

# More focus on MSMEs in new FTAs: Official

**MUKESH JAGOTA**  
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**THE MEDIUM AND** small enterprises are getting greater importance in the new free trade agreements (FTAs) that India is negotiating, a senior official said on Thursday.

Through these deals, efforts are being made to address the handicaps the sector faces such as information gaps, onerous procedural requirements and lack of capacity to benefit from the deals, additional secretary, department of commerce, Rajesh Agarwal said at an industry event.

"Every FTA India has entered into mentions the MSME sector, even if only in passing. Now we are making a complete chapter on MSMEs. As a country, we will have to start putting in more and more weight around the work MSMEs can do and how they can be enabled to leverage the FTAs."

FTAs can bring advantages to MSMEs as by evening out tariffs it enables them to become part of global value chains. In the FTAs being negotiated, there is a lot of talk about addressing the information asymmetries MSMEs face in trade through sharing of best practices and other trade enabling knowledge.

In the Indo-Pacific Economic Framework of Prosperity (IPEF), a provision has been made where the US will take in 500 entrepreneurs and workers from member countries for six months to two years for on-the-job training and capacity building.

Another handicap MSMEs face is procedures and paperwork involved that might require physical presence of exporters or their representatives. "All FTAs are talking about digitisation of processes, e-documentation, e-billing... and logistics involved in exports," Agarwal said.