

Contents

Fresh troubles in the offing for India's basmati exports	2
EU to ban Indian mangoes, vegetables	3
India tightens certification norms for fruits, veggies to pacify EU	4
EU decision to ban Indian mangoes imports is pre-mature: Rajeev Kher	6
Local responses to global standards	7
India, US seek to better drug-making processes	9
India drawing up plan to fix trade gaps, fight protectionism	11
Indian food industry poses trade barriers: USTR.....	12
Govt plans strategy on quality issues in trade.....	13
India mulls legislation to meet technical roadblocks in trade	15
Commerce secretary, Rajeev Kher urges industry to adopt global standards fast to counter TPP, TTIP impacts	16

Fresh troubles in the offing for India's basmati exports

Sutanuka Ghosal, Economic Times

Kolkata, 27 March 2014: India's basmati exports to Iran have slumped as the Islamic nation has introduced a new set of standard for basmati rice imports. Iran is the largest importer of basmati rice from India and in the current fiscal the country is expected to import 10 lakh tonne of basmati.

Talking to ET, MP Jindal, president, All India Rice Exporters Association said: "Iran has revised their accepted level of arsenic in basmati rice from 150 ppm to 120 ppm (parts per million). Due to this change in the accepted level of arsenic, basmati exports to Iran has temporarily slumped. In addition, the documentation process has also become time consuming. These two issues have slowed down exports to Iran." The rice trade will need time to reduce the arsenic content in basmati rice. In the meantime, exporters have become active to see that business with Iran does not suffer and so they have decided to take a delegation to Iran next month to sort out the issues with Iranian authorities. "We are hopeful that exports will resume from April. Iran is a major market for us," said Jindal.

India is expected to export 40 lakh tonne of basmati rice in the current fiscal. Of this, 10 lakh tonne is expected to be imported by Iran and the rest 30 lakh tonne is expected to go to Europe and Saudi Arabia. "Next year, we are expecting to export around 43 lakh tonne of basmati rice," said Jindal. Rising income levels in the Middle East have also helped boost demand for basmati rice, traders said.

The total rice exports from India is expected to be around 100 lakh tonne in the current fiscal. The international price of basmati is at \$1,450 per tonne in the current fiscal compared to \$1,100 per tonne in 2012-13. In rupees, prices are in the range of 5,400 to 6,200 per quintal compared to Rs2,500 to 3,500 per quintal in 2012-13.

Earlier, Western sanctions forced India to trim oil purchases from Iran but the latter remained a loyal and large customer. As sanctions stalled dollar payments in 2012, Iran started settling part of its oil debt in rupees and Iran was making use of rupee transactions to buy goods from India.

The rupee trade gave India an edge over other rice suppliers such as Pakistan which do not have such huge debts with India. This enabled India to establish a near monopoly in exports. Jindal also pointed out that brown basmati rice is gaining ground in EU. "Better marketing and consumer awareness is driving brown basmati sales. However, it will be difficult for us to give the numbers now. But definitely the segment is growing," the AIREA president added.

[\[Back to top\]](#)

EU to ban Indian mangoes, vegetables

The Hindu

Brussels, 27 March 2014: European Union member states, on Wednesday, decided to ban the import of five types of fruits and vegetables from India, after several batches were found to be contaminated by pests such as fruit flies, the bloc's executive said.

The prohibition, which goes into effect in May, covers mangoes, aubergines, the taro plant and two types of gourd. These represent less than 5 per cent of the bloc's fresh fruit and vegetable imports from India, according to the European Commission.

Pests that are not native to Europe were found in 207 fruit and vegetable consignments from the subcontinent last year, the Commission said, adding that they "could pose a threat to EU agriculture and production." The EU's executive also said there were 'significant shortcomings' in the certification systems that prevent contaminated goods from being exported. The ban, agreed by a committee of experts representing member states, is to be reviewed by the end of 2015.

[\[Back to top\]](#)

India tightens certification norms for fruits, veggies to pacify EU

Amiti Sen, Business Line (The Hindu)

New Delhi, 22 April 2014: Exports of all perishable items to the European Union from India will now be routed through recognised pack-houses under the vigilance of plant protection inspectors to minimise quality glitches.

The move is aimed at convincing the EU, that recently banned export of five fruits and vegetables from India as pests were found in some consignments, to reverse its decision.

“We have asked the EU to send its team of experts to see our improved inspection and quality certification process and lift its export ban,” a Commerce Ministry official told *Business Line*.

