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Report Highlights:

End impasse at WTO, says India, *India criticizes US and EU WTO offers on agricultural subsidies*, *Prime Minister fashions free trade with ASEAN and neighbors*, *\$1.7 billion lined up for over 200 hotels*, *Vegetable oil tariff values raised by \$10 to \$24 per ton*.

Includes PSD Changes: No
Includes Trade Matrix: No
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New Delhi [IN1]
[IN]

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U.S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included in this report. Significant issues will be expanded upon in subsequent reports from this office.

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END IMPASSE AT WTO, SAYS INDIA

India asked the developed nations to shed their "fortress mentality" in order to break the impasse in the crucial WTO agriculture talks. "The developed countries still have a fortress mentality. They have to give it up. The two hands [developed and developing nations] must join so that the Hong Kong WTO Ministerial deadline is not missed," Finance Minister Chidambaram said. Over the last few weeks, before any decision is made regarding the formula for market access in agriculture, India has pushed to finalize a proposal on the selection and treatment of "special products" pertaining to the livelihood and food security of developing nations. Commerce Minister Kamal Nath asserted that no market access formula in agriculture could be agreed upon without such an agreement. (Source: Business Standard, 10/25/05)

INDIA CRITICIZES US AND EU WTO OFFERS ON AGRICULTURAL SUBSIDIES

G.K. Pillai, Additional Secretary in the Indian Commerce Ministry, criticized the US and the EU for their insufficient proposals to reduce agricultural subsidies. Referring specifically to the US offer, he indicated that the 60 percent proposed cut from scheduled rates may even result in an increase in subsidies to the extent of \$2 billion. He was speaking to the "South Asia Conference on Trade and Development -- Run-Up to Hong Kong," organized by the Center for Trade and Development. (Source: The Financial Express, 10/28/05)

PRIME MINISTER FASHIONS FREE TRADE WITH ASEAN AND NEIGHBORS

Prime Minister Manmohan Singh rolled out a roadmap that envisages free trade with all neighboring countries, ASEAN, and the Gulf states by 2006. If the proposed regional pacts come into effect, India would have established free trade agreements with countries accounting for nearly one-third of the world's population, most of them high growth economies. India is likely to back Afghanistan's entry into the SAARC (South Asian Association for Regional Cooperation) Free Trade Agreement (SAFTA). These steps are aimed at enhancing India's economic engagement with the global community, even if the ongoing WTO talks do not result in any major improvement in market access. (Source: Economic Times, 10/27/05)

\$1.7 BILLION LINED UP FOR OVER 200 HOTELS

There are over 200 star-category hotels, with an investment of about \$1.7 billion, planned in India over in the next three to four years. This will add 26,000-30,000 rooms to the existing capacity. Promising demand conditions due to the recent boost in tourism have radically changed the way most financial institutions and foreign investors look at the Indian hotel industry. (Source: Economic Times, 10/23/05)

VEGETABLE OIL TARIFF VALUES RAISED BY \$10 TO \$24 PER TON

Effective October 15, 2005, the Finance Ministry raised tariff values for edible oils by \$10 to \$24 per ton, keeping pace with international prices (see - www.cbec.gov.in/cae/customs/cs-act/notifications/notfns-2k5/csnt94-2k5.htm). While the increase is \$10 per ton for crude degummed soybean oil, the increase for the palm group of oils is between \$16 to \$24 per ton. This is the third revision within the last month. (Source: Business Line, 10/16/05)

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