

INTERNATIONAL JOURNAL OF LAW
MANAGEMENT & HUMANITIES

[ISSN 2581-5369]

Volume 4 | Issue 4

2021

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Changes Required in Export Policies of India

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ABSTRACT

Export Led Growth policies are derived from a presumption that the international market provides a bigger platform for a product or service than the domestic market and to regulate the former market, World Trade Organisation (WTO) agreements and rules came into force to usher in an era of free and liberal trade between member nations.

However, in reality, in India, these policies have been trying to keep up with the world of growing protectionism where there has been a rise of ever-increasing tariffs in the last three decades on developing countries by developed countries which go against the concept of liberal trade. Although this is the ongoing trend, ultra-protectionism might not be the solution for India's ailing economy as even developed countries like the United States of America had their Great Depression worsened after the ultra-protectionist Smooth Hawley Tariff Act was enacted, at a time when the States had a fairly agrarian economy like India. Therefore, in the end, India will have to formulate the export led growth policies in compliance with WTO agreements and rules provided that the demand side of the country is not overridden by its supply side as pointed out by Raghuram Rajan.

Keywords: *Export Policies of India, WTO Disputes, Indo-US Dispute, TRIPS, Agreement on Agriculture, Export Restrictions, Economic Diplomacy*

I. INTRODUCTION

Being a mixed economy, India has been marred by complexities. The 1990s saw the country truly becoming part of the world trade as its trade barriers relaxed and investment poured into the country. However, it considerably lagged behind its Asian counterparts in being a part of the globalised economy. Therefore, though being the second most populous country, its share in the world trade still remains very meagre as India's share in global merchandise is at 1.7 % compared to China's 12.8%.³ Keeping the nation's economic interests in mind, export led growth policies have to be pushed so that India can assert its dominance in asserting policies

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³ India eyes bigger share in global trade amid US-China tensions, The Economic Times, Available at: <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-eyes-bigger-share-in-global-trade-amid-us-china-tensions/articleshow/66804547.cms?from=mdr> (Visited on 14th November, 2019)

that liberalise World trade organisation agreements in favour of India. However, it is to be kept in mind that no country can really be compared to India in order to follow an example to comply with WTO agreements considering the complexity of its economy which has internal intricacies.

Literature Review

When we look at countries like South Korea, a major reason for their boosting economy with export contributing 42.24% to its gross domestic product in 2016 according to the World Bank,⁴ is due to the foreign direct investment which exceeded the \$ 20 billion mark for four years until 2018⁵ and one of the factors for such investment can be attributed to the fact that South Korea is not marred by losing WTO disputes just like Japan which has a success rate of 90%.⁶ which ultimately boosts their brand image with regards to their predictability and stability encouraging investors which reduces need for subsidies by the government and simultaneously, monopolies over the production units for export goods are reduced. Noting that attainment of such investment is one of the main objectives of the Make In India Policy, we will take a look at the recent WTO disputes of India, especially with the United States of America to see as to how the policies can be morphed to achieve the aforementioned scenario. We shall also skim through solutions that should run simultaneously to dissolving the disputes so that the other objectives of the export led growth policies are fulfilled.

II. INDO-US DISPUTE

In November, 2019, India lost a major dispute where the World Trade Organisation set up a panel to investigate the United States' allegations against six export subsidy schemes of India, namely Merchandise Exports From India Scheme, Export Oriented Units Scheme, Electronics Hardware Technology Parks Scheme, Special Economic Zones, Export Promotion Capital Goods Scheme and Duty Free Imports for Exporters, especially with regards to export subsidies on steel, pharmaceuticals, chemicals, IT products, textiles and apparel, that are contingent upon export performance, thus, violating Article 3.1(a) of WTO's Subsidies and Countervailing Measures(SCM).⁷ The US has alleged that India cannot provide export subsidies as its GNP

⁴ South Korea - Exports of goods and services (% of GDP), Available at: <https://tradingeconomics.com/south-korea/exports-of-goods-and-services-percent-of-gdp-wb-data.html> (Visited on 4th October, 2019)

⁵ Foreign investment hits 6-year low in South Korea as tax breaks end, Available at: <https://asia.nikkei.com/Economy/Foreign-investment-hits-6-year-low-in-South-Korea-as-tax-breaks-end> (Visited on 4th October,2019)