The EU’s Standing Committee on Plant Health imposed a ban on Indian mangoes, bitter melon, taro, egg plant and snake gourd, as pests and insects were detected in a number of consignments shipped from the country.

Ban may be extended

The ban, which will be applicable from May, could be extended to other perishables if EU is not satisfied about India taking genuine steps to improve its sanitary and phyto-sanitary certification process, the official said.

Although only about 5 per cent of India’s total exports of perishables to the EU have been affected at the moment, there is much more at stake as the country exports fruits and vegetables worth over €400 million to the region.

Indian officials from the Commerce Ministry and the National Plant Protection Organisation (NPPO) under the Agriculture Ministry recently met officials from the EU’s Directorate General for Health and Consumer Affairs in Brussels to discuss the ban.

“We informed the EU that India had already decided to put in place an improved inspection and quality certification process when the ban was announced and the EU should have waited for it to be implemented. Now that we have gone a step forward and are getting the packaging process supervised by NPPO inspectors, there shouldn’t be any more problems,” the official said.

The Agriculture and Processed Food Products Export Development Authority (APEDA), in its notification, has specified that it is not only essential for pack houses to follow complete procedure for export of fruits and vegetables to the EU laid down by it, it also has to maintain records of arrival of material and actual shipped quantity and report it daily to the Government.

Improved inspection

“The number of rejection of consignments at the pack houses has gone up significantly after the stricter inspection and certification process was put in place this month. We are confident that the EU will have less to complain about now,” the official said.

The EU, however, has not given any commitments on when it would lift the existing ban.

[\[Back to top\]](#)

EU decision to ban Indian mangoes imports is pre-mature: Rajeev Kher

PTI

New Delhi, 1 May 2014: India today said the European Union's decision to ban import of vegetables and mangoes was "pre-mature" and shocking and asked the 28-nation bloc to lift the restrictions. "EU's action of banning vegetables and mangoes in our view is pre-mature and it shocked us...." Commerce Secretary Rajeev Kher said here.

He said that EU's agency on sanitary and phyto-sanitary, and India's National Plant Protection Organisation and Agricultural and Processed Food Products Export Development Authority (APEDA) were already discussing the quality issues.

Concerned agencies from both the sides had reached at an understanding and India had already initiated the process to put in place the proper mechanism to deal with the matter related with exports of vegetables and mangoes from India to EU, he told reporters. "For all exports, we have specified a procedure which would necessarily have to involve pack-home before the shipments are made and in our estimation that would have taken care of the problem," he added. Kher said that India has urged the EU's director general for trade to arrive at an early solution for the issue.

Commerce Minister Anand Sharma has already written a letter to EU Trade Commissioner Karl De Gucht on the matter saying that the ban has caused considerable apprehensions and alarm in the country. "It is surprising that the EU Commission has chosen to take this unilateral action without any meaningful official consultation," Sharma's letter has said. It has said that India has mandated strong (SPS) sanitary and phyto-sanitary (related with plants and animals) standards and those norms are enforced by state-run regulatory body, which ensures appropriate compliance. The EU's decision is "unfair" and it would potentially jeopardise India-EU agri trade.

On Monday, the EU banned the import of Alphonso mangoes, the king of fruits, and four vegetables from India for the period from May 1 to December 2015 after authorities found consignments infested with fruit flies. The ban was imposed on Alphonso mangoes, eggplants, the taro plant, bitter gourd and snake gourd to tackle "significant shortcomings in the phytosanitary certification system of such products exported to the EU." Imports have been restricted as 207 consignments of mangoes and some vegetables shipped from India in 2013 were found to be contaminated by pests.

The UK imports almost 160 lakh mangoes from India and the market for this fruit is worth almost 6 million pounds a year.

India, the world's largest mango exporter, sells about 65,000-70,000 tonnes of all varieties of the fruit overseas out of its total production of 15-16 lakh tonnes.

[\[Back to top\]](#)

Local responses to global standards

T S Vishwanath, Business Standard

26 March 2014: Standards across the globe have a potential to impact world trade. This is especially true for exports from developing and least developed countries where companies remain unaware of new rules and regulations applicable to products meant to ensure the safety of people and the environment.

