

To
Shri Anand Sharma,
Hon'ble Minister,
Ministry of Commerce and Industry
Government of India

14th May, 2013

Ref: Appeal to Critically Evaluate India's Gain in the EU-India FTA on the Eve of 15th May Negotiations

Dear Shri Sharma,

This is an urgent appeal to you from various sections of the society; civil society organisations, farmers' organisations, trade unions, academics, industry associations, students, and others; to relook at the EU-India FTA from both a development as well as an economic perspective.

From available news reports, it seems that the negotiations on the 15th May between the two sides will lay the seal on the final ministerial and possible signing of the FTA in June. Unfortunately negotiations have been shrouded in secrecy and even the parliament is not informed of details of the negotiations. However, based on available information, we want to bring to your attention a critical perspective shared by all of us.

Current analyses show that India cannot make gains in the agriculture sector and can make very limited gain in the industrial sector whereas the EU will gain massively in terms of gaining access to the Indian market. On the other hand, 68.9% of India's agricultural exports and 64.3% of its non-agricultural exports to the EU already enter duty free. Given EU's massive agricultural subsidies, and high standards and technical barriers, additional real market access in the EU will continue to remain difficult for Indian producers. Industries like dairy (Amul), and automobiles (SIAM) have already raised concerns as to adverse impacts of duty cuts and intellectual property related demands (such as related to GIs) of the EU in these sectors. Moreover, available information shows that gains will be limited only to sunset industries such as textiles which have limited future growth potential.

The large majority of India's people work and earn in the agriculture and industrial sector. Any adverse impact on growth and employment prospects in these two sectors will critically impact the lives of Indian people. Moreover ensuring access; to food and the means to produce and sell it, and, to a wide variety of industrial products is also in the long term interest of Indian society.

On the other hand, from current reports, the gains in the service sector do not seem clear either. The EU continues to refuse to grant data secure status to India, and significant additional entry for Indian professionals is hardly likely to materialise especially under EU's current conditions of crisis. In any case, it is not justified either on economic or development grounds, to trade away the jobs of millions in agriculture and industry for a few professional visas in the IT sector. This is especially important as India has not yet reached a stage of human development where displaced workers from agriculture, industry or informal services can directly move to the IT sector for jobs.

In addition, EU's insistence on locking in current FDI liberalisation in retail, banking and other service sectors can critically affect future policy space to roll back such measures if these were

seen to create negative impacts on jobs, access to critical services, or even exacerbate economic crisis (through financial liberalisation). Moreover EU's guidance on domestic legislation, for example, in the insurance sector, is a gross violation of the independence of Indian democracy.

India's trade deficit currently stands at nearly 200 billion USD and at a massive 10.92% of the GDP, and is coupled with a current account deficit (CAD) of 78.155 billion USD, at a high 4.5% of the GDP. India has not done so well from its past FTAs and as we anticipate huge imports from the EU after this FTA, the trade deficit and CAD are likely to go up further. Given India's current macroeconomic situation, signing this FTA is not a prudent economic option for India.

Further, EU's demands to liberalise government procurement will also grossly undermine the growth opportunities for the domestic industry and destroy the domestic linkages that this huge market provides to MSMEs and ancillary suppliers. It will also limit the use of this market as a development policy tool for promotion of marginalised groups.

On the other hand, EU's demands in the field of Intellectual Property Rights, specifically IP enforcement measures, and investment protection will undermine the competition from generic medicine producers and limit India's ability to make use of existing legal safeguards against the abuse of the patent system. These provisions, if accepted, will have a direct impact on not just the health of people in India but also those in other developing countries who rely on affordable medicines produced in India. The EU is also making TRIPS plus demands in the field of copyrights which are not permitted by Indian law, such as criminalising the manufacture of software that will help the blind read digitally locked e-books.

Investment protection, sought by EU for all its 27 members, will also make it impossible for the government to promote policies to protect public interest, public health, natural resources and the environment, the poor, women, children and the elderly.

