

TRADE POLICY

Trade policy impacts significantly on the domestic production level and profile. The import and export regime, whether tariffs or export promotion measures constitute important policy instruments which shape a country's production profile. With increasing globalization and international engagement, it is critical that these policy instruments be aligned carefully so that domestic manufacturing is not adversely impacted.

Trade policy is no longer restricted to border measures. International trade rules now encompass measures which are more internal to an economy than just border measures, for example, public/government procurement. Government procurement can be a significant domestic policy instrument by which industry can be seeded / supported through local value addition requirements. This policy proposes government procurement as a significant instrument. As such it needs to be ensured that the available flexibilities are not diluted at this juncture when the attempt is to strengthen the manufacturing sector.

The policy will take active measures to protect export of products and services from India from border taxes or other border measures that may be imposed by partner countries on the grounds of protection of environment including those related to GHG emissions reduction.

NMCC will be authorized to examine and make recommendations on duty structures and other measures to the extent that they impact the manufacturing sector in order to ensure that changes therein do not adversely affect the manufacturing sector.

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