

Will act tough on non-tariff barriers: Goyal

MUKESH JAGOTA
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INDIA WILL RETALIATE strongly against any non-tariff barriers against its exports and industry has been asked to bring the instances where they have faced barriers to trade to the notice of the government, commerce and industry minister Piyush Goyal said on Tuesday.

"I have told them (other countries) very categorically that if you put one non-tariff barrier we will put two. It is reciprocal," the minister said in his closing remarks at the second meeting of the reconstituted Board of Trade.

He asked industry, including small and medium enterprises, to inform the government of non-tariff barriers they face so that India's negotiating position improves. "Today I am not able to negotiate with foreign countries because we do not have the data for their non-tariff barriers."

Non-tariff barriers are imposed by countries to check imports despite agreeing to lower tariffs as part of their World Trade Organisation or free trade agreement (FTA) commitments. These come in the form of quality, environment and social standards imposed on sellers.

These barriers are one of the reasons for Indian exporters not being able to fully utilise the benefits of lower duties that have come with FTAs that India has signed.

Data suggest India's FTA partners have gained more from the trade openings that have happened. "Trade deficit increase has been at double the rate for FTA countries," Ajay Srivastava, co-founder of Global Trade Research Initiative, had said in a report.

Between 2017 and 2022, India's exports to FTA partners increased 31%, while its imports increased by 82%, according to the report. India's FTA utilisation remains very low at around 25%, while utilisation for developed countries typically sits between 70-80%.

At the meeting Goyal asked the

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industry to take the issue of FTA utilisation very seriously, particularly when so many FTAs are under discussion. India has 13 FTAs, including with developed economies of Japan, South Korea and United Arab Emirates and one with growth economies of the Association of South East Asian Nations. India is negotiating FTAs with the UK, European Union, Oman, Chile and European Union Free Trade Association.

The minister also announced that initiation of work on Trade Connect ePlatform, an intermediary platform providing the facility to connect Indian exporters and entrepreneurs with various stakeholders in international trade, will commence shortly.

The platform will be ready in three to four months and will provide facilitation for new and aspiring exporters, information on various regulations to access markets, sectors, export trends, easy access of benefits under FTAs, etc.