



BASMATI RICE: A NEW TUG-OF-WAR BETWEEN INDIA AND PAKISTAN

By
Mahwish Hafeez
Research Fellow
India Study Centre (ISC), ISSI

Edited by
Dr Saif ur Rehman Malik

September 28, 2021

(Views expressed in the brief are those of the author, and do not represent those of ISSI)



India's application for an exclusive trademark for the grant of sole ownership of the basmati rice title in the European Union is an intellectual assault on Pakistan's rights and commercial interests.

In July 2018,¹ without informing Pakistan, India submitted an application for the protected geographical indication (PGI) status for basmati rice to the European Union's Council on Quality Schemes for Agricultural Products and Foodstuffs. The geographical indication (GI) is meant to mark any product having "qualities, reputation or characteristics relating to its place of origin"²

It is worth mentioning here that both India and Pakistan are the sole exporters of Basmati rice. For years, the EU has been applying zero tariffs on rice that is authenticated by either Pakistan or India as genuine basmati. While arguing in favour of its application for GI to the EU, India maintained that Basmati is grown in the states of Punjab, Haryana, Delhi, Himachal Pradesh, Uttarakhand as well as in some areas of Indian occupied Kashmir. Further, in a bizarre remark, India's Permanent Representative to UNESCO Mr. Vishal V Sharma argued that "it is a question of intangible cultural legacy of India. The creation of Pakistan was on the basis of rejection of the Indian identity, history

¹ "The battle over basmati rice: Why India and Pakistan may both claim the trademark," South China Monitoring Post, July 17, 2021, <https://www.scmp.com/week-asia/politics/article/3141287/battle-over-basmati-rice-why-india-and-pakistan-may-both-claim>

² "Basmati battle: Pakistan fights Indian bid for EU recognition of rice," The Guardian, October 29, 2020, <https://www.theguardian.com/world/2020/oct/29/basmati-battle-pakistan-fights-indian-bid-for-eu-recognition-of-rice>

and culture. Else, why partition? Hence, one is free to grow what one wants in Pakistan, but cannot use the trademark basmati.”³

After much deliberation, the EU published the Indian application so that other stakeholders could also respond and register their observations. On its part, Pakistan has made it clear that it would oppose any such move by India. Number of areas in Pakistan’s Punjab province like Gujranwala, Sheikhpura, Sialkot, Hafizabad and others are famous for producing the finest quality of basmati rice. The fact that the “both the reputation and geographic area (for basmati) are common to India and Pakistan ” has also been accepted by a legal researcher Delphine Marie-Vivien who is associated with CIRAD, French agricultural research and cooperation organisation.⁴ If Indian application is accepted by the EU, it would not only mean an economic loss for Pakistan but would also mean that India would be able to sell the rice at a price of its own choice.

Hence, it is clear that the possibility of India getting the GI will adversely affect Pakistan’s economic interest. The EU is a very important market for Pakistan’s rice industry. In fact, in recent years, Pakistan’s export of basmati rice to the EU has increased significantly. It exported 120,000 metric tons of rice to the EU in 2017 whereas, in 2019, it increased to 300,000 metric tons filling two thirds of the region's demand .⁵ On the other hand, India’s exports of this aromatic rice has been on decline due to failure of its producers to meet stringent EU standards on the use of pesticides and lately, it has been exporting more rice towards comparatively less beneficial markets.

The Indian intentions can also be gauged by the reports in the media that exporters of rice in both the countries wanted joint claim but this suggestion was soon rejected by the All India Rice Exporters Association (AIREA) which clearly stated that it is standing behind the Indian government. ⁶ Besides, Indian analysts also believe that any effort for joint claim will have little chance due to the disputed territory of Jammu and Kashmir which both the countries will show as its own in their maps.

But apart from India’s nefarious designs, a part of blame also falls upon Pakistan for failing to register basmati rice as a local product in the country which is mandatory before applying for registration of any product in the international market. In a lax manner, Pakistan’s senate passed

³ Vishal V Sharma, Twitter, June 14, 2021, <https://twitter.com/VishalVSharma7/status/1404685296797732864>

⁴ Meera Jacob, “Explained: India and Pakistan’s war over GI tag for basmati rice,” The Week, July 26, 2021, <https://www.theweek.in/news/biz-tech/2021/07/26/explained-india-pakistan-war-gi-tag-basmati-rice.html>

⁵ “Basmati battle: Pakistan fights Indian bid for EU recognition of rice,” op.cit

⁶ “Basmati GI in EU: India says Pak’s claim unfounded,” Financial Express, June 16, 2021, <https://www.financialexpress.com/market/commodities/basmati-gi-in-eu-india-says-paks-claim-unfounded/2272112/>

the Geographical Indications (Regulation and Protection) Act in February 2020.⁷ It was only in January 2021 that Pakistan finally received from Intellectual Property Organisation Geographical indicator tag under Geographical Indication Act 2020 for its basmati rice. Whereas, India had enacted GI legislation in 1999 which came into effect in 2003.

In an effort to protect a lucrative market for their product, the Rice Exporters Association of Pakistan had submitted a Notice of Opposition on December 7, 2020 and filed a Reasoned Statement in opposition to India's claim of GI of basmati on February 5, 2021 which was accepted by the EU on March 5, 2021 thereby making REAP party to the case.⁸ Negotiations are to be held and in the absence of any settlement, the matter will be taken to the tribunal of the directorate-general for agriculture and rural developments at the European Commission.

Despite Pakistan's relentless efforts to ensure peace and tranquillity in the region, India unfortunately does not miss any chance to harm Pakistan in any way possible. Instead of opting for a negotiating table for the resolution of already existing disputes, India did not shy away from opening yet another front against Pakistan. Knowing India's intentions, it is also important to highlight that Pakistan too needs to take a more proactive approach towards issues that have the potential of harming its interests. In yet another late response but a welcome one, Pakistan recently announced that it would also register the rocksalt of Khwera with international trade bodies. This will ensure that Indian traders no longer have the liberty to market Pakistan's rocksalt as Himalayan Pink salt.⁹ While Pakistan needs to keep a watchful eye to protect its economic interest against Indian designs, India too needs to put aside its antagonism towards Pakistan, particularly in matters that concern the betterment of common people of both the countries. It is in the best interest of both India and Pakistan to have a joint claim over basmati rice before other countries, like Egypt which is also planning to farm basmati rice and market it from next year may emerge as a competitor to both India and Pakistan.¹⁰

⁷ "India, Pakistan in winner-take-all rice war," Asia Times, November 12, 2020, <https://asiatimes.com/2020/11/india-pakistan-in-winner-take-all-rice-war/>

⁸ "EU has accepted plea on basmati: REAP," Dawn, March 9, 2021, <https://www.dawn.com/news/1611494>

⁹ "Khwera salt set to be registered with international trade bodies," Dawn, April 29, 2021, <https://www.dawn.com/news/1620895>

¹⁰ "Egypt throws a spatula in Indian basmati rice export," The Hindu Business Line, August 24, 2021, <https://www.thehindubusinessline.com/economy/agri-business/egypt-throws-a-spatula-in-indian-basmati-rice-exports/article3605232.ece>