These standards, which sometimes turn into non-tariff barriers to trade that are justified on the basis of health or safety standards, can also be used to act as barriers to trade and are put in place for protectionist purposes. Non-tariff measures (NTMs) in the recent past have also turned into protectionist tools. The Indian government has remained vigilant about the rising number of non-tariff measures in the form of standards and has put some process in place to track and respond to them.

However, it is an important player like industry that needs to take up the work of identifying any protectionist measures. It is also important to note that not all new regulations and standards are barriers and they need to be followed, and industry needs to be vigilant about these new norms that need to be followed.

Surveys on the impact of NTMs, like those conducted by the International Trade Centre, Geneva, have repeatedly shown that, even without protectionist intent, NTMs can raise trade costs, divert managerial attention, and penalise small exporters and those located in low-income countries where access to legal and regulatory information is difficult. Countries imposing NTMs may end up hurting their own competitiveness by making it difficult for domestic producers and exporters to access critical inputs in a timely fashion.

Analysis of data collected by a UNCTAD project on NTMs pointed to the prevalence of technical regulations and standards (technical barriers to trade, or TBT, and sanitary and phyto sanitary, or SPS, measures). TBT affects about 30 per cent of products and trade values, and SPS affect slightly less than 15 per cent of trade.

To compete and succeed in today's dynamic trading environment, an exporter must ensure that his products and services meet rigorous quality requirements (performance, perceived quality, conformity, reliability and durability) demanded by the customer in the global supply chain. While these requirements are much the same for all suppliers and create a level playing field, evidence suggests that some suppliers find high standards and proof of compliance difficult to meet.

Therefore, exporters require information regarding voluntary, market-related, mandatory or statutory requirements, capacity building and advisory services to meet and exceed these requirements economically and consistently and evidence of compliance with requirements acceptable to buyers and regulators. This is where the role of agencies set up by the government to promote exports comes to the fore.

One of the biggest challenges for countries, especially in the developing world, is to harmonise their standards with global standards. This requires a good level of technical expertise. In India, the Bureau of Indian Standards and the Food Safety and Standards Authority of India are tasked with developing new standards, as also ensuring they are in conformity with global standards as far as possible.

With these regulations and standards replacing tariffs in countries across the globe to ensure a level

playing field, it will be important to involve industry in standard-setting platforms as also in the response mechanism.

Industry will need to get a lot more vocal about its needs to meet global standards to ensure that it does not fall short of conforming to standards in markets of interest for exports. There is a need for industry to set up an institutional mechanism to deal with this growing issue of tracking and responding to new regulations and standards. While some large firms have a mechanism, medium and small companies will need to look at institutional mechanism in industry associations to help address this issue.

[\[Back to top\]](#)

India, US seek to better drug-making processes

Financial Express

New Delhi, 11 February 2014: The US Food and Drug Administration and its Indian counterpart on Monday decided to collaborate on inspection of drug units for good manufacturing practices (GMP) compliance and seamless sharing of regulatory information between them. The move, both sides reckon, will ease tensions between Indian drug companies and the US regulator which have escalated recently. This comes even as the US trade representative was slated to announce later in the day a trade enforcement action against India for its disgruntlement over India planning to issue a clutch of “compulsory licences” to local firms sidestepping some patents the US values.

Margaret Hamburg, commissioner of the US FDA, as part of her first, week-long visit to India, inked an agreement with Union health minister Ghulam Nabi Azad under which the two countries will exchange “information relevant to lack of compliance with accepted good manufacturing practices, good clinical practices, or good laboratory practices, as appropriate, by manufacturers and sponsors of medical products”.

Drug companies that have faced adverse regulatory action by the FDA in recent months include Ranbaxy Laboratories, Wockhardt and Strides Acrolab. On January 23, the FDA banned the import of products manufactured by Ranbaxy at its plant at Toansa, the company’s fourth plant to face regulatory action from the FDA, after its Mohali, Paonta Sahib and Dewas plants.

Analysts see the agreement as a sign of the two countries appreciating the mutual benefits of pharmaceutical trade between them — India with its 530 FDA-approved plants is keen to sustain and enhance its exports to the US while the Obama administration’s healthcare plan relies significantly on cheaper generic drugs from countries like India.

India’s pharma exports increased 10% to \$14.6 billion during 2012-13, with shipments to the US accounting for about 26% of that. The country’s pharma exports are soon to surpass domestic drug sales in value.

