



Foreign Trade of India

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ABSTRACT

Foreign trade in India includes all imports and exports to and from India. At the level of Central Government it is administered by the Ministry of Commerce and Industry. Foreign trade accounted for 48.8% of India's GDP in 2018. Business with foreign nations is not a new phenomenon in India. India is used to trade with foreign nations even in BC. The Periplus of the Erythraean Sea is a document (written by an anonymous sailor from Alexandria about AD 100) describing trade between countries, including India. Since 1498, Europeans did trade with the rulers of India using the sea route. The main export items then were spices like pepper, ginger, cinnamon, cardamom, nutmeg, mace, and cloves. From 1947-1991, the Indian economy remained largely as a closed economy. High taxes were levied on import of items. Foreign investments like FDI were restricted. Now, India exports around 7500 commodities to about 190 countries, and imports around 6000 commodities from 140 countries. Exports and Imports are not only restricted to commodities (merchandise). Service is also a major export/import item.

Keywords: foreign trade, India, business, export, imports, commodities, investments

INTRODUCTION

Balance of Trade (BoT) is also known as Trade Balance.

Balance of Trade (Merchandise) = Export of goods – Import of goods

Balance of Trade (Services) = Export of services – Import of services

- Export of goods (merchandise/commodities)
- Export of services
- Import of goods (merchandise/commodities)
- Import of services[1,2]

Top Export Items: Petroleum products, precious stones, drug formulations & biologicals, gold and other

precious metals are the top exported commodities. India's merchandise exports are less than its merchandise imports. Still, India's merchandise trade balance has improved from 2009-14 to 2014-19 although most of the improvement in the latter period was on account of more than fifty per cent decline in crude prices in 2016-17.

Top Import Items: Crude petroleum, gold, petroleum products, coal, coke & briquettes constitute top import items. India's service exports are more than its service imports. This means that India has a net service surplus. However, India's net services surplus has been steadily declining in relation to GDP. Now, India's

service surplus finance about 50 per cent of the merchandise deficit (the trade balance).

India's top five trading partners continue to be USA, China, UAE, Saudi Arabia and Hong Kong.

Top 10 Export Commodities

1. Petroleum Products
2. Pearl, Precious, Semiprecious Stones
3. Drug Formulations, Biologicals
4. Gold and Other Precious Metal Jewellery
5. Iron and Steel
6. Electric Machinery and equipment
7. Organic Chemicals
8. RMG Cotton including Accessories
9. Motor Vehicles/ Cars
10. Marine Products

Top 10 Countries to which India exports the most

1. USA
2. UAE
3. China PRP
4. Hong Kong
5. Singapore
6. United Kingdom
7. Netherland
8. Germany
9. Bangladesh PR
10. Nepal

The composition of service exports has remained largely unchanged over the years.

Top 10 Import Commodities

1. Petroleum: Crude
2. Gold
3. Petroleum Products
4. Coal, Coke and Briquettes, etc.
5. Pearl, Precious, Semiprecious Stones
6. Electronic Components
7. Telecom Instruments
8. Organic Chemicals
9. Industrial Machinery for Dairy etc.
10. Iron and Steel

Top 10 Countries from which India imports the most

1. China PRP
2. USA
3. UAE

4. Saudi Arabia
5. Iraq
6. Switzerland
7. Hong Kong
8. Korea RP
9. Singapore
10. Indonesia

Service Imports: Top Services

Over the years, service imports in relation to GDP have been steadily rising putting pressure on BoP to worsen. However, the increase in service imports to GDP ratio is inevitable given a rising level of FDI and a gradual upscaling of the Make in India program. Business Services, Travel, and Transportation are the three top service imports.[3,4]

A. Balance of Payments (BoP)

Balance of Payments (BoP) statistics systematically summarise, for a specific period, the economic transactions of an economy with the rest of the world. The compilation and dissemination of BoP data is the prime responsibility of RBI. $BoP = \text{net credit in (Current Account + Capital Account and Financial Account)}$. India's Balance of Payments (BoP) position witnessed great improvement since liberalisation in 1991. India's foreign reserves stood at US\$ 572 billion as on November 2020. Foreign Exchange (Forex) Reserves include Foreign Currency Assets, Gold, Special Drawing Rights (SDRs), and Reserve Position in the IMF (Gold Tranche or Reserve Tranche).

Discussion

B. Global Trade

Global Trade was growing at 5.7 per cent in 2017. However, in 2019-20, it is estimated to grow only at 1.0 per cent.

