

Nath bets on food exports and is willing to allow import of Japanese rice, among others



# Tasty treaty for India & Japan

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**M**ARKET access for farm goods would be a key part of the economic partnership agreement (EPA) between India and Japan. Since Japan is a net importer of food and is the largest economy in Asia, enhanced market access for agri products could help Indian farmers. To reciprocate, India is willing to allow import of Japanese rice and other farm goods.

The economic pact is likely to be signed during Prime Minister Manmohan Singh's proposed visit to Tokyo in December. The visit is due since Japanese Prime Minister Junichiro Koizumi had, during his visit to India in 2005, invited Dr Singh to Tokyo.

In view of the controversy over the free trade agreement (FTA) with Asean, commerce & industry minister Kamal Nath is playing his cards with extra care on the Japan EPA. Ticklish issues such as import of edible oil, pepper, tea and rubber under concessional duty would not crop up in the case of Japan, it is felt. In the case of items such as Japanese rice, for example, the market in India is not large. Import of the sticky rice that Japanese consume would not create a commotion in India, officials feel.

As of now, India's exports to Japan primarily comprise gems & jewellery, iron ore, petroleum products and cotton textiles. Marine products are the only items from the foods segment that find a key slot in the Indian export basket to Japan. While Tokyo is relaxing the ban on import of Indian mangoes, efforts are on to clear import of Indian poultry to Japan.

"India's share of Japan's global trade is minuscule. We need to work on this aspect. Indian industry would also benefit by sourcing key inputs from Japan," Kamal Nath said during an informal chat here on Friday. The only saving grace is the rapid growth in bilateral trade recently, he added.

The proposed EPA would also go well with the grand plan for a pan-Asia FTA, starting with east Asian integration. India, on its part, has already signed a comprehensive economic cooperation agreement (CECA) with Singapore and is in the process of framing an

FTA with Asean.

Kamal Nath is of the view that Asean plus Chindia (China and India) will become a global powerhouse to be reckoned with. During a discussion at the East Asia Summit of the World Economic Forum (WEF) here, the minister said Asean does not face a threat or a strategic challenge vis-à-vis India and China.



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The issue at hand is not Asean versus Chindia but Asean plus Chindia. Given the strengths, the scope for cooperation is immense