

RESEARCH ACTIVITIES

(2006-07)

1. Relationship between Convention on Biological Diversity and the Agreement on TRIPS

The study entrusted by the Department of Commerce, MoC, focused on the interface between the rights and obligations that have been recognized by CBD, and the Agreement on TRIPS. Implementation of the CBD and the Agreement on TRIPS in a mutually supportive manner raises several issues that require careful consideration.

The study argued that the problems arising from bio piracy and misappropriation of traditional knowledge (TK) can be addressed by introducing a mandatory requirement to disclosure of sources of origin and evidence of prior informed consent and fair and equitable benefit sharing in a patent application. A mandatory obligation on the patent applicant as part of the norms of disclosure would, to an extent, be a self-policing provision. The approach would have the following advantages: (i) it would be an additional reason why the patent applicant would be encouraged to comply with the national laws on ABS; (ii) the onus would be on the patent applicant, so member countries cannot raise the objection of higher administrative costs for the patent office; (iii) it would enable patent offices to be more vigilant while examining patent applications that deal with biological resource and associated TK; and (iv) it would serve as a critical tool for biodiversity rich countries like India in tracking down applications based on bio resources and related TK, and enable adequate challenges to specious patents.

2. Preparation of India's Position on Future Rules in the Area of Services

The study conducted on behalf of MoC, examined various issues that need to be considered in the context of domestic regulations, which is one of the most important aspects in the area of rules pertaining to trade in services. The General Agreement on Trade in Services (GATS) recognizes the right of members to regulate, and to introduce new regulations on the supply of services within their territories in order to meet national policy objectives. The issue of domestic regulation assumes importance for developing countries

like India in their quest for obtaining increased access in the large developed country markets. The study provided overview of the issues that can arise in establishing effective disciplines governing domestic regulations in services.

3. Terminal Evaluation of Export Promotion Scheme of Handicrafts

The study sponsored by the Office of Development Commissioner (Handicrafts) Ministry of Textiles, was conducted with the following terms of reference:

- Identify the main beneficiaries of the scheme
- Analyze the relative significance placed to different components of the scheme by intended beneficiaries
- Analyze whether distribution of gains among exporters is equitable and efficient in terms of the export increment obtained
- Analyze whether intended beneficiaries have received the targeted benefits
- Analyze whether the shortcomings, if any, can be attributed to the scheme or the implementation thereof
- Identify the modifications required in the scheme in the light of market response and altered business environment, particularly the WTO regulations on financial assistance for export promotions.

4. Harnessing India's Economic Potential in China: Strategies for Cooperation and Synergy

The study undertaken on its own by IIFT makes an attempt to understand the bilateral relationship analyzing the past and recent developments with focus on the political and economic relationship between India and China. It analyzes the macroeconomic performances of these two countries to understand the development strategy and makes a detailed study on the trade dynamics and possible fallout of a trade agreement. The study recommends that India should negotiate using sector by sector approach rather than a negative list approach and bargain hard for services (IT, entertainment industry, logistics, financial services, English teaching, etc.) *vis-a-vis* manufacturing.

5. Automobile Industry: India, South-East Asia & China

The study was initiated by IIFT on its own. The objective of this study was to analyze variation of growth of industry in select Asian countries, viz. India, China, Thailand and Indonesia. Ownership structure, taxation, domestic market and performance in international trade have been discussed. The study also focusses on how Asian auto industry is coping up with the national as well as international demand, in a world where automobile markets are getting consolidated and distribution channels have become more streamlined. This is all the more important as the product life cycle of each automobile model is getting squeezed.

6. Export Development Plan of Sikkim

The study was sponsored by APEDA. As a part of study on Preparation of Export Development Plans for North Eastern Region, the Institute has also prepared a draft Export Development Plan for Sikkim that includes following components:

- Review of Sikkim's resource base
- Identifying international marketing opportunities for Sikkim
- Identifying products with export potential from Sikkim
- Development of strategy for export promotion from Sikkim

The study has attempted to find the weak links related to export growth of the state which needs to be addressed for evolving an export marketing strategy. The action points proposed in the study include development of institutional mechanism for export promotion, development of export marketing skills, creation of website and establishment of integrated International Marketing Information Centre, establishment of cold storage and refrigerated transport facilities, establishment of permanent trade display and information centre at Gangtok, development of virtual trade fair, providing incentives for export promotion by the State Government, horticulture development, addressing comprehensive strategy on issues related to border trade, creation of a WTO cell and formulating an integrated strategy for overall development of export oriented production. Besides,

the options for getting finance under various schemes have also been suggested.

7. Foreign R&D Centres in India

The study was sponsored by DSIR. The objective of the present study was to learn from the activities of foreign owned R&D centres in India, and come to a policy prescription after making a careful study of the characteristics of R&D activities of select foreign R&D centres in India and their role in domestic R&D capacity building. The study is limited to R&D centres in India owned by foreign companies in certain select sectors. The sectors included are the following: Bio-technology & Pharmaceuticals; Agriculture; Computer Software & Hardware; Automobile; Chemical; Others (including electronic/mechanical).

8. Research Study on "Exportable R&D Services from ICMR System"

The main objectives of the study sponsored by DSIR were to:

- examine the types of R&D services available from the ICMR system, laboratory-wise in different sectors.
- find out the availability of major facilities associated with R&D work with ICMR laboratories.
- identify constraints and suggest measures to enhance exportable R&D services.
- come out with the suggestions and recommendations to promote the export of R&D services from the ICMR system.

Following are the major findings:

- Level of international exposure for marketing R&D services and global competition in most of the labs is inadequate.
- Some of the laboratories under the ICMR system have taken initiatives to forge research partnerships with MNCs, which can be leveraged to provide R&D services in areas such as drugs and pharmaceuticals, etc.
- There is potential to export R&D services from ICMR system in various areas of their core competence. However, they are lacking in information regarding business opportunities, inclination and orientation towards international marketing of R&D services.

- The various exportable R&D services of 19 ICMR are: Testing, Training, Consultancy Services, Surveys, Studies, Clinical Trials, Contract Research and Supply of Information/Database.

9. New EU-GSP: Implications on Indian Textiles & Clothing Sector

The study was conducted on behalf of the Textiles Committee, Government of India, Ministry of Textiles.

The objective of the study was to analyze the impact of the new GSP scheme introduced by the EU on 1 April 2005 (valid till 31 December 2008), on the textile and clothing exports, and to suggest necessary strategies to maximize the benefits for the small and medium Indian textiles and clothing exporters under the scheme. The basic assumption that guided the study was the apprehension about the Indian exporters losing GSP benefits on account of stringent Rules of

Origin (RoO) provided under the new EU-GSP scheme, which requires strategizing to get benefits out of the scheme. Based on a survey covering textile clusters in Tamil Nadu, Maharashtra, Karnataka and New Delhi, the study found out that EU is the top destination accounting for 48.7 per cent of the total exports. The enlarged EU market has opened up possibilities of increased exports as well as thrown challenges for the exporters in terms of competition from countries such as China. The challenges come both as demands for better quality products and for newer and contemporary designs. Added to this is the fact that the demands for the Indian textile products have been increasingly coming from countries such as Poland, Czech Republic, Slovakia, Cyprus, Malta, Hungary, Slovenia, Latvia, Lithuania and Estonia. The study also found out lower levels of awareness among the Indian textiles and clothing exporters of availability of preferences as well as of utilization of the existing spaces for maximization of benefits.