

Potato 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, which matches year-round availability with consumers willing to pay more for imported out-of-season products. While being an exporter, every country face increasing competition from emerging markets as well as the existing competitors.

To analysis the competition in the market, revealed comparative advantage is an index used in international economics for calculating the relative advantage or disadvantage of a certain country in a certain class of goods or services as evidenced by trade flows.

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

	Export in billion
Potato Export from India	0.057
Total Agri culture export from India	39
Total Export of Potato by all Countries	4.3
Total Export of Agriculture from World	1820

RCA Calculation:

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

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

$$X: 0.057/39 = 0.001$$

$$Y: 4.3/1820 = 0.002$$

RCA: X/Y

$$X/Y: 0.001/ 0.002 = 0.62$$

RCA Value is 0.62

Note:

If $RCA > 1$, the country is said to have a comparative advantage in the commodity or industry.

If $RCA < 1$, the country is said to have a comparative disadvantage in the commodity or industry.

“As India’s $RCA < 1$ for Potato, it clearly shows India’s comparative disadvantage in Potato trade. There is need to boost Potato industries for export purpose. There is need to promote export of Potato and its products to sustain present production trend.

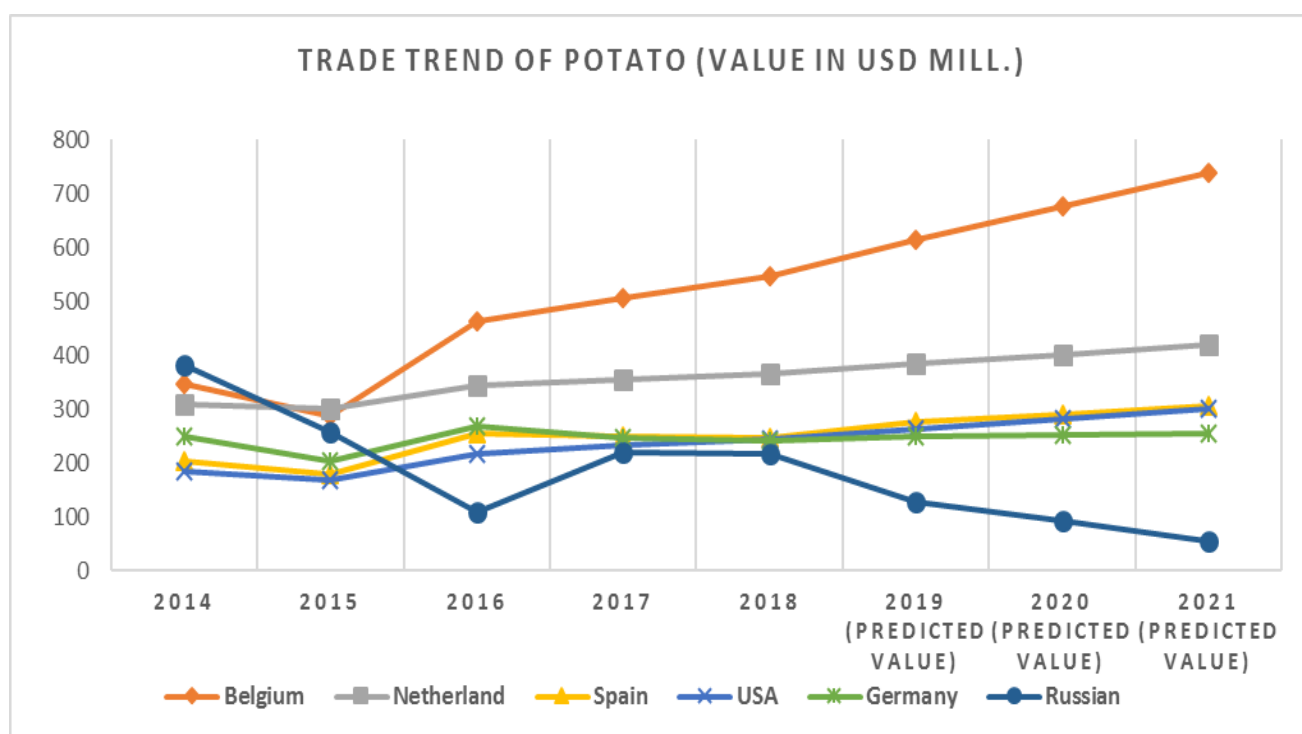
Predictive Demand in Major Market

Major market for Potato, 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)
Belgium	346	288	463	506	546	615	677	739
Netherland	308	299	343	354	365	385	402	419
Spain	202	180	254	250	247	275	291	307
USA	185	168	218	232	244	264	282	300
Germany	248	204	268	246	241	250	253	256
Russian	383	256	108	220	218	127	91	54

