

CUTS CITEE in Action

April-September 2012

Events

Government Procurement Consultation Meetings with Indian Industry

CUTS International, is conducting a study with the support from the British High Commission, New Delhi, on the subject to understand the emerging area of government procurement in international trade arena and to assess the cost and benefit of India's possible accession to the Government Procurement Agreement (GPA).

In this context, the study seeks to capture the industry response to India's possible accession to the GPA, to understand the opportunities & challenges thrown by a possible accession and further attempts to identify the potential sectors that may benefit/lose from India's accession to the GPA. On the other hand, it is essential to understand the expectation of Indian industry from the other member countries of the GPA so also the potential demands of major players such as the US, EU, Japan.

In this regard, consultation meetings in six metro cities of India viz New Delhi, Mumbai, Kolkata, Chennai, Bangalore and Ahmedabad were organised during June-September 2012 to discuss the above mentioned issues on the subject of government procurement.

The objective of these meetings were to discuss: a) the opportunities and challenges faced by the Indian industry in government procurement in India and in other procurement markets; and b) to come out with all inclusive suggestions and an appropriate strategy in case of possible accession to the WTO GPA from Indian business perspective.



A Consultation Meeting held in Mumbai on August 24, 2012

The Multilateral Trading System in the 21st Century *Interaction between Trade and Competition Policy*

CUTS International organised a session at the WTO Public Forum 2012 "Is Multilateralism in Crisis?" on the issue of the interface between trade and competition policy and the case for a multilateral rule in Geneva Switzerland, on September 14, 2012. Ambassador Tim Yeend, Australia; Ambassador Yoichi Otabe, Japan; Carlos Braga, Director, Evian Group; Eduardo Perez Motta, Chair, International Competition Network; Robert Anderson, Counsellor, WTO and others were present as panellists.

Pradeep S Mehta, Secretary General, CUTS said that UNCTAD and the WTO should jointly host a multilateral forum on competition law & policy, in particular to deal with distortions in the primary commodities trade, which impact food security among other deleterious effects. Such a joint initiative would help having both developed and developing countries on board.

Stakeholder Consultation on India-Bangladesh bilateral trade and NTBs

CUTS International with support from Friedrich Ebert Stiftung, India organised a half-day Stakeholder Consultation on India-Bangladesh bilateral trade and non-tariff barriers (NTBs) in Kolkata on May 31, 2012.

The objective of the consultation was to elicit views and concerns of business community about NTBs (including procedural) hindering intra-regional trade and how to overcome them and prepare an advocacy agenda for the removal/harmonisation of NTBs between South Asian countries.

Dynamics of Eco-labelling and the Need for Compliance

Keeping in mind the growing importance of eco-labels in Textiles & Clothing Sector (T&C) sector, the challenges posed by their compliance/non-compliance and their possible impact on the export interests of the sector, CUTS along with its knowledge partners – the Textile Committee of the Ministry of Textiles, Government of India and Nimkar Tek Services Pvt Ltd are undertaking this programme for Indian T&C firms in five major textile centres in India, viz. Delhi, Mumbai, Coimbatore, Ahmedabad and Ludhiana. These capacity building programmes will be conducted under the project entitled, 'A Study on Environmental Standards and its Trade Impact on Indian Textiles and Clothing Sector' (SESTI) undertaken with the support of Norwegian Ministry of Foreign Affairs (MFA) through Royal Norwegian Embassy, New Delhi, India.

The objectives are to strengthen the capacity of T&C exporters/producers in their understanding on environmental standards and eco-labels; promote sustainable production and consumption among the Indian textiles companies by encouraging them to increase the amount of eco-labelled textiles exports from India which leads to a greater penetration in other markets; and create awareness among the T&C supply chain in India on issues related to environmental standards and eco-labels so as to adopt sustainable practices and increase net welfare to consumers as such and increase producer profitability.

The first meeting of the series will be held in Mumbai on October 20, 2012.

COENCOSA Phase II Country Meetings

To take forward the agenda of regional economic cooperation in South Asia, CUTS with the support from The Asia Foundation and in partnership with a group of like-minded organisations has initiated a project entitled 'Promoting Participatory Approaches for Removing Regional Trade Barriers in South Asia (COENCOSA Phase II). The duration of this project is 10 months, i.e. June 2012-March 2013.

CUTS will organise four country level meetings. These will be of the nature of public-private dialogues and focus on what stakeholders think how to address specific procedural non-tariff barriers (NTBs) affecting their trade in the region. Following a broad presentation on issues on the table, there will be interactive discussion. Following interactive discussion among a multiple set of stakeholders, group exercises will be conducted to discuss specific in more detail.

Each country meeting will end with a consensus-based resolution focusing on key opportunities and constraints on addressing some specific procedural NTBs. Some of these meetings will be held in provinces bordering India with other four South Asian countries – the purpose is to get sub-national actors engaged more with trade and trade-related issues. The first meeting of this series will be held in take place in Chandigarh on December 07, 2012 followed by Chennai in December 12, 2012 respectively.

