officials in these countries.

According to a top government official, the team will be studying responses from various sources.

"We should remain aware of what the world is thinking," said the official as reported by The Financial Express.

Though the European nations have said they will not adhere to the US sanctions, India does not want to keep any stone unturned.

"The last time when US had imposed sanctions, Europe followed. We want to be prepared for a repeat scenario," said the official.

Currently, India pays Iran in euros through European banking channels and if European nations are not part of the sanction, it can continue to pay through the same channel. There is still time before sanctions are actually imposed.

India's Petroleum Minister Dharmendra Pradhan said the government is adopting a wait-and-watch policy regarding its crude imports from Iran, in case the US goes ahead with the sanction.

“It is too early to comment on the Iran issue.”

> India's Iran Investment in Rupee

It was reported a day before Rouhani's meeting with Indian Prime Minister Narendra Modi on February 17 that India, for the first time beyond Bhutan and Nepal, would invest in a foreign country-Iran-through its own national currency rupee to bypass any trouble arising out of impending US sanctions against Iran, which bars the country from dealing in dollars and euros, after the decision to invest in rupee was implemented in January to stimulate trade and investment between the two countries.

Rouhani’s visit was his first since assuming office in 2013 and came a decade after the last presidential visit from Iran: Mahmoud Ahmadinejad in 2008.

The Indian investments in rupees will get converted into Iranian rial through banking mechanism allowing investments from India, including in the Chabahar Port complex.

(Source: https://financialtribune.com/articles/domestic-economy/87670/iran-india-to-begin-pta-talks dated 9th June-2018)

7. TOUGH TIMES AHEAD FOR INDIAN BUSINESSES IF TRUMP IMPOSES RETALIATORY TARIFFS

Tariff concessions are crucial for Indian SMEs exporting their products to the US market.

New Delhi: India’s exports to the US, especially those from sectors like textiles, gems and jewellery, automotive, organic chemicals and pharmaceuticals, could be hurt badly if US President Donald Trump carries out his threat of imposing retaliatory import duties on Indian products. This possibility looks real, given the way Trump has publicly shamed traditional US allies like Japan, Germany and Canada, and levied punitive duties on their steel and aluminium exports.

Any US move to levy retaliatory tariffs will largely hit India’s small and medium enterprises. That could complicate the Narendra Modi government’s political challenges, with general elections just around the corner.

The US accounts for nearly 16% of India’s total exports. In 2017-18, India had a trade surplus of $21 billion with the US.

The US’s industrial tariffs have fallen to close to zero after several rounds of trade liberalisation. But on the other hand, India still continues to impose high import duty, which riles Trump.

For example, India has kept high tariffs on automobiles and motorcycles (60-75%), alcoholic beverages (150%) and textiles (some ad valorem equivalent rates exceed 300%).

What is even more worrying for the US is that as much as 25% of India’s industrial tariffs remain unbound at the WTO.

According to latest WTO data, in 2015 India’s average bound tariff rate was 48.5%, while its simple ‘most favoured nation’ average applied tariff was 13.4%. The US has expressed concern over this, saying its exporters face tremendous uncertainty as India has considerable flexibility to change tariff rates at any time.

Meanwhile, US exporters of stents and knee implants are seething with anger over price caps placed by India on these medical devices.

Value of key Indian exports to the US in 2017-18

Product category	Exports ($bn)
• Gems and jewellery	10
• Pharmaceuticals	4.66
• Apparel	3.85
• Made-ups	2.39
• Road transport vehicles	2.12
• Organic chemicals	1.58

Source: Commerce Ministry

The US trade deficit with India has become a sore point for the Trump administration, which wants full reciprocity in trade relations with all countries.

That Trump has publicly flagged that India imposes prohibitive duties of 100% on some products has left little doubt about US intention. Indian trade diplomats' hope of being exempted from prohibitive US steel and aluminium tariffs has already proved false. They cannot afford to stay complacent about the threat of US slapping punitive tariffs on Indian exports, said trade experts.

"We're like the piggybank that everybody is robbing," Trump said while addressing a press conference in Canada's Quebec City at the conclusion of the G7 summit.

Trump has made it clear that his tariff grievances went beyond developed economies. He especially mentioned India, which he said imposed prohibitively high tariffs on US products like Harley Davidson motorcycles.

Indian exporters worried

Meanwhile, garment exporters are worried at the prospect of the US levying equivalent import tariffs. Currently, US import duty on garment import varies from 8% to 28%. In comparison, India imposes customs duty on garment imports at the flat rate of 32%.

India's garment exports in 2017-18 were 11% lower than the preceding year. This declining trend continues in the current fiscal year too.

As much as 30% of India's garment exports go to the US.

One Gurgaon-based garment exporter, who did not want to be identified, told The Wire that the sector could face troubles if the US imposes an equivalent duty on garment imports.

Indian exports of gems and jewellery to the US, estimated at $10 billion in 2017-18, too could face serious hurdles if the latter levies retaliatory tariffs. Export of road transport vehicles and organic chemicals are also at the risk of being hit with high tariffs.

Task cut out for Indian trade diplomats

The Trump administration has ordered a review of India's compliance with 15 conditions outlined by the Congress for availing concession tariffs in the US market under Generalised System of Preferences (GPS).

Tariff concessions are crucial for Indian SMEs exporting their products to the US market. The Indian government has pleaded its case before the GSP subcommittee, which is conducting a review of India's eligibility and will decide if the country is providing "equitable and reasonable" market access as a quid pro for GSP benefits.

But there is not much hope of India getting a clean chit in the GSP review in which powerful US trade associations are petitioners. While the National Milk Producers' Federation and the US Dairy Export Council have complained about restricted market access for farm products, the Advanced Medical Technology Association has brought up price caps on coronary stents and knee implants.

Given all of this, it would not be surprising if the US president goes ahead with his threat of increasing tariffs on exports from India in the event talks do not yield results.

Starting from June 10, India's commerce minister Suresh Prabhu was on a two-day visit to the US, where he held talks with US secretary of commerce Wilbur Ross and US Trade Representative Robert E. Lighthizer to cool the rising trade tensions between the two countries. However, chances that Prabhu persuaded the US administration to drop its demand of full reciprocity in bilateral trade relations look dim.

India's exports to the US grew by 13.42% during the year, much faster than the 9.98% growth rate of its overall merchandise exports, underlining the significance of the American market for Indian industry.

However, the easy access that Indian exports have traditionally enjoyed in the US market could be a thing of the past soon, if the Modi government does not properly handle Trump's demand on reciprocity in bilateral trade relations.

(Source: https://thewire.in/trade/us-india-trade-donald-trump-tariffs dated 14th June-2018)

8. COMMERCE MINISTER REVIEWS PROGRESS OF EXPORT PROMOTION STRATEGY

He said a conference of Heads of Indian missions has been scheduled in Juneend in which trade promotion measures will be discussed

The Department of Commerce will soon open 10 offices in Indian missions abroad for accelerating export promotion activities.

This was informed by Commerce & Industry Minister, Suresh Prabhu,during review of the sectoral export promotion plans prepared by Ministries and Departments in New Delhi today.

He said a conference of Heads of Indian missions has been scheduled in Juneend in which trade promotion measures will be discussed.

The Minister stressed on branding of Indian products and export credit as important focus areas for export promotion.

He also said that efforts should be made for getting priority sector lending status for export credit and directed the logistics division of the Ministry to work upon measureslike bulk cargo transportation to reduce freight costs.

The Minister suggested that each Ministry and Department should set targets for increasing exports of their product and product groups in 2018-2019.

Commerce Minister emphasized that exports are a national priority and an integrated approach is required to promote exports as a joint mission.