C. Ease of Doing Business: Performance of India

India now ranks 68 out of the 190 countries under the indicator "Trading across Borders" in the Ease of Doing Business Report published by World Bank. (2019)

D. Logistics Industry in India

The logistics industry of India is currently estimated to be around US\$ 160 billion and is expected to touch US\$ 215 billion by 2020.

E. Net Remittances from Indians employed overseas

Net Remittances are part of the Current Account in the Balance of Payments statement published by RBI. Net remittances from Indians employed overseas has been constantly increasing year after year.[5,6]

F. FDI Inflows and FPI Inflows

FDI and FPI are showing a positive trend in recent years.

G. External Debt

After witnessing significant decline since 2014-15, India's external liabilities (debt and equity) to GDP has increased at the end of June 2019 primarily driven by an increase in FDI, portfolio flows and external commercial borrowings (ECBs).

External debt as at end of September 2019 remains low at 20.1 per cent of GDP.

H. Foreign Trade Policy of India

The Foreign Trade Policy, 2015-20, notified by Central Government, is an exercise of powers conferred under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 OR FT (D&R) Act. Export trade is regulated by the **Directorate General of Foreign Trade (DGFT)** and its regional offices, functioning under the Ministry of Commerce and Industry, Department of Commerce, Government of India. Policies and procedures required to be followed for exports from India are announced by the DGFT, from time to time. India's overall exports (Merchandise and Services combined) in July 2022* are estimated to be USD 61.18 Billion, exhibiting a positive growth of 11.51 per cent over the same period last year. Overall imports in July 2022* are estimated to be USD 82.22 Billion, exhibiting a positive growth of 42.90 per cent over the same period last year.[7,8]

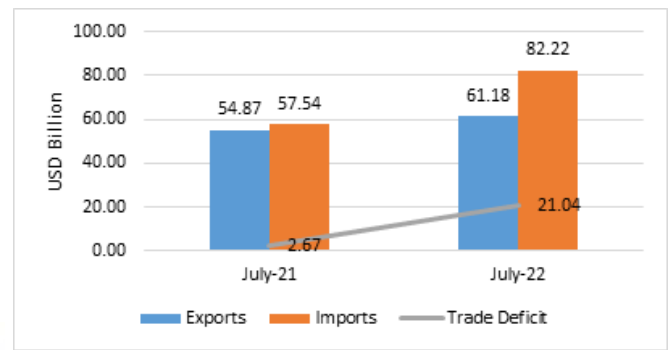


Fig 1: Overall Trade during July 2022*

India's overall exports (Merchandise and Services combined) in April-July 2022* are estimated to be USD 253.84 Billion, exhibiting a positive growth of 22.85 per cent over the same period last year. Overall imports in April-July 2022* are estimated to be USD 317.40 Billion, exhibiting a positive growth of 47.68 per cent over the same period last year.

Fig 2: Overall Trade during April-July 2022*

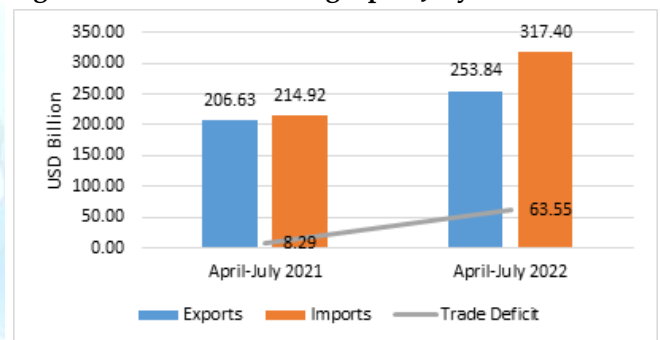


Fig 2: Overall Trade during April-July 2022*

MERCHANDISE TRADE

Merchandise exports in July 2022 were USD 36.27 Billion, as compared to USD 35.51 Billion in July 2021, exhibiting a positive growth of 2.14 per cent. Merchandise imports in July 2022 were USD 66.27 Billion, which is an increase of 43.61 per cent over imports of USD 46.15 Billion in July 2021. The merchandise trade deficit in July 2022 was estimated at USD 30 Billion as against USD 10.63 Billion in July 2021, which is an increase of 182.10 per cent.