⁶ A Look at Japan's WTO Track Record, nippon.com, Available at: <https://www.nippon.com/en/japan-data/h00503/a-look-at-japan-s-wto-track-record.html> (Visited on 5th October, 2019)

⁷ WTO upholds US's claims, rules against India's export subsidies, Available at: <https://www.livemint.com/news/world/wto-upholds-us-s-claims-rules-against-india-s-export-subsidies-11572549484806.html> (Visited on 2nd November,2019)

per capita has exceeded \$ 1000 consecutively for three years, 2014, 2015 and 2016, thus graduating from the Annex V11(b) countries in the agreement, thereby, Article 27(2)(b) of the Agreement becomes applicable to India meaning India will have to get rid of its export subsidies which are a huge part of the policies.⁸ While a lot of debate has been going on as to the applicability of the eight year period to phase out the subsidies, we will take a look at a solution in the case of the WTO's adherence to textualism continues.

According to paragraph(i) of Annex I to the SCM agreement, programmes which are designed to remit or drawback import duties paid on inputs used in production of exported products would not constitute subsidies unless import duties remitted are greater than import duties incurred.⁹ Such programmes excluding integrated tax leviable under sub-section (7) and competition cess leviable under sub section(9) respectively of section 3 of the Customs Tariff Act,1975 as they do not come under the definition of drawbacks under Section 2(a) of Customs and Central Excise Rules,2017, should substitute the current export subsidies given to exporters of finished products. This ensures the substitution of direct cash subsidies with drawback duties. Currently, India insists that instead of direct cash subsidies, it provides duty credit scrips at 2%, 3% or 5% of their exports under the Merchandise Exports from India Scheme,¹⁰ which is one of the schemes being challenged by the United States of America.

Simultaneously, import duties on raw materials should be reduced as India often taxes raw materials, which are essential for its exporters, at higher rates than that of finished goods. On the other hand, the tariffs on imported finished goods should be maintained. This is in consideration that there should not be drastic change in the gap between the WTO bound rates and Most Favoured Nation applied rates which has been the characteristic of the Indian Trade regime that warded off investors due to instability such as applied rates on chickpeas rising from 0% percent in November, 2017 to 60% in March,2018.¹¹ India's average bound tariff is 48.5 % while average applied tariff is 13.4%.¹² These rates should also be more transparent so

⁸ Lakshmikumaran & Sridharan-Jayant Raghu Ram, Has the clock stopped ticking? India's export subsidies under the SCM Agreement, Lexology, (8th Oct ,2018), Available at: <https://www.lexology.com/library/detail.aspx?g=96a47de7-78b5-4c84-99dd-31e69fd58072> (Visited on 3rd November,2019)

⁹ Lakshmikumaran & Sridharan-Jayant Raghu Ram, 'Has the clock stopped ticking? India's export subsidies under the SCM Agreement, Lexology, (8th Oct, 2018), Available at: <https://www.lexology.com/library/detail.aspx?g=96a47de7-78b5-4c84-99dd-31e69fd58072> (Visited on 3rd November,2019)

¹⁰ Press Information Bureau, **Merchandise Export from India Scheme**, Ministry of Commerce and Industry, Government of India, Available at: <https://pib.gov.in/newsite/PrintRelease.aspx?relid=148539> (Visited on 14th October,2019)

¹¹ Export.gov,India - Import Tariffs, **Export.gov**, Available at: <https://www.export.gov/article?id=India-Import-Tariffs> (Visited on 16th October,2019)

¹² India is not a tariff king, has the right to protect specific sectors under WTO, Available at: <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-is-not-a-tariff-king-has-the-right-to-protect-specific-sectors-under-wto-experts/articleshow/68974070.cms?from=mdr> (Visited on 16th October,2019)

that the Indian economy is able to attract stable inflow of foreign capital for strong growth.

