
INDIA AND ITS APPROACH TOWARDS INTERNATIONAL TRADE LAW

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Introduction

India is one of the most important economies in the world today, home to more than 1.4 billion people. Rapid industrialization, growing involvement in international markets, and notable changes to its trade policy have all contributed to its economic expansion. India's economic rise has been largely attributed to international trade, and the nation has gradually assimilated into the world economy. However, a careful balancing act between historical legacies, developmental aspirations, and strategic foreign alignments drives India's relationship with international trade law, which is not just one of passive compliance. The dynamic interaction between safeguarding domestic interests, promoting economic progress, and competing internationally in an increasingly interconnected world has defined India's experience with international trade law.

With a focus on India's historical background, interactions with the World Trade Organization (WTO), membership in important trade agreements, role in dispute resolution procedures, and the main trade policy concerns it faces, this article explores India's path in international trade law. We may learn more about how India manages the intricate web of international trade laws while striking a balance between its duties to the world and its domestic interests by looking at these aspects.

Historical Context of India's Trade Policies

India's colonial heritage has a significant influence on its connection with global trade. India's natural resources, agricultural output, and textile industry made it the hub of international trade routes for millennia. India's trade environment was drastically changed by the entry of European colonial powers, especially the British East India Company. By restricting India's native industries and promoting the export of raw commodities like cotton and tea to support British industries, the British colonists reoriented India's economy to meet the demands of the

British Empire. India's industrial development was hampered by this exploitative structure, which also had a long-lasting effect on its trade policy after independence.

Following its independence in 1947, India's aspirations for economic sovereignty and self-reliance influenced its trade and economic strategy. Import substitution industrialization (ISI)¹, a strategy to promote indigenous production and lessen reliance on imported commodities, defined the early years of India's autonomous economic policy. Fear of economic reliance, influenced by recollections of colonial exploitation, was the driving force for this strategy. Consequently, India's trade policies were highly protectionist, focusing on developing native industries through state planning and intervention, imposing rigorous import restrictions, and imposing high tariffs.

But in the face of a fast shifting global economy, it became evident by the late 1980s and early 1990s that India's protectionist policies could not be sustained. The nation experienced severe economic difficulties characterized by slow economic growth, budgetary imbalances, and a balance of payments issue. India's economic policy underwent a dramatic change as a result of this crisis, which resulted in the historic economic reforms of 1991. India implemented a number economic liberalization policies, including lowering tariffs, welcoming foreign investment, and embracing globalization, under the direction of then-Finance Minister Manmohan Singh. India's increased involvement with international trade standards and organizations, especially the World Trade Organization (WTO), began with this change.

Statement of Problem

The statement of the problem for this research paper revolves around the complex interplay between India's economic growth ambitions and its protective stance towards domestic industries within the context of international trade agreements. On one hand, India seeks to stimulate economic development through increased exports, foreign investments, and integration into global markets; on the other hand, it faces challenges in safeguarding vulnerable sectors such as agriculture and small-scale industries from foreign competition. This tension creates a balancing act in India's trade policy formulation. Additionally, India's trade negotiation strategies are increasingly influenced by geopolitical considerations, especially as it navigates relations with powerful economic blocs like the European Union, ASEAN, and

¹ https://link.springer.com/referenceworkentry/10.1007/978-3-319-95873-6_116

RCEP. As geopolitical alliances and rivalries evolve, India's approach to trade agreements must align not only with economic priorities but also with regional security interests. The research aims to explore how India reconciles these competing goals and how its geopolitical and economic priorities shape the outcomes of its trade negotiations.

Scope and Limitation

India's approach towards international trade law reflects a blend of protectionism, strategic liberalization, and adherence to multilateral frameworks like the World Trade Organization (WTO). India actively participates in trade negotiations to safeguard its developmental interests, especially in sectors like agriculture, where it advocates for subsidies and protections for its farmers. It also seeks to promote exports through trade agreements while balancing domestic economic goals. However, India's trade policies are often criticized for being overly cautious, leading to delays in concluding free trade agreements and hesitancy in fully opening up markets. India's emphasis on self-reliance, particularly under the "Aatmanirbhar Bharat" initiative, sometimes limits its openness to international competition, though the government maintains that it is committed to fair and balanced trade relations. Therefore, while India actively engages in shaping international trade laws, its policies may limit full liberalization to protect domestic interests, causing occasional friction with more open-market economies.

Research Objective

Firstly, India reconcile its goals of economic growth and domestic industry protection within the framework of international trade agreements. Secondly, geopolitical factors and economic priorities shape India's negotiation strategies and outcomes with these blocs.

Research Questions

- 1) How does India reconcile its goals of economic growth and domestic industry protection within the framework of international trade agreements?
- 2) How do geopolitical factors and economic priorities shape India's negotiation strategies and outcomes with these blocs?