Participation

- Bipul Chatterjee attended the meeting of the Advisory Council of the Chief Economists of the World Bank at Islamabad, Pakistan on September 09-10, 2012. He also participated as a speaker in Fifth South Asia Economic Summit at Islamabad, Pakistan on September 11-12, 2012.
- Bipul Chatterjee attended an event on Aid for Trade organised by the Commonwealth Secretariat at London, UK on August 31, 2012.
- Archana Jatkar attended a consultative meeting on 'Voluntary Standards and Certifications: Role in Promotion of Business and Sustainable Development in India' organised jointly by Iseal Alliance with GIZ, Swiss Embassy and Soldairdad at New Delhi, on July 10, 2012.
- Suresh Prasad Singh participated in the Second Phase of International Training Programme on Rules of Origin organised by Swedish National Board of Trade in Bandung, Indonesia, during May 02-06, 2012.

Discussion Paper

Defining the Future of Trade Need for a Geneva Consensus

With right conditions and right policy mix, trade liberalisation can be an effective tool for poverty amelioration and reduction in income inequality leading to inclusive growth. Though this can be contested through micro studies, broadly speaking it is evident from trade liberalisation in the 20th century and its impact on economic growth and development. Given the emerging challenges in the 21st century, is it possible for the multilateral trading system under the aegis of the WTO to address them?

This Discussion Paper argues that it is possible provided two conditions (strengthening of the WTO to act as an institution where diverse expectations can be harmonised and collective stability to the multilateral trading system by the new Quad of the WTO Members) are met with a reasonable degree of success. And for this to happen, a Geneva Consensus is to be evolved for multilateralism to work better.

www.cuts-international.org/pdf/Defining_the_Future_of_Trade.pdf

Briefing Papers

Trade and Environment Linkages: Empirical Evidences from Textiles & Clothing Sector in India

A nation prospers if its developmental process allows for an efficient allocation of resources. At present, rapid industrialisation is occurring in the South at the cost of environmental degradation. As such, there is a growing concern about the need for compliance to environmental standards by industries to minimise their environmental impacts. Given this backdrop, this Briefing Paper empirically analyses the effect of environmental standards in Indian T&C sector.

www.cuts-citee.org/pdf/Briefing_Paper12-Trade_and_Environment_Linkages-Empirical_Evidences_from_Textiles_and_Clothing_Sector_in_India.pdf

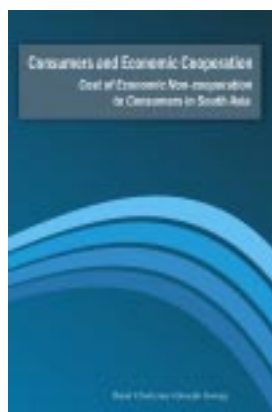
Indo-Pak Trade A Visit to Historical Relations

India Pakistan trade relations have traversed through numerous oscillations and phases over the last six decade period. In the recent past, especially since 2011, trade relations between the two countries appear to be taking a positive turn. This Briefing Paper aims to analyse in phases the historical trade relations, gather highlights of so far constrained India Pakistan trade relations, and suggests measures to increase trade volumes between two countries to a reasonable level.

www.cuts-citee.org/pdf/Briefing_Paper12-Indian_Textiles-and_Clothing_Sector_Environmental_Standards_and_Consumer_Knowledge_in_the_EU.pdf

Research Reports

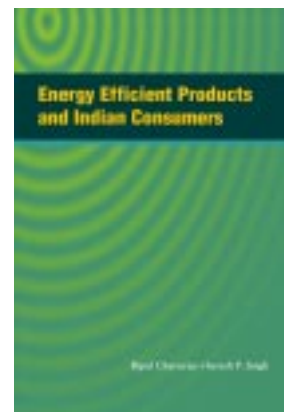
Consumers and Economic Cooperation Cost of Economic Non-cooperation to Consumers in South Asia



This publication offers new insights into simple ways in which South Asian countries can harness the benefits of imports by relying on each other's export competencies. They would only be required to re-source their current costlier imports from rest of the world with cheaper alternatives available in the neighbourhood with no risk to domestic industries. As the prospect of making new inroad into regional markets through a more open trade regime increases, producers will have reasons to cheer.

www.cuts-citee.org/pdf/Consumers_and_Economic_Cooperation-Cost_of_Economic_Non-cooperation_to_Consumers_in_South_Asia.pdf

Energy Efficient Products and Indian Consumers



This report provides a basis for designing future strategies for enhancing the use of energy efficient products in India. It analyses consumer behaviour on energy efficient products, presents their perception on various issues relating to energy efficiency, and draws from international good practices. It is based on a survey of more than 20,000 households covering 19 major states and three union territories. Moreover, a number of traders and manufacturers of energy efficient electrical appliances were surveyed to understand supply-side factors. A total of 76 districts and 19 state capitals were covered.