Special attention must be paid to textile subsidies which have also been challenged, the industry being instrumental to India as it is labour intensive. When one breaks down the multi fibre agreement which is found in the agreement on textile and clothing, this agreement governing trade in textile provides that quotas would not be present in the case of textile trade by January 1, 2005. However, the United States and European Union have deterred in its compliance as it removed quotas in the case of the aforementioned industry only for developing countries which have minimal textile export¹³ India may impose countervailing measures if such postponement has affected its domestic textile industry. But most importantly, with respect to the parts where there has been compliance, the Make in India policy's objective to build the best in class manufacturing infrastructure should be pushed by directing the money reduced from the export subsidies in the schemes to building the eight industrial corridors of India, especially focussing on roads of the coastal states of Maharashtra, Karnataka and Tamil Nadu wherein the electronic road pricing system would be adopted for the textile exporting trucks. In Singapore, the system was adopted to manage traffic as vehicles do not stop or slow down to pay tolls.¹⁴ India has a Rs 4,500-crore worth of border business plan in the process of execution wherein the Bangladeshi truck driver has to wait only for a few hours to get the documents processed at the Petrapole border check post.¹⁵ According to Article 1.1(a)(1)(iii) of the SCM agreement, a subsidy exist on provision of goods and services other than general infrastructure. Roads being part of general infrastructure would not be subject to the scrutiny of the SCM agreement.

After providing an alternative to the subsidies contingent on export performance, we are left with finding a solution to the problem of domestic content requirement for which India was dragged to the dispute resolution body of the World Trade Organisation for prescribing the same of about 5% from Indian vendors in procuring solar cells/panels for its target of installing 100 GW of solar power by 2022 as part of the Jawaharlal Nehru National Solar Mission, which India lost.¹⁶ Taking into consideration that the USA also lost to India on the dispute of

¹³ INDIA AND WTO – DETAILED ANALYSIS OF ALL RELATED ISSUES AND CONCEPTS, available at: <https://www.insightsonindia.com/2016/01/20/india-and-wto-detailed-analysis-of-all-related-issues-and-concepts/> (Visited on 6th November, 2019)

¹⁴ The Case For Electronic Road Pricing, Available at: <https://development.asia/case-study/case-electronic-road-pricing> (Visited on 17th October, 2019)

¹⁵ India has a Rs 4,500-crore border business plan in the making, Available at: <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-has-a-two-pronged-rs-4500-cr-border-plan-for-bangladesh-in-the-making/articleshow/66196481.cms?from=mdr> (Visited on 20th October, 2019)

¹⁶ WTO rules against India in solar panels dispute with the US, Available at: <https://www.livemint.com/Politics/11yE8Bz6bgZZ6LhXXIB8eL/WTO-panel-rules-against-India-in-solar-dispute.html> (Visited on 5th Nov, 2019)

prescribing the same on India's steel products,¹⁷ it would be hypocritical of our country for continuing to prescribe it since it is also prohibited under The Agreement on Trade-Related Investment measures. However, taking into note the WTO's principle of reciprocity, India shall not allow unilateral liberalism wherein it has no advantage and therefore, must immediately raise disputes at the WTO Dispute Settlement body when such requirement is prescribed against India's exported goods as it is a prohibited subsidy or in the worst case scenario, India can resort to countervailing measures under Agreement on subsidies and measures of countervailing nature if it affects its domestic industry with regards to the product such as India imposing duty of anti dumping nature nature on China with regards to imports of stainless steel.¹⁸The same had also been imposed on imports of USB flash drives or pen drives from China and Taiwan by the Central Board of Excise and Customs. The Directorate General of Anti-Dumping & Allied Duties (DGAD) had concluded that the product was exported from Chinese Taipei into the Indian market at prices lower than their normal values.¹⁹

The WTO also ruled against India's ban on import of poultry meat and live pigs from the US. In 2007, India had enacted an act known as the Indian Livestock Importation Act, 1898. It was intended to prevent the spread of low pathogenic strains of avian influenza. The panel, however, found that the ban was rather restrictive towards trade rather than achieving said intended purpose and that the US had identified alternative measures for the same.²⁰ To avoid such scenarios, India should have set up stations to allow such imports after checking the quality of the imports according to the basic rules laid down in the Sanitary and Phyto-Sanitary Measures for food safety, animal and plant health standards necessary to protect human, animal or plant life or health especially for three countries US, China and Brazil which are the three largest exporters of chicken in the world. India could have easily prevented the dispute since the World Organisation For Animal Health had already confirmed that 620,272 birds had been culled in India due to avian Influenza (H5N1).²¹ This particular case brings in the issue of the health of the country's citizens and can be seen as the WTO being used as a tool that infringes