He directed that this forum should be institutionalized and inter-ministerial meetings be held every quarter to resolve difficulties and assess the progress across sectors.

Commerce Secretary, Ms. Rita Teaotia said that although exports have grown in the past year, a quantum jump is required. She also emphasized that branding is a major issue cutting across all sectors and Brand Equity Foundation is formulating a proposal to support line Ministries for branding export products.

Director General Foreign Trade,Alok Chaturvedi informed the participants that Department of Commerce is preparing a '100 Billion Additional Export Strategy' which will be released shortly.

Merchandise Exports in 2017-18 grew by 9.8% YoY while Services Exports were up by 17.8% YoY. Total Exports were up by 12.9% in 2017-18 as compared to 2016-17.

The Minister of State for Commerce & Industry, C R Chaudhary was also present at the meeting. The meeting was attended by Secretaries to Government of India from DIPP, MSME, Textiles, Chemicals and Petrochemicals besides senior officers from other administrative ministries and departments including Agriculture, Electronics and IT, Department of Heavy Industry and Defence Production.

(Source: https://www.clipper28.com/en/commerce-minister-reviews-progress-of-export-promotion-strategy/ dated 15th June-2018)

9. INDIA, US MAY DISCUSS VISA ISSUES, STEEL EXPORT TARIFFS

NEW DELHI: Pricing of medical devices, additional tariffs on Indian steel and aluminium exports, visa issues, and duty cuts for $5.6 billion of Indian exports are seen as "lowhanging fruits" that India and the US intend to resolve in their upcoming bilateral meetings.

Senior officials from both the countries will meet soon to address concerns that were flagged during commerce and industry minister Suresh Prabhu's visit to the US early this week.

"We have agreed to work on resolution of various issues and address the concerns of either side," Prabhu said on Friday.

He said the meeting of officers might take place by the end of this month.

India and the US are now identifying areas that can be resolved first as the two have been embroiled in a series of trade spats over the last few months.

"We will identify low hanging fruits which can be resolved first, issues that were part of the Trade Policy Forum (TPF) would be there in the agenda," said a commerce ministry official.

Around four to five rounds of talks are expected to take place between the two countries with India likely to host the first round.

"Issues linked to intellectual property rights will come into the talks only if they are directly linked to trade," the official said.

India and the US failed to bring out a joint statement in the last TPF in October due to unresolved differences.

The United States had then pressed for strong outcomes across a number of areas, including nonscience-based barriers to agricultural trade, barriers to trade that impact sales of US high technology, tariffs in a number of agricultural and industrial sectors, market access in services, and protection and enforcement of intellectual property rights.

TIMING OF TALKS

Prabhu's meetings with US Trade Representative Robert Lighthizer, secretary of commerce Wilbur Ross, and secretary of agriculture Sonny Perdue, took place in the backdrop of US President Donald Trump criticising other Group of Seven (G-7) industrial nations.

"On the day of my visit...Trump made a statement about G7," Prabhu said.

"Meeting with the USTR went very well. We made substantive progress on trade and investment issues," the minister said.

Prabhu said the meeting was important in the backdrop of the fact that the US was not even ready to talk on trade related issues with its close trading partners such as Canada.

The US had pulled out of G-7 joint statement.

(Source:- https://economictimes.indiatimes.com/news/economy/foreign-trade/india-us-may-discuss-visa-issues-steel-export-tariffs/articleshow/64609616.cms dated 16th June-2018)

10. SUSHMA SWARAJ DISCUSSES STEPS TO REVITALISE BILATERAL TIES WITH ITALY

Sushma Swaraj and Giuseppe Conte External Affairs Minister Sushma Swaraj shakes hand with Italian Prime Minister Giuseppe Conte in Rome on Monday , PTI

As part of her seven-day tour of four European nations, External Affairs Minister Sushma Swaraj held bilateral talks with Italian leadership on Monday.

She called on Italian Prime Minister Giuseppe Conte, who assumed charge early this month, and their discussions focused on forging bilateral cooperation across sectors and steps to revitalise the bilateral relationship.

Swaraj, on the first leg of her tour, met with her Italian counterpart Enzo Moavero Milanesi. "They exchanged views on regional and global issues of mutual interest," External Affairs Ministry spokesman Raveesh Kumar said. The two leaders shared concerns relating to counter-terrorism and cybersecurity and agreed to continue cooperation in this area, the statement said.

Outlining the reforms undertaken by India to promote ease of doing business and liberalise Foreign Direct Investment, Swaraj highlighted the tremendous scope for enhancing bilateral trade and investment in sectors like infrastructure, food processing, and renewable energy.

"To augment collaboration in areas of mutual benefit, the ministers agreed to hold the next meeting of the Joint Commission for Economic Cooperation (JCEC) in India later this year," the statement said.

They also welcomed Italy's participation as a partner country at the Tech Summit in India in November 2018, which would boost cooperation in technology and innovation.

The two leaders also welcomed the growing India-Italy convergence on contemporary global issues and agreed to enhance bilateral cooperation in multilateral forums.

The visit from June 17-23 to European nations will provide an opportunity to hold in-depth discussions with the political leadership on a wide range of global, regional, and bilateral issues and advance India's growing strategic engagement with the European Union, the Ministry of External Affairs has said.

The India-Italy ties took a hit after two Italian marines were arrested for allegedly killing two Indian fishermen off the coast of Kerala in 2012. The row also impacted EU's relationship with India.

Over the next few days, she will be visiting France, Luxembourg, and Belgium to discuss issues related to India-EU free trade agreement. The EU and Indian leaders had been looking to resume stalled negotiations over some time, but uncertainties over Brexit and inflexibility on both sides prevented the resumption of formal talks. Talks were stalled as EU was not recognising India as a "data secure" country. The EU also had reservations about high Indian tariffs on European cars and alcohol.

Her Luxembourg visit will be the first ever by an Indian External Affairs minister. She will meet the Grand Duke of Luxembourg, Henri Albert Gabriel Félix Marie Guillaume, and Prime Minister Xavier Bettel there. She will be in Belgium from June 20-23. In Brussels, she will meet Deputy Prime Minister and Minister of Foreign Affairs of Didier Reynders. She will meet President of the European Commission Jean-Claude Juncker and President of the European Parliament Antonio Tajani, as well.

Visits On Card

Over the next few days, External Affairs Minister Sushma Swaraj will be visiting France, Luxembourg, and Belgium to discuss issues related to India-EU free trade agreement.

(Source:- http://www.dnaindia.com/india/report-sushma-swaraj-discusses-steps-to-revitalise-bilateral-ties-with-italy-2626680)

11. INDIA COMMITTED TO BROAD-BASED TRADE AGREEMENT WITH EU: PRESIDENT KOVIND

ATHENS: India is committed to a broad-based trade and investment agreement with the EU to be achieved in a generous spirit of mutual accommodation and of pragmatism, President Ram Nath Kovind said here ON Tuesday.

The 28-member European Union is among India's largest trading partners.

Kovind, who arrived in Greece on Saturday on the first leg of his three-nation tour, said that the EU is a critical source of investment and technology, especially for sustainability programmes.

Indian companies are significant investors in the EU, in industries as far apart as pharmaceuticals and automobile components, he said.

"India remains committed to an India-EU Broad-based Trade and Investment Agreement

(BTIA), to be achieved in a generous spirit of mutual accommodation and of pragmatism," he told a gathering of diplomats, policymakers and academics during his address on the subject 'India and Europe in a Changing World'.

The event was organised by the Hellenic Foundation for European and Foreign Policy - a leading foreign policy think-tank in Greece and Europe. The negotiations for the BTIA have been held up since May 2013 and both the sides are yet to bridge substantial gaps on crucial issues.

