

New Foreign Trade Policy should give thrust to FTAs

India's low success rate with Free Trade Agreements (FTAs) in the past led to the government being protectionist and shy away from mega trade deals such as the Regional Comprehensive Economic Partnership (RCEP). However, while the government is encouraging local manufacturing through the 'Atmanirbhar Bharat' and 'Make in India' initiatives, it has also realised the importance of foreign capital and technology, and is, therefore, pushing forward the 'Production-linked Incentive' scheme.

We further need FTAs in order to source raw materials and components at competitive international prices. It, therefore, becomes imperative to rework our existing FTAs and enter into new ones so as to enhance our share in global trade.

The government is correcting the Inverted Duty Structure in many products so that our imports of finished products are not cheaper than imports of raw materials and components, thus giving thrust to local value-addition and manufacturing. An equal amount of thrust should be given to incentivizing high quality production, testing, certification, and investment in Research and Development of new products, so that our exports are easily adopted in advanced markets.

At a time when the world is renegotiating supply chains away from Chinese domination, many of our Asian peers are encashing this growth opportunity through proactive trade and business policies. The Indian government too should take heed of the changing trade contours and devise strategies in the new Foreign Trade Policy that can enhance our participation in international trade.

Notifications

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Exports of Marine Products register a growth of 35%

<https://pib.gov.in/PressReleasePage.aspx?PRID=1793671>

India's Exports of Ready To Eat products rise by 24%

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India-Israel agree to further enhance cooperation in the agricultural sector

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Round One of Negotiations for A FTA Between India and UK

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