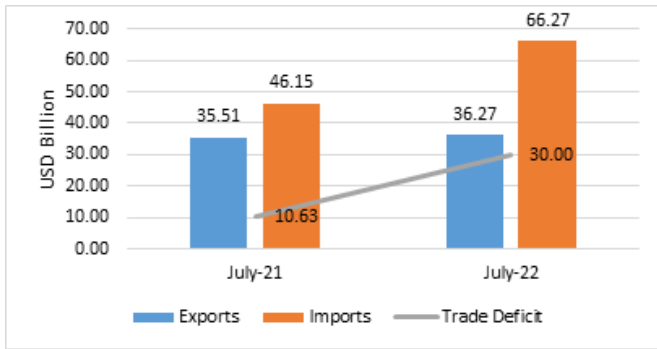


Fig 3: Merchandise Trade during July 2022

Merchandise exports for the period April-July 2022 were USD 157.44 Billion as against USD 131.06 Billion during the period April-July 2021, registering a positive growth of 20.13 per cent. Merchandise imports for the period April-July 2022 were USD 256.43 Billion as against USD 173.12 Billion during the period April-July 2021, registering a positive growth of 48.12 per cent. The merchandise trade deficit for April-July 2022 was estimated at USD 98.99 Billion as against USD 42.07 Billion in April-July 2021, which is an increase of 135.31 per cent.

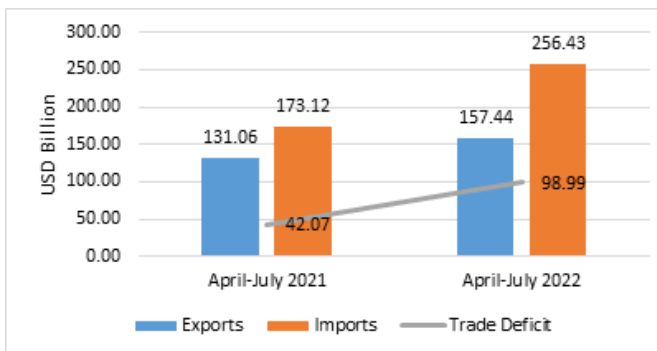


Fig 4: Merchandise Trade during April-July 2022

Non-petroleum and non-gems & jewellery exports in July 2022 were USD 26.62 Billion, registering a positive growth of 1.55 per cent over non-petroleum and non-gems & jewellery exports of USD 26.21 Billion in July 2021. Non-petroleum, non-gems & jewellery (gold, silver & precious metals) imports were USD 38.45 Billion in July 2022 with a positive growth of 42.91 per cent over Non-petroleum, non-gems & jewellery imports of USD 26.90 Billion in July 2021. [9,10]

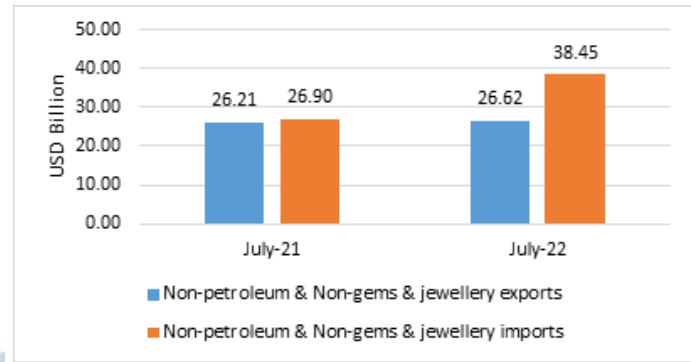


Fig 5: Trade excluding Petroleum and Gems & Jewellery during July 2022

Non-petroleum and non-gems & jewellery exports during April-July 2022 was USD 110.47 Billion, an increase of 10.81 per cent over non-petroleum and non-gems & jewellery exports of USD 99.69 Billion in April-July 2021. Non-petroleum, non-gems & jewellery (gold, silver & precious metals) imports were USD 147.56 Billion in April-July 2022, recording a positive growth of 36.94 per cent, as compared to Non-petroleum, non-gems & jewellery imports of USD 107.75 Billion in April-July 2021.