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 Potato is given below:

07011000 Indonesia (as of 05-02-2020)		
07011000	ASEAN-India Free Trade Agreement Tariff	No Preference
07011000	ASEAN-India Free Trade Agreement Rules Of Origin	Not Applicable*
07011000	Most Favoured Nation Tariff	0
0701100000 Malaysia (as of 05-02-2020)		
0701100000	ASEAN-India Free Trade Agreement Tariff	No Preference
0701100000	ASEAN-India Free Trade Agreement Rules Of Origin	Not Applicable*
0701100000	Comprehensive Economic Cooperation Agreement Tariff	No Preference
0701100000	Comprehensive Economic Cooperation Agreement Rules Of Origin	Not Applicable*
0701100000	Most Favoured Nation Tariff	0
07011000 Nepal (as of 05-02-2020)		
07011000	Most Favoured Nation Tariff	10
07011000	South Asian Free Trade Area Tariff	9
07011000	South Asian Free Trade Area Rules Of Origin	CTH + 40% RVC
07011000	SAARC Preferential Trading Arrangement Tariff	No Preference
07011000	SAARC Preferential Trading Arrangement Rules Of Origin	Not Applicable*
07011000 Sri Lanka (as of 05-02-2020)		
07011000	Asia-Pacific Trade Agreement Tariff	No Preference
07011000	Asia-Pacific Trade Agreement Rules Of Origin	Not Applicable*
07011000	Most Favoured Nation Tariff	0

07011000	South Asian Free Trade Area Tariff	No Preference
07011000	South Asian Free Trade Area Rules Of Origin	Not Applicable*
07011000	Free Trade Agreement Tariff	No Preference
07011000	Free Trade Agreement Rules Of Origin	Not Applicable*
07011000	SAARC Preferential Trading Arrangement Tariff	No Preference
07011000	SAARC Preferential Trading Arrangement Rules Of Origin	Not Applicable*
07011000 Oman (as of 05-02-2020)		
07011000	Most Favoured Nation Tariff	0
0701100000 Belgium (as of 30-12-2019)		
0701100000	Most Favoured Nation Tariff	4.5
0701100000	Generalized System of Preferences Tariff	0
0701100000	Generalized System of Preferences Rules Of Origin	General
0701100000 Germany (as of 30-12-2019)		
0701100000	Most Favoured Nation Tariff	4.5
0701100000	Generalized System of Preferences Tariff	0
0701100000	Generalized System of Preferences Rules Of Origin	General
0701100000 Netherlands (as of 30-12-2019)		
0701100000	Most Favoured Nation Tariff	4.5
0701100000	Generalized System of Preferences Tariff	0
0701100000	Generalized System of Preferences Rules Of Origin	General
0701100000 Spain (as of 30-12-2019)		
0701100000	Most Favoured Nation Tariff	4.5
0701100000	Generalized System of Preferences Tariff	0
0701100000	Generalized System of Preferences Rules Of Origin	General
0701100020 United States of America (as of 30-12-2019)		
0701100020	Most Favoured Nation Tariff	0.5Â¢/kg

Source: WTO

07019010 Indonesia (as of 05-02-2020)		
07019010	ASEAN-India Free Trade Agreement Tariff	No Preference
07019010	ASEAN-India Free Trade Agreement Rules Of Origin	Not Applicable*
07019010	Most Favoured Nation Tariff	20
0701901000 Malaysia (as of 05-02-2020)		
0701901000	ASEAN-India Free Trade Agreement Tariff	No Preference
0701901000	ASEAN-India Free Trade Agreement Rules Of Origin	Not Applicable*
0701901000	Comprehensive Economic Cooperation Agreement Tariff	No Preference
0701901000	Comprehensive Economic Cooperation Agreement Rules Of Origin	Not Applicable*
0701901000	Most Favoured Nation Tariff	0
07019000 Nepal (as of 05-02-2020)		
07019000	Most Favoured Nation Tariff	10
07019000	South Asian Free Trade Area Tariff	9
07019000	South Asian Free Trade Area Rules Of Origin	CTH + 40% RVC
07019000	SAARC Preferential Trading Arrangement Tariff	No Preference
07019000	SAARC Preferential Trading Arrangement Rules Of Origin	Not Applicable*
07019000 Sri Lanka (as of 05-02-2020)		
07019000	Asia-Pacific Trade Agreement Tariff	No Preference
07019000	Asia-Pacific Trade Agreement Rules Of Origin	Not Applicable*
07019000	Most Favoured Nation Tariff	Rs.20/= per kg
07019000	South Asian Free Trade Area Tariff	No Preference
07019000	South Asian Free Trade Area Rules Of Origin	Not Applicable*
07019000	Free Trade Agreement Tariff	No Preference
07019000	Free Trade Agreement Rules Of Origin	Not Applicable*
07019000	SAARC Preferential Trading Arrangement Tariff	No Preference
07019000	SAARC Preferential Trading Arrangement Rules Of Origin	Not Applicable*
07019000 Oman (as of 05-02-2020)		
07019000	Most Favoured Nation Tariff	0
0701901000 Belgium (as of 30-12-2019)		

