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

CHEMEXCIL NEWS

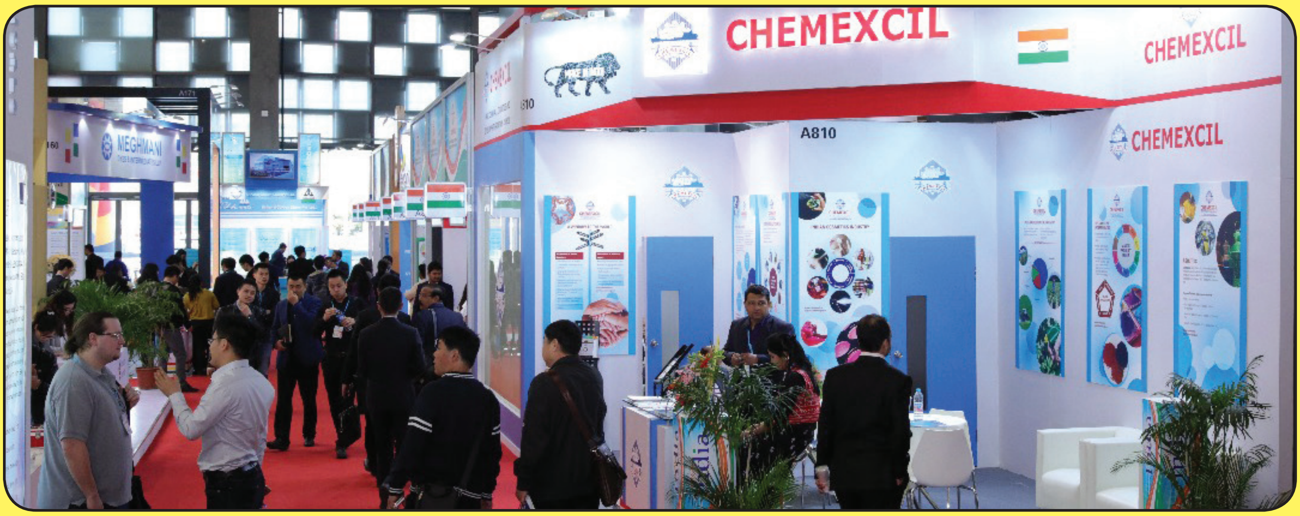
Issue April - May2017

CHINA INTERDYE EXHIBITION 2017

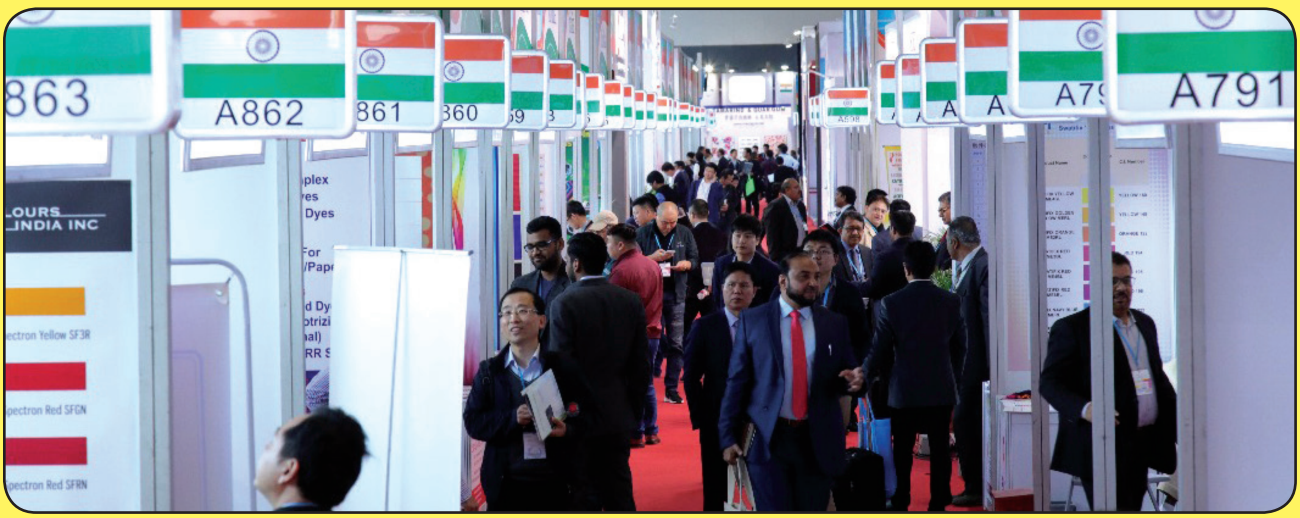
Inauguration of the India Pavillion at the China Interdye 2017 Exhibition with the hands of H.E. Shri Prakash Gupta, Hon'ble Consul General of India, Shanghai along with Mr Shousheng Li, Chairman of China Petroleum and Chemical Industry Federation, Shri Sunil Ranjan, Deputy Secretary, Ministry of Commerce, Govt of India, Shri Ajay Kadakia, Vice Chairman, CHEMEXCIL and Shri S G Bharadi, Executive Director, CHEMEXCIL

CHINA INTERDY EEXHIBITION 2017

H.E. Shri Prakash Gupta, Consul General of India, Shanghai visiting the India Pavilion along with Shri Ajay Kadakia, Vice Chairman, CHEMEXCIL and other dignitaries



A view of CHEMEXCIL stall at China Interdye Exhibition 2017



View of India Pavilion at the China Interdye Exhibition 2017

IN THIS ISSUE

Editorial

Chairman's Desk

Dear Member-exporters,

"I have pleasure to bring to you bimonthly issue of the CHEMEXCIL Bulletin for the month of APRIL-MAY-2017

To promote exports from India, governments at both center and state have provided various exemptions and incentives to exporters under the current indirect tax regime.

The tax incentives extended under the FTP principally consist of exemption from Central levies such as Central Excise duty, Customs duty, Central Sales tax, etc. Zero rating of exports under GST ensures that Indian exports continue to be competitive in international market. This would also result in inverted duty structure as inputs or imports are taxed while exports are zero rated leading to accumulation of Input credit which has to be regularly claimed for refunds. Current indirect tax regime provides for lower or no customs duty on imports for importers who use them in producing goods that are subsequently exported. However under GST, imports would be subject to IGST (CGST + SGST) and any exemptions or additional levy will not exist. This would provide level playing field for domestic manufacturers vis-à-vis importers.

The major import gaining sectors after implementation of GST would be leather and leather products, furniture and fixtures, agricultural sectors, coal & lignite, agricultural machinery, industrial machinery, other machinery, iron & steel, railway transport equipment, printing and publishing and tobacco products. Moderate gainers would be metal products; non-ferrous metals; and transport equipment other than railways. Imports are expected to decline in textiles and readymade garments; minerals other than coal, crude petroleum, gas and iron ore; and beverages.

As we all know, GST which is the biggest tax reform post-independence is likely to be implemented soon. In this regard, the Office of Chief Commissioner, Service Tax, Mumbai and Chemexcil organized a half day seminar on "GST Trade Awareness" on 9th May 2017 jointly with DMAI. The officers of the Service Tax Department covered important topics such as -Introduction to GST, Overview of GST, Registration, Returns, Refunds, and GSTN etc.

Chemexcil Participated in 17th China Interdye Exhibition 2017 show for Dyes and Dye Intermediates, Pigments and Textile Chemical industry which was held at Shanghai World Expo Exhibition & Convention Centre (SWEECC), Shanghai, CHINA from 12th -14th April 2017. The India pavilion was inaugurated by His Excellency Shri Prakash Gupta, Consul General of India to Shanghai, as a chief guest and Mr. S. K. Ranjan, Deputy Secretary, EP (CAP) division Ministry of Commerce and Industry as a guest of honor. They also visited India Pavilion and interacted with Indian exhibitors.

Altogether 106 member-companies of CHEMEXCIL and 12 member-companies of SHEFEXIL participating in this event and it was a grand success.

I would like to commend my exporter friends for their commendable performance in the last fiscal year 2016-17 by reaching exports of USD 12.15 billion in the Chemical sector under Chemexcil's purview despite slump in some of the key markets showing 3.9% growth as compared to year 2015-2016.

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
Chairman,
CHEMEXCIL

Chairman's Office:
Supriya Lifescience Ltd.
207/208, Udyog Bhavan,
Sonawala Lane, Goregaon (East),
Mumbai-400063. India
Tel : +91 022 40332732
Fax : +91 022 26860011
E-mail : satish@supriyalifescience.com
website : www.supriyalifescience.com

TRUMP TRIGGERS GREATER LATIN AMERICAN INTEREST IN INDIA

Caught between the bullying Donald Trump, an indifferent Europe and the suspect Chinese, Latin America is looking more seriously at India, attracted by its huge and growing market, and its vibrant and diverse democracy

Mr. R. Viswanathan, also known as Rengaraj Viswanathan, is a retired Indian diplomat, writer and speaker specializing in Latin American politics, markets, and culture.

So far from God...but so close to Trump,' is the cry of the Mexicans these days to their patron saint, Virgin of Guadalupe, affronted by US President Donald Trump's racist comments and accusation of Mexican immigrants being "criminals," "rapists" and "drug dealers". They also feel insulted by Trump's demand that Mexico pay for the wall his administration plans to build on the US-Mexico border. Not since the US-Mexico war in the 19th century and the annexation of Mexican territories have the Mexicans been as outraged with the US. Trump has called NAFTA the "worst trade deal in human history" and has suggested imposing tariffs on imports from Mexico, which depends on the US for 81% of exports and close to 50% of its imports; in 2016, Mexico's exports to the US were $294 billion and imports $231 billion. Traumatised by Trump, Mexico has started pursuing a diversification in its trade partnerships, focussing on large markets like India.

Like Mexico, Central American countries also fear increased deportations of large numbers of their citizens from the US and consequently a loss of remittances. Cuba, which saw a normalisation of ties with the US, is back to the wall again with the Trump administration's planned reversal of some Obama era policies. Colombia, Chile, Peru, Dominican Republic and the five Central American countries that have signed free trade agreements with the US are apprehensive, expecting the worst from Trump. The Latin Americans cannot believe that the US, which preached and forced Latin American governments to open up their markets and liberalise imports under the 'Washington Consensus,' is doing exactly the opposite by resorting to protectionism.

During the annual CELAC (Community of Latin American and Caribbean States) summit in January this year, the region's leaders were unanimous in their condemnation of the border wall and expressed solidarity with Mexico. Ernesto Samper, the outgoing secretary general of UNASUR (South American Community), had said, "US President Donald Trump's migration policy and trade protectionism are threats to South America and the region must take a stand against them instead of appeasing him". Mario Vargas Llosa, the celebrated Peruvian writer and Nobel Prize winner, has called Trump an "uncouth, populistic and nationalistic demagogue dangerous for Latin America". The Latin Americans, who have suffered in the past under dictatorships, are shocked that the caudillo (a typical Latino authoritarian strong man) has reappeared in North America in the form of Trump, reviving their bad old memories of the 'arrogant Yankee'.

While Trump is alienating the Latin Americans, the Chinese have steadily expanded their presence in the region. China has overtaken the US to become the largest export destination for Brazil, Chile and Peru, among others. It has replaced the EU as the second largest trade partner of the region. The Chinese target is $500 billion of trade and $250 billion investment by 2025. China has given a credit of $21 billion to Latin America in 2016 alone, with a cumulative credit at an impressive $141 billion since 2005. They have captured the imagination of Latin Americans with the announcement of mega infrastructure projects such as the Bi-Oceanic Railway between the ports of Santos in Brazil and Callao in Peru and the Nicaragua Canal project. But the Latin Americans have become conscious of the risks and perils of over-dependence on China, which has used its leverage to bully some countries in the region. In any case, the Latin Americans, given their recent history with dictatorships, are uncomfortable with the Chinese communist dictatorship and its non-transparent policies and intentions. Not surprisingly, US think tanks and NGOs are stoking the fires of distrust of China by maligning Chinese projects and exaggerating the damage to the region's industry and environment by the flooding of cheap Chinese products and extractive ventures.

The Latin Americans are equally disillusioned with Europe, with its rising nationalism, anti-immigrant agenda and trade barriers.

Caught between the bullying Trump, an indifferent Europe and the suspect Chinese, the Latin Americans have started looking more seriously at India, attracted by its huge and growing market as well as its vibrant and diverse democracy. They have taken note that India has already overtaken China in growth rate and the Indian population is set to exceed that of the Chinese in the coming years. They do not feel threatened by Indian exports or investment. Indian IT and pharma companies are perceived as having contributed positively to the region. India has already become the second largest market (after the US) for crude oil, Latin America's largest export. Since the US is reducing imports of crude oil (thanks to the shale discoveries), India will become an even more important a market for Latin American crude exports. In 2014, India was the third largest destination for Latin American exports. The region had exported more to India than to Germany, France, UK, Italy, Spain and Japan.

Trump's withdrawal from Trans Pacific Partnership (TPP) is good for India. The TPP had extra protection for patents (pushed by multinational corporations), which would have caused problems for India's pharmaceutical exports to Mexico, Colombia and Chile, the Latin American members of the TPP. If the TPP had become successful, it would have inspired more such second generation trade agreements, adversely impacting some Indian exports.

The Latin American economy has recovered from the recession of the last two years and has resumed growth in 2017. Except for Venezuela, the macroeconomic fundamentals of the region are generally stronger and growth prospects better. The region offers a large market of 614 million people with a combined GDP of $5.2 trillion and per capita income of $8500. The region's imports are close to a trillion dollars.

Distance is no longer a deterrent. Fresh fruits from Chile, Peru and Argentina are available in Indian markets. India exports more to the distant Guatemala than to the nearby Cambodia. India's exports to Brazil in 2014-15 were more than its exports to Japan, Korea, Malaysia, Indonesia, Thailand, France, Italy and Spain. India's exports to Mexico exceeded its exports to Russia, Canada and Australia.

Latin America is the largest destination for India's car and motorcycle exports. Indian pharmaceutical exports to the region are around a billion dollars. Over twenty Indian IT and BPO companies have established operations in the region, employing more than 25,000 local staff. Latin America, with a 15-20% share of India's crude oil imports, has come to stay as an important contributor to India's energy security, helping India's strategic policy of diversification and reduction of over-dependence on West Asia. Besides the large reserves of oil, the region is well-endowed with minerals and agricultural potential, which are useful for 'Make in India' and food security. India-Latin America trade, which was $30 billion in 2015-16, has the potential to reach $100 in the near future.

This is, therefore, the right time and an unmissable opportunity for India to intensify its win-win economic partnership with Latin America. One of the immediate measures to take is to increase credit to the region to facilitate trade and investment. The cumulative Indian credit to the region is much below $100 million, while Chinese credit stands at $141 billion. Negotiations for widening and deepening the preferential trade agreement with Mercosur (which has been going on indifferently for the last ten years) needs to be concluded without further delay. Trade agreements could be signed with Mexico (the largest destination of Indian exports in the region for the last two years) as well as with Colombia and Peru, the other major markets. Prime Minister Narendra Modi should undertake annual visits to the region, like the Chinese president does. India's commerce and external affairs ministers need to engage their Latin American counterparts with a new message of serious partnership. The annual India-Latin America and Caribbean Conclave needs to be organised at a larger scale with more funds and high-level participation. Opportunities for Indian exporters and businesses in the region need to be disseminated regularly with the latest information on the economies and markets through trade and industry bodies and export promotion councils.

AGROCHEMICALS: COMPANIES WORLDWIDE EYEING MAJOR MARKET OPPORTUNITY

AGROCHEMICALS: COMPANIES WORLDWIDE EYEING MAJOR MARKET OPPORTUNITY

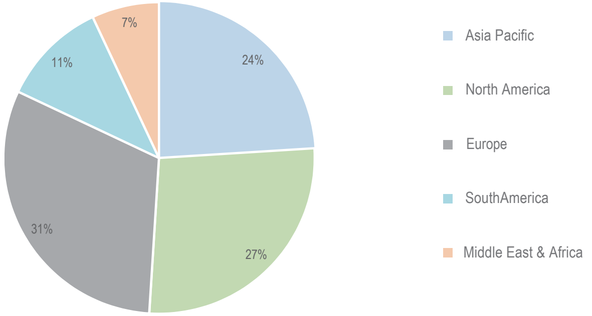
What are Agrochemicals?

'Agrochemicals' is a generic term for agricultural chemicals. This umbrella term includes a broad range of pesticides, fertilizers, chemical growth agents, processed biosolids and raw animal manure. Pesticides cover biologically-based herbicides, insecticides, fungicides and other products. This also includes organisms that perform specific actions that aids crop protection. Fertilizers used in this sector are majorly nitrogenous, phosphatic and potassic-based chemicals.

Being used solely for agricultural purposes, the agrochemicals market has seen an increase in their consumption worldwide. The last few years saw a significant amount of investments being made by conventional agrochemical companies, particularly so in the biological pesticides sector. The explosion in global population was responsible for this increase, creating promising markets for these companies. Their investments encompassed new product development, expenditure on new facilities and a number of significant product and company acquisitions.

What was the global agrochemicals market trend by crop production in 2015?

Global Emulsifier Market Share, By Region, 2016



Industries are looking for the most important crop outlet. The fruits and vegetable market is believed to be this outlet; it accounts for more than 50% of the total agrochemicals sales. This is followed by cotton and rice, with maize observing a gradual rise. Among these biological pesticides, ones with activity as nematicidal seed treatments have the utmost impact on maize and cotton. Reproducibility of activity in open fields is a key concern for biological products, particularly for major markets of fruits and vegetables that are grown in closed controlled environments.

However, a gradual shift can be with increasing usage of biological seed treatments; also in controlled environments when products are encapsulated around the seed. This is boosting the usage of biological products in row crop sectors. A noticeable factor between a number of the recent mergers and acquisitions was product opportunities such as seed treatments, particularly those related to nematicidal activity.

What correlation does climate change hold with global agrochemicals demand?

It's no secret that weather and agriculture are intricately linked. Hence, the demand for agrochemicals directly depends on weather conditions across countries. Europe, for example, benefitted from an early spring start, which improved crop volumes and prices. On the other hand, northern Europe was affected by a wet summer. Central and eastern Europe benefitted from an improved economic position, but suffered from a very cold winter and a dry summer. The market in the United States got off to a good start, but was then the occurrence of a drought affected the central corn belt. Other parts of the country, however, had a more positive outlook.