Fig 6: Trade excluding Petroleum and Gems & Jewellery during April-July 2022

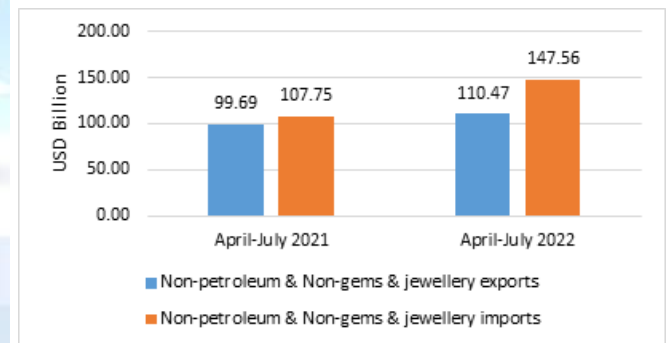


Fig 6: Trade excluding Petroleum and Gems & Jewellery during April-July 2022

SERVICES TRADE

The estimated value of services export for July 2022* is USD 24.91 Billion, exhibiting a positive growth of 28.69 per cent vis-a-vis July 2021 (USD 19.36 Billion). The estimated value of services import for July 2022* is USD 15.95 Billion exhibiting a positive growth of 40.02 per cent vis-à-vis July 2021 (USD 11.39 Billion). The services trade balance in July 2022* is estimated at USD 8.96

Billion, which is an increase of 12.49 per cent over July 2021 (USD 7.97 Billion).[11,12]

Fig 7: Services Trade during July 2022*

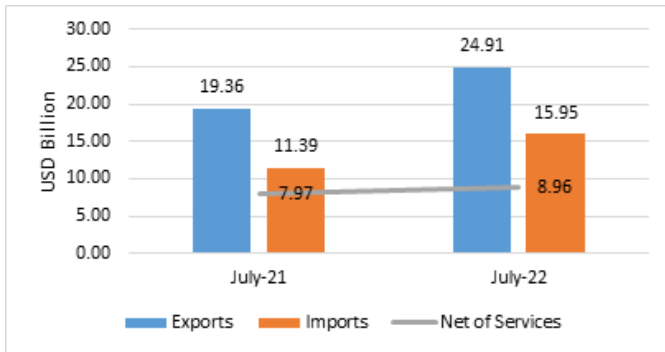


Fig 7: Services Trade during July 2022*

The estimated value of services export for April-July 2022* is USD 96.40 Billion, exhibiting a positive growth of 27.56 per cent vis-a-vis April-July 2021 (USD 75.57 Billion). The estimated value of services imports for April-July 2022* is USD 60.96 Billion exhibiting a positive growth of 45.85 per cent vis-à-vis April-July 2021 (USD 41.80 Billion). The services trade balance for April-July 2022* is estimated at USD 35.44 Billion as against USD 33.77 Billion in April-July 2021, which is an increase of 4.93 per cent.

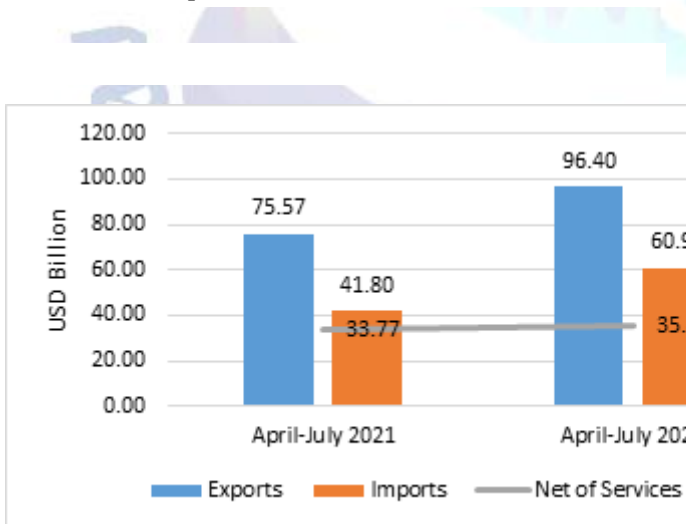


Fig 8: Services Trade during April-July 2022*

Results

India's nominal gross domestic product (GDP) at current prices is estimated at Rs. 232.2 trillion (US\$ 3.1 trillion) in 2021-22. India's trade and external sector had a significant impact on the GDP growth and expansion in per capita income. India's overall exports (Merchandise and Services combined) in April-March 2021-22 are estimated to be US\$ 669.7 billion, witnessing a growth of 34.5% over the same period last year and an increase of 27.2% over April to March 2019-20. India has been able to beat the overall export target of US\$ 650 billion despite the global economic slowdown caused by the Covid-19 pandemic and the recent geopolitical developments in Europe. The key reasons for stellar export performance are sharp recovery in key markets, increased consumer spending, accumulated savings and disposable income due to the announcement of fiscal stimulus by major economies, global commodity price rise, and an aggressive export push by the government. The United States of America (USA) remained the top export destination, followed by United Arab Emirates (UAE) and China. According to Minister for Commerce and Industry and Consumer Affairs and Food and Public Distribution and Textiles, Mr. Piyush Goyal, India is keen to increase its exports and provide more jobs for young, talented, and well-educated people as well as create opportunities for both semi-skilled and unskilled workers.

