

## GI Tagging of Rural Products

### Introduction

- India's multicultural ethos, authenticity, and ethnic diversity are potential turbochargers for the country's economy and Geographical Indications or GI tags can help to utilize this diversity.
- Geographical Indications (GIs) backed up by solid business management can bring a competitive advantage, more added value to a product, increase export opportunities, and strengthen India's image at a global level.

### What is GI Tag?

- At present, the international framework on the Geographical Indications (GIs) derives its strength from **Article 22 of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement**.
- It defines GIs as 'indications which identify a good as originating in the territory of a member, or a region or locality in that territory, where a given quality, reputation or other characteristics **of the good is essentially attributable to its geographical origin**'.

### Status of GI tagged products at the global level:

- **Globally, an estimated 55,800 protected GIs were in existence in 2019**, with maximum GIs in force in **Germany (14,289)** followed by China (7,834), and Hungary (6,494). On the other hand, USA and **India had just 529** and 361, respectively.
- All the GIs in force in **China and India are protected through national legislation**, whereas the bulk of GIs in force in Australia (90.7%), Israel (99.9%), and Ukraine (99.2%) are protected through international agreements.

### What is the need for the GI Act?

- Earlier, an **American company was given a patent for Basmati rice**. India had to resort to an expensive procedure of challenging the patent in the US court of law.
- This made India realize the need to protect its **indigenous, unique, and reputed products through GI**. This necessitated India to enact the **Geographical Indications of Goods (Registration and Protection) Act, 1999 in 2003** to give protection for GI through unique legislation.
- To facilitate this process, the **Geographical Indications Registry of India was set up in Chennai**.

### About the GI Tagged products in India

- **Darjeeling tea** was the **first Indian product** that was awarded the **GI tag in 2004** and, three variants of **Darjeeling tea-black, green, and white** have got GI tag.
- Till now, 370 products have been registered as GIs by the GI Registry of India.
- **Among the states, Karnataka has the highest number of GI tags with 47 products, followed by Tamil Nadu (39)**.

### What are the government steps taken to improve GI tagged products in India?

#### GrapeNet:



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- It is a first-of-its-kind initiative in India by the **Agriculture and Processed Food Products Export Development Authority (APEDA)**, Ministry of Commerce, the Government of India.
- It is an **internet-based Residue traceability software system**, for monitoring fresh grapes exported from **India to the European Union**.
- Besides grapes, traceability initiatives have also been completed for **HortiNet, Peanut.Net, Basmati.Net, Meat.Net, etc.**, by APEDA.

## TraceNet:

- Under APEDA, **this platform collects, stores, and reports forward and backward traces**, as well as maintains authentic information and related data by the operators/producer groups and certification bodies within the organic supply chain in India.

## New Logo and New tagline:

- To popularise India's GI-tagged products and works of artisans in international markets, the government has announced a new logo for the GI products, a new tagline '**Invaluable Treasure of Incredible India**' has been selected.

## GI Stores:

- India's very first Geographical Indications (GI) Store of Cashew Export Promotion Council of India (CEPCI) was launched in 2019, at the departure terminal of Goa, and more to GI stores to be opened.

## Government e-Marketplace (GeM) Startup Runway:

- It is an initiative of GeM **to provide access to the public procurement market and sell innovative products and services to government buyers.**

## Foreign Trade Policy (FTP) 2021-2026:

- It recognized GI-tagged Agri commodities as one of the growth drivers in the draft export policy, which will help to gain a competitive advantage in buyer-driven global markets.
- Promoting '**District Export Hubs**' in each district and **setting up district export promotion panels.**
- The government also started India's first exclusive and largest online store of GI-tagged products.

## What are the challenges associated with GI Tagged products in India?

- **Absence of a dedicated institutional structure and a mechanism that deals with the affairs of GI products in India.**
- **The gap in connecting Rural-based GI-tagged products to major urban markets.**
- **The difference between GI and non-GI products is not fully known amongst local farmers, consumers, and other relevant stakeholders.**
- **Value chains not developed**

## What needs to be done to promote GI products?



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- The government needs to **prepare a strategy to raise awareness** about various GI products and the difference between GI Tagged and non-GI tagged products,
- The Central Government needs to **frame some long-term policy** to provide Indian GI products with an assured **domestic as well as international market**.
- **Need to develop more GI tagged products**
- One District One Product (ODOD) scheme should give due importance to crops having GI tags.
- **Required to create infrastructures such as customs clearance facilities, laboratory testing facilities, pack-houses, and pre-cooling facilities, etc.**
- Set up an incubation centre for helping **users/farmers/entrepreneurs for obtaining GI** and traceability solutions for their products.

Apart from these steps, India needs to start negotiations with other countries to make their markets available for Indian GI tagged products at the global level, especially agricultural products.

## Developing an Efficient Logistics Ecosystem

### What is the issue?

Exports allow developing countries to **grow, create more jobs, become more competitive** but it needs several prerequisites such as an **efficient logistics ecosystem and integration of domestic firms in global value chains**.

### How can the logistics sector be better understood?

- **LPI -The World Bank publishes the Logistics Performance Index (LPI), a composite index and benchmarking tool to analyze how efficiently supply chains in an economy connect firms to international opportunities.**
- **India was ranked 44 out of 160 countries** on the LPI in 2018.

- The LPI measures performance along the logistics supply chain within a country and offers two different perspectives - **international and domestic**.