Strong crop prices and weaker currencies drove the growth in South American market despite a dry start in Argentina and Brazil. Markets in Asia showed a positive trend on the whole after recovering from adverse weather in 2015; particularly in Japan and Thailand. On the other hand, India suffered another variable monsoon season in 2015. In addition, wet weather affected Southern China and countries at a similar latitude.

Which regions show a promising market for expansion?

Asia is currently the leading market for agrochemicals, with a market share of 42.3%, followed by North America with a 28.4% share. In terms of markets in countries, the United States remains to be the leading market with an estimated value of USD 485 million, followed by China, Japan, Brazil. and India. The crop trends in 2015 remained positive, with strong crop prices and sustained futures prices throughout the year, primarily due to increase in consumption and limited harvests in Europe and North America. Wheat production showed improvement in Australia and Canada, but showed a slight reduction in Europe. Fruit and vegetable production, however, have seen a rise globally.

Which factors will decide the future of Agrochemicals?

Increased research in weed and pest control is the need of the hour in order to address the severe agricultural problems of today and tomorrow. Emerging programs, such as Integrated Nutrient Management (INM) and Integrated Pest Management (IPM), are expected to increase the demand for agrochemicals in the future, by mean of increased awareness among farmers and better economic conditions of emerging economies. With decreasing availability of land and rising population, the use of agrochemicals has become inevitable. However, genetically modified (GM) crops, being inherently resistant to pests and adverse conditions, have posed a challenge to agrochemicals production.

Also, some agrochemicals, becoming banned and facing strict government regulations, are a cause for concern for companies that are manufacturing pesticides. Yet, bio-friendly agrochemicals have emerged, which have increased agricultural outputs around the world. All of these factors depict agrochemicals as a promising segment in the modern market for agriculture.

Which companies are exploiting these opportunities?

Major leading players in this market are eyeing potential opportunities for expansion through mergers and by introducing innovative products. Company sales performances were generally very positive in 2015, with the greatest growth recorded by Amvac with strong sales of corn soil insecticides, by FMC assisted by the significant growth of the Brazilian market, a new joint venture in Argentina and product range expansion based on a number of product agreements. BASF, Bayer AG, Monsanto, and Syngenta have actively engaged acquisitions across markets on a global scale and have filed numerous patents to expand their agrochemicals businesses. Greater investments in R&D are likely to be a key factor in this market, now that many major agrochemical companies have an interest in the sector. This, coupled with the market opportunities listed above, suggests that global demand for agrochemicals is expected to grow at faster rate in the coming years.

DISCLAIMER

ABOUT US

Mordor Intelligence is a global market research and consulting firm. Our singular focus is to provide research insights for business success.

Our research team has expertise in diverse fields like Agriculture, Healthcare, ICT, Chemicals, Manufacturing, Logistics, Electronics and Automotive. However diverse the expertise maybe, everyone in our team shares one common trait - we love data and we love providing solutions to clients using that data even more. Seeing your business flourish based on our solutions and strategy is what we love the most.

For information regarding permissions and sales, please contact: info@mordorintelligence.com

EMULSIFIERS: MICRO TECHNOLOGY WITH MACRO EFFECT

Introduction

Water and oil, when mixed together and vigorously shaken, form a dispersion of oil droplets in water. Once the shaking stops, the phases start to separate. However, when an emulsifier is added to the system, the droplets remain dispersed, and a stable emulsion is obtained.

An emulsifier consists of a water-loving hydrophilic head and an oil-loving hydrophobic tail. The hydrophilic head is directed to the aqueous phase and the hydrophobic tail to the oil phase. The emulsifier positions itself at the oil/water or air/water interface, and has a stabilizing effect on the emulsion by reducing the surface tension.

Major Applications

- **Food Industry:** An emulsifier is well known in the food industry for its emulsifying effects, where it serves various functions. Following are some examples of the use of emulsifiers in the food industry:

    1. Modifies oil crystal and prevents water spattering in cooking
    2. Destroys emulsion to stabilize foam and to make smooth texture in ice cream, and keeps its shape
    3. Reacts with proteins to make a smooth easy-rising dough in bread
    4. Acts on starch to make bread soft

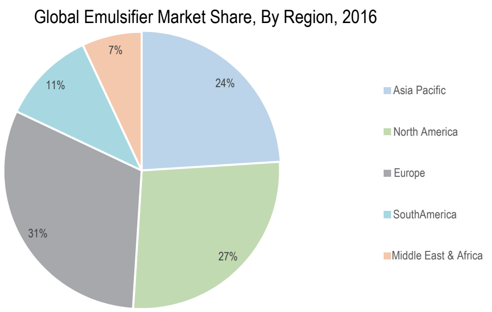
- **Personal Care Industry**: Emulsifiers are an important category of surfactants for personal care applications. They are essential in the production of creams and lotions. Emulsifiers enable oil and water/aqueous components to mix and remain stable over a long period of time. Choosing an optimum emulsifier system helps create evenly dispersed, small droplets, thus providing kinetic stability and an elegant texture, skin feel and appearance to creams and lotions. Typically, emulsions have

a milky white, opaque appearance due to the type and level of emulsifiers used; however, there are microemulsions that appear clear or transparent to the human eye. These are used in specialized applications, such as enhancing skin permeation of active substances. Emulsifiers often impart a specific texture or sensory aspect to the end product, so their selection is important for marketing appeal as well as technical aspects.

Current Market Scenario

The global emulsifiers market is expected to grow at a CAGR of 5.28% between 2016 and 2021. Factors contributing to the market growth include increasing popularity of natural emulsifiers and growing usage of emulsifiers in personal care products and the food & beverage industry. Technological advancements within the food processing industry are expected to further boost the market growth. Factors such as increasing demand for packaged food, escalating income levels and availability of packaged functional foods are boosting the demand for emulsifiers. However, consolidation within the food additive industry is expected to restrain the market growth.

Among all the products, lecithin represents the largest share in the emulsifiers market. Lecithin is used widely in feed, food, nutritional supplements and cosmetics. The United States represents the largest market worldwide, whereas Asia-Pacific is projected to grow at the highest CAGR due to sustained demand for natural emulsifiers.



Some of the key players in the emulsifiers market include Cargill Inc., Lonza Group, BASF, AAK Bakery Services Ltd., DSM Nutritional Products, DuPont, Lubrizol Advanced Material, Danisco A/S, Archer Daniels Midland Company, Dow Corning Corporation, Palsgaard A/S, Stepan Company, and Kerry Group.

Recent Developments

Emulsions are a fundamental product form for many cosmetic categories, which involves careful selection of optimum emulsifier systems. Cosmetic science has progressed a long way and at present there is a trend towards liquid crystal structures and emulsifiers that are acceptable and usable to manufacture certified natural cosmetics.

- Alfa Chemicals worked on emulsifier technology and developed an emulsifier with a trade name of Sucragel AOF BIO, which is a natural liquid emulsifier based on sucrose laurate. It can be used in the oil phase as a co-emulsifier for creams and lotions. It can also be used to gel oils, which can then in turn be diluted with water to form a fine sprayable emulsion.
- Azeis Personal Care developed emulsifier-based products, such as BlanovaMuls GMSC, BlanovaMuls Eco 77, and BlanovaMuls Eco 2277 Eco, among others. For example, BlanovaMuls GMSC is glyceryl stearate citrate based emulsifier, which is used to emulsify high amounts of oil. It is particularly suitable for the production of sprayable emulsions.
- Croda's new product formulations based on emulsifier technology include Arlacel 1690, Arlacel 2121, NatraGem E145 and NaturGem E140. These products are developed in order to cater to the growing demand from the cosmetic industry. For example, NatraGem E145 is a natural emulsifier, which is compatible with both low and high polarity oils with excellent electrolyte, pH and temperature tolerances.
- Dow Corning developed DC ES-5612 Formulation Aid, which is a silicone emulsifier designed to prepare low viscosity water-in-silicone and water-in-oil emulsions.

Costs

Emulsifiers are generally cost extensive to manufacture and process, owing to the high raw material costs associated with them. Emulsifiers significantly increase the cost of product in which they are added. Occasionally the cost of their formulation is almost doubled by their addition. However, owing to advancement in technology, natural raw materials based emulsifiers are being developed, which are not only of higher quality, but are also relatively cheaper. For example, a new starch emulsifier developed by Ingredion can deliver four times the emulsifying power of traditional beverage emulsifiers, enabling manufacturers to slash production and distribution costs.

Article by:

Mordor Intelligence is a global market research and consulting firm. Their singular focus is to provide research insights for business success.

Their research team has expertise in diverse fields like Agriculture, Healthcare, ICT, Chemicals, Manufacturing, Logistics, Electronics and Automotive. However diverse the expertise maybe, everyone in their team shares one common trait - they love data and they love providing solutions to clients using that data even more. Seeing your business flourish based on their solutions and strategy is what they love the most.

For information regarding permissions and sales, please contact: info@mordorintelligence.com

LENIN MORENO'S WIN IN ECUADOR LIFTS LEFTIST SPIRITS IN LATIN AMERICA

Mr. R. Viswanathan, also known as Rengaraj Viswanathan, is a retired Indian diplomat, writer and speaker specializing in Latin American politics, markets, and culture.

Leftist candidate Lenin Moreno won Ecuador's presidential run-off elections on April 2, beating his rightist rival Guillermo Lasso, a wealthy banker.

Moreno's victory is being celebrated by the Latin American Left, which had lost power to the right in Argentina and Peru in recent elections. In Brazil and Paraguay, the rightists have brought down leftist presidents through constitutional coups. There is talk of 'retreat of the left' and 'fading of the pink tide' in the region. Against this background, Moreno's victory in Ecuador is a moral boost to the Left in the region. Moreno is the hand-picked candidate of leftist President Rafael Correa, who has ruled the country since 2007. The outspoken Correa is known for his fierce crusade against neoliberalism and Washington Consensus. He had refused to sign a FTA with the US, pulling out of the negotiations even when neighbours Colombia and Peru went ahead. He closed the US airbase in Ecuador when the lease expired in 2009. In a bold move, he granted asylum to Wikileaks founder Julian Assange who is wanted by US prosecutors after he had published secret American documents; Assange has been staying at the Ecuadorian embassy in London since June 2012. Lasso threatened to evict Assange if he won the election.

The victory of the Left in Ecuador comes as a relief and brings hope for those frustrated with the recent rise of right-wing extremism in Europe, US and other parts of the world. It should not be forgotten that the Left continues to rule in Bolivia, Chile, Uruguay and Venezuela. Former president Luiz Inácio Lula da Silva is still seen as the frontrunner in Brazil's next elections in 2018, if he is not banned from running through right-wing conspiracy. The chances of Mexico's leftist candidate, Andrés Manuel López Obrador, have become brighter in the elections next year as a reaction to US President Donald Trump's anti-Mexico diatribes.

Ecuador's President Rafael Correa (L) and president elect Lenin Moreno greet supporters as they stand on the government palace's balcony during a military change of guard ceremony in Quito, Ecuador April 3, 2017. Credit: Reuters

The credit for the victory of the Left in Ecuador goes to the the exemplary performance of Correa's government in the last ten years. Correa has pulled the country out of its economic mess of the past when it suffered one crisis after another. He has reduced the poverty rate from 40% in 2006 to 23% in 2016. He has doubled the social spending, improved the living standard, and infrastructure and public services. He has included Ecuador's indigenous people and other marginalised groups in political and economic development. He achieved all these without stoking inflation, which stood at 1.3% in 2016. Under his government, economic growth increased steadily while unemployment decreased. He redrew the unequal oil and mining contracts of multinational corporations, making them pay more, and using the additional revenue for education and healthcare. Alarmed by the fact that 38% the government revenue went to service external debt, he cut it down by aggressive and compulsory restructuring, and by standing up to IMF, World Bank and the western creditor mafia.

While his close friend Hugo Chavez ruined the Venezuelan economy with disastrous policies in the name of 'twenty first century socialism,' Correa, who has a masters and PhD in economics from a US university, showed pragmatism. For instance, he continued the policy of his predecessors in keeping the US dollar as the country's currency as part of economic stabilisation, despite his anti-US rhetoric and his own criticism of dollarisation when it was introduced in 2000.

More importantly, Correa brought political stability to Ecuador, notorious for its chronic instability. The country had seen eight presidents in the ten years before Correa came to power, witnessing military coups and congressional impeachments of presidents in that period. Three of Correa's predecessors were forced out of office before completing their terms. Correa is the first president elected to serve a third consecutive term in the last 100 years of Ecuador's history. After his first election in 2006, Correa got a new constitution approved in 2008, under which he won reelection in 2009 and 2013. Correa is leaving the presidency honourably with his head high and a respectable approval rating of 44% after ten years in power. He has announced that he will pursue academic work in Belgium, where he had done university studies and met his wife Anne Malherbe.

Moreno, who had served as vice president during Correa's first term (2007-13), has promised the continuation of Correa's inclusive agenda of development. He is more moderate and conciliatory than his sharp-tongued and thin-skinned combative predecessor who was intolerant of criticism. Moreno is a paraplegic since being shot during a robbery in 1998. He had used 'laughter therapy' as part of his recovery process and has created a foundation, Eventa, to promote humour and joy as a way of life, authoring numerous books on the subject.

Lasso, who lost narrowly with 48.83% of the vote, as against Moreno's 51.17 %, is contesting the results claiming irregularities. He has asked his supporters to protest peacefully but forcefully. But he is yet to come out with solid evidence to substantiate his allegations. The external observers sent by the Organisation of American States (OAS) and UNASUR (South American community of states) have not reported any adverse observations on the polls. In fact, the secretary general of OAS has already congratulated Moreno for his victory. It may be noted that Lasso got 10% fewer votes than Moreno's 39.36% in the first round of elections held in February. His party CREO got just 34 seats while Moreno's Alliance Pais (Country Alliance) party had won 74 and secured a majority in the 137-member National Assembly in the February elections. Lasso had also lost to Correa in the 2013 presidential election, getting just 22.7% vis-à-vis Correa's 57%.

Ecuador, a small country with a population of 16.4 million and $100 billion GDP, depends largely on oil exports for its revenue. With the drastic decline in oil prices in the last two years, the country faces problems of budget deficit, foreign exchange shortage and austerity. The GDP growth in 2017 is projected to be just 0.3% after the contraction of 2% in 2016. The country is in deep debt to China, which has given a cumulative credit of $17.4 billion. The Chinese are taking oil against repayment and are dominating in Ecuador's oil, mining and infrastructure sectors. The excessive dependence on China for credit and investment is the price Correa had to pay in view of the hostile and high-handed approach of Western financial institutions.

India's trade with Ecuador was $378 million in 2016 (January-December), of which exports were $165 million and imports $213 million. India's imports have fallen drastically from $987 million in 2014, due to the fall in price of crude, the country's main import. Ecuador is an OPEC member with an estimated 8 billion barrels of proven reserves and daily production of 540,000 barrels. TCS has implemented a $150 million IT project for Ecuador's Banco Pichincha, which is one of their largest contracts in the region. India had exported seven Dhruv helicopters to Ecuador but four of them crashed. The delay in amicable resolution of this issue has caused some strain in bilateral relations. In spite of this, Ecuador is keen to strengthen trade with India and attract Indian investment. It had sent a large business and government delegation, led by the vice president, to the Indo-LAC Business Conclave in December

2013. PetroEcuador has signed a MOU with ONGC Videsh Ltd for cooperation in hydrocarbons. Ecuador has established a consulate in Mumbai besides an embassy in New Delhi. This is noteworthy given that Brazil and Argentina are the only other Latin American countries with consulates in Mumbai.

It is time for India to consider opening an embassy in Quito. Ecuador is more important than Iceland, where India has an embassy for unknown reasons. India's exports to Iceland are less than $20 million and imports below $5 million. After all, the cold and barren Iceland, with a tiny population of 330,000 and an insignificant GDP, does not have oil, minerals or opportunities like Ecuador does.

LATIN AMERICAN GDP PROJECTED TO GROW BY 1.1% IN 2017

Latin America is projected to have a GDP growth of 1.1% in 2017, according to the 24 April report of the UN Economic Commission for Latin America and Caribbean (ECLAC). This latest growth estimate is less than the prediction of 1.3% in ECLAC's December 2016 report.

Even the 1.1% growth comes as a welcome news, given the fact the region had suffered an economic contraction of 1.1% in 2016 and 0.5 % in 2015.

South America is expected to have a low growth of 0.6% while Central America will have a higher rate of 3.6%

Growth estimates for the major countries are as follows:

- Brazil 0.4%
- Mexico- 1.9%
- Argentina 2%
- Colombia- 2.4%
- Peru- 3.5%
- Chile- 1.5%

Dominican Republic will be the region's growth champion in 2017 with 5.3%, followed by Panama at 5.2%, Nicaragua at 4.6% and Bolivia-4%.

Venezuela is likely to suffer yet another economic contraction at 7.2% in 2017. The country is in a hopeless free fall. Its only hope is change of the Chavista regime which has no clues to stop the economic deterioration. The country is heading towards a political explosion and economic collapse.

The recovery in the global prices and demand of commodities should help South America to hope for a higher growth in 2018.

Brazil, the biggest economy faces internal problems while Mexico, the second biggest faces external challenges. Brazil is lurching from one political crisis to the next and is coming out with more and more incredible scandals of corruption. Earlier this month, the Supreme court has authorized investigation of 108 politicians which include nine ministers in President Michel Temer's government, three state governors, 29 senators and 42 members of the lower house of Congress. Consequent to this, the corporate activities are paralyzed, bank credits frozen, infrastructure projects delayed and investments postponed. The Odebrecht corruption scandal has claimed victims in Colombia, Peru and other Latin American countries. China is taking advantage of the situation and buying up assets whose prices have come down due to the economic crisis. In the first four months of 2017 the Chinese have invested 5.7 billion dollars in Brazil. Last year they invested 11.9 billion dollars and they are the largest foreign investor in Brazil.

The Brazilian situation has an adverse impact on Argentina which is finding it difficult to grow faster as expected under the business-friendly Macri government.

Mexico faces challenging times with Trump's threats to build a wall, repatriate illegal Mexicans in US and change NAFTA to favor US more. Foreign investors have become more cautious about investing in Mexico which was emerging as the ' manufacturing hub' of Americas, becoming even more competitive than China in some manufacturing sectors such as cars and appliances.

Peru and Colombia are the countries which show promise of higher growth. Being a larger market, Colombia should be considered as the best opportunity for business in the region.

EXPORT STRATEGY- GERMANY

GERMAN CHEMICAL INDUSTRY AND GERMAN CHEMICAL PARKS:

As Europe's largest economy and second most populous nation (after Russia), Germany is a key member of the continent's economic, political, and defense organizations.

