INDIA’S INTERNATIONAL TRADE:
TRADE FACILITATION AGREEMENT AND INDIAN AGRICULTURE

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ABSTRACT

Ever since the formation of the World Trade body, World Trade Organisation (WTO) in 1995, the journey of the organization was not smooth. Like its predecessor, General Agreements on Tariffs and Trade (GATT), so far it was failing to bring consensus among its members on different issues due to their varied interests. After the deadlock in the Doha Round, there was a felt need to revive the initiative in the backdrop of the economic downturn of 2008. The current sentiments for getting a consensus for a Trade Facilitation Agreement (TFA) was the result of the economic crisis and its aftermaths reflected in the global economy. TFA was brought into agenda by developed countries, but India, sensing imminent danger in the move, reacted firmly on going back from the Bali agreement with definite reasons. Originally the TFA was endorsed by India also at the Ninth Ministerial Conference, expecting greater transparency and simplification of customs procedures, use of electronic payments and risk management techniques and faster clearance at ports. India had made two demands at the WTO viz., one for a permanent solution to the issue of public stock holding for food security and two, for shifting the base period for calculation of agricultural subsidies from 1986-88, to a more recent period, taking into account of the rise in inflation. India has taken a firm stand that the country has a sovereign duty to protect its poor people and right to hold food grains for that purpose. Talks were at a halt at WTO because of the stand of India and deliberations and lobbying are in progress in different quarters for an amicable solution. The new Government at Centre is open for a settlement which safeguards the interest of developing nations also. After several rounds of discussions at various levels the Government of India, in November 2014, has reached an agreement with the US Government on the Trade Facilitation Agreement to take it forward, putting an end to the impasse.


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