

# Foreign trade policy to focus on long-term plan to boost exports


SHREYA NANDI

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With fast-evolving global developments affecting international trade, the government may roll out the much-awaited foreign trade policy (FTP) with a focus on India's long-term strategy on trade, people aware of the matter said.

Till now, the FTP has been a five-year strategy for promoting export of goods, which may be done away with. Instead, it will present the government's 'vision statement' on foreign trade, charting out the long-term goals. "The government doesn't want to stick to a fixed timeline for the policy, considering the global developments that took place over the last few years. First, it was Covid, which was followed by the conflict between Russia and Ukraine," one of the officials cited above told *Business Standard*.

"We cannot control the impact of these disruptions. The idea is to be flexible and incorporate changes when required and go ahead with a five-year timeline. The policy will be divided into two parts. The first part will be about the vision state-



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ment, while the second part will be about existing or new schemes and rules related to that," the official said. The existing policy came into force on April 1, 2015, and was valid for five years, that is, till 2020.

The FTP was deferred and the current policy was extended and reviewed after every six months, as businesses grappled with the disruptions caused by the pandemic.

Thereafter, the government was supposed to roll out the policy in March 2022. However, another extension was given till September 30, 2022.

This is because the government did not have anything substantial to roll out in the new policy in the absence of any new incentive scheme. However, in September, the department of commerce extended the existing policy by another six months due to global headwinds. It was felt that it was not the 'right time' to roll out a new policy, especially when developed economies are headed towards a recession.

Government officials said that the final call on whether the FTP will be rolled out from April 1 will be taken in March-end. That is, after getting the final nod from the Prime Minister's (PMO) Office.

Besides, since the general elections are a year away, the government may contemplate rolling out a new policy now.

"FTP should be brought into an environment where geopolitical uncertainties are over. Since, we continue to face the same situation, in which we were in last year, we feel that whatever changes are required to support exports can be notified without waiting for the policy to come," Ajay Sahai, director-general (DG) and chief executive officer (CEO), Federation of Indian Export Organisations (FIEO), said.