Curiously, USTR Michael Froman was expected to discuss the trade action against India at a news conference in Washington at 2 p.m. local time (1900 GMT), in what is seen as yet another sign of the mounting US pressure on India to make its patenting regime “more liberal.” India’s patent law has provisions that make it difficult to patent incremental pharmaceutical drugs that don’t satisfactorily improve upon the existing therapies in terms of efficacy. The US is also sore over India not adopting a “data exclusivity” law that could prevent “unfair commercial use” of the information furnished by innovator drug companies with regulators by third parties. Speaking to reporters on Monday, commerce minister Anand Sharma, however, denied any official intimation by the USTR of the reported imminent trade enforcement action.

The FDA commissioner’s India visit comes at a time when several pharma companies in India have come under FDA fire because of alleged serious shortcomings in their production and quality standards. Hamburg, during her interaction with the health minister, said that “there is huge expectation and dependence of public on the regulator to ensure the quality of what the people consume through drugs and food” without specifying any quality problems. She added that “there should be a common set of

standards so that people have quality, safe and efficacious drugs,” emphasising the need for compliance with US GMP standards, which are the considered very strict globally.

Azad, however, defended the quality of drugs exported from India stating that “being affordable should not mean that they are cheap and spurious”. He added that developing countries such as India who have a growing pharma industry should be allowed to grow.

Apart from Ranbaxy, Wockhardt and Strides Acrolab, other Indian firms have also received warning letters regarding manufacturing practices at their units, leading to concerns in some circles that Indian companies are being singled out by the regulator as it supplies low-cost drugs to the developed markets.

As part of the agreement signed on Monday, regulators from both the countries will “inform the respective regulatory authorities before undertaking inspections, so that host-country inspectors may join inspections as observers”.

The 21st commissioner of the FDA, Hamburg also met commerce minister Anand Sharma, later in the day, to discuss collaborative strategies to enhance export of pharmaceutical products, agricultural products, spices and marine products. India is the second largest provider of generic drug products and the eighth largest exporter of food products to the US.

Commerce ministry officials said that Sharma, during his meeting with Hamburg, said that the authority was not giving enough opportunity to Indian pharmaceutical companies to explain themselves before taking action against them for flouting quality norms.

The commerce ministry proposed that it would come up with a paper voicing its concerns with a view to seeking a resolution to the problem at an early date, officials added.

[\[Back to top\]](#)

India drawing up plan to fix trade gaps, fight protectionism

Kirtika Suneja, Financial Express

New Delhi, 9 April 2014: The commerce ministry is working on a plan to meet various sanitary and phytosanitary measures (SPS) and technical barriers to trade (TBT) requirements of its various partners. India and many other developing nations have long blamed the developed countries for using SPS and TBT measures for protectionist purpose. The Western countries not only maintain trade-restrictive standards but also raise them, to the disadvantage of Indian exporters.

Sources said the ministry has initiated a discussion with different stakeholders to handle this protectionism. “We face barriers for exports and there is poor awareness in the industry about such measures due to which the unfair measures of other countries can't be questioned or challenged,” said a commerce ministry official.

As part of the discussion process, the ministry is organising a two-day conclave on the role of standards in international trade, challenges, opportunities and issues. The objective of the conclave is to assess the gaps in existing regulatory and legislative areas, besides arriving at a roadmap of reforms required to meet global challenges.

The WTO Agreements on the Application of Sanitary (for protection of human and animal health) and Phytosanitary (for protection of plant health) Measures (SPS) and the Agreement on Technical Barriers to Trade (TBT) try to strike a balance between the competing uses of standards in international trade. The SPS and TBT agreements acknowledge that governments have the right to take necessary measures for the protection of human, animal and plant health and allow some freedom for setting national standards to the extent required to protect them.

The existing ecosystem has a range of standards like voluntary, mandatory standards (technical regulations), private standards and international standards.

The international standards are made by international standards bodies, ISO, ITU, IEC and at the national level by the National Standards Body- BIS. Technical regulations are framed by individual ministries or regulatory bodies with each agency having its own conformity assessment procedures.

Many regulators have prescribed BIS standards and rely on BIS certification. In the WTO context, there are 1 TBT enquiry points in BIS.

The discussion comes at a time when the United States Trade Representative (USTR) in a recent report titled ‘Report on Sanitary and Phytosanitary Measures 2014’, enumerated its concerns while trading with India in dairy products, pork, poultry, swine, pulses, wheat and barley.

India's concerns over the impact of non-tariff measures (NTMs) on global trade are well-documented and numerous attempts have been made in institutions such as the WTO, World Bank, EU, OECD, UNCTAD and Asean to mitigate their effects.