Since June 2007, both the sides have completed 16 rounds of talks and five stock-taking meetings on the proposed pact.

The negotiations have witnessed many hurdles with both sides having major differences on key issues like intellectual property rights, duty cut in automobile and spirits and liberal visa regime.

The two sides have to iron out differences related to movement of professionals.

Besides demanding significant duty cuts in automobiles, the EU wants tax reduction on wines, spirits and dairy products, and a strong intellectual property regime.

On the other hand, India is asking the EU to grant it data secure nation status. The country is among the nations not considered as data secure by the EU. The matter is crucial as it will have a bearing on Indian IT companies wanting market access to the countries in the bloc.

Earlier, addressing the India - Greek Business Forum meeting, Kovind said that India-Greek bilateral trade at USD 530 million is way below its potential.

"With some efforts this can easily be made to cross USD 1 billion in the next few years and India is keen to take lead in this effort," he said.

The President said that there are clear complementarities between the Indian and Greek economies.

He asked Greek shipping, agriculture, food processing, tourism, infrastructure, technology, defence and start-up companies to look at investment and technology tie-up openings in India.

He said that there are lucrative opportunities for the Greek Shipping Industry in India's ambitious Sagarmala project.

The Sagarmala programme was launched under the port-led growth model and aims to invest Rs 8 lakh crore to create new mega-ports, modernise existing facilities and also have special economic zones adjoining the port.

Kovind also mntioned the opportunities to collaborate in defence manufacturing, pharma, tourism, real-estate, entertainment, infrastructure and technology sectors as well.

(Source:- https://economictimes.indiatimes.com/news/economy/foreign-trade/india-committed-to-broad-based-trade-agreement-with-eu-president-kovind/articleshow/64649090.cms dated 19.06.2018)

12. EASE OF DOING BUSINESS FOR EXPORTERS IN FILING DFIA

New Delhi, June 21 (KNN) Taking a step towards ease of doing business for exporters in the country, exporters have been enabled to file single Duty Free Import Authorization (DFIA) application for exports made from any EDI port and separate applications for export made from each non-EDI port.

DFIA scheme is in existence from 1st May, 2006. A Duty Free Import Authorisation is issued to allow duty free import of inputs which are used in the manufacture of the export product (making normal allowance for wastage) and fuel, energy, catalyst etc. which are consumed or utilised in the course of their use to obtain the export product.

In a notification, Directorate General of Foreign Trade (DGFT) said, “Paragraph 4.29 (vi) and Para 4.29(vii) of Foreign Trade Policy 2015-20 is replaced enabling exporters to file single DFIA application for exports made from any EDI port and separate applications for export made from each non-EDI port.”

Now after the amendment, separate DFIA shall be issued for each SION.

Also, export under DFIA shall be made from any port listed in Para 4.37 of Handbook of Procedures. However, separate application shall be made for EDI and non-EDI ports. In case export is made from a non-EDI port, separate application shall be made for each non-EDI port. (KNN Bureau)

(Source:- http://knnindia.co.in/news/newsdetails/sectors/ease-of-doing-business-for-exporters-in-filing-dfia dated 21st June-2018)

13. CENTRE TO MAKE PCPIR POLICY MORE ATTRACTIVE

The Government of India has planned to make Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) policy more attractive.

“The Ministry of Chemical and Petrochemicals will soon convene a meeting with the Ministry of Petroleum to discuss about the desirable changes required to make the policy more attractive. Then the proposal would seek Cabinet nod, according to Chemical and Petrochemical Secretary P Raghavendra Rao.

Attending an industry meeting organised by the FICCI Odisha chapter, Rao said, “16 per cent of the chemical and petrochemical industry is in eastern part of the country. But per capita consumption is very low. Odisha is the only state which has advantage of both PCPIR unit and Plastic Park.

It will provide much needed support for the development of this sector in Eastern part of the country.”

Industries Secretary Sanjeev Chopra said Paradip would emerge as a most sought-after industrial zone of the country in the coming 10-15 years. “It has Paradip Port for major cargo handling. In nest three-four years, doubling of Railway line will help faster movement of goods. It has advantage of Gas Pipeline, proposed Paradip-Dhamara waterway and East Coast Economic Corridor. All these facility will make Paradeep most attractive of investors,” he opined”

Stating that the State Government is subsidising this sector in every possible way, Chopra said the PCPIP project of Paradip would be completed within next two months. Polypropylene project would come up by end of this financial year.

(Source:- http://www.dailypioneer.com/state-editions/bhubaneswar/centre-to-make-pcpir-policy-more-attractive.html dated 24th June-2018)

14. PM NARENDRA MODI SEEKS DOUBLE-DIGIT GDP GROWTH, RAISING INDIA'S SHARE IN WORLD TRADE

NEW DELHI: Prime Minister Narendra Modi today called for targeting double-digit GDP growth for breaking into the USD 5 trillion economy club and said India's share in world trade has to more than double to 3.4 per cent.

Speaking after laying the foundation stone of Vanijya Bhawan, a new office complex of the Ministry of Commerce here, he said his government has in four years taken steps to ease the process of doing business in India while maintaining macroeconomic indicators like inflation, current account deficit (CAD) and fiscal deficit within limits.

After scaling these positive macroeconomic indicators, what next, the Prime Minister asked.

He said GDP growth touched 7.7 per cent in the last quarter of 2017-18 fiscal but now the time has come to look beyond 7-8 per cent growth and target double-digit expansion.

"The need of the hour is that we should work towards achieving the target of double digit growth from 7-8 per cent," Modi said, adding the world is watching as to when India will break into the USD 5 trillion economy club by doubling its economy.

The Prime Minister emphasised the need for increasing exports and said that states must be made active partners in this effort.

He said the Department of Commerce must resolve to raise India's share in total global exports to at least 3.4 percent, from the current 1.6 per cent. Similarly, he said, efforts must be made to raise domestic manufacturing output to reduce the dependence on imports. In this context, he gave the example of electronics manufacturing. The Commerce Ministry as well as trade and industry should take up the challenge of double-digit GDP growth and doubling India's share in global trade, he said. Listing out the achievements of his government, he said the country has moved away from a culture of delaying work through 'atkana, latkana and bhatkana' (obstructing, delaying and misguiding).

The Goods and Services Tax (GST), which replaced over a dozen indirect taxes from July 1 last year, has led to not just ease of doing business but also an increase in the tax base, he said.

Modi said 54 lakh new taxpayers have sought registration under the new regime, taking the number of indirect tax payers to over one Crore.

This compares to 60 lakh indirect tax payers in the pre-GST era, the Prime Minister said.

Foreign direct investment inflows as well as foreign exchange reserves are at record highs, he added.

Modi also expressed confidence that Vanijya Bhawan will be completed well within the stipulated time.

He emphasised that this would be in keeping with the spirit of 'New India' and moving away from old practices, under which important building projects, even in the capital, had been inordinately delayed.

In this context, Modi mentioned the Dr. Ambedkar International Centre, Dr. Ambedkar National Memorial, the Pravasi Bharatiya Kendra and the new office building for the Central Information Commission.

This, Modi said, is also the result of breaking silos within the working of the government.

(Source:- https://economictimes.indiatimes.com/news/politics-and-nation/pm-modi-seeks-double-digit-gdp-growth-raising-indias-share-in-world-trade/articleshow/64694413.cms dated 22nd June-2018)

15. COMMERCE MINISTER SURESH PRABHU SAYS IT IS A MISCONCEPTION THAT INDIA SUBSIDISE EXPORTS

Union Minister for Commerce and Civil Aviation Suresh Prabhu today sought to dispel the notion of other countries that India subsidised its exports.

