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OPINION IN LEAD

Thought for food: Stop the waste

Global food wastage has emerged as a serious concern. Between one-fourth and one-third of the nearly four billion metric tons of food produced annually for human consumption is lost or wasted according to a recently published Food Price Watch report of the World Bank. In another recent report, Food and Agriculture Organization of the United Nations (FAO) estimates that roughly one-third of edible parts of food produced for human consumption was lost or wasted globally in 2009, which is a whopping 32 percent of all food produced in the world. In caloric terms, global food loss and waste amounts to approximately 24 percent of all food produced.

Food is reportedly wasted throughout the food supply chain from initial agricultural production down to final household consumption. In medium- and high-income countries, immense wastage is incurred on food as it is thrown away even if it is still suitable for human consumption. In low-income countries, food is mainly lost during the early and middle stages of the food supply chain and relatively less food is wasted at the consumer level. It is alarming that the regions ridden by widespread malnutrition and starvation deaths such as South Asia and Sub-Saharan Africa also waste food equivalent to 400 to 500 kilocalories per person per year.

In the South Asia region, India is one of the worst culprits causing massive pre- and post-harvest waste in cereals, pulses, fruits and vegetables. It has also been acknowledged by the Union Agriculture Minister of India that about 40 percent of the total agriculture produce is wasted every year in the country. Despite millions of Indians going to bed on a hungry stomach and amid the skyrocketing food price in India, food worth INR 440 billion is wasted each year. This is primarily because of poor infrastructure, in terms of lack of adequate cold storage, transportation and distribution facilities. Such wastage also entails huge wastage of natural resources and other inputs that go into producing the food, say in terms of water resources, electricity, manpower, etc. It is estimated that more than 230 cubic kilometers of fresh water, enough to provide drinking water to 100 million people a year, goes into producing food items that are ultimately wasted in India.

The global problem of food loss and waste has context specific causes. In case of developing countries, the primary causes of food loss are inadequate knowledge related to agriculture, low level of development of transport infrastructure and logistic systems and poorly engineered storage facilities. Food loss reportedly takes place at the production, storage, processing, packaging, distribution and marketing stages of the food value chain.

Food loss and waste have many negative socio-economic ramifications. Besides reducing the availability of food for human consumption, food loss and waste reduces farmers' incomes and increases consumers' expenses. Moreover, it is also a bad investment and entails a huge loss to the exchequer with increased amounts being spent as food subsidies. Above all, the astonishing volume of food loss and waste constitutes a serious threat to food security, especially in South Asia, given the appalling situation of food-security in the region. Additionally, food loss and waste also have grave environmental and natural resource implications; food wastage represents squandered investment in agriculture coupled with unnecessary greenhouse gas (GHG) emissions and generation of enormous inefficiencies in the use of water, energy, fertilisers, and land.

Effective solutions to reduce food loss and waste clearly require multiple interventions. Even though it may not be realistic to expect zero food loss and waste, several simple, promising, and cost-effective engineering solutions could go a long way in curtailing the losses. Specifically, developing countries need to improve and expand infrastructure in the food value chain with special focus on post harvesting facilities like storage, transport and distribution. There is also a dearth of proper training to professionals and entrepreneurs regarding supply chain logistics.

It is indeed ironical that while millions of people around the world go hungry, there is a colossal wastage of food that could go towards feeding them, reflecting what could be termed as 'poverty in the midst of plenty'.

ANALYSIS

BIMSTEC: Merely futile existence

Nearly two decades have passed since the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) was established in 1997 to connect countries in South Asia and Southeast Asia. But regrettably, BIMSTEC has thus far failed to achieve anything of real significance, and the Third BIMSTEC summit which recently concluded in Nay Pyi Taw, Myanmar did not break the pattern. Apart from the signing of agreements on setting up of BIMSTEC Centre of Weather and Climate in India, Cultural Industries Observatory in Bhutan and the permanent secretariat in Dhaka, no concrete progress was made towards the conclusion of the much anticipated BIMSTEC Free Trade Agreement on trade in goods, services and investments.

