DGFT amends policy to prohibit imports made with 'forced labour'

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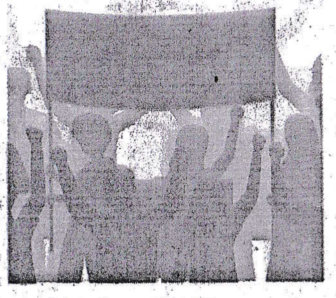

The Directorate General of Foreign Trade (DGFT) has amended the country's foreign trade policy to explicitly prohibit the import of goods made using forced labour, a move that could strengthen India's case in the ongoing Section 301 investigation by the United States over similar concerns.

"The import of goods produced or manufactured, wholly or in part, through the use of forced labour is prohibited. The Central government may, from time to time, specify, by notification, the goods whose import shall be prohibited under this paragraph, having regard to the findings of such enquiry or such other material as it may consider appropriate," the DGFT said in a notification issued on Tuesday, amending the Foreign Trade Policy.

The timing of this notification is critical, coming just weeks after the USTR proposed additional Section 301 tariffs of up to 12.5 per cent on Indian goods over India's alleged failure to prohibit imports of forced-labour products.

The investigations on forced labour against 60 countries, including India, are ongoing, and a final verdict on the matter is expected soon.

The notification will take effect 30 days after its publication in the official gazette.

'FORCED LABOUR'

The DGFT also inserted a paragraph in the policy, defining 'forced labour' in accordance with the ILO Forced Labour Convention, "thereby strengthening the FTP framework for restricting imports of goods produced through forced labour", the notification added.

The move aligns India with international labour standards and could help exporters access markets such as the European Union, where compliance with forced labour norms is increasingly tied to market access.

"The move comes as major economies tighten restrictions on goods linked to forced labour... India's notification signals that it is strengthening its domestic legal framework in line with international standards, a step that could strengthen its position in future trade negotiations and market-access discussions," pointed out Ajay Srivastava from Global Trade Research Initiative.