[\[Back to top\]](#)

Indian food industry poses trade barriers: USTR

Lalit K Jha, PTI

Washington, 1 April 2014: The US has said Indian policies in the food and poultry sector pose significant barriers in bilateral trade.

"Since 2003, India has imposed unwarranted SPS requirements on US dairy imports, which have precluded US access to India's dairy market, one of the largest in the world. India has insisted on onerous certification requirements and refused to accept US food safety and animal health standards as effective," the US Trade Representatives (USTR) said in its annual report on Sanitary and Phytosanitary (SPS) Barriers to Trade.

The report said that India maintains zero-tolerance standards for certain plant quarantine pests, such as weed seeds and ergot. Such zero tolerance standards block US wheat and barley exports to India. Bilateral discussions to resolve these issues continue. Expressing its displeasure on Indian policy in pulses, the USTR said this requires that shipments of all pulses to India be fumigated with methyl bromide (MB) at the port of origin.

"In August 2004, the United States asked India to permit the exportation of US pea and pulse consignments to India without fumigation at the port of origin provided they are inspected and, if necessary, fumigated at the port of arrival," it said.

"India has enacted, but not implemented a requirement that shipments of all pulses to India be fumigated at the point of origin, allowing MB fumigation on arrival, but has offered no permanent solution. The most recent extension expires on March 31, 2014. The United States continues to seek a permanent resolution to this issue," the report said.

Noting that the Indian import certificate for pork requires importers to make an attestation that the imported pork does not contain any residues of pesticides, veterinary drugs, mycotoxins, or other chemicals above the MRLs prescribed in international standards, the report rued that these certificates fail to identify specific compounds and their corresponding international limits, creating uncertainty for importers.

Similarly, the animal health attestations that India requires for the exportation of pork to India are vague, and India requires extra inspections that do not appear to be consistent with international standards, it said.

"India also prohibits imports from the United States of pork products obtained from animals raised outside the United States, notwithstanding the safety of those products. Further, import certificates are valid for only six months and must be obtained for each imported lot."

"The United States will continue to press India to lift its unwarranted restrictions and to revise its import certificates so as to clarify any legitimate requirements and be valid for a reasonable period of time," USTR said.

[\[Back to top\]](#)

Govt plans strategy on quality issues in trade

Asit Ranjan Mishra, Mint

New Delhi, 17 April 2014: With an eye on meeting the challenge of higher quality standards in merchandise trade being specified in regional trade agreements, the commerce ministry will prepare a national strategy on benchmarks and technical regulations through consultation with other ministries. The strategy, aimed at countering the risk of India's exports being undermined by the new specifications, will be presented before a new government.

Commerce secretary Rajeev Kher, who was speaking at an event organized by the commerce ministry and industry lobby group Confederation of Indian Industry (CII), said the ministry will take the proposal to the panel of secretaries and prepare a note to be taken up by the cabinet.

"We are currently going through a transition phase. Any new government would like a constructive agenda. We should use this opportune time," Kher said at the meet.

India is in the midst of a general election that will conclude on 12 May. A new government is expected to be formed by May-end.

As tariffs on merchandise trade have come down over the years, countries, both developing and developed, have increased non-tariff barriers such as food safety standards, reducing market access to exports.

The so-called sanitary and phyto-sanitary measures agreement under the World Trade Organization (WTO) allows countries to set their own standards based on scientific methods. "They should be applied only to the extent necessary to protect human, animal or plant life or health. And they should not arbitrarily or unjustifiably discriminate between countries where identical or similar conditions prevail," the WTO says on its website.

While member countries are encouraged to use international standards, guidelines and recommendations where they exist, members are allowed to use measures which result in higher standards if there is scientific justification as long as such standards are not targeted at a single country.

India's farm and food exports often face entry barriers into other countries due to low safety standards. Kher said the industry needs to adhere to higher safety standards in the domestic markets as well. Kher said the higher standards and rules that would come into force with the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) will pose a challenge if India does not confirm to international standards. India is not a part of negotiations for the treaties.

"What these agreements are going to throw up is a completely new paradigm of standards, rules, regulations and the whole focus is now shifting from typical, traditional manner of trading to how non-tariff related issues are harmonized and synchronized," he added.