With Thailand's initiative, BIMSTEC was conceived to draw India closer to Southeast Asia in order to balance the emerging influence of China. The objective was to replicate the success of Greater Mekong Subregion (GMS) by actively engaging India in BIMSTEC. However, while GMS continues to be a success story, BIMSTEC has largely been a failure. Considering the geostrategic and economic significance of India within BIMSTEC, India must bear the blame for BIMSTEC's poor performance since the faith of BIMSTEC directly depends on India's political will.

Though India lacks political will, India is not to be fully blamed for the sluggish progress since part of the problem is structural. While GMS has a very clear objective to develop economic infrastructure in the Mekong region, with 14 priority areas, BIMSTEC agenda is simply too ambitious. Moreover, issues of security cooperation and counter-terrorism are politically contentious and susceptible to bureaucratic wrangling which makes progress difficult even on other fronts. Importantly, unlike in GMS where countries put priority on physical infrastructure, no particular area is prioritized in BIMSTEC. In all, BIMSTEC has lost its focus by including too many areas, ranging from infrastructure to culture and antiterrorism cooperation. Thus, BIMSTEC should narrow down its focus areas and prioritise the development of economic infrastructure and free trade in order to exploit the economic potential of its members—India, Bangladesh, Sri Lanka, Thailand, Myanmar, Bhutan and Nepal. Also, given the vulnerability of members to climate change impacts, the issue of climate change should additionally be prioritised.

Since BIMSTEC is home to near one-fifth of the world population and bring in a GDP of US\$2.5 trillion, one cannot underestimate the potential of BIMSTEC. Realising this potential,

a framework agreement for BIMSTEC Free Trade Area was signed in 2004 and a free trade agreement (FTA) was supposed to have been agreed on by 2006. But eight years later, FTA still remains a dream. But progress has been made; the Third Summit issued a joint declaration directing the trade negotiating committee to “expedite work for conclusion of the Agreement on Trade in Goods by the end of 2014, and to continue its efforts for early finalisation of the Agreement on Services and Investments”. However, since BIMSTEC includes countries that have FTAs under the South Asian Free Trade Area (SAFTA) agreement, and Association of Southeast Asian Nations (ASEAN) members with their own free trade negotiations, road to BIMSTEC FTA negotiations is full of challenges and is likely to take time to materialise. In terms of climate change, the Summit declaration has decided to enhance cooperation between the members in the field of environmental protection and sustainable development to address the adverse impacts of climate change.

Despite some notable decisions taken at the recent summit on issues related to trade and climate change, BIMSTEC still lacks committed economic cooperation in the development of economic infrastructure. Countries are still debating over commitments to combat terrorism and transnational crimes—issues that can be most effectively resolved through bilateral negotiations. To push BIMSTEC out from its futile existence, member countries need to change their outlook and make BIMSTEC a high priority over bilateral negotiations. Moreover, BIMSTEC needs to direct all of its focus on a particular issue like infrastructure development or FTA in order to increase the likelihood of success, which if attained can pave a way for cooperation between member states in other relevant areas.

NEWS

Iraq agrees to buy Ceylon Tea directly, removes ban on coco peat

Iraq has agreed to directly import Ceylon Tea and also to remove its import ban on coconut fiber pith from Sri Lanka, the Sri Lankan Ministry of Industry and Commerce said.

Iraq and Sri Lanka have reached to the agreement during the eighth session of Sri Lanka-Iraq Joint Committee for Economic Cooperation (JEC) held in Baghdad on 25 February. Sri Lankan Minister for Industry and Commerce, Rishad Bathiyutheen said that the two-day trade discussion held in Baghdad was a great success, and resulted in Iraq lifting ban on Sri Lanka's coco peat, opening their markets wider for Pure Ceylon Tea and 13 new Sri Lankan exports. The Ministry reported that about 15,000 metric tons of tea was being indirectly exported to Iraq through Dubai, Jordan and Kuwait.