Research Methodology

The methodology used for the existing research paper is purely doctrinal. The data used for this

research is based both on primary and secondary data where the primary data would be such as the WTO Policies and Agreements and secondary data would be other literatures and articles associated with this topic.

India and the World Trade Organization (WTO)

In 1995, India became a founding member of the WTO following the Uruguay Round of GATT. Its participation in the WTO reflects its stance on international trade law. The organization ensures that member countries adhere to regulations that promote equitable trade. India's focus within the WTO centers on preserving its developmental interests and advocating for special considerations for developing nations. The country actively promotes agricultural reforms that take into account the concerns of developing nations, especially small-scale farmers. India's objective is to safeguard its agricultural sector, which serves as a vital source of employment for many, by opposing attempts to remove subsidies without addressing the needs of small farmers.

India is an active participant in the WTO's dispute settlement system, playing a role in addressing trade disputes related to its subsidies and tariffs. It also disputes the trade practices of other countries that it considers unjust, demonstrating a dedication to resolving disputes through multilateral means rather than through unilateral actions.

India's membership with the World Trade Organization also reflects the country's commitment to multilateralism. Although India has participated in regional and regional trade agreements, it has always believed that the multilateral trading system is the most attractive and inclusive framework for international trade. This belief is based on the idea that multilateralism provides a level playing field, especially for developing countries like India, which may not have the power to negotiate favorable terms in agreements. pairs with larger economies.

India's Trade Agreements

India has pursued bilateral and regional trade agreements beyond the WTO to boost exports and protect domestic industries. The Comprehensive Economic Partnership Agreement (CEPA) with South Korea, effective since 2010, is a key deal. India also has FTAs with Japan, ASEAN, and South Asian countries like Sri Lanka and Bhutan. Furthermore, it is in trade talks with nations in Europe, Africa, and Latin America to expand export markets and lessen reliance

on traditional trade allies such as the US and the EU.

India has been cautious in its approach to trade agreements, expressing concerns about the negative effects on domestic industries. In 2019, India opted out of the RCEP due to fears that it would flood the market with cheap Chinese goods, harming Indian manufacturers. India values global integration but also prioritizes domestic economic security, striking a delicate balance in trade negotiations.

India has faced challenges in its involvement with the WTO. The country has been careful about agreeing to trade liberalization measures that could negatively impact its domestic industries, especially agriculture and small-scale manufacturing. India has consistently advocated for the rights of developing countries within the WTO, stressing the importance of special and differential treatment to safeguard vulnerable sectors of its economy. This has been evident in India's position during various WTO negotiations, such as the Doha Development Round, where India, along with other developing nations, sought greater concessions on agricultural subsidies and market access for agricultural products.

In addition to SAFTA², India has entered into trade agreements with several countries and territories outside South Asia. These include the Comprehensive Economic Partnership Agreement (CEPA) with Japan, the Comprehensive Economic Partnership Agreement (CECA) with Singapore, and the India-Mercosur trade agreement with South American countries. These agreements have helped India diversify its trading partners and reduce its dependence on traditional markets like the US and the EU.

India and Foreign Direct Investment (FDI)

India's economic landscape has been significantly shaped by foreign direct investment (FDI), especially after the country's economic liberalization in 1991. With the liberalization changes, India's economic policy saw a dramatic change from a protectionist to a more open and market-oriented framework. FDI is the term used to describe investments made in companies, industries, or assets like real estate in another nation by foreign entities, such as governments, corporations, or private citizens. FDI has been a vital driver of capital inflows, technical development, job creation, and India's integration into the world economy. The opening of the

² <https://www.india-briefing.com/doing-business-guide/india/why-india/india-s-international-free-trade-and-tax-agreements>

economy to foreign direct investment (FDI) is one of the most important reforms in India's post-liberalization era, and it has drastically changed the country's growth trajectory.

The 1991 financial crisis was a wake-up call that made India reevaluate its economic strategy. The government implemented a number of extensive economic reforms with the goal of liberalizing the economy, led by Finance Minister Dr. Manmohan Singh and then-Prime Minister P.V. Narasimha Rao. Deregulation, trade liberalization, the privatization of state-owned businesses, and—above all—the opening of the Indian economy to foreign direct investment were some of these reforms.

Due to its ability to bring in much-needed finance, technology, and management experience—all of which were vital for promoting growth and modernizing India's industries—FDI was acknowledged as a crucial component of the reform program. Due to stringent government regulations and an unclear regulatory environment, foreign direct investment (FDI) in India was low prior to the changes. However, by eliminating obstacles, streamlining processes, and providing more alluring investment incentives, the liberalization reforms greatly facilitated the process for international businesses looking to invest in India.

