

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
UNSTARRED QUESTION No. 541
ANSWERED ON 07/02/2025

FOREIGN TRADE POLICY

541. **Shri Ayodhya Rami Reddy Alla:**

Will the Minister of Commerce And Industry be pleased to state:

(a) the manner in which India's Foreign Trade Policy can be aligned with its broader economic goals such as achieving a \$5 trillion economy and promoting Make in India.

(b) the manner in which India's trade agreements, such as the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive Economic Partnership Agreement (CEPA), can be leveraged to increase its exports and attract foreign investment; and

(c) the role India's diaspora can play in promoting the country's exports and attracting foreign investment and the strategies that can be employed to leverage the diaspora's potential?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JITIN PRASADA)

(a) India's Foreign Trade Policy (FTP) 2023 is structured to enhance export competitiveness, manufacturing, and value addition, contributing to India's goal of becoming a \$5 trillion economy. By streamlining trade processes, expanding market access, and integrating domestic industries into global supply chains, the policy supports economic growth, employment generation, and the Make in India initiative.

Exports have played a crucial role in economic expansion, growing to \$778 billion in 2023-24, with trade as a percentage of GDP increasing from 15.5% in 1990 to 45.8% in 2023-24. Expanding trade strengthens India's position as a key player in the global economy while enabling industries to scale up production and boost international competitiveness. In recent times several policy measures and digital initiatives have been introduced to support manufacturing, facilitate trade, and improve export infrastructure:

Expanding Digital Trade & Global Market Access:

(i) The Trade Connect ePlatform serves as a one-stop trade resource, linking Indian Missions, the Department of Commerce, Export Promotion Councils, and global buyers, offering tariff insights, trade agreements, market intelligence, and export training.

(ii) Chapter 9 of FTP 2023 promotes Cross-Border Trade in the Digital Economy, facilitating E-Commerce Export Hubs (ECEH) that integrate logistics, certification, and fulfillment services, enabling small businesses and artisans to participate in global trade.

Encouraging Value Addition in Manufacturing:

(i) The Diamond Imprest Authorization (DIA) Scheme (effective 01.04.2025) supports duty-free import of cut and polished diamonds, strengthening India's position in the global gems and jewellery industry.

(ii) The RoSCTL and RoDTEP Schemes facilitate cost-effective manufacturing in labour-intensive and high-value sectors, ensuring duty remission on 10,642 tariff lines and improving export competitiveness.

Enhancing Trade Facilitation & Export Infrastructure:

(i) Self-certification for Export Remittance reconciliation (eBRC process) has made export documentation paperless, reducing costs and improving efficiency.

(ii) The Video Conference-based Virtual Interface (Jansunwai) provides faceless grievance redressal, making it easier for exporters to address trade concerns.

(iii) The Market Access Initiative (MAI) and Trade Infrastructure for Export Scheme (TIES) improve trade-related infrastructure, enabling smoother export processes and reducing logistical constraints.

These initiatives collectively aim to increase India's share in global trade, attract foreign investment, and ensure a strong foundation for achieving economic growth and industrial expansion.

(b) India's trade agreements, including Comprehensive Economic Partnership Agreements (CEPAs) Regional Trade Agreements (RTAs) and Free Trade Agreements (FTAs), play a significant role in facilitating exports and attracting foreign investment. These agreements provide preferential market access, tariff reductions, and trade facilitation measures, making Indian products more competitive globally.

India actively engages in bilateral and regional trade agreements to expand trade relationships with key economies. Through FTAs, RTAs and CECAs, India aims to:

(i) Expand export opportunities by securing preferential tariffs and reducing trade barriers for Indian goods and services.

(ii) Encourage foreign investment by fostering a stable regulatory environment and predictable trade policies.

(iii) Enhance supply chain integration by aligning with regional and global production networks to improve trade efficiency.

India seeks to negotiate trade agreements that provide reciprocal benefits, ensuring domestic industries can access global markets while maintaining competitiveness.

(c) India's global diaspora plays an important role in expanding exports and attracting foreign investment by leveraging their market knowledge, business networks, and financial influence. With a strong presence in major economies, the diaspora acts as a facilitator for trade, technology transfer, and investment promotion.

The Indian government has introduced various initiatives to engage the diaspora and integrate them into India's economic development efforts. Some key contributions of the diaspora include:

(i) Facilitating exports through market access & trade promotion: The diaspora helps Indian businesses navigate foreign regulations, certification processes, and trade opportunities in global markets.

(ii) Encouraging foreign investment & technology collaboration: Many Indian-origin entrepreneurs and investors contribute to India's growth by investing in manufacturing, infrastructure, and high-tech industries.

(iii) Driving innovation & partnerships in emerging sectors: Diaspora professionals working in global R&D, AI, Fintech, and Biotechnology foster collaboration with Indian firms, boosting exports and knowledge transfer.

India continues to explore ways to further engage the diaspora in investment facilitation, business networking, and trade promotion efforts, ensuring stronger global trade linkages.