Iraqi State Trading Corporation had expressed willingness to buy 13 items from Sri Lanka including rubber tires, stationary, electrical cables, generators and accessories, apparel and textiles, household appliances, toys, foodstuff and covering for trailers, the Ministry said in a statement.

According to the Sri Lankan Department of Commerce, the value of total trade between the two countries rose to US\$89.99 million in 2013 from US\$8.72 million in 2003. Sri Lanka exported goods totaling US\$89.80 million to Iraq while the import value was only US\$190,000 in 2013.

Source: <http://www.colombopage.com>, 28.02.2014.

Indo-Pakistan trade talks hit stalemate

Trade normalisation process between Pakistan and India has reportedly been halted due to Islamabad linked Non-Discriminatory Market Access (NDMA) incentive. Pakistan's auto sector, agriculture sector, All Pakistan Textile Mills Association (APTMA), Pakistan Steel Melters Association (PSMA), pharmaceutical and synthetic fiber sectors are considered India-sensitive sectors and are pleading against opening of trade with India.

According to the sources, Commerce Ministries of both the countries have done a lot of work on trade normalisation process, however, the process cannot move forward till New Delhi shows advancement on the long suspended composite dialogue. Meanwhile, Pakistani Commerce Ministry has submitted a file to the Prime Minister who will take all the stakeholders on board on this sensitive issue. Recently, Indian Commerce Secretary wrote a letter to his Pakistani counterpart and urged him to speed up the process in relation to grant of NDMA status to India. However, Pakistani Commerce Secretary, in return, forwarded Pakistan's demands which included immediate trimming of the SAFTA sensitive list and bringing down the tariff rate to not more than five percent, prior to moving forward.

Earlier, India had agreed to reduce sensitive list and lower its tariffs for Pakistan by 2017. "New demands from Pakistan have put trade normalisation process on ice", the sources continued. New Delhi, sources said, is furious at Pakistan for making new demands, and threatening a delay in the process. Immediate substantial reduction in sensitive list and lowering of tariffs had not been demanded by the Pakistan Peoples Party (PPP)-led coalition government that was the architect of trade normalisation process.

When contacted, Commerce Minister Khurram Dastgir confirmed that a stalemate exists between the two countries, adding trade normalisation process would remain stalled until India takes measures to meet Pakistan's legitimate demands. Dastgir, who has held discussions with the India sensitive stakeholders, stated that the interests of local industry will be protected. On 24 February, a delegation of PSMA held a meeting with the Commerce Minister and conveyed their concerns to him with regard to opening of trade with India.

"If the government opens trade with India, Pakistan's steel industry which is already suffering a massive loss due to expensive electricity and heavy taxes will collapse", said Major Mansoor Ahmad (retired), Secretary General PSMA. He further argued that if the steel trade flood gates with India are opened, local steel industry will be wiped out. The representatives of the Association, who briefed the Minister for 30 minutes, were assured that their interests will be protected but they were urged to improve their quality.

Source: <http://www.brecorder.com>, 25.02.2014.

Pakistan, Afghanistan vow to boost trade ties

Pakistan and Afghanistan, at a two-day session of their Joint Economic Commission (JEC) which concluded in Kabul on 24 February, vowed to enhance bilateral economic cooperation to promote peace and stability. The session was co-chaired by Pakistani Finance Minister Ishaq Dar and his Afghan counterpart Dr Omar Zakhilwal.

The two sides expressed satisfaction over the progress made on Central Asia-South Asia Electricity Transmission and Trade Project (CASA) and Turkmenistan-Afghanistan-Pakistan-India Gas Pipeline Project and said they looked forward to the implementation of the projects.

Pakistani side agreed to consider issues raised by Afghan delegation on the implementation of the Afghan-Pakistan Trade and Transit Agreement. The results will be reviewed in a meeting of customs experts of the two countries by the end of March.

The session reviewed the status of development projects being undertaken in Afghanistan with the financial assistance of Pakistan and agreed to speed up the pace of work on the projects.

