GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
RAJYA SABHA
UNSTARRED QUESTION NO.1646
ANSWERED ON 13/02/2026

IMPACT OF FREE TRADE AGREEMENTS

1646. SHRI PARIMAL NATHWANI

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government has assessed the impact of Free Trade Agreements (FTAs) on India's economic growth, exports and employment;
(b) if so, the findings of such assessments;
(c) whether FTAs have contributed to increased market access for Indian goods and services, particularly in MSMEs, agriculture and labour-intensive sectors;
(d) if so, the details thereof; and
(e) the steps taken and incentives offered to enhance utilisation of FTAs by Indian exporters?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY

(SHRI JITIN PRASADA)

(a) & (b) Assessment of the impact of Free Trade Agreements (FTAs) is an ongoing exercise. Before entering into new FTA negotiations, the government ensures that sector-specific stakeholder consultations are held at all stages of the negotiations. FTAs are negotiated with the endeavour to deliver a comprehensive, balanced, broad-based and equitable agreement based on the principle of fairness and reciprocity. It also ensures a level playing field for Indian exporters vis-à-vis their competitors in the trading partner countries. In addition to this structured approach, post-implementation, the Government is continuously engaged with all stakeholders to advance trade through trade promotion, trade facilitation and remedial measures for elevating trade and economic growth. Strategic safeguards for sensitive sectors ensure export growth while protecting domestic priorities.

(c) & (d) FTAs are arrangements that primarily agrees to reduce or eliminate custom tariff and non-tariff barriers on substantial trade between the trading partner countries to get easier market access and opportunities by getting preferential treatment over non-FTA member country competitors. The FTAs responds to contemporary global challenges while enabling deeper market integration between the trading partner by providing a stable and predictable environment for exporters, enabling Indian businesses including MSMEs, agriculture and labour-intensive sectors to plan long-term investments, integrate into value chains, and ensure consistent favourable market access amid global economic uncertainties. FTAs unlocks significant potential for trade and innovation and delivers unprecedented market access for India's export by trade value, while preserving policy space for sensitive sectors and reinforcing India's developmental priorities. The FTAs ensures that the goods exported under it undergoes adequate processing or manufacturing for them to get the originating status and preferential access while providing for adequate flexibility to source inputs from global value chains.

(e) Government has taken several initiative and measures from time to time towards enhancing domestic capacities, boosting exports from the country and utilisation of FTAs by Indian exporters:

i. The Foreign Trade Policy effective from April 01, 2023 is designed to integrate India more effectively into the global market, improve trade competitiveness, and establish the country as a reliable and trusted trade partner.
ii. The Rebate of State and Central Levies and Taxes (RoSCTL) Scheme to promote labour- oriented certain items of textiles sector export has been implemented since March 07, 2019.
iii. Remission of Duties and Taxes on Exported Products (RoDTEP) scheme has been implemented since January 01, 2021. The benefit of RoDTEP scheme had also been extended to sectors like steel, pharma and chemicals with effect from December 15, 2022 to enhance export competitiveness of these sectors. Currently, approx 10,780 tariff lines (8-digit ITC(HS) Codes) are covered under this Scheme. The budget allocation for RoDTEP Scheme for the current financial year 2025-26 is Rs. 18,232 crores. The benefits of the RoDTEP scheme have been extended to exports from Domestic Tariff Area (DTA)/ AA/ EoU/ SEZ units till March 31, 2026.
iv. A Common Digital Platform for Certificate of extension Origin has been launched to facilitate trade and increase Free Trade Agreement (FTA) utilization by exporters.
v. Districts as Export Hubs initiative has been launched by identifying products & services with export potential in each district, addressing bottlenecks for exporting these products and supporting local exporters/manufacturers to generate employment in the district.
vi. The Government has launched Trade Connect ePlatform as a unified digital interface to provide international trade information and services to all Indian exporters including MSMEs. The platform serves as a single platform for issuance of Certificates of Origin for all Indian products. It also provides various information including tariffs for Indian products in international markets, trade events happening worldwide, product and country specific trade data and compliances, international buyer data and learning resources on international trade. Officials from Indian Missions, Export Promotion Councils, Exim Bank and Department of Commerce are present on the platform with over 19 lakh registered public users (as of January 2026).
vii. The Export Promotion Mission (EPM), approved by the Cabinet on 12.11.2025 and announced in the Union Budget 2025–26, is a flagship, outcome-based initiative with an outlay of ₹25,060 crore for FY 2025–26 to FY 2030–31 to enhance India's export competitiveness, particularly for MSMEs, first-time exporters, and labour-intensive sectors; implemented through a collaborative, EDI-driven framework, it consolidates various interventions into two sub-schemes - **NIRYAT PROTSAHAN**, providing affordable trade finance support, and **NIRYAT DISHA**, offering non-financial assistance such as quality compliance, branding, logistics, market access, and capacity building.
viii. The Government encourages Indian exporters to participate in the exhibitions and provides grant-in-aid under Market Access Initiative (MAI) scheme wherein, regular bilateral institutional mechanism meetings are held with the Export Promotion Councils (EPCs) and Indian Missions abroad to explore new opportunities, identify and resolve trade issues, thereby increasing Indian exports. Active role of Indian missions abroad towards promoting India's trade, tourism, technology and investment goals has been enhanced. Regular monitoring of export performance with Commercial Missions abroad, Export Promotion Councils, Commodity Boards/Authorities and Industry Associations is being done and corrective measures are being taken from time to time.

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