Prabhu said it was important to provide market access to the farmers for which the highest standard of safety was needed to overcome the non-tariff barriers (NTBs).

Union Minister for Commerce and Civil Aviation Suresh Prabhu today sought to dispel the notion of other countries that India subsidised its exports. He said that the government was merely trying to mitigate the adversities of the exporters, which did not tantamount to subsidising of exports from India, specifically farm products.

"It is a misconception that we subsidise our exports. We are fully WTO compliant and not at all violating those", Prabhu said at a chat session organised jointly by Shefexil and a leading business daily here. He said that OECD countries were giving more subsidises to their farmers, particularly in the export of agriculture products.

Talking about agriculture exports, he said "should it not be so that when India exports its agriculture products to other countries, those importing nations deter themselves from subsidising those items". Stressing on agriculture, Prabhu said it was important to provide market access to the farmers for which the highest standard of safety was needed to overcome the non-tariff barriers (NTBs).

The government was already working on a craft agriculture policy to double farmers' income, he said. "The commerce department is already working on the development of standards. The standard in the Western countries is very high ", he said.

Unless the highest standard was not adhered to, it would be difficult to do exports, he added. He also said there would be no market access and realisation of better prices.

Prabhu also said that the ministry was also working on preparing an integrated logistics plan to reduce costs and increase speed and efficiency. Earlier speaking at a CII event, he said that the ministry was preparing separate plans for the manufacture of drones and planes in the country.

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(Source: https://www.financialexpress.com/economy/commerce-minister-suresh-prabhu-says-it-is-a-misconception-that-india-subsidise-exports/1235119/ dated 7th July-2018)

CHEMEXCIL NOTICE

NOTICE 1

EPC/LIC/CBIC/e-Commerce 06/06/2018

To
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- CBIC, Procedure for e-commerce exports through Post and clarification on personal imports, Exports by Post Regulations, 2018, Clearance of goods through FPOs

Dear Members,

In order to facilitate exports and give a fillip to the global outreach of India's exporters via e-commerce, the "Central Board of Indirect Taxes and Customs (CBIC)" has issued Circular No. 14/2018-Customs dated 04/06/2018, Notification no. 48/2018- Customs (N.T) and instructions dated 04/06/2018 regarding Procedure for e-commerce exports through Post and clarification on personal imports, Exports by Post Regulations, 2018 and also Clearance of goods through FPOs.

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

- All IEC holders have been permitted to export goods through FPOs.
- Any IEC holder exporting goods through the FPO, will be eligible for zero rating of exports, by way of IGST refund or discharge of LUT. Those who do not wish to avail this facility or fall in the category of Exempted/Non - Taxable are also permitted to export under the same procedure.
- In order to cater to e-commerce exports through post, the Board has prescribed the declaration forms under "Exports by Post Regulations, 2018".
- In absence of EDI system at FPOs, the Postal Bill of Export (PBE-I) for e-commerce exports will be processed in manual environment for the time being. However, for the purpose of GST, data will be captured and uploaded through an off-line utility (ICAN) provided by DG(Systems).
- It is clarified that till such time that computers with ICAN facility are installed and operationalised, exporters will be free to follow the procedure contained in the above-said circular.

Members interested in e-Commerce are requested to take note of the same. For further details of the procedure the above said circular/ instruction is available for download using below links-

http://cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2018/Postal%20Circular%20June%202018.pdf (Procedure for e-commerce exports through Post and clarification on personal imports)

http://cbic.gov.in/resources//htdocs-cbec/customs/cs-instructions/cs-instructions-2018/cs-ins-11-2018.pdf

(Clearance of goods through FPOs)

http://cbic.gov.in/resources//htdocs-cbec/customs/cs-act/notifications/notfns-2018/cs-nt2018/csnt48-2018.pdf (Exports by Post Regulations, 2018.)

Thanking You,

NOTICE 2

EPC/LIC/DGFT/e-MPS 06/06/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- DGFT, Doing away with the requirement of DSC for online/digital payment through e-MPS

Dear Members,

This is in continuation of our recent circulars informing you that the O/o Directorate General

of Foreign Trade has launched e-MPS facility to make online payment for miscellaneous applications (amendment of license, payment of composition fee etc). The digital payment was made mandatory after one month from the date of issuance of the trade notice No. 25/2018. Subsequently, an extension in implementation date was also provided till 01/06/2018.

However, we understand that the difficulties were being faced by the exporters/importers in obtaining digital signatures for making miscellaneous payment digitally/online.

Taking cognizance of the issues faced by the trade, the requirement of DSC for exporters/importers to make digital/online payment through e-MPS has been done away with vide DGFT Trade Notice No.15/2018-19 dated 04/06/2018.

Now, a person desiring to make online/digital payment can login in e-MPS using his/her PAN details. There is no need for having digital signatures for making digital/online payment.

Members are requested to take note of this relaxation and do the needful accordingly. The trade notice no Trade Notice No.15/2018-19 dated 04/06/2018 is available for download/ reference using below link-

TRADE NOTICES NO.	DATE	SUBJECT
Trade Notice No.15/2018-19	04.06.2018	Doing away with the requirement of DSC for online/ digital payment through e-MPS.

http://dgft.gov.in/Exim/2000/TN/TN18/Trade%20Notice%2015.pdf

Thanking You,

NOTICE 3

EPC/LIC/GST/IGST_REFUNDS 06/06/2018

To
ALL THE MEMBERS OF THE COUNCIL

SUBJECT: - IGST Refunds, Extension of date in SB005 alternate mechanism cases and Clarification in other cases (SB003)

Dear Members,

As informed earlier, CBIC had issued Circular No's 05/2018-Customs dated 23.02.2018 and 08/2018-Customs dated 23.03.2018 wherein an alternative mechanism with officer interface to resolve invoice mismatches was provided for the shipping bills filed till 28.02.2018.

CBIC has now issued Circular No.15/2018-Customs dated 06/06/2018 whereby it is informed that although the cases having SB005 error have now reduced, however, some exporters nevertheless, continue to make errors in filing invoice details in the shipping bill and the GST returns.

Therefore, keeping in view the difficulties faced by the exporters in respect of SB005 errors, CBIC has decided to extend the facility of officer interface to Shipping bills filed up to 30.04.2018. However, the exporters are advised to align their export invoices submitted to Customs and GST authorities for smooth processing of refund claims.

Apart fromSB005 errors, IGST refunds are also stuck on account of SB003 error on the customs side. This error occurs when there is a mismatch between GSTIN entity mentioned in the Shipping bill and the one filing GSTR-1/ GSTR-3B.

Further, CBIC has examined the issue and it has been decided to provide a correction facility in cases where although GSTIN of both the entities are different but PAN is same. This happens mostly in cases where an entity filing Shipping bill is a registered office and the entity which has paid the IGST is manufacturing unit/other office or vice versa. However, in all such cases, entity claiming refund (one which has filed the Shipping bill) will give an undertaking to the effect that its other office (one which has paid IGST) shall not claim any refund or any benefit of the amount of IGST so paid.

The undertaking shall be signed by authorized persons of both the entities. This undertaking has to be submitted to the Customs officer at the port of export. CBIC had some time back requested Directorate of Systems to develop a correction tool, on lines of one developed for SB005, for sanction of refund in cases where PAN provided in Shipping Bill is same as PAN of GSTR 1. DG Systems have developed this utility now which would facilitate processing of IGST refund claims stuck due to SB003 error in the manner similar to SB005 error.