0701901000	Most Favoured Nation Tariff	5.8
0701901000	Generalized System of Preferences Tariff	2.3
0701901000	Generalized System of Preferences Rules Of Origin	General
0701901000 Germany (as of 30-12-2019)		
0701901000	Most Favoured Nation Tariff	5.8
0701901000	Generalized System of Preferences Tariff	2.3
0701901000	Generalized System of Preferences Rules Of Origin	General
0701901000 Netherlands (as of 30-12-2019)		
0701901000	Most Favoured Nation Tariff	5.8
0701901000	Generalized System of Preferences Tariff	2.3
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0701901000 Spain (as of 30-12-2019)		
0701901000	Most Favoured Nation Tariff	5.8
0701901000	Generalized System of Preferences Tariff	2.3
0701901000	Generalized System of Preferences Rules Of Origin	General
0701901000 United States of America (as of 30-12-2019)		
0701901000	Most Favoured Nation Tariff	0.5Â¢/kg

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

Circulation Date	Notifying Member	Region/Country Affected	Product Covered	Notification	Information for Exporters
12/03/20	Myanmar	All trading partners	Plants and plant products (HS Codes: 06.01, 06.02, 06.03,...	G/SPS/N/MMR/1	<p>The Plant Pest Quarantine Law has the chapters on the title and definition, objectives, import and export, inspection camps, the duties and powers of managing director, prohibition and penalty, appeal and miscellaneous.</p> <p>The objectives of this measure are to protect human life and health and to protect the natural environment.</p>
10/02/20	Brazil	All trading partners	HS Code(s): 070310, 071120, 071140, 071410, 071420, 08012,...	G/SPS/N/BRA/1595/Add.1	The Draft Resolution number 742, 12 November 2019 - previously notified through G/SPS/N/BRA/1595 - was adopted as Resolution - RE number 303, 30 January 2020.
20/01/20	Japan	All trading partners	-Edible vegetables and certain roots and tubers (HS: 07.01,...	G/SPS/N/JPN/719	Proposed maximum residue limits (MRLs) for the following agricultural chemical Pesticide: Benthiavalicarb-isopropyl
20/01/20	Japan	All trading partners	Proposed maximum residue limits (MRLs) for the following agricultural chemical. Pesticide: Iminoctadine	G/SPS/N/JPN/717	Proposed maximum residue limits (MRLs) for the following agricultural chemical. Pesticide: Iminoctadine
08/01/20	United States of America	All trading partners	Celery; Grape; Grape, raisin; Vegetable, bulb, group 3-07;...	G/SPS/N/USA/3045/Add.2	After reviewing the objections, FDA has concluded that the objections do not raise issues of material fact that justify a hearing or otherwise provide a basis for revoking the amendment to the regulations. We are also providing notice that the administrative stay of the effective

					<p>date for this color additive regulation is now lifted. The final rule published in the Federal Register of 1 August 2019 (84 FR 37573) with an effective date of 4 September 2019, was administratively stayed by the filing of objections under section 701(e)(2) of the Federal Food, Drug, and Cosmetic Act (FD&C Act) (21 U.S.C. 371(e)(2)) as of 3 September 2019. FDA lifts the administrative stay as of 19 December 2019.</p>
19/12/19	Brazil	All trading partners	<p>HS Code(s): 070310, 071120, 071140, 071410, 071420, 08012,...</p>	G/SPS/N/BRA/159 5	<p>This draft resolution incorporates the following changes for the active ingredient C55 - COMPOSTOS A BASE DE COBRE (copper hydroxide) from the Relation of Monographies of Active Ingredients of Pesticides, Household Cleaning Products and Wood Preservers, all in the modality of foliar use (application): -includes the pineapple, acai, barbados cherry, soursop, olive, sweet potato, yacon, greater yam, star fruit, Brazil nuts, shallot, cupuacu, chayote, raspberry, ginger, guarana, yams, kiwi, macadamia nuts, cassava, arracacha, mangaba, gherkin, bilberry, surinam cherry, peach palm, radish, pomegranate and purple mumbim cultures with MRL and safety security period "without restrictions" and the ornamental cultures with MRL and safety security period of "Non-food use".</p>