As the pandemic receded, India witnessed a revival in domestic demand resulting in strong import growth. During the year 2021-22, India's overall imports (Merchandise and Services combined) are estimated to be US\$ 756.7 billion, growing 47.8% over the same period last year and 25.5% over the year 2019-20, crossing the pre-pandemic level. China, UAE, and the USA were the largest import sources for India.[13,14]

The Foreign Trade (Development and Regulation) Act

An Act to provide for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. Be it enacted by Parliament in the Forty-third Year of the Republic of India as follows :-

(1) This Act may be called the Foreign Trade (Development and Regulation) Act, 1992.

(2) Sections 11 to 14 shall come into force at once and the remaining provisions of this Act shall be deemed to have come into force on the 19th day of June, 1992.

In this Act, unless the context otherwise requires, -

(a) "Adjudicating Authority" means the authority specified in, or under, section 13;

(b) "Appellate Authority" means the authority specified in, or under, Subsection (1) of section 15;

(c) "conveyance" means any vehicle, vessel, aircraft or any other means of transport including any animal;

(d) "Director General" means the Director General of Foreign Trade appointed under section 6;

(e) "import" and "export" means respectively bringing into, or taking out of, India any goods by land, sea or air;

(f) "Importer-exporter Code Number" means the Code Number granted under section 7;

(g) "licence" means a licence to import or export and includes a customs clearance permit and any other permission issued or granted under this Act;

(h) "Order" means any Order made by the Central Government under section 3; and

(i) "prescribed" means prescribed by rules made under this Act.[15]

Powers to make provisions relating to imports and exports. - (1) The Central Government may, by Order published in the Official Gazette, make provision for the development and regulation of foreign trade by facilitating imports and increasing exports. (2) The Central Government may also, by Order published in the Official Gazette, make provision for prohibiting, restricting or otherwise regulating, in all cases or in specified classes of cases and subject to such exceptions, if any, as may be made by or under the Order, the import or export of goods.

(3) All goods to which any Order under sub-section (2) applies shall be deemed to be goods the import or export of which has been prohibited under section 11 of the Customs Act, 1962 (52 of 1962) and all the provisions of that Act shall have effect accordingly.

Continuance of existing Orders. - All Orders made under the Imports and Exports (Control) Act, 1947 (18 of 1947), and in force immediately before the commencement of this Act shall, so far as they are not inconsistent with the provisions of this Act, continue to be in force and shall be deemed to have been made under this Act.

Export and import policy. - The Central Government may, from time to time, formulate and announce, by notification in the Official Gazette, the export and import policy and may also, in like manner, amend that policy.

Appointment of Director General and his functions.-(1) The Central Government may appoint any person to be the Director General of Foreign Trade for the purposes of this Act.

(2) The Director General shall advise the Central Government in the formulation of the export and import policy and shall be responsible for carrying out that policy.

(3) The Central Government may, by Order published in the Official Gazette, direct that any power exercisable by it under this Act (other than the powers under sections 3,5,15,16 and 19) may also be exercised, in such cases and subject to such conditions, by the Director General or such other officer subordinate to the Director General, as may be specified in the Order.

Importer-exporter Code Number. - No person shall make any import or export except under an Importer-exporter Code Number granted by the Director General or the officer authorised by the Director General in this behalf, in accordance with the procedure specified in this behalf by the Director General.

Suspension and cancellation of Importer-exporter Code Number. - (1) Where-

(a) any person has contravened any law relating to Central excise or customs or foreign exchange or has committed any other economic offence under any other law for the time being in force as may be specified by the Central Government by notification in the Official Gazette, or

(b) the Director General has reason to believe that any person has made an export or import in a manner gravely prejudicial to the trade relations of India with

any foreign country or to the interests of other persons engaged in imports or exports or has brought disrepute to the credit or the goods of the country[14]

the Director General may call for the record or any other information from that person and may, after giving to that person a notice in writing informing him of the grounds on which it is proposed to suspend or cancel the Importer-exporter Code Number and giving him a reasonable opportunity of making a representation in writing within such reasonable time as may be specified in the notice and, if that person so desires, of being heard, suspend for a period, as may be specified in the order, or cancel the Importer-exporter Code Number granted to that person.