Members are requested to take note of this new relaxation/ utility and do the needful accordingly. The Circular No.15/2018-Customs dated 06/06/2018 is available for download using below link-

http://cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2018/circ15-2018cs.pdf

Thanking you

NOTICE 4

EPC/LIC/JNCH/IGST 08/06/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- JNCH (IGST Refunds), List of Shipping Bills in Scroll no 5423, SB005 list, Contact details of Officers at IGST camp

Dear Members,

Kindly note that the Jawaharlal Nehru Customs House has uploaded several new updates on their portal which are pertaining to IGST refunds.

For the convenience of the members, these new updates are highlighted below-

1. List of Shipping Bills in Scroll no 5423

Members whose IGST refunds on exports from JNCH are stuck due to 3.1(a) error in GSTR-3B are particularly advised to check the list.

The said document having details of 24203 shipping bills (pertaining to scroll no 5423) is available for download using below link- http://www.jawaharcustoms.gov.in/pdf/Scroll-no-5423.pdf

2. List of SB005 cases

   Available using below link- http://www.jawaharcustoms.gov.in/pdf/SB005_error_code_list.pdf

3. Name and Contact Numbers of Officers deputed at IGST refund Camp

Available using below link- http://www.jawaharcustoms.gov.in/pdf/IGST_contact_of_officers.pdf

Members are requested to take note and do the needful accordingly. For any issues, please contact the officers deputed at IGST refund camp as per details in above-mentioned file.

Persistent issues, if any, may be also highlighted to the council on ed@chemexcil.gov.in & deepak.gupta@chemexcil.gov.in .

Thanking You

NOTICE 5

EPC/LIC/JNCH/SB006 12/06/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-JNCH, Procedure to be followed for EGM error SB006 related to ICDs

Dear Members,

Kindly note that the O/o Commissioner of Customs (NS-G) Mumbai Zone-II, Jawaharlal Nehru Custom House has issued Public Notice No. 94/2018 dated 07.06.2018 regarding Procedure to be followed for EGM error SB006 related to ICDs.

As you might be aware, revalidation of EGMs at Gateway Port after rectification of EGM Errors (C and N errors of SB006) is being carried out on the basis of the copy of Shipping bill, Invoice, packing list and Bill of lading.

However, it is noticed that in some cases even after rectification of EGM error, the same cannot be revalidated in the System for the reasons summarised as follows:

- Truck/ Train summary (Local EGM at ICD) has not been filed or filed after Gateway EGM date. In this situation, filing of supplementary EGM is a must.
- M error (Gateway port code given in Truck/ Train summary differs from actual Gateway port) and L errors (Let Export Order date being later than Sailing date) also figures in SB006 Error. Exporters before sending the required documents through mail are advised to first get the M and L error corrected at ICD, if any.
- Container number and Shipping line mentioned in Bill of Lading at ICD for LCL consignments often differs from those mentioned in the Shipping Bill as their LCL cargo is de-stuffed at Gateway Port and re-stuffed into another container at the Gateway port. The correct Container Number is recorded, in such cases, in the Master Bill of Lading and not the House Bill of Lading.
- Exporters while emailing/providing copy of relevant documents for rectification of C and N error are, therefore, advised to ensure that copy of Master BL must also be emailed/provided, in case of LCL consignments.

Concerned members are requested to take note of above and do the needful accordingly. For further details, members may use below link for reference/ download- http://www.jawaharcustoms.gov.in/pdf/PN-2018/PN_094.pdf

Thanking You

NOTICE 6

EPC/LIC/GST_NOTIFICATION 19/06/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-GST Fifth Amendment (2018) to the CGST Rules, 2017

Dear Members,

Kindly note that the Central Board of Excise and Customs (CBEC) has issued Notification No. 26/2018 – Central Tax dated 13/06/ 2018 regarding Fifth Amendment (2018) to the CGST Rules, 2017.

This notification mainly amends Rules 37, 83, 89, 95, 97, 133, 138 and revises Forms GSTR-4, GST PCT-01, GST RFD-01, GST RFD-01A (as annexure in the notification)

Members are requested to take note of above notification regarding Fifth Amendment (2018) to CGST Rules 2017. For full details, the above-said notification is available for download using hyperlinks provided therein or below link- http://cbic.gov.in/resources//htdocs-cbec/gst/Notification-26-2018-central_tax-English.pdf

Thanking you

NOTICE 7

EPC/LIC/CBIC 19/06/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-GST (Policy Wing), Clarifications on miscellaneous issues related to SEZ/ Refund of unutilized ITC for job workers/ Other issues under GST

Dear Members,

We would like to inform you that the "GST Policy Wing, CBIC" has recently issued two circulars clarifying miscellaneous issues related to SEZ, refund of unutilized ITC for job workers & other issues under GST.

For the convenience of the tax payers, self-explanatory clarifications are provided in the following circulars:

48/2018	View (355 KB)	14-06-2018	F.No. CBEC/20/16/03/2017-GST	Circulars clarifying miscellaneous issues related to SEZ and refund of unutilized ITC for job workers
47/2018	View (163 KB)	08-06-2018	F.No. CBEC- 20/16/03/2017-GST	Clarifications of certain issues under GST

http://cbic.gov.in/resources//htdocs-cbec/gst/Circular-48-22-2018-GST-updated.pdf;jsessionid=94F23B0D530F463FB231D805F2EC0FA0, http://cbic.gov.in/resources//htdocs-cbec/gst/Circular_No.47.pdf

Members are requested to take note of above circulars (specially SEZ units). For full details, the above-said circulars are available for download using hyperlinks provided above.

Thanking You

NOTICE 8

EPC/LIC/CBIC 21/06/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-CBIC-Amendment in notification No. 50/2017-customs dated 30th June 2017, to prescribe effective rate of duty on specified goods, Increase the tariff rate on goods in chapter 28 etc

Dear Members,

The Central Board of Indirect Taxes and Customs (CBIC) has issued Notification No. 48/2018—Customs and No.49/2018-Customs both dated 20/06/2018 respectively regarding amendment in effective rate of duty on specified goods and Increase in tariff rate on goods in chapters 28 etc.

From chemical industry perspective, the changes in customs tariffs are as follows:

1. Notification No. 49/2018—Customs dated 20/06/2018 (Amendment in Notification No. 50/2017-Customs, dated the 30th June, 2017 regarding effective rate of duty)

    - In S. No. 169, for the entry in column (2), the following entry shall be substituted namely:-

      “28 (except 28230010, 28092010 or 28100020)”;

    - After S. No. 177 and the entries relating thereto, the following serial number and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)	(6)
"177A	28100020	Boric Acid	7.5%	-	_

2. Notification No. 49/2018—Customs dated 20/06/2018 (increase the tariff rate on goods)

    - In Chapter 28, for the entry in column (4) occurring against-

    (i) tariff item 28092010, the entry "20%"shall be substituted;

    (ii) tariff item 28100020, the entry "17.5%"shall be substituted;

Member-exporters importing above mentioned items are requested to take note of these tariff changes. The above said notifications are available for download using hyperlinks provided below-

49/2018-Cus,dt. 20-06-2018	View(153 KB)	seeks to further amend notification No. 50/2017-customs dated 30th June 2017, to prescribe effective rate of duty on specified goods.
48/2018-Cus,dt. 20-06-2018	View(192 KB)	Seeks to increase the tariff rate on goods in chapters 7, 8, 28, 38, 72 and 73 in the First Schedule to the Customs tariff Act, 1975 .

http://cbic.gov.in/htdocs-cbec/customs/cs-act/notifications/notfns-2018/cs-tarr2018/cs49-2018.pdf
http://cbic.gov.in/htdocs-cbec/customs/cs-act/notifications/notfns-2018/cs-tarr2018/cs48-2018.pdf

Thanking you

NOTICE 9

EPC/LIC/GSTN 21/06/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT: - IGST Refunds, Facility on GST Portal to "Track status of invoice data shared/to be shared with ICEGATE"

Dear Members,

As informed earlier, the status of IGST refund on exports can be checked on ICEGATE Portal using IGST Validation inquiry.

