

# Research Activities

(2007-08)

## 1. Review of Implementation of the Agreement on Agriculture

This Study was sponsored by the Ministry of Commerce & Industry. It examined the implementation issues relating to the subsidies discipline under the AoA. It analyzed the implementation of commitments relating to subsidies for the US and the EU. The findings relevant from the point of view of the on-going Doha Round negotiations in which India, along with the other developing countries, have argued that any agreement reached at the end of the negotiations should include strengthened disciplines aimed at reining-in of developed country subsidies.

## 2. Export Potential Survey and Strategies for Karnataka

The Sponsors - VITC, Karnataka government- has assigned IIFT a study to identify the potential products and associated policy measures to boost their export. The study was carried out in two phases. In the first phase the potential products were identified through analysis of secondary data. In the second phase, the research team conducted a survey of various stakeholders. The survey was held in six identified districts of Karnataka. Through this survey, the validity of secondary analysis was tested through stakeholder's perception about potential exportable products. The perception survey helped to add some products over and above the list identified through secondary analysis. Secondly, problems associated with exporting products from Karnataka were also identified. The study further tried to filter the results through analysis of tariff and non-tariff barriers in the destination countries for the identified products. Based on this a set of recommendations have been made which suggests a comprehensive strategy for the state government to follow. It is expected that the suggestions of this study would be taken up for implementation by Karnataka Government.

## 3. Food Safety Challenges Faced by Processed Food Exporters in EU Country Markets

European Union (EU) legislation calls for many health and supervisory requirements that are meant to guarantee that imports meet the standards of production in Member states. However, the EU's rules on certification for imports are complex and are not always harmonized across Member States. Also difference remains in both regulatory and technical requirements and countries have different approaches to surveillance and enforcement. Further, the private food safety guidelines and standards (EUREP-GAP, HACCP, BRC, SQF, and ISO 9000) imposed by importers and retailers for the production, handling, and distribution of fresh fruits & vegetables and fish products, which exceed the public food safety requirements, throw further challenge.

In this context, Centre for MSME Studies, IIFT and EU- India Trade and Investment Development Programme (TIDP) developed the database including the rules and regulations of the select EU countries for major agricultural items of export importance to India. European Union countries included UK, Spain, France, Italy, Denmark, Belgium, Germany, and Netherlands and the identified products under consideration were Dairy, Meat, Poultry, Eggs, Honey, Rice, Spices, Fresh and Processed Fruits & Vegetables, Nuts & Oilseeds. Report has been submitted by the Centre and the software preparation is presently in progress.

## 4. Study on "Appreciation in Indian Rupee: Challenges For Indian Handicrafts Exporters"

A study to assess the Impact of Currency Appreciation on India's Handicrafts Exports was conducted by the Institute at the request of the Development Commissioner (Handicrafts), Ministry of Textiles, Government of India. It was a quick Study which had to be completed within a time-frame of 21 days covering four major clusters of

handicrafts, viz. Moradabad, Jodhpur, Narsapur and Mirzapur.

The draft report was submitted to the Development Commissioner (Handicrafts) and further refinements are in progress.

## **5. Survival of Start-Ups**

A study on Status and Technological Needs of Start-Ups was taken up with the funding from Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India.

The study identifies the difficulties and constraints faced by Start-up companies in India and suggests remedial measures.

The major findings of this study include the following:

In India, Start-ups have performed below expectation due to a combination of factors which ranges from attitude and habits of Start-ups themselves to credit availability, technology absorption, market information, environmental related factors and frequent government policy changes.

## **6. Gauging Potential of India's FTA with the Gulf Cooperation Council (GCC)**

The Research Study which is in progress was sponsored by the Ministry of Commerce & Industry. The study intends to analyze the economic synergies between India and the GCC countries, and attempts to assess the benefits which will accrue to India on entering into a Free Trade Agreement with the latter. It will analyze the prospect of an FTA in goods sector considering the potential opportunities and both the tariffs and non-tariff barriers. It will also briefly comment on the potential import consequences. The study intends to analyze both currently traded and potentially traded products. Possibilities of broadening this agreement to include services and investment will also be evaluated.

## **7. Feasibility Study for Setting-up a Cashew Board**

A detailed review of the issues constraining the overall development of cashew industry in India

has been carried out. Given the strong inter-relationships between production, processing and marketing activity, the review of the existing institutional and organizational set-up was carried out to analyze the effectiveness of policy support for the overall development of the cashew industry.

In the context of increasing global competition, the suggestions have been drawn, keeping in mind the emerging concern areas and the need to strengthen the domestic cashew industry.

Some of the suggestions proposed are:

1. Development of Cashew Industry should focus on all nodes of the value chain, i.e. Production, Processing, Marketing and Exporting.
2. At the Production Level, suggestions for increasing yield and commercial orientation of the crops were proposed.
3. At the Processing Level, suggestions for linking processing to production were forwarded.
4. At the Marketing Level, proposal for understanding the dynamics of domestic market and integrating the same in the export market was put forth.
5. Changes at Organizational Level were proposed.

## **8. Need and Feasibility of India's Bilateral Free Trade Agreement with Israel**

The Study conducted for the Department of Commerce studied the following:

- Macroeconomic Profile and Performance of Israel
- Analysis of External Sector of Israel
- Bilateral Trade Relations with India
- Analysis of Potential Tradable Products
- Analysis of Trade Barriers
- Goods Sector Cooperation
- Cooperation in Service Sector
- Investment Opportunities.