Pakistani side presented a new draft of the Avoidance of Double Taxation Treaty and both sides agreed to discuss the issues relating to it at the earliest. The session discussed proposals for cooperation between the two countries in the fields of petroleum and natural resources, industries and production, and agriculture and livestock.

Addressing the concluding meeting, the Afghan minister said: "Improved economic cooperation and interdependency between Afghanistan and Pakistan not only help in bringing prosperity to our two nations but can also promote mutual trust between the two countries". Ishaq Dar called for enhancing bilateral trade, extending the transit trade to Tajikistan, early completion of the projects funded by Pakistan and visa facilitation for Pakistani businessmen and labourers.

During the JEC session, experts of the two countries held meetings on different issues relating to trade, industry and cooperation in the fields of communication, energy, agriculture and livestock, and education. Despite financial constraints faced by Pakistan, Prime Minister Nawaz Sharif, during a visit to Kabul in Nov 2013, had announced that the funding for development projects in Afghanistan had been increased from US\$385 million to US\$500 million as a goodwill gesture to the people of Afghanistan.

The two ministers also visited major projects undertaken by Pakistan under its bilateral assistance programme, including Torkham-Jalalabad additional carriageway, Nishtar Kidney Centre in Jalalabad and Liaqat Ali Khan Engineering Faculty of Balkh University in Mazar-i-Sharif.

Source: <http://www.ekantipur.com>, 07.01.2014.

Pakistan becomes third largest exporter of dates

Pakistan has become the third largest dates exporter in the world. The date sector offers substantial opportunities for exports, income and employment generation in addition to economic growth of the country.

The annual production of dates in Pakistan is estimated at around 535,000 tonnes of which only 86,000 tonnes are exported and the rest are either consumed locally or perish, according to the official of Ministry of Commerce and Textile.

Ahmad Jawad, Chief Executive Officer at Harvest Trading, a private firm involved in dates business, said that Pakistani dates exports could be raised to US\$200 million from the current US\$28 million with the development of proper processing and packaging facilities. Since 1999, per acre yield of dates in Pakistan has not increased much, whereas worldwide production increased by 166 percent, he added. Highlighting the problems, he said that the country lacked storage facilities. Thus, the country had to import dates during the month of Ramadan. "Importers of dates such as Germany, Denmark, India, Nepal, USA, UK,

Afghanistan and Canada are re-exporting Pakistani dates after quality enhancement and preparation of by-products, at a price that is four to six times higher than their import price," said Jawad.

He maintained that the usage of dates increases during the winter season, thus its price and demand surges. Another report by the United States Agency for International Development (USAID) revealed that lack of awareness about best farming practices, improper fruit handling techniques and absence of developed processing facilities are major constraints inhibiting profitable date production in Pakistan.

Source: <http://www.nation.com.pk>, 24.02.2014.

India to allow vehicles coming from neighbouring countries

India will soon start issuing international permits for vehicles entering the country from some of its neighbours, in sync with the plan to build a dedicated international highway. According to sources, such permits would be issued to both commercial and passenger vehicles from Bangladesh and the facility will later be extended to other nations like Nepal, Bhutan and Myanmar.

"An international permit would mean that both passenger and commercial vehicles from another country can enter India despite their being registered in their native country", said a senior Indian road ministry official. The proposed international highway is expected to help increase intra-SAARC trade, which is now much below its potential. Since such a system will have to be implemented with greater security, these permits would come with an 'IT' tracker showing the movement of vehicles. "This plan has got an approval from the ministries of home, finance, defence and external affairs, and it is for the ministry of roads and transport to implement the same", the official added. For this, the finance ministry will have to improve customs check-post facilities.

The move comes after India committed at the SAARC summit that it would encourage road connectivity and allow vehicles from some SAARC nations to enter the country, to boost the exchange of culture and trade.

Increasing rail, port and air connectivity among SAARC countries is also on the cards. "There is huge infrastructural constraint in the region, and we need to address that through greater land and air connectivity and creating port linkages. We need to have freight corridors that will be able to bring down transit costs and road is the first phase of this step", the official said.

