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

These policy measures may improve the competitiveness of exporters facing challenges such as economic slowdown, Red Sea crisis, increase in non-tariff barriers like EU's Carbon Border Adjustment Mechanism (CBAM).



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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.