Kindly note that now GST Common Portal has also enabled a facility to "Track status of invoice data shared/to be shared with ICEGATE" with export ledger details.

By now members are aware that IGST refund is automatically processed upon matching of S/Bill data, EGM , correct payment in GSTR3B(3.1.b) and Complete Invoice wise details in GSTR1 (Table 6A).

Upon filling your GSTR1 and GSTR-3B, you can go to "Refunds" on Common Portal and Track your Shipping to ICEGATE. We understand that it will show you the no. of shipping bills processed and sent to ICEGATE. Any error will be pointed out.

Subsequently, you can login your ICEGATE use id and check for validation data to know the error if any and take action accordingly in case of error. In case of SB000 validation code, exporters can wait and expect refund to be processed by Customs as per scroll generation schedule.

Members are requested to take note of this tracking facility on GST portal and do the needful. We will also appreciate your feed-back on this facility on e-mail id's- deepak.gupta@chemexcil.gov.in & balani.lic@chemexcil.gov.in.

Thanking You

NOTICE 10

EPC/LIC/DGFT 22/06/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-DGFT Amendment in Para 4.29 (vi) and Para 4.29(vii) of FTP 2015-20 on DFIA, Submission of application seeking authorization for import / export of restricted items through e-mail

Dear Members,

The O/o Directorate General of Foreign Trade, New Delhi has issued Notification No. 13/2015-2020 dated 20/06/2018 regarding Amendment in Para 4.29 (vi) & Para 4.29(vii) of FTP 2015-20 on DFIA & Trade Notice No.18/2018-19 regarding Submission of application seeking authorization for import / export of restricted items through e-mail.

For the convenience of members, the gist of the new notifications/ Trade Notices is provided as follows:

- Notification No. 13/2015-2020 dated 20/06/2018- regarding Amendment in Foreign Trade Policy 2015-20 Paragraph 4.29 (vi) and Para 4.29(vii) of Foreign Trade Policy 2015-20 is replaced enabling exporters to file single DFIA application for exports made from any EDI port and separate applications for export made from each non-EDI port.
- Trade Notice No.18/2018-19 dated 20/06/2018- regarding Submission of application seeking authorization for import / export of restricted items through e-mail.

To save time/ paper involved, it has been decided that w.e.f. 21.06.2018 applicants seeking import/export license from DGFT for "restricted" items, having paid the applicable fees, will submit online application to the concerned jurisdictional authority and subsequently send their application through email to either import-dgft@nic.in (for import licenses) or export-dgftickic.in (for export licenses) as the case may be, along with proof of the application fee paid; besides attaching the necessary documents for processing the case. Applications are required to be submitted in prescribed pro-forma ANF-2M (for import license) and ANF- 2N (for export license) along with ANF-1 (Applicant's Importer Exporter Profile), copy of IEC and other supporting documents, as applicable. Aayat Niryat forms are available on the DGFT's website www.dgft.gov.in . In case the applicant firm has received the NOC from the concerned administrative Ministry, the same should invariably be attached with the application. Applicants are requested to send their attachments only in PDF format.

Members are requested to take note of above changes and do the needful accordingly. The said Notification/ Trade Notice are available for reference/ download using below hyperlinks-

http://dgft.gov.in/Exim/2000/NOT/NOT18/Noti%2013%20eng.pdf

http://dgft.gov.in/Exim/2000/TN/TN18/Trade%20Notice%2018.pdf

Issues, if any, can be highlighted to us on e-mail id's deepak.gupta@chemexcil.gov.in & balani.lic@chemexcil.gov.in .

Thanking You

NOTICE 11

EPC/LIC/GST/E_WAY_BILL 26/06/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-e-Way Bill, Modifications to the procedure for interception of conveyances for inspection of goods in movement, and detention, release and confiscation of such goods and conveyances, as clarified in Circular No. 41/15/2018-GST dated 13.04.2018

Dear Members,

This is in continuation of our circular dated 16/04/2018 informing you about CBIC Circular no. 41/2018 dated 13/04/2018 clarifying the procedure for interception of conveyances for inspection of goods in movement, and detention, release and confiscation of such goods and conveyances.

In order to clarify certain issues regarding the specified procedure, CBIC has now issued Circular No. 49/23/2018-GST dated 21/06/2018 regarding Modifications to the procedure for interception of conveyances for inspection of goods in movement, and detention, release and confiscation of such goods and conveyances, as clarified in Circular No. 41/15/2018-GST dated 13.04.2018.

The important modifications are highlighted/ reproduced as follows for your reference-

- In para 2 (e) of the said Circular, the expression "three working days" may be replaced by the expression "three days".
- The statement after paragraph 3 in FORM GST MOV-05 should read as: "In view of the above, the goods and conveyance(s) are hereby released on (DD/MM/YYYY) at ____ AM/PM."
- Further, it is stated that as per rule 138C (2) of the Central Goods and Services Tax Rules, 2017, where the physical verification of goods being transported on any conveyance has been done during transit at one place within a State or Union territory or in any other State or Union territory, no further physical verification of the said conveyance shall be carried out again in the State or Union territory, unless a specific information relating to evasion of tax is made available subsequently. Since the requisite FORMS are not available on the common portal currently, any action initiated by the State tax officers is not being intimated to the central tax officers and vice-versa, doubts have been raised as to the procedure to be followed in such situations. In this regard, it is clarified that the hard copies of the notices/orders issued in the specified FORMS by a tax authority may be shown as proof of initiation of action by a tax authority by the transporter/registered person to another tax authority as and when required.
- It is also clarified that only such goods and/or conveyances should be detained/confiscated in respect of which there is a violation of the provisions of the GST Acts or the rules made thereunder. Illustration: Where a conveyance carrying twenty-five consignments is intercepted and the person-in-charge of such conveyance produces valid e-way bills and/or other relevant documents in respect of twenty consignments, but is unable to produce the same with respect to the remaining five consignments, detention/confiscation can be made only with respect to the five consignments and the conveyance in respect of which the violation of the Act or the rules made thereunder has been established by the proper officer.

Members are requested to take note of above modifications in the procedure for interception, detention of goods etc. The said CBIC circular is available for reference/ download using below links:

http://cbic.gov.in/resources//htdocs-cbec/gst/Circular_No.49.pdf

Thanking you

NOTICE 12

EPC/LIC/CBIC/APTA 03/07/2018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- APTA, Tariff concessions on import of goods of the description specified in column (3) of the Table hereto annexed and falling under the Chapter. Amendment in the Rules of Determination of Origin of Goods under the Asia-Pacific Trade Agreement.

Dear Members,

The Central Board of Indirect Taxes and Customs (CBIC) has issued Notification No. 50/2018 dated 30/06/2018 regarding tariff concessions on import of goods of the description specified in column (3) of the Table hereto annexed and falling under the Chapter. The CBIC has also issued Notification No. 59/2018 - Customs (N.T.) dated

30/06/2018 amending Rules of Determination of Origin of Goods under the Asia-Pacific Trade Agreement.