As the world's fourth largest economy, Germany is the European Union's (EU's) most populous nation and plays a leading role in the continent's economic, political and security affairs. Germany is renowned for its technological innovation, art and science.

The chemical industry is traditionally a key part of the German economy. The sector is characterized by a highly concentrated structure. The chemical industry's main customers include the automotive industry and the machine-building sector, which in themselves are central to the German economy.

The chemical corporations active in Germany, as well as a number of highly specialized medium-sized companies, compete globally. German chemical companies generate nearly 60% of their revenue abroad. Together with the USA, Japan and China, Germany is one of the largest players in the global market. Although many raw materials and preliminary products are imported, Germany has been a net exporter for many years. The reason for its success is its efficient and almost optimally configured composite structure at its base in Germany, which allows it to produce in a highly efficient and fully integrated manner. The key raw materials for the chemical industry are petroleum products (naphtha) and natural

gas. Nowadays, renewable raw materials such as fats, starches, cellulose and sugar are already being successfully used in biobased and thermochemical processes, if they offer competitive advantages in terms of sustainability, profitability or technology. They are used to supplement chemical synthesis where there are advantages in terms of sustainability, profitability or technology. Although, proportionally, the use of renewable raw materials has increased slightly over the last few years to around 13%, there is no discernible trend towards a comprehensive turnaround in the choice of raw materials. [2] The Bioeconomy Council hopes that its recommendations will help to identify and overcome obstacles to innovation and investment in the chemical industry on the road towards a biobased economy.

The chemical and pharmaceutical industry is Germany's third-largest industrial sector in terms of revenues. It produces a wide range of products, including fine chemicals, specialty chemicals, petrochemicals, inorganic chemicals, synthetic materials, agrochemicals and fertilisers, laundry and cleaning agents, cosmetics, pharmaceuticals, paints and adhesives.

With revenues of €190.8 billion in 2014, the German chemical and pharmaceutical industry is by far the largest European chemical and pharmaceutical industry as well as being the fourth-largest worldwide, according to data provided by the German chemical industry association VCI. Revenues from the chemical and pharmaceutical industry constitute nearly 11 percent of the total revenues in Germany's processing industries. Furthermore, with a market share of almost 11 percent, Germany was the world's largest exporter of chemical products in 2014. The country exported chemical products with a total value of €160 billion.

According to VCI (Association of the Chemical Industry), over 90 percent of Germany's more than 2,000 chemical companies are small and medium-sized enterprises. These companies are often based in one of the country's numerous chemical parks. The outstanding infrastructure, combined with an interconnected system of raw materials and energy, enables companies based in these parks to remain competitive in their production.

Some 444,800 workers are employed in the chemical and pharmaceutical industry. Many of them are graduates in the fields of science, technology, engineering and mathematics. According to figures from the Cologne Institute for Economic Research (IW), 126 out of every 1,000 employees in the industry are graduates in these four key fields, which are in particular demand in Germany.

The German chemical industry is the number one in Europe and the fourth largest in the world. Located in the center of Europe, German chemical parks, or Chemieparks, offer exceptional conditions for investors. Chemical companies locating here can concentrate entirely on production, as site operators provide a highly developed infrastructure, supply energy and water, and take care of safety and security aspects and waste disposal.

All European sales markets can be served in optimum fashion from Germany. Products reach virtually every European destination in the shortest time – by land, water or air. That is why German chemical parks provide the ideal location to gain a foothold in the European market. What's more, involving a large number of different chemical companies brings together many different competences in one location. This creates synergies which investors can use to their own advantage.

These are just a few of the many benefits of German chemical parks and sites. Such advantages pay off in considerably lower investment costs and rapid start-up of plants.

All of these factors make German chemical parks and sites particularly attractive for:

- Producers of raw materials,
- Processors and refiners of chemical preliminary products,
- Manufacturers of end products from chemical intermediates and renewable resources
- Biotechnology companies
- Companies in the processing industry.

Chemical parks also offer an ideal investment environment for small companies and start-ups. To find out more about the unique advantages of the German chemical parks concept

GERMAN CHEMICAL PARKS OFFER MANY ADVANTAGES

Investors will find a highly developed infrastructure in the German chemical parks. In the last ten years, large chemical companies have frequently outsourced services and duties in order to concentrate on their research and development as well as production. As a result, independent location operators emerged who, as local players, have decades of experience in operating chemical plants. That is why the operators are able to respond directly to the requirements of chemical companies on-site. An extensive range of services and a chemical industry infrastructure with well-constructed transportation routes, supply and disposal lines are hallmarks of the German chemical parks. Also, the chemical parks are characterized by an excellent research and development environment and, likewise, by excellently qualified staff.

(Ref. http://www.chemicalparks.com/location/Seiten/default.aspx)

ECONOMY:-

The German economy - the fifth largest economy in the world in PPP terms and Europe's largest - is a leading exporter of machinery, vehicles, chemicals, and household equipment and benefits from a highly skilled labor force. Like its Western European neighbors, Germany faces significant demographic challenges to sustained long-term growth. Low fertility rates and a large increase in net immigration are increasing pressure on the country's social welfare system and necessitate structural reforms.

Reforms launched by the government of Chancellor Gerhard SCHROEDER (1998-2005), deemed necessary to address chronically high unemployment and low average growth, contributed to strong growth and falling unemployment. These advances, as well as a government subsidized, reduced working hour scheme, help explain the relatively modest increase in unemployment during the 2008-09 recession - the deepest since World War II. The new German Government introduced a minimum wage of about $11.60 (8.50 euros) per hour that took effect in 2015.

Stimulus and stabilization efforts initiated in 2008 and 2009 and tax cuts introduced in Chancellor Angela MERKEL's second term increased Germany's total budget deficit - including federal, state, and municipal - to 4.1% in 2010, but slower spending and higher tax revenues reduced the deficit to 0.8% in 2011 and in 2015 Germany reached a budget surplus of 0.9%. A constitutional amendment approved in 2009 limits the federal government to structural deficits of no more than 0.35% of GDP per annum as of 2016, though the target was already reached in 2012.

The German economy suffers from low levels of investment, and a government plan to invest 15 billion euros during 2016-18, largely in infrastructure, is intended to spur needed private investment. Following the March 2011 Fukushima nuclear disaster, Chancellor Angela MERKEL announced in May 2011 that eight of the country's 17 nuclear reactors would be shut down immediately and the remaining plants would close by 2022. Germany plans to replace nuclear power largely with renewable energy, which accounted for 27.8% of gross electricity consumption in 2014, up from 9% in 2000. Before the shutdown of the eight reactors, Germany relied on nuclear power for 23% of its electricity generating capacity and 46% of its base-load electricity production. Domestic consumption, bolstered by low energy prices and a weak euro, are likely to drive German GDP growth again in 2016.

TRADE REGULATIONS, CUSTOMS AND STANDARDS IN GERMANY

TARIFF

Germany is part of the harmonized trade system of the EU and importing and exporting are covered by EC Regulations.

A Common External Tariff (CET) is applicable to other countries, including India.

The European Community has created the Binding Tariff Information (BTI) system as a tool to obtain the correct tariff classification for goods for import or export. Before shipping any goods, please consult German Customs.

The Federal Ministry, Bundesministerium der Finanzen is responsible for import and customer regulations, however, specific questions concerning customs matters should be directed to Informations- und Wissensmanagement Zoll.

For legal reasons, all information given is always non-binding and relates exclusively to the customs regulations that apply in Germany.

FTA INVOLVEMENT

The European Free Trade Association (EFTA) is an intergovernmental organisation set up for the promotion of free trade and economic integration to the benefit of its four Member States.

Currently, the EFTA States have 27 free trade agreements (covering 38 countries) with the following partners:

1) Albania
2) Bosnia and Herzegovina
3) Canada
4) Central American States (Costa Rica, Guatemala and Panama)
5) Chile
6) Colombia
7) Egypt
8) Georgia
9) Gulf Cooperation Council (GCC)
10) Hong Kong, China
11) Israel
12) Jordan
13) Korea, Republic of
14) Lebanon
15) Macedonia
16) Mexico
17) Montenegro
18) Morocco
19) Palestinian Authority
20) Peru
21) Philippines
22) Serbia
23) Singapore
24) Southern African Customs Union (SACU)
25) Tunisia
26) Turkey
27) Ukraine

(For More details please refer http://www.efta.int/free-trade/free-trade-agreements)

Ongoing Negotiations

The EFTA States are currently engaged in negotiations on free trade agreements with the following partners (processes up to the signing of the FTA):

1) Algeria
2) Central American States (Honduras)
3) Ecuador
4) India
5) Indonesia
6) Malaysia
7) Russia, Belarus and Kazakhstan
8) Thailand
9) Vietnam

GDP (purchasing power parity): $3.979 trillion (2016 est.), $3.911 trillion (2015 est.), $3.854 trillion (2014 est.)

Industries:- among the world's largest and most technologically advanced producers of iron, steel, coal, cement, chemicals, machinery, vehicles, machine tools, electronics, automobiles, food and beverages, shipbuilding, textiles.

Exports: - $1.283 trillion (2016 est.), $1.309 trillion (2015 est.)

Exports Commodities:- motor vehicles, machinery, chemicals, computer and electronic products, electrical equipment, pharmaceuticals, metals, transport equipment, foodstuffs, textiles, rubber and plastic products.

Exporting Partners: - US 9.6%, France 8.6%, UK 7.5%, Netherlands 6.6%, China 6%, Italy 4.9%, Austria 4.8%, Poland 4.4%, Switzerland 4.2% (2015).

Imports: – $987.6 billion (2016 est.), $1.017 trillion (2015 est.)

Import Commodities:- machinery, data processing equipment, vehicles, chemicals, oil and gas, metals, electric equipment, pharmaceuticals, foodstuffs, agricultural products.

Import Partners: - Netherlands 13.7%, France 7.6%, China 7.3%, Belgium 6%, Italy 5.2%, Poland 5%, US 4.7%, Czech Republic 4.5%, UK 4.2%, Austria 4.2%, Switzerland 4.2% (2015).

IMPORT CUSTOMS PROCEDURES IN GERMANY

Customs Procedures

Import Procedures: - For all goods from within the European Community that enter Germany, the exporter is required to fill out a DEB (declaration of exchange of goods) or an Intrastate Declaration at the end of the month.

As part of the "SAFE" standards advocated by the World Customs Organisation (WCO), the European Union has set up a new system of import controls- the "Import Control System" (ICS)- which aim to secure the flow of goods at the time of their entry into the customs territory of the EU. This control system, part of the Community Programme eCustomer, has been in effect since 1 January 2011. Since then, operators are required to fill out an Entry Summary Declaration (ENS) to the customs of the country of entry, prior to the introduction of goods into the customs territory of the European Union.

In addition to the written customs declaration, an invoice and sometimes a certificate of origin must be joined to imported products. The modernised customs code (MCC), entered into force in 2008, has helped simplifiy the procedures by introducing a paperless environment and centralizing transactions (among other things). However, its substantive provisions will apply only on 1 May 2016. Until this time, the Community Customs Code and its implementing provisions continue to apply.

Since 1 July 2009, all companies established outside of the EU are required to have an Economic Operator Registration and Identification (EORI) number if they wish to lodge a customs declaration or an Entry/Exit Summary declaration.

Specific Import Procedures: - Various Customs and fiscal suspensive regimes exist, to store, use or process your goods; consult the German Customs website for further information. It is also possible to resort to Customs transit using an external transit certificate (T1).

For information on what changed in Customs procedures, consult the pages of the Customs website on this subject.

Within the framework of trade inside the EU, some goods remain prohibited or subject to specific formalities (medicines for human use, waste, plants or live animals).

Importing Samples: - For the import, export and re-export of commercial samples the ATA (Temporary Admission) carnet can be used. It must be written on the product that it is a free sample and that it may not be sold

CUSTOMS DUTIES AND TAXES ON IMPORTS

Customs threshold (from which tariffs are required):- EUR 150.

Average Customs Duty (Excluding Agricultural Products):- Trade within the European Union- in goods originating from one of the Member States- is completely free of Customs Duty. Duties for countries outside of the EU are not very high, especially industrial products which have an average general tariff of 4.2%.

Products Having a Higher Customs Tariff: - The fabrics and items of clothing (high duties and quotas) and foodstuffs (average duty 17.3% and many tariff quotas, CAP) sectors are still protected. Goods imported from non-EU states are subject to an import turnover tax that is equal to the VAT rates of 19 percent levied on domestic products.

Preferential Rates: - Granted to imports from countries with which the European Union has signed trade agreements.

Customs Classification:- Practically speaking, the TARIC code (made up of 10 digits) enables Customs duty rates to be defined as well as what Community regulations are applicable when a product is imported from a country which does not belong to the European Union. To find out the Customs duty on a product based on its country of origin, consult the TARIC database.

Method of Calculation of Duties: - Ad Valorem tax on the CIF value of the goods.

Method of Payment of Customs Duties: - Duty is payable in cash (in Euros, by cheque, by cash money order, by bank transfer); an extension of the time limit for payment may be granted through systems of collection credit or duty credit.

Import Taxes (Excluding Consumer Taxes):- None. A 19% (7% on agricultural products and other exceptions) Import Turnover tax is imposed, aiming at treating equally German products which are subject to a 19% VAT.

(Ref. https://en.portal.santandertrade.com/international-shipments/germany/customs-procedures)

BUSINESS ENVIRONMENT IN GERMANY

Germany is known to be business friendly. Foreign businesses have the same rights and are expected to obey the same rules and regulations. There are no significant barriers to foreign investments. However, special licenses can be required for business in banking, insurance, military equipment pharmaceuticals etc. All imported products are required to meet high trade quality standards, which can at times a barrier in itself. Furthermore, high cost of labor can be an operational hurdle in running a business in Germany. This is further complicated by Germany's strict employment regulations, which the World Bank rates as one of the least

Flexible when it comes to the ease of hiring and dismissing staff

CHEMEXCIL'S COMMODITYWISE EXPORTS TO GERMANY

Chapter No./Panel	2014-15 (Actual)	2015-16 (Actual)	2016-17 (Provisional)	% over 2015-16
(32) Dyes & (29) Dye Intermediates	113.17	99.15	96.44	-2.74
(28) Inorganic, (29) Organic & (38) Agro chemicals	279.60	256.20	227.75	-11.11
(33) Cosmetics, (34) Soaps, Toiletries and (33) Essential oils	27.50	21.45	16.16	-24.65
(15) Castor Oil	3.21	3.47	2.81	-18.98
Total	**423.48**	**380.28**	**343.16**	**-9.76**

SOURCE: DGCI&S

INDIA'S TOP CHEMICAL OF EXPORTS TO GERMANY

DYES - Top Items Exports

in USD Million

HS Code	Product	2013-2014	2014-2015	2015-2016
32041751	PIGMENT BLUE 15 (PATHALOCYANINE BLUE)	13.16	13.47	12.65
32042010	OPTICAL WHITENING AGETNS	9.84	5.92	6.40
32041680	REACTIVE BLACKS	8.26	9.96	5.84
32041739	OTHER PIGMENT RED	5.90	6.00	5.34
32041719	OTHER PIGMENTS YELLOW	3.48	4.19	5.10
32041759	OTHER PIGMENT BLUE	4.18	5.93	4.76
32041761	PIGMENT GREEN 7(PATHALOCYANINE GREEN)	5.50	6.11	4.68
32041630	REACTIVE REDS	3.97	3.25	3.99
32041419	OTHER DIRECT YELLOW (AZO)	3.33	3.15	3.36
32041650	REACTIVE BLUES	7.20	3.94	3.12
32041218	ACID BLACKS	4.83	5.33	2.86
32041439	OTHER DIRECT BLUE (AZO)	2.39	3.28	2.59
32041740	PIGMENT VIOLET	0.46	1.52	2.34
32041429	OTHER DIRECT RED (AZO)	2.04	2.21	2.31
32041481	DIRECT YELLOWS (NON-AZO)	0.95	1.60	1.49
	Country Totals	**75.49**	**75.87**	**66.84**

DYE INTERMEDIATES - Top Items Exports

HS Code	Product	2013-2014	2014-2015	2015-2016
29071210	PARA-CRESOLE (P-CRESOL)	14.85	16.79	12.82
29222990	OTHER AMINO-NAPHTHOLS AND OTHER AMINOPHENOLS,THEIR ETHERS,ESTERS AND SALTS	10.61	6.75	6.46
29214211	PARACHLORO ANILINE	3.11	2.30	3.03
29215930	3:3 DICHLOROBENZIDINE DIHYDROCHLORIDE SULPHATE	1.40	1.22	2.40
29214215	2-4-5-TRICHLORO ANILINE	0.94	1.72	1.51
29215130	P-PHENYLENEDIAMINE	1.07	0.45	1.44
29049050	PARA NITROCHLOROBENZENE	2.20	0.54	1.34
29093019	OTHER ANISOLE AND THEIR DERIVATIVES	1.15	1.36	1.17
29224300	ANTHRANILIC ACID AND ITS SALTS	2.11	0.55	1.09
29214213	DICHLOROANILINE	0.70	0.61	0.93
29214910	XYLIDINE	0.76	1.48	0.77
29049070	SODIUM META NITRO-BENZENE SULPHONATE	1.16	0.84	0.51
29072100	RESORCINOL AND ITS SALTS	0.45	0.65	0.44
29049040	ORHTO NITROCHLOROBENZENE	1.44	1.13	0.41
29224910	AMINO ACETIC ACID (GLYCINE)	0.14	0.08	0.37
	Country Totals	42.08	36.46	34.68

INORGANIC CHEMICALS - Top Items Exports

HS Code	Product	2013-2014	2014-2015	2015-2016
28276010	POTASSIUM IODIDE	11.57	6.38	6.21
38151100	SUPPORTED CATALYSTS WITH NICKEL OR NICKEL COMPOUNDS AS THE ACTIVE SUBSTANCE	3.66	3.92	5.26
28273940	CUPROUS CHLORIDE	2.91	4.39	3.11
28492010	CARBORANDUM	0.00	0.65	2.24
28030010	CARBON BLACK	5.87	0.78	1.36
28352500	CALCIUM HYDROGEN ORTHO PHOSPHATE (DICALCIUM PHOSPHATE)	0.32	0.28	1.29
28299030	IODATES AND PERIODATES	2.25	1.00	1.08
28112200	SILICON DIOXIDE	0.00	0.00	1.07
28276020	SODIUM IODIDE	3.00	2.05	1.05
28276090	OTHER IODIDES AND IODIDE OXIDES	0.82	0.94	1.00
28273200	CHLORIDES OF ALUMINIUM	0.37	0.40	0.97
28429090	OTHER SALTS OF INORGANIC ACIDS OR PEROXOACIDS (INCLUDING ALUMINO SILICATES WHETHER OR NOT CHEMICALLY	1.21	1.08	0.81
38249021	ELECTROPLATING SALTS	0.36	0.64	0.73
28209000	OTHER MANGANESE OXIDE	1.19	0.73	0.71
28332940	MANGANESE SULPHATE	0.54	0.50	0.57
	Country Totals	**34.07**	**23.74**	**27.45**