Key Sectors Attracting FDI

India has seen FDI inflows into many different sectors, which have greatly boosted the country's economy. The services industry, especially in banking, outsourcing, R&D, IT, and finance, is one of the main areas drawing significant FDI. India is a desirable location for international services due to its highly qualified workforce, particularly in IT and BPO. FDI is essential to manufacturing in the government's "Make in India" campaign, which focuses on military, electronics, textiles, and autos. Significant FDI is allocated to infrastructure development for projects related to energy, renewable energy, transportation, and logistics. Major companies like Amazon, Walmart, and IKEA have been drawn to the retail and e-commerce industries since they have opened up to international investment. Additionally, multinational corporations looking to take advantage of India's production capabilities are investing in the country's pharmaceutical and biotechnology sector, which is well-known for producing generic drugs.

Capital Infusion and Economic Growth

The introduction of foreign capital into the Indian economy has been one of the main

advantages of FDI. India has seen a sharp rise in foreign direct investment (FDI) inflows since the 1991 reforms, which has helped the country's infrastructure, industrial base, and general economic growth. Businesses and sectors in India now have access to fresh financial resources through FDI that were previously insufficient or unavailable domestically. major-scale initiatives like manufacturing, real estate, and infrastructure development have been made possible thanks in major part to this capital inflow, which is crucial for propelling India's economic expansion.

Furthermore, by encouraging the growth of important industries like consumer products, financial services, pharmaceuticals, and information technology (IT), the rise in FDI has helped diversify India's economy. These businesses now account for a sizable portion of India's GDP and have lessened the country's dependency on more conventional sectors like agriculture. By strengthening foreign exchange reserves, which in turn have assisted in managing the nation's current account deficit and exchange rate volatility, the inflow of foreign capital has also been helpful in stabilizing India's external financial situation.

FDI Trends and Challenges

With an estimated USD 84 billion in FDI inflows in 2021–2022, India has become one of the world's top destinations for FDI. The nation has received investments from major economies such as the US, Japan, the UK, and Germany. However, issues including regulatory ambiguity, bureaucratic roadblocks³, and worries about retroactive taxes have damaged investor trust. India's business climate is still developing and getting better, even though the government has addressed these problems with reforms like the GST and the streamlining of the labor laws.

India and Foreign Portfolio Investment (FPI)

An important part of global capital flows, foreign portfolio investment (FPI) is also a major player in the financial markets of developing nations like India. Foreign investors who invest in a nation's financial assets—such as stocks, bonds, mutual funds, and other securities—without directly owning or controlling firms are referred to as FPIs. FPI is usually characterized by shorter investment horizons, motivated by financial objectives such seeking greater returns or managing portfolio risks, in contrast to Foreign Direct Investment (FDI), when investors take a controlling position and have a long-term interest in the operations of enterprises. Due

³ <https://www.statnews.com/2019/01/18/diagnostic-innovations-bureaucratic-roadblocks/>

to this difference, FPI is more susceptible to shifts in interest rates, investor mood, and global financial circumstances than FDI. FPI is essential to improving liquidity, creating capital inflows, and promoting growth in India's financial markets, despite its volatility.

FPI in India: An Overview

In order to improve liquidity in India's capital markets, especially in the debt and stock markets, foreign portfolio investment, or FPI, has become essential. India's economy, which is among the fastest-growing in the world, has a wide variety of investment possibilities that draw in international capital. The nation is a desirable location for international portfolio investors due to its strong economic fundamentals, which include high GDP growth, a rapidly growing middle class, and a vibrant and well-regulated stock market. FPI is a key source of inflows into India's foreign currency reserves and plays a crucial role in bringing money into the nation today. Foreign investors add liquidity to the market by buying stocks, government assets, and corporate bonds. This facilitates smoother transactions, higher trading volumes, and more effective price discovery. Because it lowers transaction costs, lessens market volatility, and boosts investor confidence, this liquidity is crucial to the health of capital markets. FPI helps the debt and stock markets work in this fashion, which makes it simpler for businesses to raise money for growth and for the government to issue bonds to finance public projects.

Because of their potential for large profits, foreign portfolio investors are especially drawn to India's equity markets. The performance of businesses in industries including technology, pharmaceuticals, financial services, and consumer products has propelled the Indian stock market's impressive expansion during the previous 20 years. Furthermore, international investors seeking steady and comparatively high returns in contrast to developed countries with lower interest rates are drawn to India's government and corporate bonds due to their attractive yields.

