

Grapes Report

Competitive Advantage/ RCA:

In this era of Globalization, it is important for any nation to involve in global trade for national income composition. Given their rapid rate of urbanization and income growth, middle-income countries have become target markets for global trade. The changing consumer preferences are also evident in the year-round consumer demand for important products specially in case of fresh fruit and vegetables, which matches year-round availability with consumers willing to pay more for imported out-of-season fresh products. While being an exporter, every country face increasing competition from emerging markets as well as the existing competitors.

The RCA (Reveal Comparative Advantage) Value for India Grapes:

	Export in billion
Grapes Export from India	0.39
Total Agri culture export from India	39
Total Export of Grapes by all Countries	10.96
Total Export of Agriculture from World	1820

Source: UNCOMTRADE and WTO

RCA Calculation:

X: Grapes Export from India/ Total Agri culture export from India

Y: Total Export of Grapes by all Countries/ Total Export of Agriculture from World

$$X: 0.39/39 = 0.01$$

$$Y: 10.96/1820 = 0.006$$

RCA: X/Y

$$X/Y: 0.01/ 0.006 = 1.67$$

RCA Value is 1.67

A comparative advantage is "revealed" if $RCA > 1$. If RCA is less than unity, the country is said to have a comparative disadvantage in the commodity or industry.

As comparative advantage is "revealed" if $RCA > 1$, there is lots of scope for India's Grapes export. It clearly shows India's has lot of scope for Grapes Export. However, production of Grapes currently is much higher than demand in the domestic market. There is need to promote export of grape and its products to sustain present production trend.

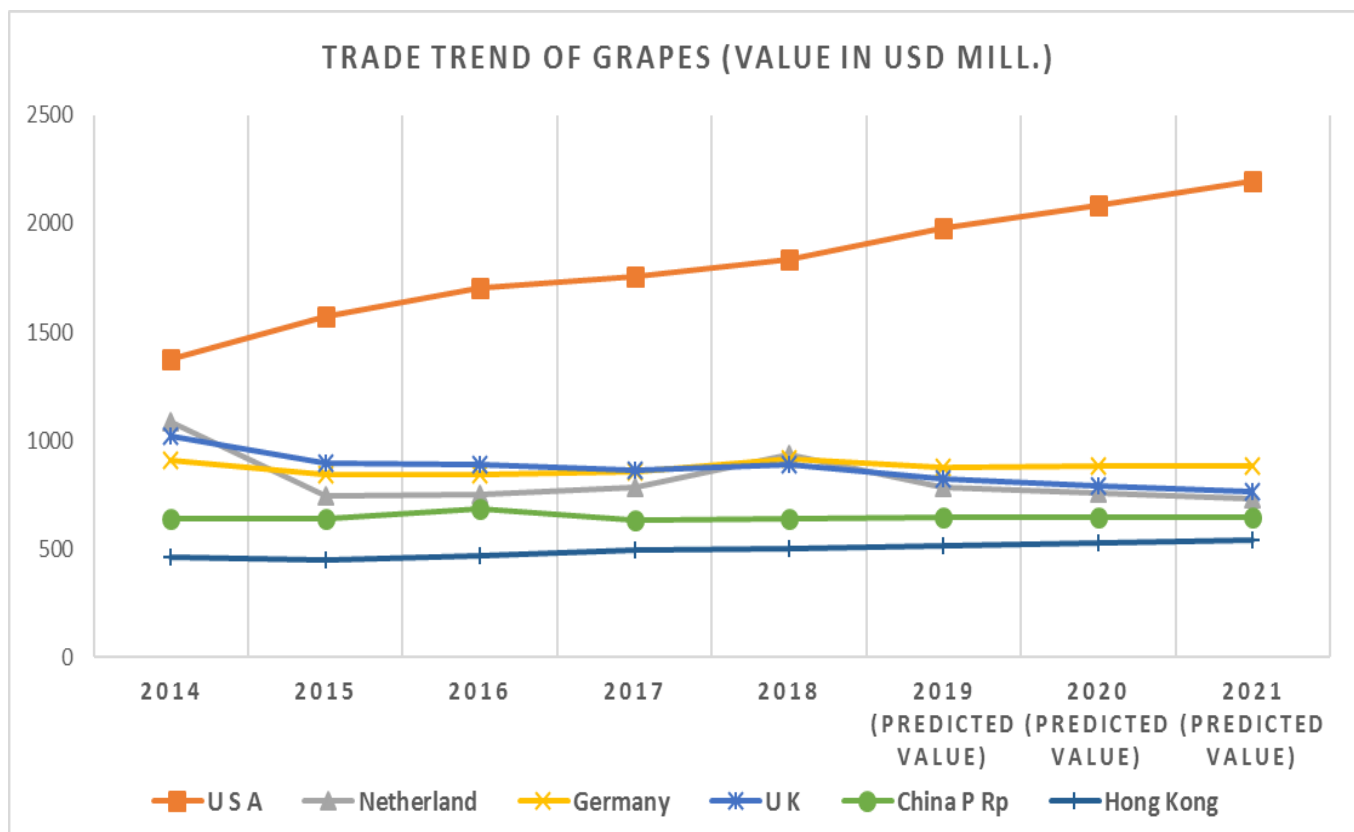
Predictive Demand in Major Market

Major market for Grapes, now the demand of these shortlisted market has been calculated with the help of Forecast Modelling.