ORGANIC CHEMICALS - Top Items Exports

HS Code	Product	2013-2014	2014-2015	2015-2016
29333990	OTHER COMPOUNDS CONTG. AN UNFUSED PYRIDINE RING (W/N) HYDROGENATED STRUCTURE	25.97	22.22	21.20
29183090	OTHER CARBOXYLIC ACIDS WITH ALDEHYDE OR KETONE FUNCTION BUT WITHOUT OTHER OXYGEN FUNCTION, THEIR ANH	16.63	16.07	20.95
29224990	OTHER AMINO ACIDS AND THEIR ESTERS OTHER THAN THOSE CONTAINING MORE THAN ONE KINDOF OXYGEN FUNCTION	2.50	2.72	15.92
29309099	OTHER ORGANO- SULPHUR COMPOUNDS	16.82	13.03	13.97
29335990	OTHER COMPOUNDS CONTAINING A PYRIMIDINE RING (W/N HYDROGENTATED) OR PIPERAZINE RING IN STRUCTURE	15.69	12.04	13.18
29329900	OTHER HETROCYCLIC COMPOUNDS WITH OXYGEN HETERO-ATOMS (S) ONLY	4.34	6.84	8.95
29225090	OTHER- FRUSEMIDE, AMINODIAL, N-ACETYL ANTHRANILIC ACID, DOMPERIDONE	4.63	5.84	7.50
29241900	OTHER ACYCLIC AMIDES (INCLUDING ACYCLIC CARBOMATES) AND THEIR DERIVATIVES SALTS THEREOF	10.79	9.66	6.39
29182190	OTHER SALICYLIC ACID AND ITS SALTS	9.57	6.24	5.58
29147090	OTHER HALOGENATED, SULPHONATED, NITRATED OR NITROSATED DERIVATIVES	2.59	4.65	5.33
29232010	LECITHINS (OTHER THAN MEDICAMENTS)	2.38	3.35	5.10
29062100	BENZYL ALCOHOL	3.13	2.78	5.06
29239000	QUATERNARY AMMONIUM SALTS AND HYDROXIDES LECITHINS AND OTHER PHOSPHOAMINOLIPIDS W/N CHEMICALLY DEFIN	5.73	7.88	5.03
29159090	OTHER SATURATED ACYCLIC MONOCARBAXYLIC ACID ETC & THEIR DERIVATIVES	6.99	8.03	4.21
29142200	CYCLOHEXANONE AND METHYL CYCLOHEXANONES	0.84	5.71	4.00
	Country Totals	128.59	127.07	142.37

AGRO CHEMICALS - Top Items Exports

HS Code	Product	2013-2014	2014-2015	2015-2016
38089199	OTHER INSECTICIDE N.E.S.	17.95	23.79	27.44
38089390	OTHER HERBICIDES, ANTI-S-SPROUTING PRODUCTS AND PLANT GROWTH REGULATORS	12.39	12.25	13.04
38089990	OTHER SIMILAR PRODUCTS N.E.S.	6.36	6.55	6.26
38089290	OTHER FUNGICIDES	12.40	10.37	4.27
38089910	PESTICIDES, NOT ELSEWHERE SPECIFIED OR INCLUDED	2.94	5.55	3.50
28480020	ZINC PHOSPHIDES, WHETHER NOT CHEMICALLY DEFINED EXCLUDING FERRO PHOSPHORUS	0.00	0.14	0.30
38091000	PREPARATIONS WITH A BASIS OF AMYLACEUS SUBSTANCES	0.12	0.02	0.10
38089340	PLANT GROWTH REGULATORS	0.02	0.00	0.05
38089135	CIPERMETHRIN TECHNICAL GRADE	0.02	0.01	0.03
38089191	REPELLANT FOR INSECTS SUCH AS FLIES, MOSQUITO	0.00	0.00	0.01
38089400	DISINFECTANTS	0.00	0.00	0.00
	Country Totals	**52.20**	**58.68**	**55.01**

COSMETICS & TOILETRIES - Top Items Exports

HS Code	Product	2013-2014	2014-2015	2015-2016
34021190	OTHERS (E.G. ALKYL SULPHATES TECH. DODECYL BENZENE-SULPHONATES, ETC.)	4.69	5.39	5.25
38231900	OTHER INDUSTRIAL MONOCARBOXYLIC FATTY ACID	12.69	8.30	3.07
33049990	OTHER BEAUTY MAKE-UP PREPARATION	1.45	1.96	1.98
29157010	PALMITIC ACID	0.30	2.19	1.45
15162039	OTHER HYDROGENATED CASTOR OIL (OPAL WAX)	0.13	0.30	0.92
33051090	OTHER HAIR SHAMPOOS (NON SPIRITUOUS)	0.19	0.60	0.69
34021300	NON-IONIC W/N FOR RETAIL SALE	0.34	0.39	0.47
38099190	OTHER TEXTILE ASSISTANTS	0.63	0.39	0.45
33059040	HAIR DYES(NATURAL, HERBAL OR SYNTHETICS)	0.08	0.22	0.36
29157040	HCO FATTY ACID(INCLUDING 12-HYDROXY STEARIC ACID)	0.81	0.45	0.33
33059019	OTHER HAIR OIL	0.25	0.17	0.27
33061020	DENTIFRICES IN PASTE (TOOTH PASTE)	0.15	0.15	0.20
25262000	NATURAL STEATITE CRUSHED/POWDER	0.07	0.01	0.17
33079020	STERILE CONTACT LENS CARE SOLUTION	0.01	0.06	0.16
33030090	OTHER PERFUMES AND TOILET WATERS	0.03	0.04	0.10
	Country Totals	**21.83**	**20.61**	**15.87**

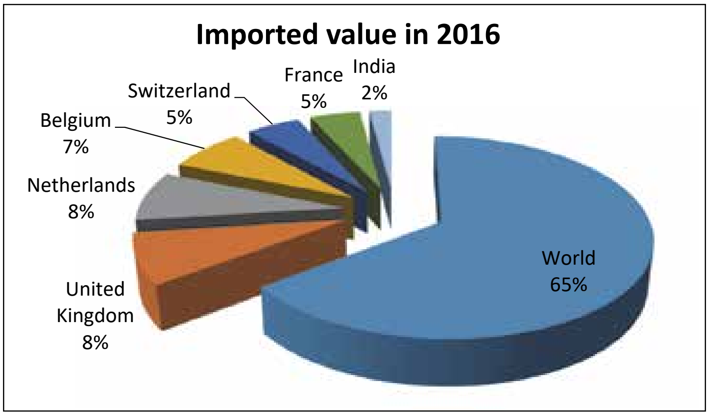
ESSENTIAL OIL - Top Items Exports

HS Code	Product	2013-2014	2014-2015	2015-2016
33012590	OTHER MINT OILS	13.90	9.21	10.15
33012400	PEPPERMINT OIL(MENTHA PIPERITA)	8.64	6.18	5.07
33011990	CITRONELLA OIL CEYLON TYPE INCLUDING & CONCETRATE	1.66	1.83	1.29
33012990	ESSENTIAL OILS OF GERANIUM	0.95	1.14	1.04
33012944	DAVANA OIL	0.18	0.40	0.70
33012938	ROSE OIL	0.41	0.68	0.70
33012933	PALMOROSA OIL	0.12	0.14	0.28
33019033	ESSENCE OF AMBRETTOLIE (AMBRETTE SEED OIL ESSENCE)	0.42	0.31	0.26
33012926	GINGER OIL	0.21	0.14	0.25
33012932	NUTMEG OIL	0.80	0.46	0.23
33021090	OTHER FLAVOURING ESSENCES USED IN THE FOOD OR DRINK INDUSTRIES	0.04	0.18	0.23
33019090	OTHER AQUEOUS SOLUTION OF ESSENTIAL OILS.	0.10	0.17	0.23
33012510	SPEARMINT OIL (EX-MENTHA SPICATA)	0.38	0.12	0.21
33012942	LEMONGRASS OIL	0.23	0.27	0.20
33013099	RESINOIDS OTHER	0.13	0.18	0.15
	Country Totals	**28.16**	**21.41**	**21.00**

List of supplying markets for a product imported by Germany
Product: 32 Tanning, dyeing extracts, tannins, derivs, pigments etc

Unit : US Dollar million

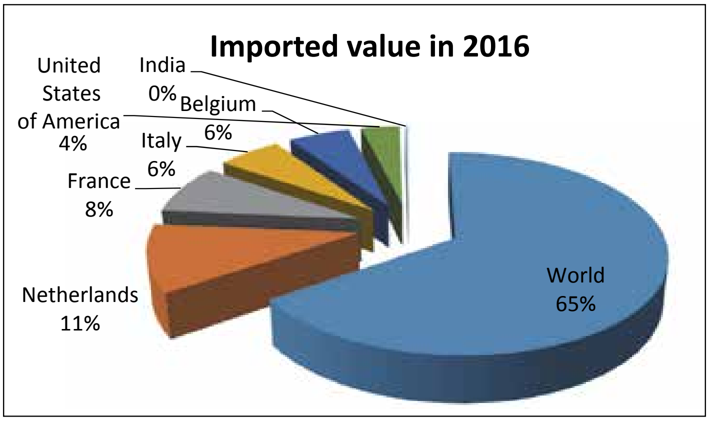
Exporters	Imported value in 2014	Imported value in 2015	Imported value in 2016
World	7661.76	6376.16	6436.26
United Kingdom	843.30	376.08	815.97
Netherlands	627.05	527.96	815.69
Belgium	715.58	562.84	707.49
Switzerland	721.61	596.82	492.73
France	512.12	434.85	465.47
India	264.86	225.94	203.94



List of supplying markets for a product imported by Germany
Product: 28 Inorganic chemicals, precious metal compound, isotopes

Unit : US Dollar million

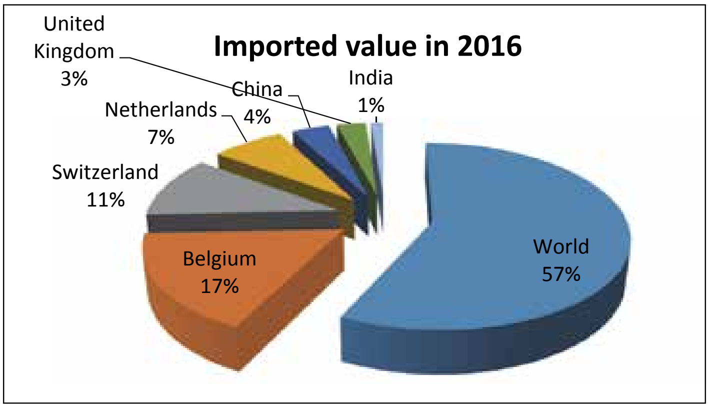
Exporters	Imported value in 2014	Imported value in 2015	Imported value in 2016
World	8331.94	6900.88	6522.09
Netherlands	628.97	646.94	1097.60
France	953.84	705.59	811.17
Italy	1004.47	738.31	583.82
Belgium	620.55	468.14	568.30
United States of America	621.61	575.78	355.86
India	48.55	37.86	29.92



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

Unit : US Dollar million

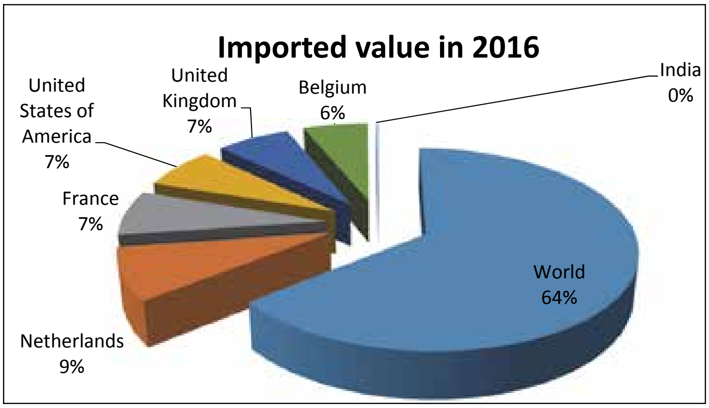
Exporters	Imported value in 2014	Imported value in 2015	Imported value in 2016
World	34284.66	31440.09	30230.99
Belgium	4626.20	4037.59	9002.43
Switzerland	4898.89	5525.52	5725.97
Netherlands	4809.95	3446.76	3773.72
China	2457.91	2371.27	1951.08
United Kingdom	1518.38	1070.54	1504.07
India	868.48	819.82	634.98



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

Unit : US Dollar million

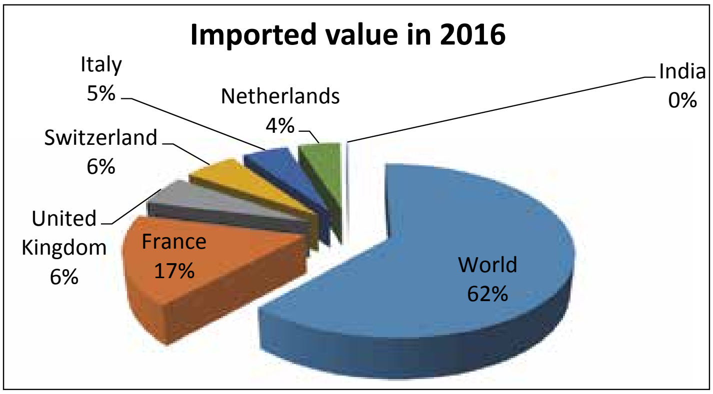
Exporters	Imported value in 2013	Imported value in 2014	Imported value in 2015
World	15665.70	13402.20	13861.02
Netherlands	1435.51	1109.99	1817.94
France	1744.86	1598.13	1591.68
United States of America	2006.57	1915.89	1494.16
United Kingdom	1520.89	1362.01	1459.15
Belgium	1358.53	993.86	1283.76
India	67.13	61.57	42.91



List of supplying markets for a product imported by Germany
Product: 33 Essential oils, perfumes, cosmetics, toileteries

Unit : US Dollar million

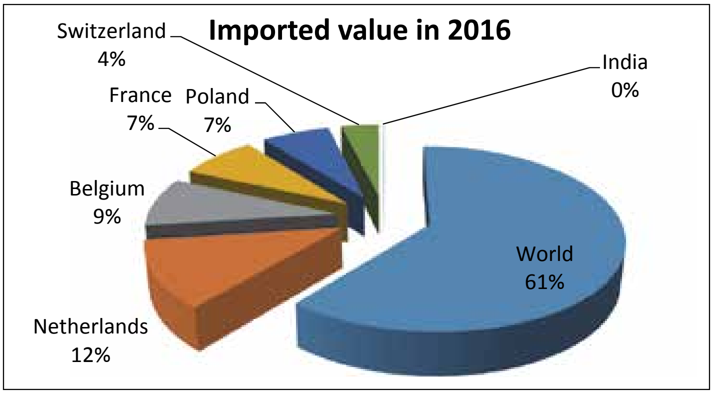
Exporters	Imported value in 2014	Imported value in 2015	Imported value in 2016
World	7266.72	7047.99	7234.10
France	2186.20	1905.38	1996.75
United Kingdom	756.54	632.08	663.35
Switzerland	883.52	801.81	661.58
Italy	577.90	513.56	574.40
Netherlands	294.01	314.84	531.33
India	44.24	41.06	33.56



List of supplying markets for a product imported by Germany
Product: 34 Soaps, lubricants, waxes, candles, modelling pastes

Unit : US Dollar million

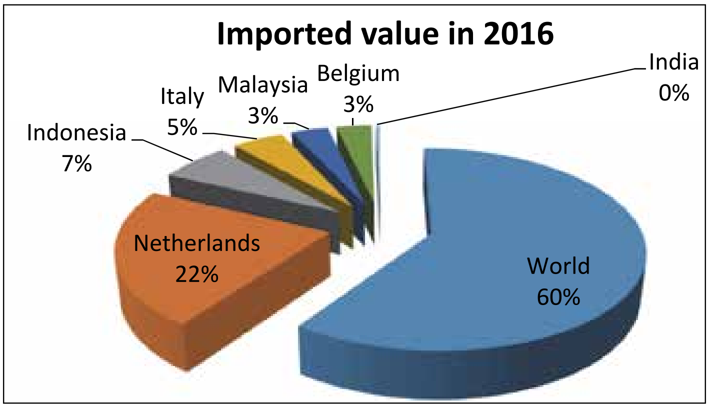
Exporters	Imported value in 2014	Imported value in 2015	Imported value in 2016
World	4491.07	4050.34	4168.84
Netherlands	746.67	691.39	812.07
Belgium	494.58	430.83	596.31
France	612.09	522.06	525.78
Poland	445.71	434.05	465.03
Switzerland	290.54	270.04	254.81
India	10.93	11.69	5.57



List of supplying markets for a product imported by Germany
Product: 15 Animal,vegetable fats and oils, cleavage products, etc

Unit : US Dollar million

Exporters	Imported value in 2014	Imported value in 2015	Imported value in 2016
World	4708.95	4043.80	4335.32
Netherlands	1417.22	1244.10	1613.40
Indonesia	601.67	502.34	463.94
Italy	346.07	326.01	339.77
Malaysia	225.93	214.16	241.84
Belgium	288.45	232.93	229.40
India	69.17	41.61	26.15



CHEMEXCIL MEMBERSHIP FEES:

MEMBERSHIP FEES FOR NEW MEMBERS

(Amount in ₹)

Sr. No.	Category	Membership Fees	Entrance Fees	Total Amout	Service Tax@15%	Total Fees
1	Large Scale Manufacturer	29500	10500	40000	6000	46000
2	Small Scale Manufacturer	6500	2000	8500	1275	9775
3	Merchant Exporter	9000	3500	12500	1875	14375
4	Merchant Exporters cum Large Scale Manufacturer	38500	14000	52500	7875	60375
5	Merchant Exporter cum Small Scale Manufacturer	15500	5500	21000	3150	24150

MEMBERSHIP FEES FOR OLD MEMBERS (RENEWED)

Sr. No.	Category	Membership Fees	Service Tax@15%	Total Fees
1	Large Scale Manufacturer	29500	4425	33925
2	Small Scale Manufacturer	6500	975	7475
3	Merchant Exporter	9000	1350	10350
4	Merchant Exporter cum Large Scale Manufacturer	38500	5775	44275
5	Merchant Exporter cum Small Scale Manufacturer	15500	2325	17825

CHEMEXCIL ACTIVITIES

1. CHEMEXCIL's participation in the China Interdye 2017 Exhibition

From Left to Right:- Shri S K Ranjan, Deputy Secretary, Dept of Commerce, Ministry of Commerce & Industry, Shri S G Bharadi, Executive Director, CHEMEXCIL, H.E. Shri Prakash Gupta, Consul General of India, Shanghai, CHEMEXCIL's member Exporter, Mr Li Shousheng, Chairman, China Petroleum and Chemical Industry Federation, Shri Ajay Kadakia, Vice Chairman, CHEMEXCIL and Mr Tian Liming, Vice Chairman, China Dyestuff Industry Association

The 17th China Interdye Exhibition 2017 was a premier show for Dyes and Dye Intermediates, Pigments and Textile Chemical industry which was held at Shanghai World Expo Exhibition & Convention Centre (SWEECC), Shanghai, CHINA from 12th -14th April 2017.