We therefore appeal to you to immediately;

- ***inform the Indian people, with substantiating evidence, exactly in which sectors and by how much is India gaining;***
- ***inform the Indian people as to who is benefitting from this FTA and whether broad based interests of a large number of people, such as in agriculture and industry, are being safeguarded;***
- ***place impact assessment studies on all sectors and negotiating texts for public scrutiny;***
- ***consult with state governments and gain their consensus especially on areas under state and concurrent lists (such as agriculture, health);***
- ***take on board the critical concerns expressed by political parties and in particular, the Parliamentary Standing Committees on Commerce and Agriculture.***

We appeal to you to halt the EU-India FTA negotiations until the government can guarantee an FTA that is inclusive in its design, process and impacts, and one that will uphold the traditions of Indian democracy.

Yours Sincerely,

1	Anthra	ANTHRA is an organization working primarily on issues of livestock development in the wider context of sustainable natural resource use, based in Andhra Pradesh.
2	Adivasi Aikya Vedika	An Alliance of Adivasi Peoples in Andhra Pradesh.
3	All India Drug Action Network	All India Drug Action Network (AIDAN) is an independent network of several non government organizations working to increase access and improve the rational use of essential medicines.
4	Alliance for Sustainable & Holistic Agriculture (ASHA)	ASHA (Alliance for Sustainable & Holistic Agriculture) is a nation-wide informal network of more than 400 organisations drawn from 20 states of India. It consists of farmers', womens' and environmental organisations, consumer groups, individual citizens and experts who are committed to the cause of sustainable and viable farm livelihoods in rural India and thereby, safe, nutritious, diverse and adequate food for all Indians.
5	Asha Parivar	Asha Parivar is a people's group focused on empowerment of the poor and on strengthening of democracy in India.
6	Bharatiya Kisan Union (BKU)	One of the largest farmers' organization in India.
7	Bharatiya Krishak Samaj (BKS)	Apex organisation of Indian farmers.
8	Bharat Jan Vigyan Jatha	Bharat Jan Vigyan Jatha is a people-centric scientific organization, emerging from a very large scale science campaign.
9	Bharatiy Udhog Vyapar Mandal	All India organisation of Trade Federations & Small Industries
10	Campaign for Affordable Trastuzumab.	Works to ensure access to life saving breast cancer medicine Trastuzumab
11	Centre for Education and Communication (CEC)	A labour resource organisation based in New Delhi.
12	Centre for Internet and Society	CIS critically engages with concerns of digital pluralism, public accountability and pedagogic practices, in the field of Internet and Society, with particular emphasis on South-South dialogues and exchange.
13	Citizen News Service - CNS	CNS consists of voluntary citizen journalists and strives to focus on issues most pertinent to the most disadvantaged people - and is grateful to media for publishing the articles.
14	Confederation of All India Traders (CAIT)	CAIT is an Apex Body of Trading Community of India

15	Deccani Sheep and Goat Rearers Sangham	Andhra Pradesh
16	Delhi Network of Positive People (DNP+)	The mission for DNP+ is to improve the treatment and facilities for people living with HIV/AIDS (PLHIV). DNP+ provides a platform to help empower patients to make informed treatment decisions at every stage of the HIV trajectory.
17	Diverse Women for Diversity	Diverse Women for Diversity is the gender programme of Navdanya echoes women's voices from the local and grassroots level to global fora and international negotiations. Its focus is biodiversity, food and water.
18	Ecological Democracy	Ecological Democracy is an online journal and an effort to bring cohesion to the efforts of all who believe in the idea of ecological swaraaj.
19	Focus on the Global South	Focus challenges neoliberalism, militarism and corporate-driven globalisation while strengthening just and equitable alternatives and work in solidarity with the Global South.
20	Federation of Association of Maharashtra	Federation of Associations of Maharashtra (FAM) is A Mumbai based summit organisation of 750 transport, small-scale and trade associations in Maharashtra.
21	Federation of Trade Organization of West Bengal	Federation of various traders organisations in West Bengal.
22	Hawkers Joint Action Committee	Broad platform of more than 100 hawkers associations and trade unions working to protect the interests of hawkers.
23	Indian Coordination Committee of Farmers Movements (ICCFM)	ICCFM is an alliance of independent farmers movements like Bharatiya Kisan Union (BKU), Karnataka Rajya Raitha Sangha, Tamil Nadu Farmers Association, Kerala Coconut Farmers Association, South Indian Coordination Committee of Farmers Movements etc.
24	India FDI Watch	India FDI Watch is building awareness and facilitating grassroots action to prevent the take-over of India's retail sector by corporations.
25	Indian Social Action Forum (INSAF)	INSAF a national forum with a political thrust, bringing together over 500 social action groups, people's movements and progressive intellectuals to resist globalization, combat communalism and defend democracy.

