

Institutional Cooperation on Trade in Agriculture and Allied Products

Background and Rationale

Over the years, India has been steadily integrating its agriculture with global markets. As a result, its trade in agriculture and allied products as a percentage of its gross domestic product has increased significantly over the last two decades.

India has developed not only its export competitiveness for certain agricultural products such as basmati rice, cotton, maize, among others

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According to International Trade Statistics, 2012, published by the World Trade Organisation (WTO),

India's agricultural export had a share of 2.6 per cent of world trade and imports had a share of 1.47 per cent, clearly showing the importance of agricultural trade for the Indian economy.

In other words, agricultural trade is becoming increasingly important in India's international commitments, such as those at the WTO and in its preferential/free trade agreements (PTAs/FTAs). Thus, there is a growing need to assess the impact of these arrangements on both the Indian economy as well as the global trading system.

Such analysis is also particularly crucial as it provides negotiators with the requisite information to formulate accurate views on other international agreements and make informed decisions.

In view of this, the Department of Agriculture & Cooperation, the Department of Animal Husbandry, Dairying & Fisheries and the Ministry of Food Processing Industries of the Government of India are required to deal with issues related to international trade in agriculture and allied products. This includes preparation and consideration of wish list for tariff concessions from the partner country/trading bloc and offer of concessions to them on their request list including impact analysis/monitoring of trade agreements in force.

Keeping this in mind, in a unique initiative in the direction of creating an institutional mechanism, they have entrusted CUTS International to extend technical support in all bilateral and regional trade negotiations and also to conduct detailed studies on issues regarding India's trade in agricultural products.

Objectives

- To prepare wish lists for tariff concessions from partner country/trading bloc and offer of concessions to them on their request under PTAs/FTAs
- To conduct impact analysis/monitoring of trade agreements, which are currently in force and also on-going bilateral

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Supported by
Government of India
Department of Agriculture & Cooperation
Department of Animal Husbandry, Dairying & Fisheries
Ministry of Food Processing Industries

negotiations including aiding the departments/ministries to frame views on other international agreements including the WTO Agreement on Agriculture

Activities and Outputs

Two major activities will be carried out which are as follows:

- Creation of databases in value and volume terms: there will be one database at the aggregate level and another at the country/regional level
- Periodic analyses of trade data to capture broad export/import trends, non-trade measures, such as sanitary and phyto-

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sanitary and for conducting competitiveness analysis of India's agriculture and allied products for exports

These databases and their analyses will be used to

policy briefs identifying the tariff lines with high export growth, and other products having export potential.

There will also be analyses of vulnerability of India's agricultural products from imports so as

to identify those products/tariff lines with imports threat that would require duty protection on account of livelihood and food security.

In addition, CUTS International will provide policy advisory as may be required in view of on-going and future trade negotiations at the WTO and under PTAs/FTAs.

Outcomes

- Better understanding on wish lists for tariff concessions from the partner country/trading bloc and offer of concessions to them on their request lists
- Increased monitoring and objectivity about trade negotiations in relation to agriculture and allied products
- Strengthened capacity of the Department of Agriculture & Cooperation, the Department of Animal Husbandry, Dairying & Fisheries and the Ministry of Food Processing Industries to *inter-alia* deal with issues related to international trade in agriculture and allied products
- Better understanding about how to address livelihood concerns while developing negotiating positions, thus influencing the process of India's trade negotiations and its implementation of trade agreements much more development-oriented