

Report of the Regional Stakeholder Consultation Workshop

“WTO Agriculture and NAMA Negotiations: Identifying Products of Concern to India”

Udaipur, India, November 03, 2006

Ministry of Commerce and Industry, Government of India (GOI) and the United Nations Conference on Trade and Development (UNCTAD), India jointly organised the Regional Stakeholder Consultation Workshops entitled “WTO Agriculture and NAMA Negotiations: Identifying Products of Concern to India” on November 03, 2006 at Udaipur, Rajasthan. The consultation was the last in the series of the five consultations organised in different part of the country during the period of October and November 2006. This consultation in Udaipur was for the western part of India covering the states like Goa, Gujarat, Maharashtra, Rajasthan, Dadra & Nagar Haveli and Daman & Diu.

Background

The workshop focused attention on agriculture and the non-agriculture market access (NAMA) negotiation at the World Trade Organisation (WTO). Of all the issues negotiated under the Doha Work programme, both agriculture and non-agriculture product have a larger implications for the vast magnitude of the poor in India. UNCTAD has applied general equilibrium model through econometric tools to prepare the sensitive list of agriculture and non-agriculture products, which will impact the livelihood, and food safety concerns of the Indian producers if cheap import through tariff reduction is allowed for these products.

The objective of the workshop was to validate the sensitive list on agriculture and non-agriculture products and to highlight the product that needs to be further included or excluded from the list so that it finally shapes the sensitive list of India, reflecting the concerns of the stakeholders associated with the agriculture and non-agriculture sectors of India. The list will be finalised by Ministry of Commerce and Industry, GOI taking into considerations all the concerns raised by the stakeholders from every region.

Participants

Almost 35 participants were there in the meeting. The following were the main panelist in the meeting-

- Dr Ashok Bapna, Director, IILM, Jaipur
- Dr Veena Jha, Coordinator, UNCTAD India Programme
- Ms Vandana Aggarwal, Director, Department of Commerce, GOI
- Mr S L Metha, VC, Maharana Pratap University of Agriculture & Technology (MPUAT), Udaipur
- Shri Gulab Chand Kataria, Home Minister, Rajasthan Government
- Mr A K Sinha, Workshop Co-ordinator, IILM Jaipur
- Mr Bipin Menon, Deputy Director General of Foreign Trade (DGFT), Department of Commerce, GOI
- Mr Shahid Ahmed, Economist, UNCTAD India Programme
- Ms Malti Jain Chandkika, Resident director, PHD Chambers of Commerce and Industry (PHDCCI), Jaipur

- Mr Abhijit Das, Senior Trade Officer, UNCTAD India Programme

Highlights

- The speakers presented the state of the negotiation in Agriculture and NAMA bilingually and in a simplistic way to the stakeholders, who were from diverse business fraternity.
- The econometric model, the applied methodology and the issues factored in for preparation of the sensitive list of agriculture and non-agriculture products were aptly explained to the participants referring as to why a particular product is included or excluded from the list.
- The presentations were very focused. Along with highlighting the products on the sensitive list, it also illustrated other related issues like the export destinations of the agriculture and non-agriculture product and the countries from where the Indian producers could face threat given the tariff and non-tariff issues.
- The meeting was in interactive mode that provided opportunities to the stakeholders to come out with product list and the underlying reason for incorporating or excluding the same from the sensitive list of India under the WTO.
- Oil seed is a major agriculture product in Rajasthan. CUTS' study on the oilseed sector of Rajasthan was explained to the participants to help them in determining the oilseed products that are sensitive for Rajasthan.

Lowlights

- Though it was a regional consultation covering many states for highlighting various products, which are sensitive to India, representation from different industries and agriculture sectors was very low. There was not much participation from the floor as well. The agriculture session was relatively more interesting than the NAMA session as representation of the farmers were more than that of industry representation. While gems and jewellery is a major export item from this region only one stakeholder raised concern on this sector.
- The basic purpose of the consultation was not fulfilled as many a time, there were questions and discussions on the basic issues of the WTO rather than on the sensitive products of India. There is still very much ignorance on the WTO issues among the stakeholders. Many stakeholders even highlighted various non-trade issues for discussion.
- The sensitive list is mostly from the producer's perspective based on the employment concerns. The concerns of the consumers like price etc. are not factored in much for identification of the sensitive products.
- UNCTAD asked farmers and other stakeholders to provide statistical and other detailed information (like total employability of the product *vis a vis* the sector in India, total producers and family dependency ratio etc.) on the specific products that the stakeholders want to be incorporated in the sensitive list. Providing this type of information is not possible to the small and marginalised farmers unless some activists or non-government organisations (NGOs) come forward to provide the inputs to the policy makers.

Lessons Learned

- Detailed information was received on the overall methodology and the application of econometric model to derive results of the specific economic issues.
- Thorough analysis was made on the tariff structures of the export products of India like textiles, gems and jewellery, leather products, including the tariff structure of India's export destination.
- The farmers are very much ignorant on what is going on in the export import front. They just sell the products to the intermediaries without knowing at what price their products will be finally sold in the market. They do not have sufficient information on the domestic and international market for their products.
- The intermediaries are reaping the benefits, while the farmers are earning a marginal amount by selling their agricultural and allied products. Concerns were raised on how to minimise the role of intermediaries and link the farmers directly to the market. What is found is that though much liberalisation has taken place but the benefit of such liberalisation has not accrued to the farmers of this region.

Miscellaneous

- Information was received that 70 percent of the tribal farmers in agriculture has less than one hectare of land in Rajasthan.
- Marble, cotton shirts, cotton blouses, gems and jewellery, home furnishings, auto component etc., are the major export of this region.
- Many of the marine products like ornamental fish, sole, carp, herrings, mackerel, hilsa etc., were initially excluded from the sensitive list based on the criteria adopted for selecting the sensitive product, but stakeholders in other regions have expressed their concern for including it in the sensitive list.
- Among the different oil seeds *jojaba* oil from this region is also a sensitive product for the farmers. However, much information on this could not be obtained due to scattered production of the oilseed.
- Chemical products have most appearance in the sensitive list prepared for the non-agriculture product.
- There is also not much mention about the horticulture and dairy product in the sensitive list, which is also an area of major concern for the producers of this region.
- Rubber producers in Kerala have raised the issue of incorporating the rubber products in the sensitive list as this industry employs a huge number of workers.