Note: Impact of Pandemic (Covid-19) is not taken into account.

Trade Trend and Predicted Demand Analysis for Major Market								
Value in USD Million								
Country	2014	2015	2016	2017	2018	2019 (Predicted Value)	2020 (Predicted Value)	2021 (Predicted Value)
U S A	1377	1572	1706	1753	1834	1977	2087	2196
Netherland	1084	748	753	786	933	782	756	729
Germany	908	843	841	856	913	879	882	884
U K	1021	894	891	860	890	822	793	763
China P Rp	641	637	685	634	639	645	644	643
Hong Kong	463	447	466	496	503	514	527	540

Source: UN Comtrade



Import Tariff

A **tariff** is a tax on imports or exports between the nations. It is a form of regulation of foreign trade and a policy that taxes foreign products to encourage or safeguard domestic industry. Traditionally, states have used them as a source of income. Now, they are among the most widely used instruments of protectionism, along with import and export quotas.

Import Tariff in the above-mentioned major market for India's Grapes is given below:

MFN Tariff for India with Major Partner

Product Name	HS Code	Importing Country	Average of AV Duties	List of Non-AV Duties
Grapes, fresh or dried.	0806	China	11.5	
Fresh grapes	080610	China	13.0	
Dried grapes	080620	China	10.0	
Grapes, fresh or dried.	0806	*European Union	8.4	
Fresh grapes	080610	*European Union	14.4	[EP]
Dried grapes	080620	*European Union	2.4	
Grapes, fresh or dried.	0806	Russian	4.2	
Fresh grapes	080610	Russian	5.0	
Dried grapes	080620	Russian	3.3	
Grapes, fresh or dried.	0806	UAE	0.0	
Fresh grapes	080610	UAE	0.0	
Dried grapes	080620	UAE	0.0	
Grapes, fresh or dried.	0806	USA	0.0	
Fresh grapes	080610	USA	0.0	[\$1.13/m3] [\$1.80/m3]
Dried grapes	080620	USA		[1.8 cents/kg] [2.8 cents/kg] [3.5 cents/kg]

Note: Ad valorem tariffs (**AV**) are those imposed as a percentage of the custom value of the product imported

EP: European Partner

*: Tariff for Netherland, Germany and UK are same as these are the member of European Union

Source: WTO

Non MFN Tariff for India with Major Partner

Product Name	HS Code	Importing Country	Agreement	Average of AV Duties	List of Non-AV Duties
Fresh grapes	080610	*European Union	Generalized System of Preferences (GSP) scheme	9.45	
Fresh grapes	080610	*European Union	EU - Country Specific Tariff Preferences for India	14.4	[EP]
Fresh grapes	080610	Russian Federation	GSP duty rates	3.75	
Fresh grapes	080610	USA	Generalized System of Preferences (GSP) scheme	0	[\$1.80/m3] [\$1.13/m3]

Note: Ad valorem tariffs (**AV**) are those imposed as a percentage of the custom value of the product imported

EP: European Partner

*: Tariff for Netherland, Germany and UK are same as these are the member of European Union

Source: WTO

Sanitary & Phytosanitary (SPS) measure published since 1st January 2019, which may have direct or indirect impact on Grapes exports from India

Circulation Date	Notifying Member	Region/ Country Affected	Product Covered	Notification	Information for Exporters
15 Feb 2019	Canada	All Trading Partners	Pesticide amisulbrom in or on raisins, grapes and tomatoes...	G/SPS/N/CAN/1217/Add.1	Adoption of new MRL limits for Grapes & Raisin has introduced by Canada
08 Apr 2019	New Zealand	Chile	Prunus domestica, Plum and Vitis vinifera, Grape	G/SPS/N/NZ/L/594	Due to Increasing distribution of " <i>Drosophila suzukii</i> " within Chile. This may impact the Chile export of grapes to New Zealand.
05 Aug 2019	U S A	All Trading Partners	Celery; Grape; Grape, raisin; Vegetable, bulb, group 3-07;...	G/SPS/N/USA/3095	This regulation establishes tolerances for residues of valifenalate in Grapes, trading partners need to comply with the same.
12 Nov 2019	South Africa	All Trading Partners	Table grapes	G/SPS/N/ZAF/65	South Africa developed an electronic system for export certification (eCertification). Trading partners that have ability to receive ePhytos that South Africa will be delivering, may receive them via the IPPC hub in an XML format or direct (where bilaterally agreed).