It is an annual exhibition organized jointly by the China Dyestuff Industry Association, China Dyeing and Printing Association and China Council for the Promotion of International Trade, Shanghai Sub-Council. The co-organiser of this exhibition was Shanghai International Exhibition Service Co., Ltd. It was held concurrently with 2017 China International Digital Textile Printing and Dyeing Automatics Exhibition to create a one-step sourcing platform for textile printing and dyeing Industry.

The profile of exhibits included Dyestuffs, Whitening agents, Intermediates, Auxiliaries, Pigments, Textile Chemicals and Instruments & equipments. The exhibition occupied an area of 40,000-square meter and was held in two Halls namely Hall 1 & 2 of SWEECC. The show grew by 7.5% as compared to last year.

CHEMEXCIL in synergy with SHEFEXIL had organised an India Pavilion which was spread over an area of 1660 sq m in the Hall 1 with 106 member-companies of CHEMEXCIL and 12 member-companies of SHEFEXIL participating in it. The India pavilion was inaugurated by His Excellency Shri Prakash Gupta, Consul General of India to Shanghai along with Mr. Li Shousheng, Chairman, China Petroleum and Chemical Industry Federation, Mr. S.K Ranjan, Deputy Secretary, Department of Commerce, Ministry of Commerce and Industry, CHEMEXCIL Vice President Mr. Ajay Kadakia and local Chinese dignitaries (including the President of the Organizing Committee). After the inauguration, all the dignitaries visited the India Pavilion and interacted with the exhibitors.

The show was attended by more than 630 domestic and overseas exhibitors from 17 countries and visited by 16681 visitors from 40 different Countries and regions. The visitors arrived 50,380 times. There were 103 nos of new exhibitors who attended the show. Three country pavilions of India, Korea and Taiwan province were organised wherein the India Pavillion was the largest. The exhibitors profile can be categorised as Dyestuffs, Auxiliaries, Intermediates, textile chemicals, dyestuff pigments and organic pigments. Along with the exhibition, 14 high-quality seminars and professional events organised which was attended by 3500 industry insiders. The exhibition provided an excellent opportunity to the Indian manufacturers/ exporters to showcase their products and interact with the prospective buyers of the dyes and dyestuff industry on a common platform for expansion of their business in International marketplace.

2. Seminar on "GST Trade Awareness" at Hotel Marine Plaza, Mumbai on 9th May 2017

Shri Abhay Udeshi, Chairman- Castor Oil & Speciality Chemicals Panel of Chemexcil welcoming Ms. Priya Jadhav, Asst. Commissioner, ST-1, Mumbai during GST Trade Awareness Seminar at Hotel Marine Plaza, Mumbai on 9th May 2017

Shri Abhay Udeshi, Chairman- Castor Oil & Speciality Chemicals Panel of Chemexcil welcoming Ms. Priya Jadhav, Asst. Commissioner, ST-1, Mumbai during GST Trade Awareness Seminar at Hotel Marine Plaza, Mumbai on 9th May 2017

As we all know, GST which is the biggest tax reform post-independence is likely to be implemented soon. In this regard, the **Office of Chief Commissioner, Service Tax, Mumbai** had contacted us for organizing a half day seminar on **"GST Trade Awareness".**

For the benefit of member-exporters, the seminar was organized by the council at Hotel Marine Plaza, Mumbai on 9th May 2017 jointly with DMAI.

The O/o Chief Commissioner, Service Tax, Mumbai had deputed following officers as faculty for conducting the seminar:

- **Shri Yogesh Loke, Asst. Commissioner, ST-II, Mumbai**
- **Ms. Priya Jadhav, Asst. Commissioner , ST-1, Mumbai**

Further, **Shri Abhay Udeshi**, Chairman- Castor Oil & Speciality Chemicals Panel of Chemexcil, **Shri Bharat Mehta**, Chairman, Merchant Exporters Panel of Chemexcil and **Mr. C.K. Singhania**, Hon. Secretary-DMAI also attended Seminar.

The officers of the Service Tax Department covered important topics such as - **Introduction to GST, Overview of GST, Registration, Returns, Refunds, GSTN etc.**

The Seminar got excellent response with 66 Member Exporters of CHEMEXCIL/ DMAI attending the event. The participants asked several queries during the seminar which were answered satisfactorily by the officers of the Service Tax Dept.

3 Stakeholders Consultation Meeting on Free Trade Agreement between the Eurasian Economic Union (EAEU) and India

DGFT jointly with CAPEXIL, CHEMEXCIL, SHEFEXIL, PLEXCONCIL, TEA BOARD and Ministry of Commerce and Industry (Govt. of India) has organized Stakeholders Consultation Meet on FTA between Eurasian Economic Union (EAEU) and India at EEPC India Conference Hall, "Vanijya Bhavan" on 11th of May, 2017.

The following dignitaries conducted this consultation.

- Shri Sunil Kumar, IAS, Joint Secretary, MOC&I, Dept. of Commerce, GoI on INSTC
- Dr. Ram Upendra Das – Professor
- Shri V. SRAMAN – Jt. DGFT
- Shri Abhishek Sharma – Dy. DGFT
- Shri S.K Ranjan - Dy. Secretary, MoC

AREA OF DISCUSSION:

Policy of integration in the post-Soviet space is one of key directions of contemporary foreign policy of Russia. The EAEU is based on the Customs Union of Russia, Belarus and Kazakhstan. Besides these three states, Armenia and Kyrgyzstan also joined the EAEU. Russia is a key member state of the EAEU but Russia also considers the Union as a both economic and political project. Eurasian integration seems to be an important ideological element in Russian foreign policy, underlining special role of Russia in the world – role of a connecting link between the East and the West. Development of trade and investment cooperation between India and the Eurasian Economic Union is a key factor in their bilateral cooperation. Russia-India bi-lateral trade volume has decreased by 11.8% during 2016 and amounted to $ 3.4 billion. Exports from Russia fell by 17.9% ($ 2.2 billion), while Russia's imports from India increased by 3.2% to $ 1.2 billion.

With view to boost economic and trade ties between India and member countries of the Eurasian Union, both the parties had constituted a study group to undertake a Joint Feasibility study on FTA between India and EAEU and its member states.

The Government is presently in the process of finalizing the tariff schedules to be taken up in the next round of negotiations. Towards this the

Government is seeking inputs from stakeholders on inclusion of items in the "Negative List" where it is felt that interest of Indian manufacturer could be adversely impacted.

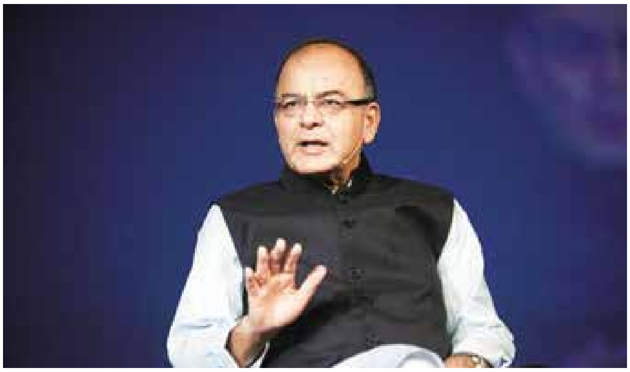
Apart from the Tariff lines, Government is also in final round of discussion for International North-South Transport Corridor (INSTC). INSTC is a multimodal transportation established in September 2000 in St. Petersburg, by Iran, Russia and India for the purpose of promoting transportation cooperation among the Member States. This corridor connects India Ocean and Persian Gulf to the Caspian Sea via Islamic republic of IRAN, and then is connected to St. Petersburg and North European via Russian Federation. The INSTC was expanded to include eleven new members, namely: Republic of Azerbaijan, Republic of Armenia, Republic of Kazakhstan, Kyrgyz Republic, Republic of Tajikistan, Republic of Turkey, Republic of Ukraine, Republic of Belarus, Oman, Syria, Bulgaria (Observer).

For your ready reference, please find enclosed Joint Feasibility Study Report on the Free Trade Agreement between the Eurasian Economic Union and its Member States, of the one Part, and the Republic of India, of the other Part.

NEWS ARTICLE

1. THE FLIP SIDE OF 'ONE NATION, ONE TAX'

India is the only large country in the world that is experiencing subnational income divergence



"A historic day for all of us" is how Union finance minister Arun Jaitley described the passage of the goods and services tax (GST) Bill in the Lok Sabha on 29 March. "One nation, one tax" is the Union government's slogan for GST. The implication is that uniform tax rates across all states of India will serve as a unifying force of efficiency. Replacing several hundreds of different tax rates across the 29 states of India with just five tax slabs for all goods and services will reduce friction in the movement of goods and services across state borders. This can boost economic activity and contribute substantially to gross domestic product (GDP) growth. For these reasons, the GST initiative has been justifiably acclaimed as a milestone economic reform in independent India. But there are reasons to be cautious.

GST aims to forge an economic union of India at a time when the economic disparity among the various states of India is at its peak. For the sake of "one nation, one tax", states have sacrificed their fiscal rights. Such economic disparity combined with India's unique political diversity renders the GST regime vulnerable to fractious demands.

India is currently experiencing a 3-3-3 paradox—the three richest states are three times richer than the three poorest states. This level of regional inequality is the highest in independent India's history. Four states (Gujarat, Maharashtra, Tamil Nadu and Karnataka) account for as much inter-state trade as the other 25 states combined. One-fifth of all passenger cars and two-wheelers are sold in just two states—Maharashtra and Tamil Nadu. The average Tamilian earns Rs1.4 lakh per year, four times more than the average Bihari's annual income of Rs35,000.

What is worse is that India is the only large country in the world that is experiencing subnational income divergence, i.e. the income gap between the richer and poorer states continues to widen and not shrink. The average Tamilian is 31 years old and a matriculate while the average Bihari is 19 and a primary-school dropout.

It is then evident that the policy priorities and taxation structure need to be different for these two states, in line with their economic and demographic differences. A smartphone may be considered a luxury product in Bihar but perhaps a necessity in Tamil Nadu. The GST council which gives equal representation to all states will attempt to strike a balance between such pulls and pressures. The future of GST hangs on this delicate balance, especially when inter-state economic disparity continues to widen. Recent research (see Mint, 8 February 2017: Will GST Exacerbate India's Income Divergence? by Praveen Chakravarty and Vivek Dehejia) has shown that GST can potentially exacerbate regional inequality. What complicates this further in the Indian context is its unique nature of political diversity.

In 1982, the then chief minister of Tamil Nadu, M.G. Ramachandran (MGR), was able to fulfil his election promise of a midday meal scheme for all schoolchildren only by increasing taxes on all goods sold in the state. The scheme was a big success and Tamil Nadu's literacy rate rose from 51% to 83% in two decades. Under a GST regime, such a one-time state-specific tax increase is not possible. This restricts the abilities of regional political parties to govern the state in accordance with the needs of the people of that state alone.

Nearly two-fifths of India's GDP and one-third of the population are governed by regional political parties that have no electoral presence outside their specific states. Even after the Bharatiya Janata Party's (BJP's) recent landslide victory in Uttar Pradesh, more than 50 regional parties have as many legislators in state assemblies across India as do the two national parties.

Under GST, regional political parties will, for the first time, continue to have full political powers to govern their states bereft of full fiscal powers of taxation. Unlike national parties with a high-command culture, regional parties cannot easily be coerced into a "national" narrative at the risk of alienating their specific voter base. It will be a big challenge to balance the interests of a diverse set of states represented by a diverse set of political parties in the larger "national" interest on a sustained basis. Dispersed political power and stark economic disparity across states are bound to render the idea of a "one nation, one tax" even more challenging in India than in other federal economies. To be clear, this is not a criticism of GST but a plea to heed the intangible costs of GST that need to be carefully and constantly evaluated and contained. The economics of a "one nation, one tax" GST regime may be exciting to corporate India but the political economy of it can be daunting.

"One nation, one tax", "One nation, one language", "One nation, one election", "One nation, one curriculum"—a "one nation" construct seems to be the cornerstone of many of the policy initiatives of the Union government, ironically headed by a prime minister who was once a staunch defender of India's federalism as a chief minister of a state. Efficiency gains through standardization are often touted as the motivation for these policies. Such efficiency tugs at the heart of true federalism by implicitly demanding oneness.

In the 67 years since India became a republic, its states have diverged dramatically from each other in demographic, economic, social and political parameters. The big gamble of GST is that the economic benefits to the nation as a whole will trump the fissiparous predilections of India's political union. Amid the jubilation over a newly forged tax union, it is perhaps appropriate to recall the warning of one of India's tallest statesmen, C. Rajagopalachari, in the early years of the republic—"you cannot achieve unity of this country by imposing uniformity."

(Ref. http://www.livemint.com/Opinion/qoID41y9nvDbTRofFcvvTN/The-flip-side-of-one-nation-one-tax.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter dated 4.04.2017)

2. INDIA STANDS IN THE WAY OF CHINA'S FREE TRADE AMBITIONS

India's refusal to open its markets is dashing China's hopes to dominate trade in Asia.

A China-backed trade deal meant to cement the Beijing's dominance in Asia has veered off course because India is hesitant to open its borders to cheap Chinese goods.

Without the participation of India, the third-largest Asian economy, the free-trade zone China hoped to create might still happen, but it won't carry the same economic heft, depriving Beijing of the chance to set the trade rules for the region.

The missed opportunity puts China on much the same footing as the United States, as Chinese

President Xi Jinping and U.S. President Donald Trump continue their first face-to-face meeting Friday at Trump's Palm Beach, Fla. club, where the trade tensions between their two countries will be a major point of discussion. Trump withdrew from the sprawling Trans Pacific Partnership with 11 other countries as one of his first acts in office, squandering a chance for the United States to steer trade in Asia. Now China looks like it may lose its chance as well, over Indian Prime Minister Narendra Modi's refusal to open its borders.

"India is reasons one, two and three why the deal might not get done," said Douglas Paal, vice president for studies at the Carnegie Endowment for International Peace and a former adviser to Taiwan on trade. "There's a strongly-held belief that this will bring in unwanted competition."

The China-backed Regional Comprehensive Economic Partnership is currently being negotiated between the 10 members of the Association of Southeast Asian Nations (ASEAN), plus six other Asian nations — Australia, China, India, Japan, South Korea and New Zealand. If approved, it would cover 46 percent of the world's population and 24 percent of global GDP. It would also leave the United States on the sidelines, as Washington is not a signatory on the deal.

India, though it is participating in the trade talks, is balking at opening its market to Chinese products. Like the United States, India's trade deficit with China is big: $52 billion. Modi doesn't want lower cost imports to compete with ones made in India even if it means opening foreign markets to Indian companies.

"The Modi government — one of the most pro-business in India's history — is not necessarily pro-trade," Rick Rossow, the Wadhwani Chair in U.S.-India Policy Studies at the Center for Strategic and International Studies, said. "He's still very uncomfortable with really deep trade integration."

The Indian prime minister has made growing his country's manufacturing sector a priority. In September 2014, he launched the "Make in India" initiative in an effort to expand manufacturing after growth there fell to its lowest level in a decade. The goal is to make the sector more efficient and attractive for foreign investment.

And it appears to be working. GE, Siemens, HTC, Toshiba, and Boeing have either established or are in process of setting up manufacturing operations in India, according to the Indian Brand Equity Foundation. Modi's hope is to grow manufacturing to represent 25 percent of Indian GDP by 2025. Right now, it accounts for 16 percent.

Still, the RCEP is likely to be agreed to in some forms, multiple trade experts said. ASEAN, which is celebrating its 50th anniversary this year, has pledged to finalize the deal before the end of the year to mark the occasion. The next round of negotiations are set to take place in the Philippines in May.

"RCEP is a diplomatic exercise," said Derek Scissors, a resident scholar at the American Enterprise Institute who studies the Indian and Chinese economies. "It"s gotten more attention since TPP died, but diplomatically it's important" to agree to something by the end of the year.

Any deal will be a watered-down version of the original plan to create a free-trade zone, which is something India would never agree to, Ross said. The current deal also lacks the protections for labor, human rights and the environment that were contained in the TPP.

"It's a low grade deal as it is," said Andrew Small, a China expert at the German Marshall Fund. "Whatever results form this is not going to be a free trade agreement that we would have seen with TPP. For India to agree, there would have to be even a lower bar than there is right now."

Edmund Sim, a trade lawyer who has worked throughout Asia, said it's misleading to compare the two deals because the regulatory, environmental, and worker standards were so much tougher in the TPP.

"RCEP had lower ambitions. Completing it will be less of a milestone that TPP would have been," Sim, who is a partner at the Washington law firm Appleton Luff, said.

(Ref. http://foreignpolicy.com/2017/04/07/india-stands-in-the-way-of-chinas-free-trade-ambitions/ dated 7th Paril-2017)

3. INDIA-EU TIES STUMBLE OVER KEEPING TAX OUT OF BILATERAL INVESTMENT TREATY

The EU is concerned that this will leave little protection for its investors in India

The government has tried to plug the loopholes that enabled companies such as Vodafone and Cairn to go for international arbitration over tax disputes. As such, it came out with model Bilateral Investment Treaty (BIT), 2015.