¹⁷ WTO says US not complying fully on India steel dispute ruling , Available at: <https://economictimes.indiatimes.com/news/economy/foreign-trade/wto-says-us-not-complying-fully-on-india-steel-dispute-ruling/articleshow/72077440.cms?from=mdr>(Visited on 17th November,2019)

¹⁸ INDIA AND WTO – DETAILED ANALYSIS OF ALL RELATED ISSUES AND CONCEPTS, Available at: <https://www.insightsonindia.com/2016/01/20/india-and-wto-detailed-analysis-of-all-related-issues-and-concepts/> (Visited on 6th November,2019)

¹⁹ WTO pen drive case: India, Taiwan complete consultation process, Available at: <https://economictimes.indiatimes.com/news/economy/foreign-trade/wto-pen-drive-case-india-taiwan-complete-consultation-process/articleshow/50312775.cms> (Visited on 22nd October,2019)

²⁰ US wins poultry case against India at WTO, Available at: <https://www.downtoearth.org.in/news/us-wins-poultry-case-against-india-at-wto-50081> (Visited on 10th November,2019)

²¹ US wins poultry case against India at WTO, Available at: <https://www.downtoearth.org.in/news/us-wins-poultry-case-against-india-at-wto-50081> (Visited on 10th November, 2019)

on the country's sovereign duty to ensure the health of its citizens under article 47 of the Indian constitution.

III. COMPLIANCE WITH AGREEMENT ON AGRICULTURE

Brazil, Guatemala and Australia have requested for a dispute settlement panel alleging that India's export subsidies for sugar and sugarcane producers of Rs. 6268 crores which includes administered minimum prices which are directly credited to farmer's account have distorted world trade with regards to the sugar prices and that they exceed the levels of domestic support measures allowed under the WTO.²² Similarly, the United States of America has raised a complaint that the rice and wheat subsidies of minimum support prices provided by India are in violation of the De-Minimis provision in the Agreement on Agriculture as they have exceeded 10% of the total value of agricultural output claiming India's MPS to rice in 2013-14 was much higher at 77% of production value.²³ Under the provisions, developed countries are allowed to maintain trade distorting subsidies or 'Amber box' subsidies to level of 5% of total value of agricultural output while for developing countries, the figure was 10%.²⁴

With regards to the latter complaint, although the administered price has exceeded the 1986-88 external reference price, it has not risen above the world market price. This means that in pure economic terms, there has been no trade distortion by India as pointed out by Diaz-Bonilla.²⁵ Therefore such minimum support prices provided by the government can be considered as Green Box domestic support which would not distort market drastically with subsidies as it includes measures decoupled from output such as safety net programs.

With regards to the former complaint, the peace clause alias article 13 of the Agreement on Agriculture can be resorted to, wherein subsidies are protected even though the de minimis provision is violated. Although it is claimed that the sugar prices are distorted, India has also been claiming that it should be allowed since the conditions of the farmers are aimed at assisting over 35 million vulnerable low-income resource-poor farmers to have a just and equitable share

²² Sugar industry gets Rs 6,268-crore export subsidy, Available at: <https://economictimes.indiatimes.com/news/economy/agriculture/sugar-industry-gets-rs-6268-crore-export-subsidy/articleshow/70885051.cms> (Visited on 4th November,2019)

²³ Why do India and US disagree on farm subsidies? Available at: <https://www.livemint.com/Politics/sIEs wdOoThm3a1mGyDDGyN/Why-do-India-and-US-disagree-on-farm-subsidies.html> (Visited on 7th November,2019)

²⁴INDIA AND WTO – DETAILED ANALYSIS OF ALL RELATED ISSUES AND CONCEPTS, Available at: <https://www.insightsonindia.com/2016/01/20/india-and-wto-detailed-analysis-of-all-related-issues-and-concepts/> (Visited on 6th November,2019)

²⁵ The Bali Agreement: Implications for Development and the WTO, Available at: <https://journals.openedition.org/poldev/1744> (Visited on 11th November,2019)

in economic development,²⁶ thus resorting to the peace clause. However, the clause is subject to trade distortion and a series of notification and transparency requirements and obligations to hold obligations to hold consultation upon request which India has violated. Given the low global sugar prices, despite the subsidy, exports will still be at a loss.²⁷ Therefore, the Cabinet Committee on Economic Affairs must reconsider reducing the amount of subsidies to the point that it doesn't exceed the de minimis provision.

