

CAN GEOGRAPHICAL INDICATION CONSIDER FOR CREDIBLE DEVELOPMENTAL –
ANALYSIS ON INDIAN PERSPECTIVE LEADING TO DEVELOPING ECONOMIES!.

Prof. Ganesh S. Hingmire, Paresh Chinchole, GMGC, India

Agriculture is the art and business of cultivating soil, producing crops and raising livestock. India in general is an agricultural based economy with many countries relying on agriculture for subsistence and as their main source of income. Few years back, India was among the category countries whose economy largely relies on agriculture compared to other sectors. However, over the period of time, agricultural contribution to GDP has consistently declined from 51% to current 17.95% (Source: Planning Commission, Government of India). The major factors responsible for this decline are poor market scenario for farm produce, rise of the service sector and industrial development in India.

Agriculture being fundamental in economic development of India; it contributes 17.95% of the gross domestic product (GDP) and constitutes 10% of the export earnings. This means that India stands to gain significantly from the positive outcomes of the World Trade Organization (WTO) 10th Ministerial Conference scheduled during 15-18 December 2015, at the KICC in Nairobi, Kenya.

Globalization has reduced the sense of isolation felt in much of the developing world and has given many people in the developing countries access to knowledge well beyond the reach of the wealthiest in any country a century ago. Opening up to international trade has helped many countries grow far more quickly than they would otherwise have done. International trade helps economic development when a country's exports drive its economic growth. Export-led growth is the centerpiece of the industrial policy that enriched much of Asia and left millions of people out there far better off. However, to a major extent, the globalization or international free trade failed to streamline the agricultural exports from the developing countries. For many people in the developing countries, working in the factory is a much better option than staying down on the farm and growing crops which do not get the optimum price in market. Because of the artificial scarcity, farm produce get an escalated price, however, hardly any of those benefits reach directly to the farmer as they had already sold their produce to the agents at a low price. The number of farmers' suicide in the developing world has gone up over the last decade as the one who feeds the world is famished himself and buried under the huge pile of debt.

Advancing the development of the developing countries by creating better and more opportunities has been the objective of WTO. As a result of which, the world was to see a more balanced economically and socially just order. However, twenty years since the formation of WTO, all we experience are broken promises as the global trade rules tend to make developed countries more developed. In spite of the strengthened raised by some of the developing countries, developed countries and transnational corporations within them have grown more powerful, strident and aggressive. It appears “to ‘take’ from and not to ‘give’ to developing countries” is an agenda of the developed world.

In such a scenario, under the World Bank’s Rural Development Program, wherein the promotion of Geographical Indication (GI) was on agenda of this program, we at GMGC, had an opportunity to work with the World Bank to execute the project with filing of 23 Agricultural products from the State of Maharashtra with the support of Dept. of Horticulture, Gov. of Maharashtra.

Most of the agricultural products with highly nutritious profile hold an incredible potential to yield significant earnings to the farmers communities. To name a few of such products – are Kokum (*Garcinia indica*), Waigaon Turmeric (*Curcuma longa*), Vengurla Cashew, Ratnagiri Alphonso Mango etc.

Kokum is a rich reservoir of Hydroxy Citric Acid (HCA) which functions as weight loss agent. Traditionally, it is being used as natural weight loss agent. An industrial production of extract of HCA will not only create job opportunities in the area of Sindhudurg and Ratnagiri districts (MS, India) but also earn significant revenues to the producer farmers.

Turmeric from Waigaon (Dist. Wardha, MS, India) contains one of the highest percentage of Curcumin and is being used and recommended for daily consumption yielding health benefits.

Vengurla cashew fruit from Sindhudurg District (MS, India) contains 86% juice content which is 12% higher than any other cashew variety. This cashew apple contains 5 times high Vitamin C than orange.

Such products are known locally and even been applied and registered as Geographical Indications. But mere registration of GI doesn’t serve the object with which the GI Act is enacted which reads as:

“The Object of the Geographical Indications of Goods (Registration and Protection) Act, 1999 is three fold, firstly by specific law governing the geographical indications of goods in the country which could adequately protect the interest of producers of such goods, secondly, to exclude unauthorized persons from misusing geographical indications and to protect consumers from deception and thirdly, to promote goods bearing Indian geographical indications in the export market.”

According to the *Cotton Textiles Export Promotion Council (Texprocil)*, textile and clothing export was \$41.4 bn in 2014-15 as against \$39.3 bn in 2013-14. While according to the *Three Year Export Statement of APEDA Products*, the agriculture export for the preceding three years was \$21.73bn in 2012-13, \$22.72 bn in 2013-14 and \$21.51 bn in 2014-15. Agriculture plays a vital role in India’s economy since more than 58% of the rural households depend on agriculture as their principal means of livelihood. Thus, if rightfully promoted, the agriculture sector holds phenomenal potential for holistic rural development while enhancing the foreign exchange for India. What we require is a level playing field in terms of interest rates, timely release of incentives and policy support.

We have repeatedly raised the issue regarding Geographical Indication at WTO’s various Ministerial Conference which we attended so far. Our Position Paper on GI title as *“The need of an Hour! Agrarian products need same level of protection. (Additional protection of Geographical Indication to be extended to agricultural products other than wine and spirit)”* has been recorded and published on the website of WTO.

Europe has so far applied for the GI protection of its 136 GI products in India, mainly covering agricultural sector. On the contrary, until now, India has applied for only two Agricultural products as a PGI in Europe, out of which only one has got PGI registration (Darjeeling Tea). The protection under PGI contributed a great extent to the remarkable success of Darjeeling tea. Obtaining PGI protection and ensuring European market to the Agricultural products is a need of the hour and that itself will act as a tool for the promotion and branding of GIs. The task support for PGI recognition to Agri GI is one of the strong suggestions along with the guaranteed market at WTO member countries like wine and spirit under Trips Agreement.

The Geographical Indication products are a part of our rich heritage and we feel it is our collective responsibility to bring the genuine and original products into the mainstream trade.

A highly contentious issue concerning GIs in the TRIPS Agreement is the hierarchy in the level of protection between 'wines and spirits' and the 'other products'. Many member countries have been demanding resolution to this hierarchy by removing the restrictions imposed by Article 23 of TRIPS on wines and spirits. Interestingly, member countries opposing the demand for GI extension agree that there is no rational basis to the said hierarchy.

All products are covered by Article 22, which defines a standard level of protection. This says geographical indications have to be protected in order to avoid misleading the public and to prevent unfair competition. Article 23 provides a higher or enhanced level of protection for geographical indications for wines and spirits (subject to a number of exceptions, they have to be protected even if misuse would not cause the public to be misled). A number of countries want to extend this level of protection to a wide range of other products, including food and handicrafts.

In pursuance of the discussion above, we strongly support the statement made by the Kenyan Foreign Minister, Hon'ble Ms. Amina Mohamed that the Doha Development Agenda (DDA) negotiations cannot be concluded without "credible" developmental outcomes.

Prof. Ganesh Hingmire,

Chairman,

GMGC