BIT, the model draft of which was cleared by the Union Cabinet in December 2015, keeps taxation out of its ambit, with the idea that foreign companies finding themselves in a tax row with the government will not be able to invoke the investment treaty their parent countries signed with India, as is the case with the Bilateral Investment Protection and Promotion Agreements (BIPPA).

Besides, under BIT, countries can only seek the option of international arbitration when all domestic legal routes have been exhausted.

It is these provisions which are discouraging countries or regions to ink BITs with India. The latest being the European Union (EU). India has done away with older BITs for over 50 countries, including those in the EU, and has asked these countries to sign the new ones based on the new model. The previous BITs with these countries expired on April one.

The EU believes that foreign investments into India will reduce if the country does not extend the older BIT.

However, for the comfort of foreign investors, the model BIT does state that dispute-resolution tribunals, including foreign ones, can re-examine a legal issue settled by Indian judicial bodies.

But since it does not include tax dispute, that means that Vodfone and Cairn could not have gone to international arbitration had these issues come to the fore now and BIT was signed by India and UK or say the Netherlands.

BIT also states that India or any other country cannot nationalise or expropriate any asset of a foreign company unless the law is followed, is for the public purpose and fair compensation paid. Public purpose is not defined in any treaty India has signed with other nations.

However, dispute-resolution tribunals can question 'public purpose' and re-examine a legal issue settled by Indian judicial bodies.

BIT is expected to eventually replace the existing BIPPAs that India has signed with 72 nations. India will also sign BITs with countries it has had no comprehensive investment agreements with before, including the US.

In July last year, the Cabinet gave its approval for signing of BIT with Cambodia. The other BITs, however, will now not be signed any time soon.

So far as the EU is concerned, India plans to replace these BIPPAs with individual countries with a pan-EU treaty as part of its aim to attract and safe guard foreign investment while protecting public interest.

European Commission Vice-President Jyrki Katainen had earlier expressed concern about the lack of any legal protection for investors from EU nations. The letter had termed the move by India 'unilateral' and pointed to rising capital costs and legal uncertainty as concerns that will keep away investors.

The EU's share in India's total trade has also progressively shrunk in recent years. While Indian exports to the bloc constituted 22.52 per cent of all outbound trade in 2005-06, the figure came down to 16.95 per cent in 2015-16. Imports have witnessed a similar slide over the same period, going down from 17.42 per cent to 11.52 per cent.

(Ref. http://www.business-standard.com/article/economy-policy/india-eu-ties-stumble-over-keeping-tax-out-of-bilateral-investment-treaty-117041000416_1.html dated 10th April-2017)

4. CABINET APPROVES IMPLEMENTATION OF SC'S JUDGMENT REGARDING TARGET PLUS SCHEME FOR EXPORTERS UNDER FTP 2004-09

New Delhi, Apr 13 (KNN) The Union Cabinet has approved implementation of Supreme Court's Judgment to extend benefit to all the applicant exporters eligible as per provisions of the initially notified Target Plus Scheme (TPS) under Foreign Trade Policy (FTP) for the year 2005-06, and as per provisions of Foreign Trade Policy 2004-09 throughout the country.

The Judgement was passed on October 27, 2015. The revenue implication under the TPS arising from the Supreme Curt's Judgment is about Rs. 2700 crore.

"The Target Plus Scheme (TPS) 2005-06 was already implemented partially. However, the claims which were denied as a result of retrospective Notification will be now settled as per direction of the Supreme Court in the CA No. 554 of 2006. The scheme has been discontinued w.e.f. 01.04.2006," said a Cabinet release.

The claims will be considered as per original notifications till the date of the Notification No. 48 dated 20.02.2006 and Notification No. 8 dated 12.8.2006.

The guidelines and modalities for processing the claims will be worked out by the DGFT HQs in consultation with Deptt. of Revenue and is proposed to be completed in one year from the date of approval of the Cabinet.

The corrective measure will bring an end to multiple litigations with the Government and the claims under the TPS will be issued as per original provisions under Foreign Trade Policy in compliance with the decision of the Hon'ble Supreme Court.

In the Civil Appeal titled DGFT v/s Kanak Exports & Ors., the Supreme Court, in its Judgment dated 27.10.2015 gave verdict on the Target Plus Scheme for Export Promotion.

It held that the Notification No. 48/2005 dated February 20, 2006 (certain products were made ineligible) and Notification No. 8/2006 dated June 12, 2006 (rates were reduced to 5% from the earlier 5, 10 and 15%) related to the Target Plus Scheme (TPS) could not be applied retrospectively and they would be effective only from the date of their issue.

(Ref. http://knnindia.co.in/news/newsdetails/sectors/cabinet-approves-implementation-of-scs-judgment-regarding-target-plus-scheme-for-exporters-under-ftp-2004-09 13th April 2017)

56. COMMERCE MINISTER EMPHASISES THE POTENTIAL FOR SYNERGIES BETWEEN INDIA AND JAPAN

The Indian delegation led by the Commerce and Industry Minister of State Smt. Nirmala Sitharaman, participated in day-long India conference in Nagoya city, in Aichi Prefecture of Japan.

Governor of Aichi Prefecture, Hideaki Ohmura thanked the Ministry of Commerce and Industry for establishing the Aichi Desk in 2016 within the Department of Industrial Policy and Promotion (DIPP). Governor Hideaki acknowledged that the India Conference will further encourage the companies in Aichi Prefecture to invest in India.

Smt. Sitharaman commended the contribution of Aichi Prefecture towards manufacturing value addition despite high savings rate among the Prefectures in Japan. It was discussed that India could learn from Aichi Prefecture as to how manufacturing can grow along with savings. The Minister acknowledged the increase in FDI from Japan in recent years. Although Japan is the 3rd largest foreign investor in India (USD 25.2 Billion in cumulative FDI during the April 2000 December 2016), behind Mauritius and Singapore (ranked 1 and 2) , it can be considered a top investor as the other two countries are used by companies from across the world to route investments.

Smt. Sitharaman urged the Governor to consider diversification of investment in other sectors such as Food Processing, Textiles, Medical Equipment, Electronics, Information Technology, etc. Both sides agreed for deeper engagement in future.

The Minister invited Governor Hideaki to lead a delegation of Japanese companies to MSME clusters in India to explore partnership and investment opportunities. It was discussed that the delegation could visit before the expected visit of Japanese Prime Minister in second half of 2017. Governor Hideaki mentioned that Aichi Prefecture companies have an appetite to grow their business overseas and hoped the partnership would bring prosperity to both sides.

The Minister reiterated the potential for huge synergies between India and Aichi Prefecture. She highlighted key reforms undertaken to ease the business operations in India including passage of Goods and Services Tax (GST) bill, advancement of the Budget session, introduction of a new Insolvency and Bankruptcy code, reduction in corporate tax and commitment to level it with international benchmarks, etc.

Smt. Sitharaman also emphasized the importance of flagship initiatives including Digital India, Start-Up India, and JAM (Jan Dhan, Aadhar, and Mobile) trinity in driving the future growth. She said India wants to increase the contribution of manufacturing sector to GDP to 25% and Japan is a natural partner in our goals.Ambassador of India to Japan Sh Sujan Chinoy termed Commerce and Industry Minister's visit as a rare opportunity to review economic relations between the two countries.

A presentation on 'Make in India was made by Secretary DIPP, Mr. Ramesh Abhishek. The Secretary highlighted the unparalleled opportunities and advantages that investors could leverage by Making in India. The Secretary stressed on the recent reforms undertaken on Ease of Doing Business, the investments being made and planned for skilling under the Skill India program, and strengthening of Intellectual Property Regime.

The Indian economy is more open than ever with 100% FDI allowed in most sectors and the impact was shown in the comparison of FDI data from before and after the launch of 'Make in India' initiative. Total FDI increased by 56% from USD 83.7 Billion during July 2012-September 2014 period to USD 130.4 Billion during October 2014-January 2017 period; during the same period equity FDI increased by 69% from USD 57 Billion to USD 96.1 Billion. Secretary further highlighted the huge investments India is making in Infrastructure development .

Several meetings with leading Japanese companies were held to explore areas of mutual cooperation. The Minister also held interaction with the Japanese and Indian media.

(Ref. http://www.business-standard.com/article/government-press-release/commerce-minister-emphasises-the-potential-for-synergies-between-india-and-japan-117041301416_1.html 13th April 2017)

CHEMEXCIL

6. SERVICES WAY FORWARD FOR INTERNATIONAL TRADE: PRESIDENT OF INDIA

Make in India, Digital India, Startup India and Skill India will further drive services growth as manufacturing is increasingly embedded with services, said the President.

"At a time when global merchandise trade is slowing down, trade in services can bring new benefits to the global economy," stressed Shri Pranab Mukherjee, Hon'ble President of India. He was addressing the inaugural ceremony of the 3rd Global Exhibition on Services (GES) organized by the Department of Commerce, Ministry of Commerce and Industry, in association with the Confederation of Indian Industry (CII) and the Services Export Promotion Council (SEPC) at Rashtrapati Bhavan today.

President of India added that India's services exports help global businesses build their productivity and support jobs across the world, noting that India is also a growing market for the world in the sector. Make in India, Digital India, Startup India and Skill India will further drive services growth as manufacturing is increasingly embedded with services, said the President.

Pointing to legal, economic and political issues in international trade in services, he called for addressing policy matters such as access, transparency, and capacity building. In this regard, he said that India has submitted the Trade Facilitation in Services note to the WTO. "Exchange of services represents the way forward for global trade," he concluded.

Smt Nirmala Sitharaman, Hon'ble Minister of Commerce and Industry, observed that 6 overseas ministers and 73 countries are participating in the GES. While manufacturing contributes 16.6 per cent of India's gross value added, the services contribution stands at 53 per cent, and hence, the Government of India is according high priority to it. India's share in global services exports is at 3.3 per cent and there is scope for more exports, she noted.

The previous two editions of the GES have resulted in concrete outcomes and agreements with other nations, said the Minister.

Shri Manoj Sinha, Hon'ble Minister of Communication, released a special stamp on the occasion of GES. He said that 'My stamp' is a customized issue of well-known places and interesting animals and plants and is increasingly being used for branding.

Recognising the participation of 24 states for the first time at GES, Shri Satyadev Pachauri, Minister of Uttar Pradesh, and Shri Chandra Mohan Patowary, Minister of Assam, were also present.

Smt Rita Teaotia, Commerce Secretary, Ministry of Commerce and Industry, said that India's services sector is a significant contributor to income, trade, investments and employment and India has the potential to emerge as a global leader in multiple services verticals.

Dr Naresh Trehan, Chairman, Services Export Promotion Council of India, stressed that India can assist other countries in skill building and training as it offers quality healthcare at one-tenth the cost in many other economies.

Dr Naushad Forbes, President, CII, said that tourism and healthcare provide high opportunities for growth and job creation, and called for investment in skills and institutions.

Mr Chandrajit Banerjee, Director General, CII, observed that the GES has greatly expanded over the three editions.

GES 2017 brings together 550 exhibitors from 73 countries, with China as the Focus Country. The Exhibition will see over 5,000 business meetings and deliberations at more than 30 seminars.

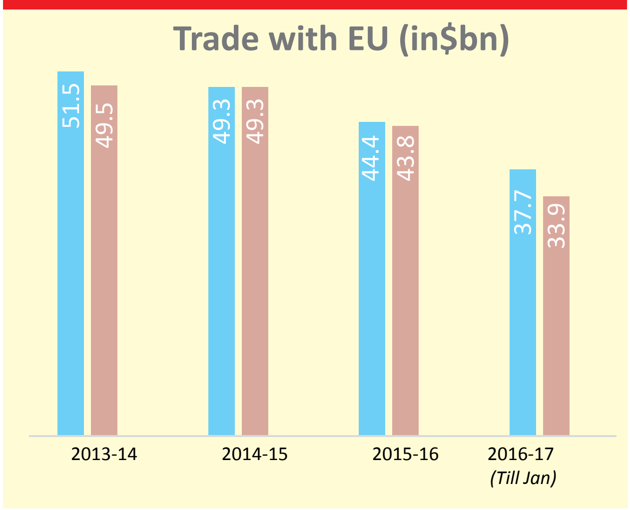
The GES covers 20 key services sectors such as IT and BPM, tourism and hospitality, logistics, education and financial services. Incredible India Haat - A Cuisine, Culture and Handicrafts Show and Animation and Post Production Film Festival are added attractions.

India's services exports increased from $52 billion in 2005 to $155 billion in 2015, with a share of 3.3% in global services exports. In the first 11 months of 2016-17, services exports stood at $146.5 billion, growing at 3%. India's services trade witnessed a surplus of $59 billion in Apr-Feb 2016-17 with imports rising 12.1% to $87 billion. IT and software services contribute over 48% of India's overall services exports with a leading position in the world.

(http://bwdisrupt.businessworld.in/article/Services-Way-Forward-for-International-Trade-President-of-India/18-04-2017-116492/ 18th April-2017)

7. HURDLES TO EU TRADE PACT

NUMBER CHERCK



New Delhi, April 19: India and the European Union remain stuck over an investment protection treaty as the EU's foreign policy chief Federica Mogheriniflies in later this week to kickstart the much delayed trade talks.

The EU wants India to extend existing investment treaties with its members, while it negotiates a trade-cum-investment pact, called EU-India Broad-based Trade and Investment Agreement. New Delhi, however, has till now resisted the pressures to extend the bilateral deals.

In the absence of an overarching investment pact, EU investments to India will be hit as individual agreements with EU members lapse.

India has written to most countries to renew their bilateral investment treaties. While many have signed, some including the EU are still continuing negotiations.

The EU has balked at India's proposals on arbitration and dispute settlement that New Delhi has built into its model treaty. New Delhi wants a foreign investor to first exhaust domestic legal challenges before seeking international arbitration.

Officials said the new clauses would not allow investors such as Vodafone or Cairn to rush to an international arbitration council without fighting the case in India's Supreme Court.

"The main difference between model BIPA which many of our investment partners have already signed and previous BIPAs is that it forces foreign firms to first exhaust all legal remedies in India before approaching an international tribunal and secondly it excludes government procurement rules, taxes, subsidies, licences and national security from being challenged in a court abroad," said officials.

However, officials expect a forward movement in both the investment and trade talks as India is keen to do two things. Firstly, protect its software professionals from a unilateral visa tightening; and second, have India declared a "data secure" nation, which would allow its software firms take up European contracts in India.

(Ref. https://www.telegraphindia.com/1170420/jsp/business/story_147268.jsp#.WP2uodKGPIU 20th April-2017)

8. COMMERCE MINISTRY OFFICIALS TO HOLD TWITTER CHAT SESSIONS WITH PUBLIC

NEW DELHI: Officials of the commerce and industry ministry will soon hold Twitter chats with public and take their suggestions on policy making. The ministry plans to capitalise its #mociseva on the social networking site to interact with the general public.

"In coming days, #mociseva would take a huge leap forward and would act as an interactive

platform to provide information about the ministry's work. For this, various divisions of the ministry would organize Twitter chat sessions to engage with people and take suggestions from them in policy making process," said a person in the know.

One such periscope live video sessions on Twitter and Facebook chat session would be held on April 28 by the Directorate General of Foreign Trade (DGFT) to take suggestions and provide clarifications on the midterm review of Foreign Trade Policy.

The expansion of the ministry's Twitter Seva from a grievance redressal mechanism for startups and traders to an interactive platform comes on its first anniversary. The seva was launched on April 21, 2016. Of the 6,563 tickets raised till now, 6,565 have been closed. An average of 500 tickets have been raised per month.

As per the ministry, none of the tickets are pending beyond two working days. Moreover, the response time has come down to 12 days from 45 days in last one year. "We have not only responded to queries that pertain to our ministry, in fact #mociseva has responded to almost a thousand queries that belonged to other ministries," the person said.

Most of queries belong to DGFT, Startup India, Make in India and intellectual property rights.

(Ref. http://economictimes.indiatimes.com/news/economy/policy/commerce-ministry-babus-to-hold-twitter-talks-with-people-on-policy-making/articleshow/58295503.cms dated 22 April-2017)

9. INDIA, EU RESOLVE TO DEEPEN BILATERAL TIES

New Delhi, Apr 21 (PTI) The European Union and India today resolved to step up counter-terror cooperation besides agreeing to expand engagement in a broad range of areas including maritime security, trade, energy and environment.

EU foreign policy chief Federica Mogherini had separate meetings with Prime Minister Narendra Modi and External Affairs Minister Sushma Swaraj during which key issues of common interest were discussed with a focus on further ramping up overall ties.

The EU said the two sides resolved to enhance cooperation, both at bilaterally and multilaterally, in combating terrorism apart from agreeing to work closely in dealing with multilateralism, climate change, sustainable development and ensuring free and fair trade.

In her meeting with Mogherini, Swaraj condemned the terror attack in Paris yesterday and emphasised that both India and EU should strengthen their cooperation to fight terrorism in all its forms and manifestations and demonstrate firm resolve to show zero-tolerance for such acts.

She called terrorism the "gravest threat" to humanity.

Mogherini, who arrived here on a two-day visit, held delegation-level talks with Minister of State for External Affairs M J Akbar during which the EU side is understood to have pushed for early resumption of talks for the long-pending India-EU Broad Based Trade and Investment Agreement.

Preparations for the annual India-EU summit, scheduled to be held here later this year, were also reviewed.

In a statement, the External Affairs Ministry said both sides discussed ways to take forward talks on the pact.

"The two sides reaffirmed their commitment to deepening their strategic partnership. They reviewed progress on the commitments made during 13th India-EU Summit in Brussels in March, 2016 including in the areas of counter-terrorism, migration and mobility," the MEA said.

On its part, the EU said both sides took stock of progress made on decisions taken at last year's EU-India summit and agreed to deepen cooperation in a broad range of areas like security and defence, trade, investment, climate change, water, new and renewable energy, environment, ICT, space and technology.

The two sides also decided to strengthen people-to-people contacts, including student exchanges through the Erasmus programme.

The EU said it and India have a direct interest in the stabilisation of many fragile areas such as the Korean Peninsula and Afghanistan.

"EU is one of India's largest trading partners with bilateral trade in goods reaching USD 85 billion in 2016. EU is also the largest destination for Indian exports and a key source of investment and cutting edge technologies.

"India seeks enhanced level of investments from EU companies in its flagship programmes like Clean India, Namami Gange, Skill India, Start-Up India, Smart Cities, renewable energy and next-generation infrastructure," the MEA said.

It said India greatly values its multi-faceted strategic partnership with European Union and the two seek to strengthen multilateralism and rules-based global order for the peace and prosperity for one and all.