For the convenience of the members, the gist of notifications is provided below-

1. Notification No. 50/2018 dated 30/06/2018 regarding tariff concessions on import of goods of the description specified in column (3) of the Table hereto annexed

   The notification has following details:

   - The Column 4 of the notification provides the extent of tariff concession (percentage of applied rate of duty %). The tariff concessions on chemical items varies mainly from 5% to 45 % (with exception of one item with 71% concession)
   - Concessions in the case of goods specified in Part A of the said Table pertains to imports into India from a country listed in APPENDIX I (Bangladesh, PR China, Republic of Korea & Sri Lanka)
   - Concessions in the case of goods specified in Part B of the said Table, pertains to import into India from a country listed in APPENDIX II (Lao People's Democratic Republic & Bangladesh)
   - For the purposes of this notification, "applied rate of duty" means the standard rate of duty specified in the First Schedule to the said Customs Tariff Act 1975 in respect of the goods specified in the said Table, read with any other notification for the time being in force.
   - The above said notifications is available for download using hyperlink provided below-

Notification No. & Date of Issue	English	Subject
50/2018-Cus,dt. 30-06-2018	View(539 KB)	seeks to provide the tariff concession to the goods of the description specified in column (3) of the Table hereto annexed and falling under the Chapter.

2. Notification No. 59/2018 - Customs (N.T.) dated 30/06/2018 amending Rules of Determination of Origin of Goods under the Asia-Pacific Trade Agreement

   The details are provided in Annexure C of above notification.

   For organic chemicals (Tariff heading 2852) & Inorganic chemicals (2901, 2902, 2903, 2904, 2905, 2906, 2907, 2908, 2909, 2910, 2911, 2912, 2913, 2914, 2915, 2931, 2932, 2933, 2934, 2935, 2936, 2937, 2938, 2939, 2940, 2941, 2942) the origin criteria will be CTH (Change in Tariff Heading).

   The above said notification is available for download using hyperlink provided below-

59/2018-Cus (NT) d.t 30.06.2018	View (230 KB)	seeks to amend the Rules of Determination of Origin of Goods under the Asia-Pacific Trade Agreement, (formerly known as the Bangkok Agreement) Rules, 2006.

The above notifications come into force on the 1st day of July, 2018.

Members are requested to take note of above notifications and may download using hyperlinks provided therein. You may also send your feed-back to the council on e-mail ids-deepak.gupta@chemexcil.gov.in & balani.lic@chemexcil.gov.in .

Thanking you,
Yours faithfully,

NOTICE 13

EPC/LIC/SCOMET 04/07/2018

To
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- SCOMET, Amendment in Appendix 3 (SCOMET Items) to Schedule-2 of ITC(HS) Classification of Export and Import Items, 2018

Dear Members,

As you might be aware, in India the export of dual-use items are regulated by Director General of Foreign Trade (DGFT). The products under regulations and license are given the acronym "SCOMET" - which stands for - Special Chemicals, Organisms, Materials, Equipment and Technologies.

The Directorate General of Foreign Trade (DGFT), New Delhi has issued Notification No. 17/2015-2020 dated 03/07/2018 regarding Amendment in Appendix 3 (SCOMET Items) to Schedule-2 of ITC(HS) Classification of Export and Import Items, 2018.

Members exporting SCOMET items are requested to take note of these amendment. For further information, you may download above said Notification using below link-

NOTIFICATION NO.	DATE	SUBJECT
17/2015-2020	03.07.2018	Amendment in Appendix 3 (SCOMET Items) to Schedule-2 of ITC(HS) Classification of Export and Import Items,2018.

http://dgft.gov.in/Exim/2000/NOT/NOT18/Noti%2017%20dt.%2003.07.2018%20SCOMET%20English.pdf

Thanking You,

NOTICE 14

EPC/LIC/MEIS 04/072018

To,
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:-DGFT, Introduction of new Para 3.24 in the Chapter 3 of the HBP 2015-20

Dear Members,

The O/o Directorate General of Foreign Trade, New Delhi has issued Public Notice No 17/2015-2020 dated 03/07/2018 regarding introduction of new Para 3.24 in the Chapter 3 of the Handbook of Procedures, 2015-20.

As an effect of this PN, the procedure to obtain No Incentive Certificate under the MEIS is being notified.

New Para 3.24 is being added as follows:

"3.24 No Incentive Certificate under MEIS

a) Wherever an exporter requires a certificate to the effect that No incentive under MEIS has been taken for shipment(s) which is being re-imported, the exporter will submit a request in the specified format , ANF 3E- "Application for No Incentive Certificate" to the concerned Regional Authority (RA) as per para 3.06 (a) of the HBP 2015-20.

b) The following procedure will be followed at the concerned Regional Authority while issuing the No Incentive Certificate, in the specified format Appendix 3F.

I. Wherever, MEIS has been utilized by the applicant for the relevant shipping bill(s), the applicant is required to refund the proportionate amount along with interest at the rate prescribed under the section 28AA of the Customs Act, in the relevant Head of Account of Customs. On receipt of proof of payment, the RA would issue the certificate.

II. Wherever, MEIS has been issued to the applicant for the relevant shipping bill (s) but the MEIS scrip has not been utilised, the applicant should surrender the MEIS scrip to the RA. The RA would then issue the certificate and simultaneously inform the N1C to block the relevant shipping bill(s).

III. Wherever, MEIS has not been applied for or MEIS has been applied for but no scrip has been issued, the RA would issue the certificate in the specified format, on the basis of the undertaking submitted in the application and simultaneously inform the NIC to block the relevant shipping bill(s).

The format of the "Application for No Incentive Certificate Under MEIS", ANF 3E and "No Incentive Certificate under MEIS", Appendix 3F are in the Annexure to this Public Notice and are also being notified.

Members are requested to take note of this addition of new Para 3.24 which notifies procedure to obtain No Incentive Certificate under the MEIS. The above-said PN is also available for reference using below link-

http://dgft.gov.in/Exim/2000/PN/PN18/PN-17%20English.pdf

Thanking You,

NOTICE 15

EPC/LIC/SCOMET 09/07/2018

To
ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- SCOMET Issuance of export authorisation/license by DGFT (Hqrs.) for export of SCOMET items

Dear Members,

The Directorate General of Foreign Trade, New Delhi has issued Trade Notice No.20/2018-19 dated 06/07/2018 regarding Issuance of export authorisation/license by DGFT (Hqrs.) for export of SCOMET items.

As you might be aware, delay in export authorisations for SCOMET items has been an issue which has also been represented by the trade/council to DGFT HQ.

Taking cognizance of the concerns of the trade, DGFT has notified that that w.e.f. 06.07.2018, export authorisations for SCOMET items would be issued by the SCOMET Cell, DGFT (Hqrs) under the signature of FTDO (SCOMET), DDG (Export) or any other official designated for the purpose, with a copy to jurisdictional Regional Authorities of DGFT.

However, issues relating to revalidation of SCOMET authorisations after expiry, penal action in terms of FTDR Act, grant of MEIS and other benefit, etc., would continue to be handled by the concerned jurisdictional Regional Authority, in terms of the existing provision in FTP/HBP.

Further, jurisdictional Regional Authorities would immediately issue export authorisations in respect of those SCOMET cases, against which permissions have been issued by DGFT (Hqrs) prior to issue of this Trade Notice.

Members exporting SCOMET items are requested to take note of this change. You are also requested to provide your feed-back on this new procedure for our records (deepak.gupta@chemexcil.gov.in & balani.lic@chemexcil.gov.in)

For further information, the trade notice is available for download using below link- http://dgft.gov.in/Exim/2000/TN/TN18/Trade%20Notice%20No.%2020%20dated%2006.07.2018%20-%20SCOMET%20license.pdf

Thanking You,

NOTICE 16

EPC: PROJ: REACH 2018 13th July 2018

To,
ALL MEMBERS OF THE COUNCIL

SUBJECT:- REIMBURSEMENT OF 50% OF ECHA FEES INCURRED TO MEMBERS FOR REGISTRATION OF THEIR SUBSTANCES UNDER EU REACH DURING THE 3RD DEADLINE OF REGISTRATION I.E. 31ST MAY 2018

Dear Sir / Madam,

As you are aware, REACH is a regulation of the European Union (EU), adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals, while enhancing the competitiveness of the EU chemicals industry. It also promotes alternative methods for the hazard assessment of substances in order to reduce the number of tests on animals.