When we look at this issue from another perspective, the major reason the mills have a surplus of sugar is due to the cheap prices at which they buy raw sugar from the farmers which is an underlying supply issue that needs to be resolved. This still continues although the government had raised the minimum selling price of sugar to 43.24\$ per 100 kg from 40.45\$ per 100 kg.

²⁸The Committee should instead focus on formation of cooperative societies reflecting Article 43B of the Indian Constitution which are not politically influenced, so that millers cannot influence the prices at which raw sugar is being bought to be resold at much higher prices at the domestic market. The cabinet must instead make it mandatory that the prices paid by the millers should not be less than two third of the current average global price of sugar which as of November,2019 is 12.65 cents per pounds²⁹ and the price they sell the sugar at the domestic market cannot exceed the average global rate. Then the millers, to make profit, will have to sell the surplus sugar to the global market at the price in a non distorted market, thereby, gaining profit for themselves as well. The main problem which would be the domestic price at which millers or dealers are buying sugar from the farmers should be surveyed and kept a check on.

With regards to subsidies being provided to the agricultural sector, India cannot back down in the interest of it being an agrarian economy and the sector suffering the most. However, global market prices being affected will worsen the economy of the sector even more and therefore, domestic laws and policies should be amended as aforementioned when the de minimis provision is violated.

IV. PHARMACEUTICALS AND TRIPS

With regards to pharmaceuticals, an amendment in 2005 to the Indian Patents Act provided for

²⁶ WTO sets up adjudicatory panel over India's sugar subsidies, Available at: <https://www.livemint.com/news/india/wto-poised-to-set-up-adjudicatory-panel-over-india-s-sugar-subsidies-1565872159486.html> (Visited on 9th November,2019)

²⁷ Sugar Export Subsidy :Only a band aid measure, Available at:<https://www.thehindubusinessline.com/economy/agri-business/sugar-export-subsidy-only-a-band-aid-measure/article29297574.ece> (Visited on 23rd October,2019)

²⁸ Govt to crack down on sugar sales below floor price, Available at: <https://www.thehindubusinessline.com/economy/agri-business/govt-to-crack-down-on-sugar-sales-below-floor-price/article26655906.ece> (Visited on 13th November,2019)

²⁹ Daily Sugar Prices, Available at: <https://www.isosugar.org/prices.php> (Visited on 13th November,2019)

protection of both process and product. However, it had an additional condition that substance should have enhanced efficacy. The US and the EU have been against Section 3(d) of the Act which allows the Indian Patents Controller to deny patents on medicines that are not significantly different from their older versions. India has been holding on to its right to issue compulsory licenses for manufacture of copies of patented drugs to address situations of national emergency. This complies with the Doha Development Agenda whereby 'Agreement on Trade related Aspects of Intellectual Property' was managed to be tweaked by developing countries as it allowed, in certain circumstances, the practice of compulsory licensing.³⁰ India exploiting these powers religiously would be sufficient as its pharmaceutical industry is a promising one. However, although TRIPS is complied with, the main concern is the reduction of innovation in the industry that may arise from making generic drugs and the lack of investment due to restrictive space for competition. Even with foreign pharmaceutical industries not entering India, India will have to amend the Act wherein still considering the need for cheap essential medicines to be available for citizens, such licenses to manufacture such medicines shall be valid subject to strict adherence to research and development standards of the country prescribing the development of indigenous drugs catering to the needs of India and other tropical countries wherein the government may provide subsidies under the MSME loans where the taxes imposed on foreign imports that may be used to develop the medicines, would be remitted as aforementioned. Loans shall, however, not be provided to companies like Dr Reddy's which has already set up a research facility at the cost of approximately 2.3 million\$.³¹ Policies that aim at collaborating with foreign pharmaceutical companies to have access to undeveloped medicines should be encouraged.