The BTIA has been a major issue in ties between India and the EU.

The BTIA talks have been stalled since May 2013 when both sides failed to bridge substantial gaps on issues like data security status for the IT sector.

Launched in June 2007, negotiations for the proposed agreement have witnessed many hurdles as both sides have major differences on crucial issues.

In the last EU-India Summit in Brussels, the two sides had failed to make any announcement on resumption of the negotiations as many bottlenecks still remained.

The two sides are yet to iron out issues related to tariff and movement of professionals but the EU has shown an inclination to restart talks.

Besides demanding significant duty cuts in automobiles, the EU wants tax reduction in 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 nations not considered data secure by the EU.

India's bilateral investment pacts with several European countries are expiring and citing this, the EU has been strongly pushing for moving ahead with the trade agreement.

The EU has been maintaining that expiry of the pacts will make it difficult for European countries to go for fresh investments in India.

(Ref. http://www.ptinews.com/news/8631791_India--EU-resolve-to-deepen-bilateral-ties.html dated 21st April-2017)

10. INDIA PROBING DUMPING OF CHEMICAL FROM FOUR COUNTRIES

Anti-dumping duties are levied to provide a level playing field to local industry by guarding against cheap below-cost. Imports.

The government has initiated a probe on alleged dumping of a chemical used in pharmaceutical and agriculture sector from Indonesia, Malaysia, Thailand and Saudi Arabia. The commerce ministry's investigation arm - Directorate General of Anti-dumping and Allied Duties (DGAD) - has found "sufficient evidence" of dumping of saturated fatty alcohols from these four countries.

If established in its probe that dumping has caused material injury to domestic players, the DGAD would recommend imposition of anti-dumping duty to the finance ministry which will then take a call on whether to impose the duty or not.

Anti-dumping duties are levied to provide a level playing field to local industry by guarding against cheap below-cost. imports.

The authority "hereby initiates an investigation into the alleged dumping," the DGAD said in a notification.

Saturated fatty alcohols are mainly used for manufacturing of personal and home care products besides pharmaceutical and agriculture related items.

The DGAD is also probing dumping of several other products including certain chemicals, fibres and steel from different countries.

Countries initiate anti-dumping probes to determine if the domestic industry has been hurt by a surge in below-cost imports. As a counter-measure, they impose duties under the multi-lateral WTO regime.

(Ref. http://indianexpress.com/article/india/india-probing-dumping-of-chemical-from-four-countries-4628841/ dated 26th April-2017)

11 GST ROLLOUT: COMMERCE MINISTRY TO MODIFY CERTAIN PORTIONS OF FOREIGN TRADE POLICY

New Delhi: The commerce ministry will modify certain portions of the Foreign Trade Policy (FTP) to align it with the Goods and Services tax, which is to be rolled out from July 1.

The ministry also proposes to come out with the mid-year review of FTP, a few months ahead of the schedule, before the GST rollout.

The 5-year foreign trade policy (2015-20) provides a framework for boosting exports of goods and services besides creation of employment and increasing value addition.

The ministry was expected to complete the review by September but as the GST roll-out is scheduled from July 1. "We have to make changes in it and also prepone the completion of review," an official said.

In view of the GST, the ministry may have to make changes in chapters relating to incentives for exporters; duty exemption schemes; export promotion capital goods scheme and deemed exports. As there is no provision of ab-initio exemption in the GST, exporters would have to pay the duties and then seek the refund.

"Due to these provision, the language of the policy requires certain changes," the official added.

FTP was announced in 2015 and it was stated that the ministry would conduct a mid-term review in September to see whether any tweaking is required in the policy to promote shipments. The policy sets a target of taking India's exports of goods and services to $900 billion by 2020. In 2016-17, India's merchandise shipments aggregated at $275 billion.

Further, manufacturing exporters have raised certain concerns over refund of duties and according to the Federation of Indian Export Organisations (FIEO) a certain portion of working capital would be blocked in the process with the government for about three months.

As per estimates, over Rs 1.85 lakh crore working capital of exporters may get stuck annually with the government under the GST. Blocking of this amount would push up the manufacturing cost of exporters as they have to borrow more from banks.

FIEO Director General Ajay Sahai said the government should prepare a software to ensure that refunds are granted quickly. He added that the interest rates are about 12-15 percent in India and borrowing at this rate would push up exporters' manufacturing cost.

The commerce ministry had earlier pressed the GST Council to keep exports out of the framework of the new indirect tax regime and levy lower taxes on labour-intensive sectors like leather, cement and plantation. Refund of taxes takes about six to eight months and hence it is necessary to give an ab-intio exemption to exporters.

Currently exporters are exempted from paying taxes. But under the GST regime, they have to pay the duties and then seek refunds.

(Ref. http://www.news18.com/news/business/gst-rollout-commerce-ministry-to-modify-certain-portions-of-foreign-trade-policy-1386607.html 28th April 2017)

12. GST ROLLOUT: GOVT TO MODIFY PARTS OF FOREIGN TRADE POLICY

The commerce ministry will modify certain portions of the foreign trade policy (FTP) to align it with the Goods and Services tax, which is to be rolled out from July 1. The ministry also proposes to come out with the mid-year review of FTP, a few months ahead of the schedule, before the GST rollout. The 5-year foreign trade policy (2015-20) provides a framework for boosting exports of goods and services besides creation of employment and increasing value addition. The ministry was expected to complete the review by September but as the GST roll-out is scheduled from July 1, "we have to make changes in it and also prepone the completion of review", an official said. In view of the GST, the ministry may have to make changes in chapters relating to incentives for exporters; duty exemption schemes; export promotion capital goods scheme and deemed exports. As there is no provision of ab-initio exemption in the GST, exporters would have to pay the duties and then seek the refund. "Due to these provision, the language of the policy requires certain changes," the official added. FTP was announced in 2015 and it was stated that the ministry would conduct a mid-term review in September to see whether any tweaking is required in the policy to promote shipments. The policy sets a target of taking India s exports of goods and services to $900 billion by 2020. In 2016-17, India's merchandise shipments aggregated at $275 billion. Further, manufacturing exporters have raised certain concerns over refund of duties and according to the Federation of Indian Export Organisations (FIEO) a certain portion of working capital would be blocked in the process with the government for about three months. As per estimates, over Rs 1.85 lakh crore working capital of exporters may get stuck annually with the government under the GST. Blocking of this amount would push up the manufacturing cost of exporters as they have to borrow more from banks. FIEO Director General Ajay Sahai said the government should prepare a software to ensure that refunds are granted quickly. He added that the interest rates are about 12-15 per cent in India and borrowing at this rate would push up exporters' manufacturing cost. The commerce ministry had earlier pressed the GST Council to keep exports out of the framework of the new indirect tax regime and levy lower taxes on labour-intensive sectors like leather, cement and plantation. Refund of taxes takes about six to eight months and hence it is necessary to give an ab-intio exemption to exporters. Currently exporters are exempted from paying taxes. But under the GST regime, they have to pay the duties and then seek refunds. 'No surprises in GST rate fixation,' promises Jaitley Finance Minister Arun Jaitley on Friday promised not to spring any surprises in fixing tax rates under the new GST regime, saying they will not be "significantly different" from current levels. He, however, said companies should pass on to consumers the benefit of reduction in taxes under GST which will eliminate the current compounding effect of different central and state levies. The GST Council, headed by Jaitley and comprising representatives of all the states, is scheduled to meet in Srinagar on May 18-19 to finalise tax rates on different goods and services after unifying at least 10 indirect taxes into the Goods and Services Tax (GST). Speaking at CII's Annual Meeting, he said rules and regulations governing GST have all been framed. "We are now in final stages of fixing tariffs for different commodities. "The formula under which it is being done has also been explained and therefore nobody is going to be taken by surprise, it's not going to be very significantly different (from present)," he said. The GST Council has finalised four rate categories of 5, 12, 18 and 28 per cent after unifying levies like central excise, service tax and VAT. Fitment will be done by adding the total incidence of current taxation (central plus state levies) and then putting the good or service in the tax bracket closest to it. Jaitley said the GST Council has so far had 13 meetings and has never had to resort to voting to decide on any issue. "And therefore all states representing different political complexions, have all agreed (on GST structure)," he said. The Finance Minister said the Council is of the opinion that any benefit accruing from lower tax rates under GST should be passed on to consumers. "Profit is not a bad word...but unfair enrichment is. And therefore the benefit of reduction in taxation is a benefit that consumers are entitled to. And that's not a principle that can be seriously contested," he said. The GST laws approved by Parliament have incorporated an anti-profiteering provision to ensure that the reduction of tax incidence is passed on to the consumers.

(Ref. http://www.millenniumpost.in/business/gst-rollout-govt-to-modify-parts-of-foreign-trade-policy-239061 dated 28th April 2017)

13. GST DRIVES REVIEW OF FTP, WHICH MAY CURB EXPORT INCENTIVES

As the one nation, one tax regime gathers steam, and Goods & Services tax runs from July 1, the government has started a review of the Foreign Trade policy, which may witness a trimming of export incentives that are currently underway, reported a leading business daily.

As the one nation, one tax regime gathers steam, and Goods & Services tax runs from July 1, the government has started a review of the Foreign Trade policy, which may witness a trimming of export incentives that are currently underway, reported a leading business daily.

The directorate general of Foreign Trade under the Commerce Ministry has been meeting legal and tax consultancy entities on the issue, especially on scrip based incentives such as the Services Exports from India Scheme; & Merchandise Exports from India Scheme (MEIS), revealed the report.

The news report said, the Ministry or its agencies issue a scrip to an exporter, to be facilitated for payment of central taxes such as customs duty or excise duty and service tax on the future procurement of goods and services. Such modes of payment would not be allowed after the GST regime begins.

L Badri Narayan, Taxation partner at Lakshmikumaran & Sridharan informed the business daily- significant changes in these schemes are not expected, owing to their scale and lack of alternative ones.

"MEIS benefits are also given to exporters for the processing part, i.e. any loss incurred due to inefficiencies in the government processing part of the export. On that note, any major changes to the scheme will affect exporters significantly" – quoted the daily.

Meanwhile, the mid-year review of the FTP was scheduled in the month of September, and the introduction of GST has given rise to a debate over whether it should be advanced. The five-year policy (2015-2020) provides a framework for aiding export or goods & services besides creation of employment and increasing of value addition.

It sets a target of export of goods and services to $900 billion by 2020; the figure in 2016-17 was $275 billion.

(Ref. http://www.indiainfoline.com/article/news-top-story/gst-drives-ftp-gst-drives-review-of-ftp-which-may-curb-export-incentives-117042900226_1.html dated 29th April-2017)

14. COM MIN LAUNCHES INDIA STANDARDS PORTAL

Launching the India Standards Portal today Commerce Minister Nirmala Sitharaman has said that while standards are important, they also need to be affordable.

"India needs to make it possible to provide quality goods at an affordable price," stated the Minister at the 4th National Standards Conclave being organized by Confederation of Indian Industry (CII) in cooperation with the Department of Commerce, Ministry of Commerce and Industry, Government of India on May 1-2.

While appreciative of the launch of the India Standards portal, she suggested that a feature be added for people to access this information via their phones and an SMS service must be provided for the same.

Rakesh Bharti Mittal, President Designate, CII stressed on the need for greater involvement of states in the development of standards as well as the need to help MSMEs and the agriculture sector comply with international standards.

India Standards Portal is a one stop centre for all information on Standards, Technical Regulations, conformity assessment & accreditation practices, and the related bodies in India.

(Ref. https://bureaucracytoday.com/top_news.aspx?id=186012 dated 1st may-2017)

15. INDIA TO REVAMP FOREIGN TRADE POLICY TO GIVE LEG UP TO EXPORTS

NEW DELHI: India plans to revamp its foreign trade policy and relook at incentives to give a leg up to the export sector, which is hurt by lower global demand as well as an

appreciating rupee. The government proposes to come out with a midterm review of the Foreign Trade Policy (FTP) 201520 in September, commerce and industry minister Nirmala Sitharaman told ET.

"We have asked stakeholders, whoever is interested, to give us inputs," she said. "We are looking at it indepth and in all its details." The foreign trade policy, announced in 2015, has set an export target of $900 billion, or about Rs 58 lakh crore, by 2020. In 201617, India's merchandise shipments aggregated at $275 billion, or about Rs 17,70,000 crore. To achieve the FTP target in five years, exports have to grow at 14% every year. "Between 2014 and today a lot has changed. Exports are happening, but globally trade is in a depressed situation," Sitharaman said. "India went through a bad patch and is now recovering." She will hold a daylong consultations with the stakeholders on Saturday on FTP. Make in India will continue to be a significant factor influencing the policy. Already, the policy provides for higher level of rewards to

products with high domestic content and value addition compared to products with high import content and less value addition. The government is likely to provide special incentives to a smaller list of sectors from among the 25 focus areas for the Make in India programme. Some aspects of the foreign trade policy will be modified to align in with the Goods and Service Tax, which is likely to be rolled out in July this year.

FTP 201520 had introduced two new schemes: Merchandise Exports from India Scheme (MEIS) and Services Exports from India Scheme (SEIS). These schemes replaced multiple schemes, each with different conditions for eligibility and usage. Incentives under these schemes have been made available for SEZs as well. Ecommerce of handicrafts, handlooms and books among others are eligible for the benefits.

(Ref. http://economictimes.indiatimes.com/news/economy/foreign-trade/india-to-revamp-foreign-trade-policy-to-give-leg-up-to-exports/printarticle/58540622.cms dated 5th May-2017)

16. MIDTERM FOREIGN TRADE POLICY TO BE OUT BEFORE GST ROLL OUT: NIRMALA SITHARAMAN

"We found merit in the suggestion that the review of the policy should be well in time to go along with the roll out of the GST. It means I have to announce it well in time for July 1," Sitharaman said.

NEW DELHI: Commerce Minister Nirmala Sitharaman today said the revised midterm foreign trade policy (FTP) is to be announced few days ahead of July 1, the scheduled date for the Goods and Services Tax roll out. After holding a meeting with various stakeholders, including exporters as part midterm review of FTP (201520) here, the minister also said that no suggestions were made to scale down the 2020 export target of USD 900 billion, including services. Given the current economic and geopolitical situations globally there are concerns that international trade may be impacted.

Sitharaman said suggestions were made that the review should be concluded by July 1 so that it is aligned with the GST implementation. "We found merit in the suggestion that the review of the policy should be well in time to go along with the roll out of the GST. It means I have to announce it well in time for July 1," she said. She further said that there were certain specific suggestions and questions for the GST Council comprising state finance ministers, and headed by the Union Finance Minister.

A team including the Commerce Secretary to seek time from GST Council on the specific issue, including one related to duty refunds of exporters. Exporters, especially from the SME sector, have expressed concerns that their funds would be locked up for several months. As per the GST norms, 90 per cent of the refund will be given in

7 days and remaining 10 percent will be given in 45 months. SME exporters expressed concerns that their funds could remain locked for long time. During the meeting suggestions were also made to explore rupee denominated trade especially in the South East Asian nations and those in the Middle East. Suggestions were also made that the FTP should not focus only on exports but on imports as well.

(Ref. http://economictimes.indiatimes.com/news/economy/policy/mid-term-foreign-trade-policy-to-be-out-before-gst-roll-out-nirmala-sitharaman/articleshow/58549266.cms dated 6th May-2017)

17.NIRMALA SITHARAMAN SAID THAT MID-TERM REVIEW OF FTP WOULD BE COMPLETED EARLY TO SYNCHRONISE ITS ROLL OUT WITH GST

New Delhi: Commerce and Industry Minister Smt. Nirmala Sitharaman has said that the revised Foreign Trade Policy (FTP) would be released early to synchronise the same with roll out of GST. The core focus of the revised FTP would be promoting exports from the SMEs and high employment potential sectors. Smt. Nirmala Sitharaman was chairing a meeting on the Mid-Term review of the Foreign Trade Policy 2015-20 organised jointly by Department of Commerce and Research and Information System for the Developing Countries (RIS) .

Commerce Secretary Ms Rita Teaotia, Chairman RIS Shri Hardeep Singh Puri and DGFT Shri Ajay Bhalla also participated in discussions. The event was attended by the trade policy experts from the industry, academia, Research and Government .

Major suggestions discussed during the deliberations related to promoting Rupee Trade, facilitating not only exports but also imports and reducing cost of credit. Participant recommended harnessing the high foreign exchange earnings and large employment generation potential of services related to the Tourism, Education and Health sector. Such services fall under the WTO category of the Mode 2 Services, also called the 'Consumption Abroad' category. It was emphasised that promotion of mode2 in services sector shall contribute in domestic economic development and job creation.

Concerns were also raised on issues relating to GST and its impact on export. Minister said that Department of Commerce has already taken up these issues with Department of Revenue, and assured that it will again take up theses issues With DoR for placing it before GST council to find a solution.

Critical role of Logistics sector for export competitiveness was also discussed;, reducing the cost of credit in promoting exports, export basket diversification, strategy for promoting value added exports, agriculture exports and services exports were also deliberated.

It may be noted that while announcing the five year FTP, 2015-2020 on 01.04.2015, Hon'ble Commerce & Industry Minister had announced that the policy would be reviewed on mid-term basis.The exercise has been initiated by Department of commerce in January 2017. DGFT has held consultation with a cross section of stakeholders.- Exporters, Traders, Export promotion Councils, Commodity Boards, Various Ministries of the Central Govt., State Governments, foreign missions of India and Industry Bodies- in this regard.

(Ref. https://orissadiary.com/nirmala-sitharaman-said-mid-term-review-ftp-completed-early-synchronise-roll-gst/ dated 6th May-2017)

Chemexcil Notice

NOTICE 1

EPC/LIC/JNCH 3rd April 2017

ALL THE MEMBERS OF THE COUNCIL

SUBJECT:- JNCH- Procedure for clearance of export cargo categorized as "Hazardous Goods"

Dear Members,

We would like to inform you that Jawaharlal Nehru Custom House (JNCH) has issued Public Notice No. 46/2017 dated 31/03/2017 regarding Procedure for clearance of export cargo categorised as "Hazardous Goods".

As you are aware, "hazardous cargo" is categorized into 9 classes from 1 to 9 depending on the nature of the cargo. Analysis of the degree of danger in each class of the "hazardous cargo" reveals the health and environmental hazards in case of all classes of such substances.

Currently, containers declared to be containing Hazardous cargo are allowed Direct Port Entry without examination, even if RMS Instructions are for "Open & Examination". It is given to understand that reason for such practice is difficulty in examination of such cargo.