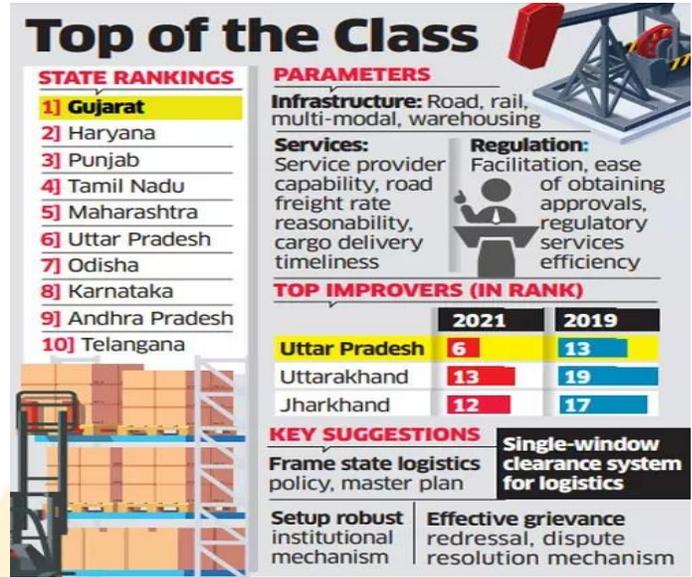
INDIA	LPI Rank	LPI Score	Customs	Infrastructure	International Shipments	Logistics competence	Tracking & Tracing	Timeliness
2018	<b>44</b> ↓	3.18 ↓	2.96 ↓	2.91 ↓	3.21 ↓	3.13 ↓	3.32 ↓	3.5 ↓
2016	<b>35</b>	3.42	3.17	3.34	3.36	3.39	3.52	3.74
Ref #1 Rank 2018								
Germany	<b>1</b>	4.2	4.09	4.37	3.86	4.31	4.24	4.39

- Under LPI, countries are ranked on a perception-based global survey of ground operators in the logistics sector such as **freight forwarders and carriers**.



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- It allows countries to identify opportunities and challenges with respect to trade logistics and take steps for improving performance.
- **LEADS** -The Ministry of Commerce and Industry has also crafted the **Logistics Ease Across Different States (LEADS) 2021** to analyze the business environment in all State/UTs pertaining to infrastructure, policy, and regulatory regime for improving logistics efficiency in India.
- It analyses the **domestic and EXIM** logistics ecosystem of the state.
- The overall index is based **on twenty-one indicators** including seventeen perception indicators and four objective indicators.
- **Gujarat, Haryana, and Punjab** have emerged as the top performers in the **LEADS 2021 index**.
- Within the North Eastern States and Himalayan Region **Jammu and Kashmir** is the top rankers followed by Sikkim and Meghalaya.
- **Delhi stands at the top rank among Other UTs**.



## What are the limitations of the Logistics Performance Index (LPI) for diverse developing countries like India?

*The logistics costs in India is still high at around 14 % of GDP*

- **Neglects critical factors**-The LPI is calculated by taking a weighted average of scores on core indicators with the weights for all indicators being almost identical.
- The **index does not consider the relative criticality of factors** like the **quality of trade infrastructure** and the border wait time over the ability to trace consignments.
- **Serious flaws in terms of subjectivity and recency bias** were common in perception-based surveys as the industry perception may not represent the wider intra-country logistics setup.
- The **efficiency of internal supply chains in India is largely ignored** by the international LPI rankings.
- **Influence of government policy**- The perception of both domestic and international logistics operators is greatly influenced by government policy which operates differently for goods moved domestically compared to those meant for export.



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- **Natural deterrents- Comparison between countries differing in factors** like geography, terrain, resource base, and economic activity act as natural deterrents and it requires a more detailed narrative.

## How can LEADS 2021 complement LPI for achieving logistic reforms?

- **Objective and perception-based indicators-** LEADS 2021 focuses on both domestic and international trade and uses a combination of objective parameters along with **perception-based indicators**.
- The objective indicators assess the enabling initiatives implemented by State/UT(s) in the logistics sector while the Index employs secondary datasets to capture logistics infrastructure, services, and facilities.
- The **LEADS'S methodology can effectively complement LPI by capturing the perspective of logistics professionals and accounting for local contextual variables**.
- LEADS distinctly **ranks North-East, Himalayan States/UT(s) from the rest of India**.
- This is followed by **clustering of States based on their geographic proximity to analyze policy and investment decisions** on logistics infrastructure.

The LEADS also enlists best practices for States/UT(s) to learn from. This is expected to improve their logistics efficiency.

## Ethics/ Paper-IV - Terms

### Malfeasance:

- It is the commission of an act that is **unequivocally illegal or completely wrongful or the commission of an unlawful act done in an official capacity**.
- It affects the performance of official duties and may cause harm to others.
- It results in legal liability for the person who commits the act.
- **Example: A judge taking bribes from the prosecution is an example of malfeasance.**

### Misfeasance:

- It is engaging in proper action or duty, but **failing to perform the duty correctly**.
- The performance of duty is riddled with errors caused by mistakes or carelessness but is without evil intent and/or violation of the law.
- Misfeasance is at a lower level of wrongdoing than **Malfeasance**.
- **Example:** If a janitor is cleaning a restroom in a restaurant and is irresponsible and leaves the floor wet without any warning sign or board. In such a case, he or his employer could be held liable for any injury caused because of the wet floor.