The official said the first permit can be issued as early as 2016.

Experts say such a step would have a multiplier effect on the revenues of India, be it in terms of increase in collections of excise and customs duties, or in terms of imports, exports, and the revenues earned by transport division for these permits.

"A decision is already in place by the Trade & Economic Relations Committee for a calibrated approach to improve trade between SAARC countries, and India is working towards first increasing the connectivity within the region", the official said.

The SAFTA agreement on goods came into force on 1 January 2006, which required the developing countries—India, Pakistan and Sri Lanka—to bring down their customs duties to

20 percent in the first phase of the two-year period ending in 2007, and to zero by 2016, in phases.

Source: <http://www.financialexpress.com>, 20.02.2014.

Russia lifts ban on Pakistani agricultural products

The Russian Federation has lifted the ban on Pakistani food products from 24 February, said a notification issued in Moscow.

It may be noted that the Embassy of Pakistan in Moscow made consistent efforts for removal of the blanket ban on all Pakistani agricultural products by Russian Federal Service 'Rosselkhoznadzor' since 30 September 2013, in view of unsatisfactory compliance of sanitary rules and procedures by Pakistani exporters, a message received on 18 February from Moscow said.

In this connection, Pakistani embassy officials in Moscow held several meetings with the head of 'Rosselkhoznadzor', Dankvert Sergey Alexeevich for the removal of ban of all Pakistani agricultural products. As a result, the partial lifting of the ban had been agreed upon as a first step and the import of citrus fruits was allowed by the Russian side. This partial lifting at the start of citrus season was not only unprecedented but very beneficial for Pakistani exporters who annually export citrus worth US\$20 million to Russia.

In his regard, a delegation of Russian Federal Service for veterinary and phytosanitary surveillance visited Pakistan on the third week of January 2014 to resolve all the issues related to import of Pakistani agricultural products to Russian Federation and to enhance collaboration between the two countries.

In a related development, the phytosanitary surveillance informed the Ministry of National Food Security and Research, Government of Pakistan regarding its decision of lifting the temporary restriction on all plant products of high phytosanitary risk from Pakistan except potato from 24 February 2014.

It is hoped that the ban on potato import will be soon lifted as the embassy is actively engaged with the Russian authorities to resolve the issue.

Source: <http://www.brecorder.com>, 18.02.2014.

India and Bhutan to have new transit routes

In order to facilitate growth in cross border trade, India and its north-eastern neighbour Bhutan are soon going to have many new transit routes.

Apart from trade with its largest partner—India, Bhutan is also dependent on Indian passage for its third country trade because of its landlocked location. According to economic affairs secretary of Bhutan, Sonam Tshering, bypass to Passakha and Samdrupjongkhar industrial estates in Bhutan was one of the top agendas of the Indo-Bhutan bilateral talks on trade and transit held recently in Thimphu. The bypass route can give faster access to deep Bhutan including Thimphu. In addition, Matanga industrial estate in Samdrupjongkhar district in Bhutan is being planned to be directly connected to Bokajuli in Assam by passing Samdrupjongkhar town.

Transportation of minerals like dolomite from Samdrupjongkhar to Nepal faces a bottlenecking because of congestion at Raxaul in Uttar Pradesh, India that acts as the exit gate for goods from India to Nepal. Bhutan's request for couple of other railway points are under very positive consideration, according to a senior Indian revenue Department official.

However, India's request to Bhutan to withdraw its ban on import of vehicles, alcohol or furniture are not likely to have positive response soon as the country is in its desperate process of minimising its balance of payment. Under a free trade agreement between the two countries—with the existing one effective since 2006 for ten years—Bhutan enjoys duty free transit of Bhutanese merchandise for trade with third countries.

Indo-Bhutan bilateral trade is of over INR 60 billion with near INR 40 billion of Indian exports that constitute over 70 percent of Bhutan's total imports. Bhutan's 80 percent of export to India is its hydropower.

Source: <http://articles.economictimes.indiatimes.com, 08.02.2014>.

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