Moreover, off patent (generic) drugs have a huge potential for investment and should not be disregarded. US pharma giant Merck has set up a 100% subsidiary to produce and export generics.³²

V. COMPLIANCE WITH GENERAL AGREEMENT ON TRADE IN SERVICES

With regards to the service exports, India should continue to export its services especially Information Technology (IT) services through the mode which included cross border supply of services whereby natural persons were not involved directly and Mode 4 wherein for instance,

³⁰ INDIA AND WTO – DETAILED ANALYSIS OF ALL RELATED ISSUES AND CONCEPTS, Available at: <https://www.insightsonindia.com/2016/01/20/india-and-wto-detailed-analysis-of-all-related-issues-and-concepts/> (Visited on 6th November, 2019)

³¹ TRIPS and Pharmaceuticals: Implications for India, Available at: <https://journals.openedition.org/sjep/718> (Visited on 13th November, 2019)

³² TRIPS and Pharmaceuticals: Implications for India, Available at: <https://journals.openedition.org/sjep/718> (Visited on 13th November, 2019)

Infosys sends its employees for onsite work in US/Europe or Australia, of the General Agreement on Trade in Services.³³ However, India has been facing a Visa problem as the US has, with regards to HIB and LI visas, doubled the fees to \$ 4000 and \$ 4500 respectively. This poses as a problem for India with the country being the largest user of such visas to the extent of 67.4% in financial year 2014.³⁴ This shows that instead of complying to mode 4, until the bilateral discussions end in favour of India, India should switch to Mode 2 wherein there is supply of service to the consumer of such service of another country. Looking at the aforementioned statistics, the US would suffer a loss if India directs to only mode 1 and 2 in exporting its IT services which increases its chance to get a favourable outcome in the bilateral discussions.

India may also reduce income taxes imposed on such Indians with regards to rise in the visa amount. This may be seen as a prohibited subsidy. However, the increase in the visa amount can be correlated to be a trade barrier that has been put up to restrict import of services into the United States of America . The defence of the 'Most Favoured Nation' principle of the General Agreement on Trade and Tariffs of the World Trade Organisation can be used as India has not been extended the same benefit of the amount of Visa payable for such categories of visa as other countries with the United States simply attributing to the fact that it's a fast developing country. Moreover the Naulilaa Incident of 1928, the tribunal laid down three conditions to make a reprisal lawful:-

- a) The State against which action is taken must be guilty of breach of public international law;
- b) Prior to reprisal, adequate attempts have been taken to redress without success ;
- c) Measures taken under reprisal should not be excessive although it need not be proportionate to offence. As all these three conditions are fulfilled, the prohibited subsidy would stand as a lawful reprisal.³⁵

India should stay out of any new agreement on reduction of tariffs of IT products such as its rejection of joining the Information Technology Agreement-II, Nairobi. The depreciating situation of the Indian IT industry is believed to have been caused by the 1996 agreement which

³³INDIA AND WTO – DETAILED ANALYSIS OF ALL RELATED ISSUES AND CONCEPTS, Available at: <https://www.insightsonindia.com/2016/01/20/india-and-wto-detailed-analysis-of-all-related-issues-and-concepts/> (Visited on 6th November, 2019)

³⁴ INDIA AND WTO – DETAILED ANALYSIS OF ALL RELATED ISSUES AND CONCEPTS, Available at: <https://www.insightsonindia.com/2016/01/20/india-and-wto-detailed-analysis-of-all-related-issues-and-concepts/> (Visited on 6th November, 2019)

³⁵History as a Legal Argument-The Naulilaa Case(1928), Available at: <https://lawlog.blog.wzb.eu/2016/10/28/history-as-a-legal-argument-the-naulilaa-case-1928/> (Visited on 14th November, 2019)

has made India charge higher excise duty on its domestic products while reducing customs duty on imports.³⁶

Export Restrictions

Although export restrictions seem to deter export led growth policies, they have an indirect relation. General Agreement on Trade and Tariffs XI requires members to eliminate all prohibitions and quantitative restrictions on exports with the exceptions of those imposed temporarily to prevent and alleviate food shortages and those intended to allow time for the application of regulations such as classification and grading. Yet, it does not restrict members to imposing duties, taxes or other charges on exports.³⁷ In compliance with the Make in India objectives to foster innovation and enhance skill development, certain goods and services to be exported that can fulfil such objectives should be taxed to restrict its outflow. This taxation should be for established companies of India and not for start-ups.