However, JNCH has decided to revisit the present procedure for clearance of export cargo categorised as "Hazardous Goods". The details of the procedures as per PN no. 46/2017 dated 31/03/2017 can be downloaded using below link: http://www.jawaharcustoms.gov.in/pdf/PN-2017/PN_NO_46.pdf

Members are requested to take note of the same.

NOTICE 2

EPC/LIC/JNCH 3rd April 2017

ALL MEMBERS OF THE COUNCIL

SUBJECT: - Direct Port Delivery (DPD) and Direct Port Export (DPE)- Compilation of Public Notices issued by JNCH/ FAQ's on DPD.

Dear Members,

This is further to our recent mailer informing you about Jawaharlal Nehru Port Trust (JNPT), schemes like DPD (Direct Port Delivery) and DPE (Direct Port Export) for quicker clearances of imports and exports.

Since several PN's have been issued in recent months on DPD & DPE, there have been request from various stakeholders for issue of "compilation of such Public Notices issued" for the sake of convenience.

The Jawaharlal Nehru Custom House (JNCH) has now issued such a compilation with brief about each Public Notice in tabular form.

The details are follows:

- Compilation of various Public Notices issued in relation to Direct Port Entry (DPE) Procedure:Can be downloaded by using below link- http://www.jawaharcustoms.gov.in/pdf/PN-2017/PN_NO_47.pdf
- Compilation of various Public Notices issued in relation to DPD Procedure: Can be downloaded by using below link- http://www.jawaharcustoms.gov.in/pdf/PN-2017/PN_NO_45.pdf
- Finally, JNCH has also issued FAQ's on DPD, which are available on below link: http://www.jawaharcustoms.gov.in/dpd/mobile/index.html

Members are requested to take note of the same.

NOTICE 3

EPC/LIC/EOU's 11th April 2017

ALL THE MEMBERS OF THE COUNCIL

SUBJECT: - DTA clearance of goods procured by EOUs/EHTP/STP units from indigenous sources – charging of Duty.

Dear Members,

We would like to inform you that Central Board of Excise & Customs has issued Circular No. 13/2017-Cus dated 10th April 2017 regarding charging of appropriate duty on DTA clearance of goods procured by EOUs/EHTP/STP units from indigenous sources.

Attention is drawn to Circular No.74/2001-Cus dated 04.12.2001 whereby it was clarified that in case raw materials/ capital goods etc., procured from indigenous sources by EOUs/EPZ/SEZ/EHTP/STP units are transferred/ sold back to DTA except for the purpose of replacement, the deemed export benefits already availed of against such goods shall be required to be refunded back and that the export benefits shall be deposited through TR in the designated bank. It was further clarified that the goods will be allowed to be cleared to DTA only on production of a certificate from the jurisdictional Development Commissioner to the effect that such deemed export benefits are paid back. In cases, where no deemed benefits were availed, a certificate to this effect from the jurisdictional Development Commissioner shall be produced. Only after production of such certificate, these raw materials/capital goods could be cleared on payment of appropriate central excise duty. However, issues were raised by Trade & Industry as many units might have shifted, closed down their activities, de-bonded etc.

Subsequently, an amendment was made to the Notification No.23/2003-CE dated 31.03.2003 vide Notification No.29/2007-CE dated 06.07.2007 whereby an 'Explanation' was added to the principal notification stating that "goods received from Domestic Tariff Area under the benefits of deemed exports under Paragraph 8.3(a) and (b) of the Foreign Trade Policy shall be treated as imported goods." This amendment was made for the purpose of levy of duty on goods manufactured by such procured raw material so as not to treat them at par with goods manufactured out of wholly indigenous material.

However, field formations were still insisting on production of a certificate from the Development Commissioner as required under Circular no. 74/2001-Cus dated 04-12-2001 even after payment of applicable Customs Duties on clearance of capital goods procured from DTA by EOU/STP/EHTP units were deemed export benefits have been availed.

In this regard, CBEC has now issued Circular No. 13/2017-Cus dated 10th April 2017 and clarified that the indigenous goods supplied to the EOUs/EPZ/SEZ/EHTP/STP units after availing the deemed export benefits are to be treated as 'imported goods' and accordingly, duty as applicable to the imported goods is liable to be paid. Once the goods are treated as imported goods and applicable Customs Duty is paid at the time of their transfer/sale back into DTA or exit, there is no requirement of refund of the deemed export benefits availed on such goods or for the production of a certificate from the Development Commissioner regarding refund or non-ailment of deemed export benefits at the time of clearance of such goods or exit.

Members are requested to take note of the same and for additional information, may download the Circular No. 13/2017-Cus dated 10th April 2017 using below link: http://www.cbec.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2017/circ13-2017cs.pdf

NOTICE 4

EPC/LIC/CBEC/IGM 12th April 2017

ALL THE MEMBERS OF THE COUNCIL

Subject: - CBEC Circular: Delayed, incomplete or incorrect filing of Import Manifest.

Dear Members,

This is in continuation of our earlier communication regarding Draft CBEC circular F No 450/198/2015-CusIV dated September 2016 on delayed, incomplete or incorrect filing of Import Manifest or Import Report.

In this regard, CBEC has now issued Circular vide Ref no. 14/2017 dated 11th April 2017 with instructions/ procedure in case of Delayed, incomplete or incorrect filing of Import manifest.

Members are requested to take note of the same and for further details, may download the circular using below link: http://www.cbec.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2017/ circ14-2017cs.pdf

NOTICE 5

EPC/LIC/SCOMET 26th April 2017

ALL THE MEMBERS OF THE COUNCIL

Subject: - SCOMET: New Notifications/ Public Notices issued by DGFT

Dear Members,

We would like to inform you that O/o DGFT, New Delhi has issued several new Notifications/ Public Notices recently regarding SCOMET items.

As you are 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 details of the new Notifications/ Public Notices issued recently regarding SCOMET items are as follows:

Sr. No.	Title	Description
1	Notification No. 5/2015-2020 dated 24.04.2017	Amendment in Table A of Schedule 2 and Appendix 3 of ITC(HS) Classification of Export and Import Items
2	Public Notice No. 4/2015-2020 dated 24.04.2017	Amendments in Paras 2.72, 2.73, 2.74,2.81 & 2.82 and Appendix 2S of the Handbook of Procedures, 2015-2020
3	SCOMET List	Appendix 3 containing the list of SCOMET items
4	FAQs on SCOMET Changes	The document contains FAQs and the consolidated list of changes made in the SCOMET list vide Notification no. 5/2015-2020 dated 24.04.2017
5	End Use and End User Certificate	The format of EUC is provided in the Appendix 2S(i) and Appendix 2S(ii)
6	SCOMET Guidelines	The FAQs and Guidelines on India's export control policy clarify the basic questions related to Policy and Procedures

Members are requested to take note of the same. For further information, you may download above said Notification/ PN using below link- http://dgft.gov.in/exim/2000/scomet/2017/scomet2017.htm

Thanking You,

NOTICE 6

EPC/LIC/JNCH 28th April 2017

Subject: - EDPMS Caution Listing- Temporary exemption to exporters whose IE codes are appearing in caution-list in EDPMS up-to May 20, 2017 to clear the entries in the system

Dear Members,

This is further to our earlier circular regarding EDPMS caution listing of exporters and feed-back on issues faced, if any.

Based on the feed-back received, the council had taken up the matter with the Reserve Bank of India and an extension up-to 20th April 2017 was granted. However, council has received further representations that despite extension, the entries are still not cleared in EDPMS and banks are not handling the shipping documents. Subsequently, council has once again represented to RBI for additional time to exporters to follow-up with their AD's and clear the entries in EDPMS system.

Taking cognizance of the representations from the Trade & Industry, RBI has granted further temporary exemption to exporters whose IE codes are appearing in caution-list in EDPMS up-to May 20, 2017 to clear the entries in the system.

As per communication received from The Chief General Manager, Reserve Bank of India

Foreign Exchange Department, Central Office, Mumbai, the extension will be operationalized as under:

"For any exporter, if the outstanding export bills' amount is up-to 20 per cent of total export bills or the number of open export bills is up-to 10 as indicated in the caution list appearing in EDPMS site, then AD banks should not treat such exporters as caution listed till May 20, 2017 subject to satisfaction of the AD based on following documentary evidence:

(i) The exporter has declared that the export proceeds have been realized in full for the export bills lying open in EDPMS and eBRC has been issued by bank/s and necessary reconciliation will be completed within 15 days.

(ii) In cases where the bills are not realized / partially realized, then the exporter should have submitted request to AD/s for (a) extension of time for realization of export bills and / or (b) request to AD/s for write off of export bills (fully or partially, as the case may be).

(iii) Request for cancellation of shipping bill has been submitted by the exporter to the Customs.

2. Exporters not falling within above category i.e. the outstanding export bills' amount is more than 20 per cent of total export bills and the number of open export bills is more 10 shall have to obtain requisite approval from RBI.

3. It is clarified that:

   i. Export bills for 'free of cost' exports having requisite indicator of Customs do not lead to caution listing

   ii. Export bills in respect of goods reimported on account of quality issues or other reasons are required to be lodged and closed in EDPMS by providing necessary details."

Members are requested to take note of this temporary exemption up-to 20th May 2017 and do the needful within the timelines. In case issues still persist, please write to us on Deepak.gupta@chemexcil.gov.in and info@chemexcil.gov.in .

Thanking You,

NOTICE 7

EPC/LIC/JNCH 28th April 2017

Subject: - Imp - DGFT Trade Notices regarding Target Plus Scheme (TPS) Scrips & Duty Free Credit Entitlement (DFCE) Scheme.

Dear Members,

We would like to inform you that O/o DGFT, New Delhi has issued important Trade Notices regarding Target Plus Scheme (TPS) Scrips & Duty Free Credit Entitlement (DFCE) Scheme.

The details of the new Trade Notices issued are as follows:

Trade Notices No.	Date	Subject
Trade Notice No.07/2018	08.05.2017	Implementation of the Hon`ble Supreme Court`s Judgment dated 27th Oct 2015 in Civil Application No. 554 of 2006 with regard to recovery of Duty Free Credit Entitlement (DFCE) Scheme Scrips for the exports made in the year 2003-04.
Trade Notice No.06/2018	08.05.2017	Implementation of the Hon`ble Supreme Court`s Judgment dated 27th Oct 2015 in Civil Application No. 554 of 2006 with regard to Target Plus Scheme (TPS) Scrips for the exports made in the year 2005-06 over 2004-05.

Members are requested to take note of the same. For further information, you may download above said Trade Notice using below link- http://dgft.gov.in/Exim/2000/TN/TN17/indexTN2017-2018.html

Thanking You,

NOTICE 8

EPC/LIC/CBEC/EODC 3rd May 2017

ALL THE MEMBERS OF THE COUNCIL

Subject:- Monitoring of export obligation fulfilment under EPCG and Advance Authorization Schemes

Dear Members,

Kindly note that the Central Board of Excise & Customs (CBEC) has issued Circular vide ref No. 16/2017-Customs dated 2nd May, 2017 regarding monitoring of export obligation fulfilment under EPCG and Advance Authorization Schemes.

As you are aware, exporters have to submit Export Obligation Discharge Certificate (EODC) to relevant Customs Houses within the stipulated time period, failing which, there are directions to take action as per relevant customs notifications. However, the exporters plead that they have submitted documents to DGFT for issuance of EODC and that adjudication process of their SCN may be kept in abeyance till the time EODC is issued to them by DGFT.

The matter has been examined by CBEC and is informed through this circular that, the field formations may issue simple notice to the licence/authorization holders for submission of proof of discharge of export obligation. In case where the licence/authorization holder submits proof of their application having been submitted to DGFT, the matter may be kept in abeyance till the same is decided by DGFT. However, in cases where the licence/authorization holder fails to submit proof of their application for EODC/ Redemption Certificate, extension/clubbing etc., action for recovery may be initiated by enforcement of Bond/Bank Guarantee. In cases of fraud, outright evasion, etc., Customs field formations shall continue to take necessary action in terms of the relevant provisions.

Members are requested to take note of the same and for further details, may download the circular using below link: http://www.cbec.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2017/circ16-2017cs.pdf

Thanking You,

THE GREEN ENVIRONMENT SERVICES CO-OP. SOCIETY LTD –VATVA

(Common Effluent Treatment Plant & Secured Landfill Facility)

AN ISO 9001, 14001 & OHSAS 18001 CERTIFIED COMPANY

Plot No. 244-251, Phase - II, GIDC Estate, Vatva, Ahmedabad - 382445, INDIA

Phone : (079) 25832520, 25835652 **E-mail :** ceo@gescsl.com, srpgreen@gmail.com **Website :** www.gescsl.com

PROUDLY CELEBRATES 25 YEARS OF CONTINUOUS SERVICES

INTRODUCTION

The Vatva Industrial estates was established by GIDC in 1968

There are more than 1800 units located at Vatva

The current turnover of Vatva is Rs15,000 crores and export is around Rs 7500 crores.

Providing 1.0 lac direct and 50,000 indirect employments.

680 out of 1800 units, predominantly dyes, dyes intermediates, pigments, fine chemicals and some textile processors are having potential to create water pollution

To cater the issue of waste water pollution the Green Environment services Co op. society (GESCSL) is formed in the year 1992 with the support of Vatva Industries Association (VIA) and Gujarat Dyestuff Manufacturers Association (GDMA)

95 % members of GESCSL are falling under micro and small scale category

CURRENT STATUS

Vatva is the only estate in the country which has all the pollution control facilities undr one roof as detail below:

Facility	Commissioning Year	Capacity	Investment, Rs in cr	No. of beneficiary members
CETP – for waste water treatment	Sept. 1998	16 MLD	74.41	674
OLD TSDF –& Interim storage facility.	March 2003	12.5 Lac MT	14.50	684
for solid waste	Nov. 2013	1.5 Lac MT	4.00	
Common Spent acid treatment and mgmt services (NOVEL)	Nov. 2009	500 MT/d	36.00	165
MEE & 03 spray dryes for concentrated waste water	Since March 2014	Total 1020 KLD	36.00	223

Apx Rs 65.0 crore per year has been spent by the members of GESCSL to operate all above facilities in efficient manner

UNIQUENESS

- Only estate in the country which has all pollution control common facilities viz., CETP, TSDF, MEE, spray drier and spent acid management, under Co-operative body.
- The cheapest and most efficient internal effluent collection system which envisage 100% control over quality and quantity of the effluent discharged by the member unit.
- CETP does not have any flow diversion arrangement.
- Online TOC, COD, BOD and TSS meters are installed at the CETP outlet and which being monitored on hourly basis and data transferred to GPCB and CPCB
- Billing and monitoring visit of member unit is being done based on software.
- SCADA –PLC based sump rooms for quantifying effluent discharged by the members.
- Auto sampler installed for composite and continuous sampling of the effluent discharged by the members.

ACHIEVEMENTS of GESCSL

- CETP is certified for ISO 9001:2008, ISO 14001:2004 and ISO 18001:2007 for provisions of services for effluent collection, treatment and discharge.
- Secured Landfill Facility is certified for ISO 9001:2008, ISO 14001:2004 and ISO 18001:2007 for provisions of services for collection and storage of solid waste.
- Winner of Golden Peacock Environment Management Awards 2010 & 2008.
- Winner of Greentech Gold Award 2008 and Silver Award 2007
- NABL Accredited Laboratory

SOCIAL ACTIVITIES

- Operation of polyclinic at Vatva in association with VIA
- Oraganising Blood donations camps jointly with VIA
- Organising medical camps for the patient of dieses related to eyes, diabetes etc
- Development of Green belt by by planting more than 15000 trees, growing lawn in about 225000 sq. ft area, more than 80,000 plans are growing at CETP and 300 members units
- Cleaning and replenishing of Vinzol Pond had been done
- Distribution of grain kits, feed packages and water pouches during natural calamotes
- Distribution of uniforms, book, note books to the students of nearby schools.

CHEMEXCIL BULLETIN ADVERTISEMENT TARIFF

In ₹ (With Service Tax)

Sr. No.	Position of Advertisement	Size of Advertisement	Rate of Color advertisement rate (Rates including S.T)	Rate of Black and White advertisement (Rates including S.T.)	Remark
1	Full Page	18 cm wd x 23.5 cm ht	12075.00	8625.00	NA
2	Half Page (Horizontal)	18 cm wd x 11.5 cm ht	8050.00	4600.00	NA
3	Half Page (Vertical)	8.5 cm x 23.5 cm	8050.00	4600.00	NA
4	Quarter Page	8.5 cm wd. X 11.5 cm ht.	5750.00	2300.00	NA
5	Strips Advts	4 cm ht x 18 cm wd	NA (Not Applicable)	2300.00	NA
6	Inside Cover Pages (Full Page)	18 cm wd x 23.5 cm ht	17250.00	NA	NA
7	Back Cover inside (Full Page)	18 cm wd x 23.5 cm ht	13800.00	NA	NA
8	Back Cover (Full Page)	18 cm wd x 23.5 cm ht	23000.00	NA	Already booked for this issue

NOTE

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

GLIMPSES OF CHINA CHINA INTERDYE

Establish: 1985

Mr. Aniruddh Patel
(Sales & Marketing)
Mo: +91 93270 37116
Email: ajp@sayagroup.com

Mr. Ashok Patel
(Research & Development)
Mo: +91 98255 10828
Email: beenacorporation225@gmail.com

Mr. Bharat Patel
(Purchase & Production)
Mo: +91 98250 63180
Email: sayafriends@gmail.com

SAYA
Colour & Fragrance

Mfg. of

Industrial Fragrance
(For Soap, Detergent, Incense Stick, Cosmetic, Spray, Paint)

Pigment Paste
(Water Base Paint, Latex, Rubber, Textile, Soap & Detergent)

Pigment Powder
(Plastic, Ink, Rubber, Textile, Soap & Detergent)

Natural Oil, Extract & Derivatives
(Castor, Aloevera, Neem, Citronella, Lemon Grass, etc.)

SAYA GROUP

ISO 9001 : 2008 Company
Register With : D&B, NSIC, GCC

BSCIC NABCB QM 030 ISO 9001 REGISTERED
NSIC ISO 9001 : 2000

Shop No-43 To 45, 3rd Floor Rudraksh Complex,
Trikampura Patiya, G.I.D.C Vatva Road, Ahmedabad - 382445 Gujarat - India.
Phone : 079-40307433, 25895087, E-mail : contact@sayagroup.com, Website : www.sayagroup.com

Printed at: Onlooker Press Tel. :2218 3544 / 2218 2939