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## Govt Eyes 10 Policy Measures to Boost Exporters in 2024

10 policy measures include India's proposed trade pacts with UK, Oman, likely customs duty changes in the budget, enactment of Drugs, Medical Devices and Cosmetics Bill 2023

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According to a policy analysis by MVIRDC World Trade Center Mumbai, Indian government may consider at least 10 policy measures in 2024 to support merchandise exporters and increase India's share, which currently stands at 1.8%, in world merchandise exports. These policy measures may improve global competitiveness of Indian exporters who are facing multiple challenges such as global economic slowdown, disruption in the shipping route in Red Sea, increase in non-tariff barriers in the form of European Union's Carbon Border Adjustment Mechanism (CBAM) and export restrictions on some agro commodities.

These 10 policy measures include India's proposed trade pacts with UK, Oman, likely customs duty changes in the budget, enactment of Drugs, Medical Devices and Cosmetics Bill 2023, expansion in the scope of production linked incentive scheme and so on. The list of these proposed 10 policy measures, that will have a bearing on India's foreign trade, are listed below:

Sr. No	Proposed policy measures in 2024	Impact on India's foreign trade in medium to long run
1.	Trade agreement with UK	It will boost India's export of labour intensive goods such as textile, footwear, leather etc. to the UK
2.	Trade agreement with Oman	It will further strengthen India's exports Oman, which is our third largest export market in GCC region
3)	Measures to counter EU Carbon Border Adjustment Mechanism (CBAM)	Exporters of steel, fertilizers, aluminum, cement are expecting supportive government measure to cope with EU's CBAM
4.	Measures to counter USA and EU's countervailing duty against India's RoDTEP scheme	Indian exporters seek government intervention to deal with USA's countervailing duty on paper foil, aluminum and
5.	Customs duty changes in Budget	Correction of inverted duty structure may ease tax burden on engineering, textile, leather and other exporters
6.	Review of existing trade agreement - ASEAN	Indian industry seeks stricter rules of origin norms to prevent imports from non-ASEAN countries benefiting from this agreement
7.	India-USA Trade Policy Review	Agriculture and manufacturing exports may benefit if India could convince USA to restore GSP benefit and liberalise non-tariff barriers

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| 8.  | Trade agreement with Peru, EFTA countries       | These agreements may provide opportunities for Indian exporters to compete with Chinese exporters through preferential market access to these countries   |
| 9.  | Drugs, Medical Devices and Cosmetics Bill 2023  | This bill seeks to upgrade India's regulatory norms to global standards and will streamline regulation for medical devices which is an emerging sector for India's exports                                      |
| 10. | Fresh Production Linked Incentive (PLI) Schemes | India has already announced PLI scheme for 14 sectors, which has benefitted export of electronics and smartphones. In future, we may expect similar scheme for other sectors to boost Make in India and Exports |

**Compiled by MVIRDC WTC Mumbai**

As the above table shows, the new year may bring progress in India's negotiation for free trade agreement with UK, Oman, Peru, European Free Trade Agreement (EFTA) countries and so on. Apart from the above trade negotiations, India is expected to introduce three domestic policy measures that may benefit local manufacturers and exporters. In the upcoming Interim Budget and the full-year budget of the newly elected government, there is likelihood of fine tuning customs duties to reduce import duty on raw materials & intermediate goods and increase import duty on value added products to encourage local manufacturing.



In yet another domestic policy measure, the government may pass the Drugs, Medical Devices and Cosmetics Bill 2023 next year to upgrade the quality regulation for these products to the global standards by replacing the age-old Drugs and Cosmetics Act of 1940. The new regulation will enhance quality norms for local manufacturing, streamline approval for clinical trials and medical devices and thereby facilitate pharma companies to become part of the global value chain.

Lastly, India may also consider expanding the scope of the Production Linked Incentive Scheme (PLI) by expanding the list beyond the existing 14 sectors to cover more industries such as plastics, leather, furniture etc. Such a move may increase global competitiveness and increase our exports from these sectors in the long run.

Apart from the above mentioned 10 policy outcomes, the year 2024 will also see regulatory and multilateral policy developments that may have a bearing on India's foreign trade. Indian industry will be expecting the review of existing regulation on sugar, rice, wheat, onion and other agro commodities on which the government imposed ban or export restriction last year to prevent shortage in the domestic market. India may defend its right to support its farmers, fishing community and local IT hardware manufacturers at the 13th WTO Ministerial Meeting, which is scheduled in Dubai in February 2024. Besides these 10 measures, the economic policy of the newly elected Indian government next year will be closely watched.

#### **Outlook for 2024**

The calendar year 2023 was a challenging period for the global and Indian exporters as they struggled to maintain their last year's impressive export performance amidst economic slowdown and rising interest rates across most of the advanced economies. In 2024 as well, Indian exporters may continue to face multiple challenges, such as non-tariff barriers of the importing countries, export restrictions of Indian government to prevent domestic shortages and supply chain risks arising from geopolitical tension. However, the supportive policy steps by the Indian government as highlighted above may provide much needed relief in this uncertain global environment.

The detailed analysis of India's policy outlook that may have a bearing on the country's exports and imports is attached herewith.

**#exporters #WTC Mumbai #Policy Measures**



# Govt May Consider At Least 10 Policy Measures To Support Exporters In 2024

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*The new year may bring progress in India's negotiation for a free trade agreement (FTA) with the UK, Oman, Peru, European Free Trade Agreement (EFTA) countries and so on*

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The Indian government may consider at least ten policy measures in 2024 to support merchandise exporters and increase India's share, which currently stands at 1.8 per cent, in world merchandise exports, according to a policy analysis by MVIRDC World Trade Center Mumbai.

These policy measures may improve the global competitiveness of Indian exporters who are facing multiple challenges such as global economic slowdown, disruption in the shipping route in the Red Sea and increase in non-tariff barriers in the form of European Union's Carbon Border Adjustment Mechanism (CBAM) and export restrictions on some agro commodities.

These ten policy measures include India's proposed trade pacts with the UK and Oman, likely customs duty changes in the budget, enactment of drugs, medical devices and Cosmetics Bill 2023 and expansion in the scope of production linked incentive.

"The new year may bring progress in India's negotiation for a free trade agreement (FTA) with the UK, Oman, Peru, European Free Trade Agreement (EFTA) countries and so on. India is expected to introduce three domestic policy measures that may benefit local manufacturers and exporters.

In the upcoming Interim Budget and the full-year budget of the newly elected government, there is the likelihood of fine-tuning customs duties to reduce import duty on raw materials and intermediate goods and increase import duty on value-added products to encourage local manufacturing.

According to the WTC analysis, the government may pass the Drugs, Medical Devices and Cosmetics Bill 2023 next year to upgrade the quality regulation for these products to global standards by replacing the age-old Drugs and Cosmetics Act of 1940.

The new regulation will enhance quality norms for local manufacturing, streamline approval for clinical trials and medical devices and thereby facilitate pharma companies to become part of the global value chain.

Lastly, India may also consider expanding the scope of the PLI by expanding the list beyond the existing 14 sectors to cover more industries such as plastics, leather, furniture etc. "Such a move may increase global competitiveness and increase our exports from these sectors in the long run," it added.