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Report Highlights:

Cancun meet failure will not hit India, Ag Minister, *Engagement with WTO to continue, Commerce Minister*, *GM crops have to pass trials first*, *Food Minister proposes private trade involvement in wheat procurement*, *Food, feed exports to comply with new US legislation*, *Bangladesh: "American Week" ends - US envoy spells out five conditions to improve trade ties*, *Bangladesh: Government sets criteria to maintain shrimp quality*, *Bangladesh: Letters of credit opened for import of 210,000 tons of sugar*.

Includes PAD Changes: No
Includes Trade Matrix: No
Unscheduled Report
New Delhi [IN]
[IN]

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U.S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included in this report. Significant issues will be expanded upon in subsequent reports from this office.

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CANCUN MEET FAILURE WILL NOT HIT INDIA, AG MINISTER ...

Agriculture Minister Rajnath Singh said the failure of the World Trade Organization talks at Cancun would have no impact on Indian agriculture. "India gave the leadership, and for the first time the developed countries were on the defensive," he said. He said the failure of the developed countries to cut back on their domestic and export subsidies would not have any fallout on the Indian agriculture sector. "India, with a population of 100 crores (1 billion) is a huge market; therefore the developed countries can hardly afford to ignore us," he said. The failure of the Cancun WTO would allow the peace clause in the Agreement on Agriculture to lapse, enabling India and other countries to use countervailing duties to prevent undue imports, the Minister said. (Source: The Hindu, 09/19/03; Business Standard, 09/20/03)

...ENGAGEMENT WITH WTO TO CONTINUE, COMMERCE MINISTER

Describing the Cancun meet as historic, Commerce and Industry Minister Arun Jaitley said India will not blame anyone for collapse of the meeting, but will continue to engage in the future negotiations positively. "Now the blame game is on. India is not going to take part in it. We will continue to engage positively till the end. We will have to pick up the threads from where they have been left at Cancun, and take the process ahead at WTO," he said. Pointing out that the equilibrium at the WTO has changed, he said for the first time in its history, there were equitable negotiations with developing countries led by India, Brazil, and China being able to make themselves heard forcefully. (Source: Financial Express, 09/20/03)

GM CROPS HAVE TO PASS TRIALS FIRST

India is not against genetically modified crops and will permit growing of such crops once safety parameters are in place, according to Agriculture Secretary R.C.A. Jain. "India has already allowed GM technology in cotton. Trials are on in other crops, and if trials are successful for two consecutive years, GM technology will be permitted in those crops too," he said. (Source: Business Standard, 09/22/03)

Post Comment: During a recent trip to Gujarat by the Agricultural Counselor, the presence of unapproved Bt cotton cultivation was omnipresent. Reportedly, seventy percent of the cotton acreage in Gujarat is planted using Bt varieties, but only four percent of this is from approved biotech seed. There is little evidence that local authorities are policing this run away practice.

FOOD MINISTER PROPOSES PRIVATE TRADE INVOLVEMENT IN WHEAT PROCUREMENT

The Minister for Food and Consumer Affairs, Mr. Sharad Yadav, suggested participation of private traders in wheat procurement to instill a spirit of competitiveness in the system. This would eventually result in a reduction of economic cost of wheat, and consequently a reduction in the food subsidy, besides ensuring better availability of wheat for the milling

industry. Speaking at the annual general meeting of the Roller Flour Millers' Federation of India, the Minister said that monopoly procurement of wheat by the government has led to a certain inherent inefficiency in the system. (Source: Financial Express, 09/24/03)

FOOD, FEED EXPORTS TO COMPLY WITH NEW US LEGISLATION

The US Agricultural Attaché in India made a presentation on the US Public Health Security and Bioterrorism Prepared and Response Act in New Delhi. Indian exporters of food and feed will have to comply with the new legislation once it comes into effect from December 12, 2003. He informed that the law is applied equally to domestic and imported products and would in no way affect the trade in food and feed. The new regulations will include registration of food facilities exporting to the US, prior notice of imports, maintenance of records of import, and administrative detention. (Source: Financial Express 9/20/03)

Post Comment: The joint presentation by FAS and U.S. Customs was well received by government and private contacts. It was widely and positively covered in the media, who reported only what they wanted to. Example: Agricultural Attaché stated that the bioterrorism legislation should have no effect on trade *if* all parties follow all applicable rules.

BANGLADESH: "AMERICAN WEEK" ENDS – US ENVOY SPELLS OUT FIVE CONDITIONS TO IMPROVE TRADE TIES

US Ambassador to Bangladesh, Harry Thomas Jr., stressed Wednesday the need for five conditions for improving economic relations with the US. The conditions are a tax treaty, a trade investment framework agreement (TIFA), intellectual property rights (IPR) protection, the introduction of an international labor code, and opening of trade missions. He was speaking as the chief guest at a luncheon arranged by the American Chamber of Commerce in Bangladesh. He said talks on a tax treaty and TIFA may be soon signed after completion of some formalities, while Bangladesh has agreed to introduce the international labor code in an export processing zone from January 2004. He urged Bangladesh to take effective steps to protect intellectual property rights, and emphasized the need for a peaceful political climate, eradication of corruption, separation of judiciary, etc. (Source: Financial Express, 09/19/03)

BANGLADESH: GOVERNMENT SETS CRITERIA TO MAINTAIN SHRIMP QUALITY

The government has decided to maintain the exact standard of exportable shrimp. It is mandatory for exporters to test shrimp at the Chloramphenicol Laboratory before export. The exporters will also have to collect their standard control certificates from the Department of Fisheries Standard Control (DFSC), with a declaration that the shrimp is free from antibiotics. The steps were taken to boost the export of frozen shrimp. The shrimp farmers will also have to collect similar certificates before releasing shrimp from their farms. The farmers or other businessmen will be able to import duty-free all types of shrimp testing kits. The country earned US \$321.81 million in the 2002-03 fiscal year, and set an export target of \$370 million for the current fiscal year. There have been problems in maintaining the standards of the shrimp during the last couple of years, which has hampered the overall growth of the sector. (Source: Financial Express, 09/25//03)

BANGLADESH: LETTERS OF CREDIT OPENED FOR IMPORT OF 210,000 TONS OF SUGAR

The government has withdrawn all restrictions on imports of sugar in the private sector to ensure uninterrupted supply to the market. Letters of Credit (LCs) were opened for import of 210,000 tons of sugar through September 11, after withdrawal of the restrictions. (Source: Financial Express, 09/24/03)

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