Such restriction will allow for a more innovative pool of human resource which adds to India's advantage of having the largest youth population of the world with 356 million young people according to the United Nations report releases in 2014.³⁸

Economic Diplomacy

India has to take advantage of being a leading nation among developing countries. It is no secret that the WTO is inclined to the West Ideas of liberalism due to its greater economic stability wherein they have been trying to backtrack on its promises under Doha Development Round and trying to bring in the Singapore Ministerial Meet issues of 1996. As most of the G-33 countries have agrarian economies, India should appeal to them to strengthen the special safeguard mechanism in Agreement on Agriculture which allows developing countries, when there is a surge in unusually cheap imports, to impose temporary duties. The countries should speak in unison unlike the Nairobi meet.³⁹ However, for the exports of India and even its domestic industry to be safe, India should refrain should refrain from being a part of Regional Trade Agreements with China such as India not joining the Regional Comprehensive Economic

³⁶INDIA AND WTO – DETAILED ANALYSIS OF ALL RELATED ISSUES AND CONCEPTS, Available at: <https://www.insightsonindia.com/2016/01/20/india-and-wto-detailed-analysis-of-all-related-issues-and-concepts/>(Visited on 6th November,2019)

³⁷ Export Restrictions and the WTO Law: “Regulatory Deficiency” or “Unintended Policy Space”, Available at: https://www.wto.org/english/res_e/publications_e/wtr10_21may10_e.htm (Visited on 19th October, 2019)

³⁸ Top 10 Countries With Largest Youth Population According To UN Report’, Available at: <http://www.behindwoods.com/news-shots-slideshow/top-10-countries-in-the-largest-youth-population-according-to-un-report/1-india.html> (Visited on 27th September, 2019)

³⁹ INDIA AND WTO – DETAILED ANALYSIS OF ALL RELATED ISSUES AND CONCEPTS, AVAILABLE AT: <https://www.insightsonindia.com/2016/01/20/india-and-wto-detailed-analysis-of-all-related-issues-and-concepts/> (Visited on 6th November,2019)

Partnership Agreement(RCEP).⁴⁰ India should start formulating regional agreements with other G-33 nations where it would be the sole leading nation.

In contradiction to China's big ticket projects that push countries to debts, India can push for a people centric and need based approach. With Maldives and Sri Lanka, maritime security reinforcement should be given by India.⁴¹With Bhutan, in addition to hydropower trade, India should also export educational facilities to the country in addition to encouraging influx of students to study in India. With regards to Afghanistan, the best diplomatic relation can be through cricket diplomacy which even former Secretary of State of the United States, Hillary Clinton recognised. In consonance with the training center provided for the Afghanistan team in Greater Noida,⁴² India should strive to export such projects to the country itself in exchange for the country's unison with India's agreements. With regards to Bangladesh, India should try to attain the major role in resolving its Rohingya refugees issues. India should strive to attain soft powers with its South Asian neighbours.

VI. CONCLUSION

With all the formulations or solutions that have been provided, none of them will work effectively if India's geopolitical conditions are weak. Considering the need for regional agreements and that all of the surrounding countries are developing ones, India needs to have such a stronghold position to push for liberalisation of the WTO agreements which are on western lines to be on Indian lines to fulfil the objectives of its export led growth policies. Over the last 16 years, US officials have challenged Chinese practices 23 times in the WTO; the win-loss record is 19-0, with four cases pending.⁴³ US cases against China target a broad range of practices such as export duties and quotas, subsidies and restrictions on market access to service sector which is a strikingly similar scenario to India. Therefore, economic diplomacy must be taken seriously as much as our export Led Growth policies comply with WTO agreements.

⁴⁰ India is opting out of a China-backed trade deal. That could hurt its economy, Available at:<https://edition.cnn.com/2019/11/05/economy/rcep-trade-deal-india-scli/index.html> (Visited on 15th November, 2019)

⁴¹ India, Maldives, Lanka to restart NSA-level talks, Available at: <https://economictimes.indiatimes.com/news/defence/india-maldives-lanka-to-restart-nsa-level-talks/articleshow/69750676.cms?from=mdr> (Visited on 23rd October, 2019)

⁴² Greater Noida stadium to be home ground for Afghanistan cricket team, Available at: <https://www.hindustantimes.com/cricket/greater-noida-stadium-to-be-home-ground-for-afghanistan-cricket-team/story-BdLrzzR2j1vWeN311dLO5L.html> (Visited on 23rd October, 2019)

⁴³ In US-China Trade Disputes, the WTO Usually Sides with the United States, Available at: <https://www.piie.com/blogs/trade-and-investment-policy-watch/us-china-trade-disputes-wto-usually-sides-united-states> (Visited on 16th November, 2019)