26	Initiative for Health & Equity in Society	works in the area of gender, social & health equity focusing on food & nutritional rights, health rights of the marginalized persons especially women & children, access to essential medicines including on rational use of medicines as well as on issues of safety particularly with regard to GM foods.
27	IT for Change	IT for Change (ITfC) is an NGO located in Bengaluru, India, that works for the innovative and effective use of information and communication technologies (ICTs) to promote socio-economic change in the global South, from an equity, social justice and gender equality point of view.
28	Janphal	A membership based community organization working with urban poor and on trade issues.
29	Lawyers' Collective	Lawyers Collective is one of the leading public interest service providers in India with a proven record of setting high standards in human rights advocacy, legal aid and litigation.
30	Madhyam	Madhyam is a non-profit organization based in New Delhi, devoted to research and public education on economic and developmental issues.
31	National Alliance of People's Movements (NAPM)	NAPM is an alliance of progressive people's organisations and movements, who while retaining their autonomous identities, are working together to bring the struggle for primacy of rights of communities over natural resources, conservation and governance, decentralised democratic development and towards a just, sustainable and egalitarian society in the true spirit of globalism.
32	National Hawkers' Federation (NHF)	The National Hawkers Federation includes 550 independent hawkers' unions who are part of 11 Central Trade Unions representing 15 lakhs hawkers across the 25 state and one union territory
33	New Trade Union Initiative (NTUI)	NTUI is a federation of several independent trade unions in the organised and unorganised sector.
34	Oxfam India	Oxfam India, a fully independent Indian organization, is a member of a global confederation of 17 Oxfams. The Oxfams are rights-based organizations that fight poverty and injustice by linking grassroots programming (through partner NGOs) to local, national and global advocacy and policy-making.
35	Socialist Front	A platform for socialist action, that traces political leninecy to Congress Socialist Party founded in 1934

36	Third World Network	Third World Network (TWN) is an international network of organisations and individuals. Its mission is to bring about a greater articulation of the needs and rights of peoples in the South, a fair distribution of world resources, and forms of development which are ecologically sustainable and fulfil human needs.
37	Vote For Health campaign	A policy, advocacy and communication campaign that addresses structural drivers that negatively impact health and development outcomes.
38	Yakshi	Yakshi works with the Adivasis/tribals in eight districts in Andhra Pradesh to empower community-based organisations (CBOs) to work for sustainable development of the community and its resources, to protect and promote local natural resources and bio-diversity.

Individuals		
39	Amitayu Sengupta	Economist, Economic Research Foundation, New Delhi
40	Biraj Patnaik	Principal Adviser, Office of the Commissioners of the Supreme Court (CWP 196/ 2001)
41	Prof. C P Chandrasekhar	Professor, Centre for Economic Studies and Planning, Jawaharlal Nehru University (JNU), New Delhi.
42	Deepanwita Dutta	Programme Manager, Economic Research Foundation
43	Devinder Sharma	Agriculture and trade policy analyst.
44	Gajanan Wakankar	IFS Retd, Former Ambassador
45	Prof. Jayati Ghosh	Professor, Centre for Economic Studies and Planning, Jawaharlal Nehru University (JNU), New Delhi.
46	Malini Chakravarty	Senior Economist, Economic Research Foundation, New Delhi
47	Manmohan Sharma	Executive Director, Voluntary Health Association of Punjab
48	Mritiunjoy Mohanty	Professor, Indian Institute of Management Calcutta
49	D.Narasimha reddy,	Professor Rtd ,University of Hyderabad
50	Dr B G Mukhopadhyay	Mumbai
51	Shalini Bhutani	Researcher & Lawyer

52	Prof Satish Jain	Professor, Centre for Economic Studies and Planning, JNU
53	Dr.Santhosh M.R.	Assistant Professor, Tata Institute of Social Sciences
54	Dr. Smitha Francis	Senior Economist, Economic Research Foundation, New Delhi
55	Subrata Guha	Associate Professor, Jawaharlal Nehru University, New Delhi.
56	Kavitha Kuruganti	Co-Convenor, ASHA
57	Uma Shankari.	Farmer, Venkatramapuram, Andhra Pradesh
58	Dr Amit Sengupta	Delhi Science Forum

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