(2) Where any Importer-exporter Code Number granted to a person has been suspended or cancelled under sub-section (1), that person shall not be entitled to import or export any goods except under a special licence, granted, in such manner and subject to such conditions as may be prescribed, by the Director General to that person.

Issue, suspension and cancellation of licence. - (1) The Central Government may levy fees, subject to such exceptions, in respect of such person or class of persons making an application for a licence or in respect of any licence granted or renewed in such manner as may be prescribed.

(2) The Director General or an officer authorised by him may, on an application and after making such inquiry as he may think fit, grant or renew or refuse to grant or renew a licence to import or export such class or classes of goods as may be prescribed, after recording in writing his reasons for such refusal.

(3) A licence granted or renewed under this section shall -

- (a) be in such form as may be prescribed;
- (b) be valid for such period as may be specified therein; and
- (c) be subject to such terms, conditions and restrictions as may be prescribed or as specified in the licence with reference to the terms, conditions and restrictions so prescribed.

(4) The Director General or the officer authorised under sub-section (2) may, subject to such conditions as may be prescribed, for good and sufficient reasons, to be

recorded in writing, suspend or cancel any licence granted under this Act:

Provided that no such suspension or cancellation shall be made except after giving the holder of the licence a reasonable opportunity of being heard.[13]

(5) An appeal against an order refusing to grant, or renew or suspending or cancelling, a licence shall lie in like manner as an appeal against an order would lie under section 15.

Power relating to search and seizure. - (1) The Central Government may, by notification in the Official Gazette, authorise any person for the purposes of exercising such powers with respect to entering such premises and searching, inspecting and seizing of such goods, documents, things and conveyances, subject to such requirements and conditions, as may be prescribed.

(2) The provisions of the Code of Criminal Procedure, 1973 (2 of 1974) relating to searches and seizures shall, so far as may be, apply to every search and seizure made under this section.

Contravention of provisions of this Act, rules, orders and export and import policy. - (1) No export or import shall be made by any person except in accordance with the provisions of this Act, the rules and orders made thereunder and the export and import policy for the time being in force.

(2) Where any person makes or abets or attempts to make any export or import in contravention of any provision of this Act or any rules or orders made thereunder or the export and import policy, he shall be liable to a penalty not exceeding one thousand rupees or five times the value of the goods in respect of which any contravention is made or attempted to be made, whichever is more.

(3) Where any person, on a notice to him by the Adjudicating Authority, admits any contravention, the Adjudicating Authority may, in such class or classes of cases and in such manner as may be prescribed, determine, by way of settlement, an amount to be paid by that person.[12]

(4) A penalty imposed under this Act may, if it is not paid, be recovered as an arrear of land revenue and the Importer-exporter Code Number of the person concerned, may, on failure to pay the penalty by him, be

suspended by the Adjudicating Authority till the penalty is paid.

(5) Where any contravention of any provision of this Act or any rules or orders made thereunder or the export and import policy has been, is being, or is attempted to be, made, the goods together with any package, covering or receptacle and any conveyances shall, subject to such requirements and conditions as may be prescribed, be liable to confiscation by the Adjudicating Authority.

(6) The goods or the conveyance confiscated under sub-section (5) may be released by the Adjudicating Authority, in such manner and subject to such conditions as may be prescribed, on payment by the person concerned of the redemption charges equivalent to the market value of the goods or conveyance, as the case may be.[11]

Penalty or confiscation not to interfere with other punishments. - No penalty imposed or confiscation made under this Act shall prevent the imposition of any other punishment to which the person affected thereby is liable under any other law for the time being in force.

Adjudicating Authority. - Any penalty may be imposed or any confiscation may be adjudged under this Act by the Director General or, subject to such limits as may be specified, by such other officer as the Central Government may, by notification in the Official Gazette, authorise in this behalf.

Giving of opportunity to the owner of the goods, etc. - No order imposing a penalty or of adjudication of confiscation shall be made unless the owner of the goods or conveyance, or other person concerned, has been given a notice in writing -

(a) informing him of the grounds on which it is proposed to impose a penalty or to confiscate such goods or conveyance; and

(b) to make a representation in writing within such reasonable time as may be specified in the notice against the imposition of penalty or confiscation mentioned therein, and, if he so desires, of being heard in the matter.