The REACH registration deadline for the products being exported to the EU in a quantity between 1-100 tons per annum was 31st May 2018 and is over now.

The Ministry of Commerce & Industry, Govt. of India provides subsidy to the exporters who have registered their substances under the EU REACH as per the Market Access Initiative (MAI) Scheme of the Govt of India.

As per the scheme, the 50% of the ECHA fees is reimbursed to the exporter subject to a ceiling of Rs 50 lakh per annum per exporter.

In this context, the members who have registered their products under the REACH Regulation during the third phase of deadline i.e. 31st May, 2018 are requested to submit the attached claim forms along with the documentary evidence as mentioned in the attached check list file on or before 16th August 2018.

The claim forms along with supporting documents may be sent to the CHEMEXCIL, Mumbai office on the below mentioned address.

Mr. Prafulla Walhe-Dy. Director /Ms. Amrita Sharma-Regulatory Officer

CHEMEXCIL

BASIC CHEMICALS, COSMETICS & DYES EXPORT PROMOTION COUNCIL
(Set-up by Ministry of Commerce & Industry, Government of India)
Jhansi Castle, 4th Floor, 7 Cooperage Road,
Mumbai – 400 001. India.
CIN : U91110MH1963NPL012677
Tel :+91-22-2202 1288/ 1330
Fax :+91-22-2202 6684
URL : www.chemexcil.in

Any queries in this regards may be sent by email to Ms Amrita Sharma, Regulatory Officer, Email Id – amrita.regulatory@chemexcil.gov.in .

Thanking You,

NOTICE 17

To
All Members

EPC/LIC/JNCH/ IGST/PFMS 16/07/2018

SUBJECT: - (JNCH)Revised instructions for registration/ change in AD Code and bank accountdetails (for PFMS)

Dear Members,

As you are aware, exporter's account details already registered with the Customs are being verified by PFMS to facilitate transfer of IGST/ ROSL/ DBK etc. In case PFMS is not able to verify the account details, payments are held up.

In this regard, O/o The Commissioner of Customs, JNCH- NS-I has issued Public Notice No. 103/2018 dated 27/06/2018 regarding revised instructions for registration/change in AD Code and bank account.

The procedure to be followed shall be as under-

Fresh registration of AD Code or Bank Account details

In case of a fresh registration of AD Code or Bank Account details or the purpose of receiving remittance or disbursal of ROSL/drawback/IGST refund in any core banking branch of the bank, the exporters will be required to declare the following information duly certified by the bank branch where he operates his bank account: -

Name, address, contact number and email address of the account holder

IEC, PAN of the exporter

Account number & nature of account

IFSC of the branch where the above account is operated

Name, address, contact number and email address of the Branch mentioned in (d) above

Bank A.D. Code (as applicable)

Change in registered AD Code or Bank Account details of an Exporter

In case, an exporter intends to change his registered and active account, he will be required to submit a cancelled cheque of the existing bank account (which is intended to be changed) along with the documents listed above for getting the new bank account details registered in the system.

In case where the existing bank account is claimed to have already been closed, the exporter will be required to furnish a certificate from bank verifying closure of the said account. Such letters from the Bank produced in EDI Section shall be emailed to the issuing Bank for verifying genuineness of the same and based upon the reply from the issuing Bank, the request of the exporter shall be processed.

While submitting the above information/documents for the purposes elaborated above, Customs Broker/any authorized person shall also submit authority letter/copy of board resolution in favour of his authorization to submit documents on the behalf of the exporter for registration/change of AD Code or bank account details. Any certificate, letter or communication produced for the purposes elaborated above shall mandatorily bear the name, designation and functional contact details (such as mobile number, email address etc.) of the signatory. In the absence of the same, the request shall be rejected summarily without any further communication.

Members are requested to take note and check. Difficulty, if any, can be brought to the notice of the Additional Commissioner (EDI) or Deputy Commissioner (EDI), JNCH.

Members exporting through other custom Houses/ Ports, mayalso re-check for PFMS validation with the EDI Dept of their relevant Custom House.

http://jawaharcustoms.gov.in/pdf/PN-2018/PN_103.pdf

Thanking You,

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

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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
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6	INSIDE COVER PAGES (FULL PAGE)	18 CM WD X 23.5 CM HT	15000	2700	17700	NA		
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NOTE

- Rates quoted above are per insertion basis (For single insertion) and not for whole year.
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  please contact on : ed@chemexcil.gov.in;adreach@chemexcil.gov.in

Glimpses of Color Vietnam 2018/SpeChem Vietnam 2018 Exhibition

From Left to Right: Mr. Dilbagh Singh, Chairman - India Business Chamber in Vietnam, Mr. Jeevan Kandpal, Consul, Consulate General of India, Ho Chi Minh City, Vietnam, Mr. Min Shui - President - China National Chemical Information Center, Mr. Suhas Bharadi - Executive Director- Chemexcil, Dr. K. Srikar Reddy, Consul General of India in Vietnam, Consulate General of India , Ho Chi Minh City, Vietnam. Mr. Ajay Kadakia - Vice Chairman - Chemexcil

From Left to Right: Mr. Nguyen Ba Vinh, Director General, VEAS Co., Ltd, Mr. Ajay Kadakia, Vice Chairman, Chemexcil, Mr. Tran Quang Ha, Deputy Director General Industrial Agency, Ministry of Industry and Trade VN, Mr. Min Shui, President, China National Chemical Information Center, Dr. K. Srikar Reddy, Consul General of India in Vietnam, Consulate General of India , Ho Chi Minh City, Vietnam. Ms. Bui Hoang Yen, Deputy Director of Vietrade in HCMC-Vietnam Trade Promotion Agency (Vietrade), Mr. Junhua MA, Chief Executive Officer , China United Rubber Corporation At the inaugural ceremony of Color Vietnam 2018/ SpeChem

From Left to Right: Mr. Jeevan Kandpal, Consul, Consulate General of India , Ho Chi Minh City, Vietnam, Mr. Suhas Bharadi - Executive Director, Chemexcil, Mr. Ajay Kadakia - Vice Chairman - Chemexcil, Dr. K. Srikar Reddy, Consul General of India in Vietnam, Consulate General of India , Ho Chi Minh City, Vietnam, Ms. Nguyen Thi Lac Huyen - Chairperson - Vietnam Paint-Printing Ink Association, Mr. Nguyen Ba Vinh, Director General, VEAS Co., Ltd, Ms. Shirley Abraham

CHEMEXCIL

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Department of Commerce
Ministry of Commerce and Industry
Government of India

INDIA CHEM 2018

FICCI

Government of India
Ministry of Chemicals & Fertilizers
Department of Chemicals & Petrochemicals

CHEMEXCIL REVERSE BUYER SELLER MEET 5th OCTOBER -2018

VENUE
HYATT REGENCY MUMBAI
Ballroom, Sahar Airport Road,
Mumbai, Maharashtra, India, 400 099
Tel: +91 22 6696 1234
Fax: +91 22 6696 1235
Time: 09.30am to 05.30pm

CONTACT
Mrs. Sujata Jadhav
CHEMEXCIL, Jhansi Castle, 4th Floor, 7,
Cooperage Road, Mumbai – 400 001
Tel: 91 22 22021288/22021330/ 22020911/ 22825861,
Fax: 91 22 22026684, Email:
sujata.proj@chemexcil.gov.in
Website: www.chemexcil. in

Please visit and get registered: http://chemexcil.in/rbsmdev