Kher said technical standards have become a compulsion for countries like India and an evolutionary pathway in standards is a necessity. "If you do not follow the pathway, either you fall by the wayside or you simply go back to the pre-1991 days where you will increasingly find yourself isolated from the rest of the world," he added.

Sunil Soni, director general of Bureau of Indian Standards (BIS), said ideally there should be one Act governing all standards because a plethora of regulations confuse stakeholders. Soni said the work could start without waiting for a new legislation since BIS already provides a platform for this.

[\[Back to top\]](#)

India mulls legislation to meet technical roadblocks in trade

Financial Express

New Delhi, 17 April 2014: Cabinet secretary Ajit Seth on Wednesday rued India lacking a proper legislative instrument to notify and administer technical regulations.

“Despite the crucial role that standards play in facilitating transactions, India does not have a standards-driven culture. This has implications for both domestic and international sales. It is not surprising that Indian exporters have to incur high costs in order to comply with standards and technical regulations in main foreign markets,” Seth said at a conclave organised by the Confederation of Indian Industry (CII) and commerce ministry on the role of standards in international trade.

The Bureau of Indian Standards (BIS) formulates standards for industrial products and offers certification and testing services, but there isn't a legal framework for the same.

The Cabinet secretary's statement has come at a time when India is faced with strong barriers to trade, the commerce ministry is preparing itself to meet the various sanitary and phytosanitary measures (SPS) and technical barriers to trade (TBT) requirements of its various trading partners.

With developing countries, including India, having suggested that developed countries are using the SPS and TBT measures for protectionist purposes by prescribing overly stringent trade restrictive standards, the ministry has initiated a discussion with different stakeholders to handle this protectionism.

Of the 18,000 notifications issued under these agreements from various countries, regulations issued from India numbered only 93. Even these few were the topic of intense debate.

In fact, recently, the United States Trade Representative (USTR) in report titled ‘Report on Sanitary and Phytosanitary Measures 2014’, enumerated its concerns and the problems it faced while trading with India while trading dairy products, pork, poultry, swine, and pet food, pulses, wheat and barley.

[\[Back to top\]](#)

Commerce secretary, Rajeev Kher urges industry to adopt global standards fast to counter TPP, TTIP impacts

Economic Times

New Delhi, 17 April 2014: Commerce secretary Rajeev Kher on Wednesday called upon the Indian industry to upgrade its quality standards to successfully counter the adverse effects of two of the world's biggest free-trade treaties being negotiated by the US. The proposed mega deals—Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP)—are being seen as attempts to divert trade and investment away from emerging economies like India.

TPP includes all the 12 Pacific Rim countries, including the US, Australia and Japan, while TTIP will essentially be an agreement between the US and the European Union.

Speaking at a conclave on the role of standards in international trade organised by CII and the commerce & industry ministry, Kher said the mega deals would throw up a completely new paradigm of standards and that it was time the Indian industry gave greater importance to them. "If you do not follow this pathway, then either you will fall by the wayside or you will simply go to those pre-1991 days where you will increasingly find yourself isolated," Kher said. "The whole focus is now shifting from typical, traditional manner of trading to how non-tariff related issues are harmonised and synchronised."

India's exports have often run into the wall of standards, which have in the past been dismissed as non-tariff barriers to block imports by countries, but there is a growing realisation that the country needs to take the issue seriously.

Kher said the government was looking to prepare a 10-year roadmap and sought help from all stakeholders and urged all government departments to come together. At present, the Bureau of Indian Standards (BIS) is involved in formulating standards, certification and testing services.

"If you do not conform to standards and technical regulations, your honeymoon will be only for a short period of time." Kher warned the industry, adding that unless international standards are adopted, Indian business will not be able to integrate with larger markets.

Cabinet secretary Ajit Seth backed the need for urgency on this count. "It is essential that the Indian industry inculcates a culture driven by standards... In many countries, product standards are developed through a voluntary consensus of companies engaged in producing competing products," he said, adding that lack of standards add to transactions costs for exporters. "Despite the crucial role that standards play in facilitating transactions, India does not have a standards-driven culture. This has implications for both domestic and international sales. It is not surprising that Indian exporters have to incur high costs in order to comply with standards and technical regulations in main foreign markets," Seth said. He also called for a coordinated mechanism to develop a roadmap on product standards in a time-bound manner. "If we are unable to act with clarity and speed, we run the risk of not only exposing our consumers to inferior goods but also slowly getting excluded from main export markets," Seth added.

[\[Back to top\]](#)