Appeal. - (1) Any person aggrieved by any decision or order made by the Adjudicating Authority under this Act may prefer an appeal,-

(a) where the decision or order has been made by the Director General, to the Central Government;[10]

(b) where the decision or order has been made by an officer subordinate to the Director General, to the Director General or to any officer superior to the Adjudicating Authority authorised by the Director General to hear the appeal,

within a period of forty-five days from the date on which the decision or order is served on such person :

Provided that the Appellate Authority may, if it is satisfied that the appellant was prevented by sufficient cause from preferring the appeal within the aforesaid period, allow such appeal to be preferred within a further period of thirty days :

Provided further that in the case of an appeal against a decision or order imposing a penalty or redemption charges, no such appeal shall be entertained unless the amount of the penalty or redemption charges has been deposited by the appellant:

Provided also that, where the Appellate Authority is of opinion that the deposit to be made will cause undue hardship to the appellant, it may, at its discretion, dispense with such deposit either unconditionally or subject to such conditions as it may impose.

(2) The Appellate Authority may, after giving to the appellant a reasonable opportunity of being heard, if he so desires, and after making such further inquiries, if any, as it may consider necessary, make such orders as it thinks fit, confirming, modifying or reversing the decision or order appealed against, or may send back the case with such directions, as it may think fit, for a fresh adjudication or decision, as the case may be, after taking additional evidence, if necessary :

Provided that an order enhancing or imposing a penalty or redemption charges or confiscating goods of a greater value shall not be made under this section unless the appellant has been given an opportunity of making a representation, and, if he so desires, of being heard in his defence.

(3) The order made in appeal by the Appellate Authority shall be final.[9]

The Central Government, in the case of any decision or order, not being a decision or order made in an appeal,

made by the Director General, or the Director General in the case of any decision or order made by any officer subordinate to him, may on its or his own motion or otherwise, call for and examine the records of any proceeding in which a decision or an order imposing a penalty or redemption charges or adjudicating confiscation has been made and against which no appeal has been preferred, for the purpose of satisfying itself or himself, as the case may be, as to the correctness, legality or propriety of such decision or order and make such orders thereon as may be deemed fit:

Provided that no decision or order shall be varied under this section so as to prejudicially affect any person unless such person -

- (a) has, within a period of two years from the date of such decision or order, received a notice to show cause why such decision or order shall not be varied, and
- (b) has been given a reasonable opportunity of making representation and, if he so desires, of being heard in his defence.

Powers of Adjudicating and other Authorities. - (1) Every authority making any adjudication or hearing any appeal or exercising any powers of revision under this Act shall have all the powers of a civil court under the Code of Civil Procedure, 1908 (5 of 1908), while trying a suit, in respect of the following matters, namely :-

- (a) summoning and enforcing the attendance of witnesses;
- (b) requiring the discovery and production of any document;
- (c) requisitioning any public record or copy thereof from any court or office;
- (d) receiving evidence on affidavits; and [8]
- (e) issuing commissions for the examination of witnesses or documents.

(2) Every authority making any adjudication or hearing any appeal or exercising any powers of revision under this Act shall be deemed to be a civil court for the purposes of sections 345 and 346 of the Code of Criminal Procedure, 1973 (2 of 1974).

(3) Every authority making any adjudication or hearing any appeal or exercising any powers of revision under this Act shall have the power to make such orders of an

interim nature as it may think fit and may also, for sufficient cause, order the stay of operation of any decision or order.

(4) Clerical or arithmetical mistakes in any decision or order or errors arising therein from any accidental slip or omission may at any time be corrected by the authority by which the decision or order was made, either on its own motion or on the application of any of the parties :

Provided that where any correction proposed to be made under this sub-section will have the effect of prejudicially affecting any person, no such correction shall be made except after giving to that person a reasonable opportunity of making a representation in the matter and no such correction shall be made after the expiry of two years from the date on which such decision or order was made.

Protection of action taken in good faith. - No order made or deemed to have been made under this Act shall be called in question in any court, and no suit, prosecution or other legal proceeding shall lie against any person for anything in good faith done or intended to be done under this Act or any order made or deemed to have been made thereunder.

