

New Foreign Trade Policy to be announced today

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The government will announce the much-awaited new Foreign Trade Policy (FTP) on Friday, seeking to support exporters, especially those in the MSME sector, amidst a slowdown in global trade.

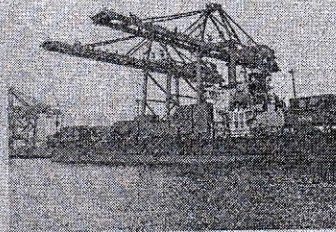
The focus of the new FTP, which is set to aim for an export target of \$2 trillion worth of goods and services by 2030, will be on simplification and reforms, improving ease of doing business, reducing compliance burden, IT-enablement, promoting e-commerce and supporting district export hubs.

“Although Indian exporters are looking forward to a supportive FTP, new incentive schemes won’t be many as the WTO does not allow direct export subsidies. The idea is to have a policy that will make the existing schemes more effective and simpler and make it easier and cheaper for exporters to operate,” a source close to the development told *businessline*.

Indian exporters are going through a rough period at the moment due to a slowdown in global demand, owing to high global inflation, rising interest rates, and key economies moving towards recession.

VISION STATEMENT

For the first time, the FTP will have a vision statement that will lay down the strategy for export growth in the years to come. The statement may touch upon areas such as the evolving global system; setting the domestic context; trade



strategy; MSMEs for exports; innovation and start-up ecosystem; integrating *nari shakti* (women power) into international trade and value chains; product & markets; service sector; co-operative federalism and improving institutions; and improving trade resilience (with reference to Black Swan events).

The policy may also come up with goals for 2047, such as increasing India’s share in global trade to 10 per cent and raising share of exports in GDP to 25 per cent, the source said.

The new FTP was initially scheduled on April 1 2020, but it was postponed several times and the old policy was extended to deal with the uncertainties unleashed by the Covid-19 pandemic. The last extension of the FTP (2015-20) is set to expire on March 31 2023.

Apart from new chapters on e-commerce exports and district export hubs, one on dual items under Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET) is also likely to be introduced.

India’s exports of goods in the current fiscal have slowed down since July and are set to post only a small increase over last fiscal’s exports of \$422 billion.