

POST COVID SITUATION- INDIA'S RESPONSE TO TRADE POLICY FORMULATION

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ABSTRACT

The COVID-19 pandemic has had a significant impact on the global economy including India. It led to a decline in demand for goods and services . In response to the pandemic, the Indian government has taken a number of steps to promote trade. The Indian government also worked to address the long-term challenges facing the country's trade policy .

Keywords: COVID pandemic; supply chain disruptions; export incentives; e-commerce exports; duty drawback scheme; export finance

INTRODUCTION

The COVID-19 pandemic has had a significant impact on the global economy including India. The pandemic had led to a sharp decline in exports, as well as disruptions to supply chains. The pandemic has had a significant impact on global trade. It led to a decline in demand for goods and services. It had a negative impact on India's exports, which fell by 24.7% in 2020-21.

RESPONSE OF INDIA TO PROMOTE TRADE

In response to the pandemic, the Indian government has taken a number of steps to promote trade. These include:

- (a) **Extending the validity of export incentives:** The government has extended the validity of a number of export incentives, such as the duty drawback scheme and the export finance scheme. This will help exporters to continue exporting even in the face of similar situation to the pandemic.
- (b) **Simplifying export procedures:** The government has simplified a number of export procedures, such as the process of obtaining export licenses. This will help to reduce the transaction costs of exporting and make it easier for exporters to do business.

(c) **Promoting e-commerce exports:**The government is promoting e-commerce exports by providing exporters with access to e-commerce platforms and by simplifying the process of exporting through e-commerce. This will help exporters to reach new markets and grow their businesses. This includes providing financial assistance to e-commerce companies and setting up trade facilitation centers.

(d) **Extending the duty drawback scheme:** The duty drawback scheme is a government program that reimburses exporters for the import duties they paid on inputs used in their exports. The government has extended the duty drawback scheme to cover a wider range of products, and has also increased the rates of reimbursement.

(e) **Providing export finance:** The government provides export finance to exporters through a number of schemes. This finance can be used to cover the costs of production, marketing, and shipping.

(f) **Simplifying export procedures:** The government has simplified export procedures by reducing the number of documents required and by streamlining the approval process.

These measures have helped to mitigate the impact of the pandemic on India's exports. However, there is still some way to go before India's exports recover to pre-pandemic levels. The government will need to continue to take steps to promote trade, such as negotiating new trade deals and investing in infrastructure.

THE INDIAN GOVERNMENT EFFORTS TO ADDRESS THE LONG TERM CHALLENGES

The Indian government also worked to address the long-term challenges facing the country's trade policy. These challenges include:

(a) **Rising protectionism in other countries.** A number of countries have been raising trade barriers in recent years, which has made it more difficult for Indian exporters to compete. The Indian government is working to address this challenge by negotiating free trade agreements with other countries.

(b) **The need to improve the competitiveness of Indian exporters.** Indian exporters need to become more competitive in order to succeed in the global market. The Indian government is working to improve the competitiveness of Indian exporters by providing them with access to finance, training, and other resources.

(c) **The need to address the challenges of the digital economy.** The digital economy is growing rapidly, and Indian exporters need to be able to take advantage of this growth. The Indian government is working to address this challenge by developing a national e-commerce policy and by providing exporters with access to e-commerce platforms.

TRADE POLICY FORMULATION

In addition to the measures mentioned above, the Indian government has also taken a number of steps to improve the country's trade policy formulation process. These include:

- (a) **Setting up a trade policy think tank:** The government set up a trade policy think tank to provide advice on trade policy. The think tank was composed of experts from academia, industry, and government.
- (b) **Conducting public consultations:** The government conducted public consultations on trade policy proposals. This allowed stakeholders to provide input on the proposals and to help ensure that the proposals are in the best interests of the country.
- (c) **Using evidence-based decision-making:** The government used evidence-based decision-making in the trade policy formulation process. The government considered the economic, social, and environmental impacts of trade policy proposals before making a decision.

DISCUSSION

These measures were aimed at making the trade policy formulation process more transparent, inclusive, evidence-based and to ensure that India's trade policy is in the best interests of the country. The COVID-19 pandemic has had a significant impact on India's trade policy formulation. The government has taken a number of steps to protect the country's exports and domestic industries, while also promoting trade with other countries.

One of the most important steps taken by the government was to introduce the Production Linked Incentive (PLI) scheme. The PLI scheme provides financial incentives to companies that invest in and produce goods that are exported from India. The scheme has been successful in attracting investment in a number of sectors, including textiles, electronics, and automobiles.

The government has also taken steps to simplify the export and import process. This has been done by reducing the number of documents required for exporting and importing goods, and by streamlining the procedures for obtaining approvals. The government has also launched a number of initiatives to promote trade with other countries, such as the Digital India initiative and the Make in India initiative.

The government's response to the COVID-19 pandemic has been to adopt a more proactive approach to trade policy formulation. Some of the key features of India's trade policy in the post-COVID situation are:

- (a) **Focus on exports:** The government is now more focused on promoting exports than it was before the pandemic. This is because exports are seen as an important way to generate jobs and boost economic growth.
- (b) **Protectionism:** The government is also more willing to use trade policy to protect India's domestic industries. This is because the government is concerned about the impact of the pandemic on these industries.
- (c) **Regionalism:** The government is also more focused on promoting regional trade agreements. This is because regional trade agreements can help to reduce trade barriers and boost trade between India and its neighbors.

CONCLUSION

The FTP 2023 is a comprehensive policy that aims to promote exports and make it easier for businesses to do international trade. It is expected to help India achieve its target of \$1 trillion in exports by 2025. It is clear that the government is now more willing to use trade policy to protect India's interests and promote trade with other countries after the rude shock of COVID pandemic.

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