www.cuts-citee.org/pdf/Energy_Efficient_Products_and_Indian_Consumers.pdf

India Looks to Leverage its Market Clout

Livemint, April 06, 2012

Under the proposed national policy, all procurements worth more than a minimum threshold will become liable to offsets. This minimum threshold could vary between ₹500 crore and Rs 1,000 crore, and the offset obligation could amount to at least 30 percent of the contract value.

www.livemint.com/Politics/R5R2aAEU8QBSpaUxYEoWwl/India-looks-to-leverage-its-market-clout.html

Centre Approves Public Procurement Bill

Business Standard, April 13, 2012

The Union Cabinet approved a legislation that seeks to cleanse the system of procurement woes for public entities in the country. The draft Public Procurement Bill, 2011, seeks to regulate any government purchase of more than ₹50 lakh through a transparent bidding process. The Bill, touted as Congress chief Sonia Gandhi's pet project, would also have a provision to debar bidders found engaged in corrupt practices, sources said.

www.business-standard.com/india/news/centre-approves-public-procurement-bill-471193/

Pradeep Mehta in WTO Panel

The Hindu, April 14, 2012

The World Trade Organisation (WTO) announced that Pradeep Mehta of Consumer Unity & Trust Society (CUTS) has been included in the high level panel formed to identify 21st century trade challenges. The first meeting of the panel will take place in Geneva on May 16, 2012.

www.thehindu.com/business/Economy/article3314834.ece

Bill to Regulate Govt Purchases Introduced

Livemint, May 14, 2012

A Bill covering all government purchase contracts worth more than ₹50 lakh was introduced in Parliament in a push to reduce graft and hold officials involved in the decision-making process accountable.

www.livemint.com/Politics/T0ymfXVHHJOnGo1PioOs3J/Bill-to-regulate-govt-purchases-introduced.html

Strengthening Trade Ties among SAARC Members

Financial Express Bangladesh, June 01, 2012

Leading policy makers and researchers have suggested for improving agriculture production by using quality seeds and strengthening trade relations among the member-countries of South Asian Association for Regional Cooperation (SAARC), to ensure food security in the region.

www.thefinancialexpress-bd.com/more.php?news_id=131468&date=2012-06-01

GDP Slowdown - Is India's Growth Story Over

Real Time News, Asia, June 05, 2012

While any discussion on topical issues at the "Functional Competition Policy" forum – organised by CUTS – tends to see both anti and pro-government opinions, the mood was extremely sombre when discussing India's latest economic quagmire.

http://rtn.asia/1303_gdp-slowdown-indias-growth-story-over

Sri Lanka Can Cut Imports by 31%

The Island, Sri Lanka, July 10, 2012

While the country struggles to recover from a balance of payments crisis, a recent study shows that Sri Lanka can cut its import bill by 31 percent, at the least, and make considerable welfare gains if intraregional trade improved. A recent study 'Consumers and Economic Cooperation: Cost of Economic Non-cooperation to Consumers in South Asia' by CUTS shows that South Asian consumers are expected to gain more than US\$2bn annually as a result of enhancement of intra-regional trade.

www.island.lk/index.php?page_cat=article-details&page=article-details&code_title=56393

BRICS to Form Working Groups on Trade, Investment Promotion

PTI, July 18, 2012

India and four other BRICS countries are soon expected to set up working on trade facilitation, customs cooperation, among other issues, to enhance economic ties among the members.

<http://wrd.mydigitalfc.com/news/brics-form-working-groups-trade-investment-promotion-376>

Time to move forward to achieve greater regional cooperation & deeper integration within SA

South Asian News Agency, September 14, 2012

Bipul Chatterjee from CUTS India stressed on including consumer constituency in political economy discourse in the region. Roubina Athar from Pakistan highlighted the role of civil society organisation and said, SDPI in Pakistan and CUTS in India can help inform their governments about the consumer perspective in policy-making.

<http://www.remittancesgateway.org/index.php/press-clippings/other-news/1465-time-to-move-forward-to-achieve-greater-regional-cooperation-a-deeper-integration-within-sa-fm>

Pak-India Trade to Boost Regional Integration

Dawn, Pakistan, September 23, 2012

The current progressive dialogue on trade between Pakistan and India will not only benefit the two economies but will also serve to increase trade among SAARC countries," Pradeep S Mehta, a member of the WTO's high-level stakeholders' panel for defining the future of trade in 21st century, told Dawn on the side-lines of the talks between Pakistani and Indian officials.

<http://dawn.com/2012/09/23/pak-india-trade-to-boost-regional-integration-wto/>

WTO hopes regional integration from Pak-India trade boost

Gulf Times, September 24, 2012

The decision taken by Pakistan and India to scale down tariff to a maximum of five percent and remove all NTBs by 2020 will lead to regional integration, according to an official of the Geneva-based WTO.

www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=533019&version=1&template_id=41