Power to make rules. - (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Act.[7]

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:-

- (a) the manner in which and the conditions subject to which a special licence may be issued under sub-section (2) of section 8;
- (b) the exceptions subject to which and the person or class of persons in respect of whom fees may be levied and the manner in which a licence may be granted or renewed under sub-section (1) of section 9;
- (c) the class or classes of goods for which a licence may be granted under sub-section (2) of section 9;
- (d) the form in which and the terms, conditions and restrictions subject to which licence may be granted under sub-section (3) of section 9;

(e) the conditions subject to which a licence may be suspended or cancelled under sub-section (4) of section 9;[6]

(f) the premises, goods, documents, things and conveyances in respect of which and the requirements and conditions subject to which power of entry, search, inspection and seizure may be exercised under sub-section (1) of section 10;

(g) the class or classes of cases for which and the manner in which an amount, by way of settlement, may be determined under sub-section (3) of section 11;

(h) the requirements and conditions subject to which goods and conveyances shall be liable to confiscation under sub-section (5) of section 11;

(i) the manner in which and the conditions subject to which goods and conveyances may be released on payment of redemption charges under sub-section (6) of section 11; and

(j) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be, or may be, made by rules.[5]

(3) Every rule and every Order made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or the Order or both Houses agree that the rule or the Order should not be made, the rule or the Order, as the case may be, shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or the Order.

Repeal and savings.-(1) The Imports and Exports (Control) Act, 1947 (18 of 1947), and the Foreign Trade (Development and Regulation) Ordinance, 1992 (Ord. 11 of 1992) are hereby repealed.[4]

(2) The repeal of the Imports and Exports (Control) Act, 1947 (18 of 1947) shall, however, not affect, -

(a) the previous operation of the Act so repealed or anything duly done or suffered thereunder; or

(b) any right, privilege, obligation or liability acquired, accrued or incurred under the Act so repealed; or

(c) any penalty, confiscation or punishment incurred in respect of any contravention under the Act so repealed; or

(d) any proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, confiscation or punishment as aforesaid,

and any such proceeding or remedy may be instituted, continued or enforced, and any such penalty, confiscation or punishment may be imposed or made as if that Act had not been repealed.[3]

(3) Notwithstanding the repeal of the Foreign Trade (Development and Regulation) Ordinance, 1992 (Ord. 11 of 1992), anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under the corresponding provisions of this Act.

CONCLUSIONS

In the contemporary world of value chains, where the focus has shifted from nations to firms in global trade and commerce, the formulation of trade policies has become increasingly complex. In India, the Directorate General of Foreign Trade (DGFT), under the Ministry of Commerce and Industry, is in the process of formulating the new Foreign Trade Policy (FTP), expected to be rolled out in April 2022 and applicable for the succeeding five years. The drafting process requires tremendous effort in terms of collating and analysing a diverse range of inputs—from export promotion councils, trade associations, industry chambers, commodity boards, and trade policy specialists. Using the results of these consultations, the DGFT must then draft a coherent FTP that takes into account both domestic and international complexities. Moreover, the outcome of the previous FTP must be evaluated to address any gaps and shortcomings in its stated goals. Those included providing a stable and sustainable policy environment and regime; linking rules, procedures

and incentives for exports and imports with other initiatives such as Make in India, Digital India, and Skill India; diversifying India's exports; strengthening the governance architecture for India's global trade engagements; and correcting the trade imbalance in India's external engagements.[2]

The global transformation of trade through digitisation has added intricacies in international trade transactions. Therefore, a holistic approach has become more important than ever, and Indian policymakers must shed their tunnel-vision and focus on syncing, streamlining and synergising FTP objectives with other policy initiatives while simultaneously ensuring its compliance, compatibility, and coherence with the global trading system. Thus, significant changes and refinements are needed to make the new FTP suitable at the policy level as well as for Exim operations.

In drafting the new Foreign Trade Policy, the office of the DGFT must ensure alignment with globally acceptable policy norms, introduce policy measures for addressing the operational problems faced by the trade community, fine-tune the existing policies to match contemporary business requirements, and take into account India's macroeconomic policy framework. At the same time, policy initiatives must be aimed at creating synergy within the overall policy framework as well as with the prevailing global economic and trade landscape. Going forward, policymakers must double down on the merits of free and fair trade, since trade benefits all, and work towards providing a level playing field to both domestic and foreign producers, to manufacture in India and export to the world markets. The upcoming FTP will address the challenges of emerging India through required policy interventions for green industries, start-ups, women entrepreneurs, and services sector exports. To this end, the key deliverables of the policy must be inclusive of the ambitions of an evolving India—fulfilling the growing demands of the country's agricultural, manufacturing, and services sector while also creating a multiplier effect in the economy through enhanced trade.[1]

Conflict of interest statement

Authors declare that they do not have any conflict of interest.

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