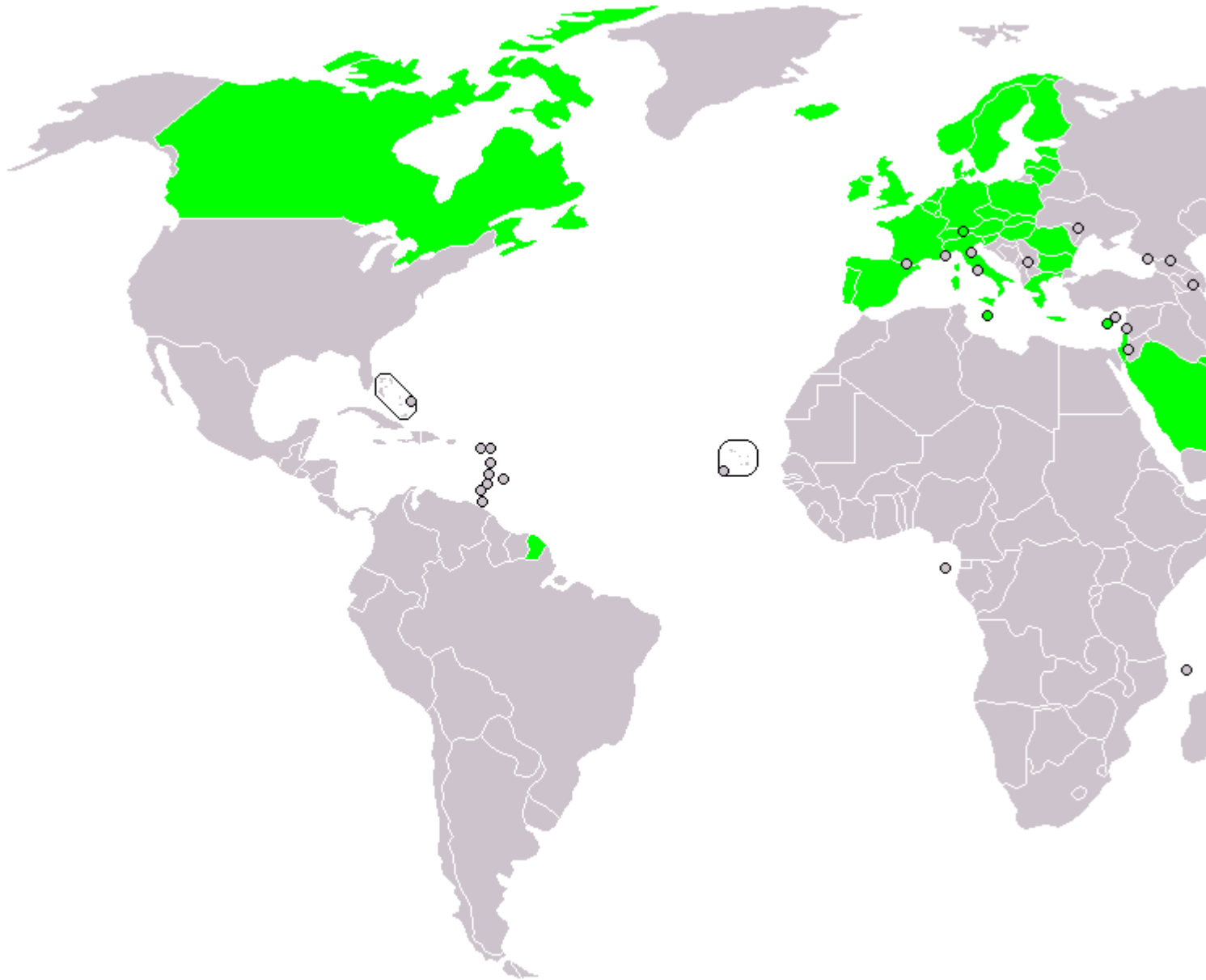




India and FTAs

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India's experience with the existing Free Trade Agreements (FTAs) is not too good. The success of an FTA is judged against a simple criteria – if the relative (and not just absolute) level of both imports and exports between all stakeholders has grown, then the FTA is deemed successful. This is common sense, and by this yardstick, FTAs have had little impact on India's trade flows. Contrary to belief, they have not been a disaster for Indian industry, but they could certainly have worked much more to our advantage. In this regard, we need to integrate deeper into global supply chains by enhancing our industrial infrastructure. The degree of specialization is determined by the extent of the market, and excluding many items from FTAs limits the innate manufacturing potential of the domestic economy.

**Photo Credit: Google*