Regulatory Framework for FPI in India

The Indian regulatory framework for foreign portfolio investors (FPIs) is intended to encourage capital inflows while guaranteeing transparency, stability, and investor protection. The Reserve Bank of India (RBI) and the Securities and Exchange Board of India (SEBI) are mostly in charge of the regulatory system. Together, these two organizations establish and uphold a framework that encourages foreign investment while controlling risks. The foundation of this

system is the SEBI (Foreign Portfolio Investors) Regulations, 2019, which provide FPIs with rules pertaining to registration, operations, investment restrictions, and taxation. Important Elements of the Registration Process for the Regulatory Framework where Foreign investors who wish to participate in Indian markets must register in accordance with SEBI's FPI laws. To maintain the integrity of India's financial system and stay up to date with shifting global market conditions, SEBI and the RBI regularly review and amend the FPI legislation. For example, in order to streamline operations for overseas investors while lowering risks, SEBI periodically examines the FPI registration procedure, investment criteria, and compliance standards.

In order to draw in more sustained foreign investment, the government also updates its tax laws on a regular basis. India continues to attract international investors seeking stability and returns by cutting long-term capital gains tax rates or providing specific exemptions under DTAAs⁴. India has a well-designed regulatory environment for foreign portfolio investors that strikes a balance between the necessity of managing financial risks and luring in international investment. With the help of the RBI's supervision and SEBI's FPI Regulations, 2019, India has established an open, effective, and investor-friendly environment that enables FPIs to take part in its quickly expanding economy. India guarantees that FPIs will continue to be essential in increasing liquidity, fortifying financial markets, and fostering economic growth by upholding suitable investment limits, categorizing investors according to risk profiles, and providing attractive tax arrangements.

Impact of FPI on Indian Markets

India's financial markets have benefited greatly from foreign portfolio investments (FPIs), which have played a major role in their growth over the last several decades. FPIs have improved market liquidity and depth by bringing foreign capital into the debt and equity markets, which makes it simpler and less expensive for Indian businesses to obtain money. A more efficient market environment is produced by the easier buying and selling of stocks and bonds as a result of the greater liquidity, which also reduces price volatility brought on by individual trades. But although if FPIs have many benefits, their speculative character may also cause a lot of volatility, particularly in times of global catastrophe like the COVID-19 pandemic

⁴ <https://www.india-briefing.com/news/double-taxation-agreements-india-investment-strategy-6619.html/>

in 2020 and the global financial crisis in 2008.

Challenges and Future Outlook

India's financial markets may be seriously at danger from the volatility brought on by inflows into overseas portfolios, especially when there is international economic unrest. Because they frequently aim for short-term gains, foreign portfolio investors (FPIs) have a tendency to respond quickly to events in the world economy, which causes cash to come in and go out quickly. Sharp swings in stock prices, bond yields, and currency rates can result from abrupt withdrawals, even while inflows have numerous positive effects, including improved liquidity, foreign exchange reserves, and support for capital markets. During times of global financial turmoil, when foreign investors may withdraw their investments in large numbers in pursuit of safer assets, this volatility is particularly troublesome. Therefore, controlling the risks brought on by FPI volatility is essential to preserving stability. A stable macroeconomic climate, regulatory control, and the risks presented by FPI volatility are crucial. To ensure that foreign investors feel comfortable investing in India's financial markets, the Indian government and the Securities and Exchange Board of India (SEBI) have implemented a number of steps to lessen the possible negative effects of FPI outflows.

India and International Trade Agreements

One of the most important components of India's goal to increase economic growth, draw in foreign investment, and further integrate into the global economy is its active involvement in trade agreements. India, one of the biggest and fastest-growing economies in the world, understands the value of utilizing international trade agreements to protect its financial interests, improve market accessibility, and foster competition in a number of industries. Whether bilateral, regional, or multilateral, these agreements work as platforms for economic cooperation, giving India access to new markets, luring investment, and solidifying its place in the global value chain. Improving Global Market Access: India can now reach new and bigger markets thanks to international trade accords. These agreements give Indian exporters privileged access to partner nations by lowering tariffs, removing non-tariff trade barriers, and standardizing trade laws. For India's export-focused sectors, such as textiles, pharmaceuticals, IT services, and car manufacture, this is especially crucial. Indian companies may grow their clientele, boost sales, and more successfully compete in the global market thanks to easier access to markets. For instance, India's access to markets in South and Southeast Asia has

greatly increased as a result of its involvement in regional trade accords such as the India-ASEAN Free Trade Agreement and the South Asian Free Trade Area (SAFTA).

Multilateral Trade Agreements: India and the WTO

Since the World Trade Organization (WTO) was established in 1995, India's participation in the organization has been a key component of its international trade policy. Using the WTO's platform to further its economic interests, particularly in the areas of services, agriculture, and trade safeguards for developing nations, India, a founding member, has actively contributed to the development of the global trade environment. The WTO acts as a platform for trade agreement negotiations, international trade regulation, and dispute resolution. In order to promote the interests of developing nations, negotiate advantageous trade conditions, and advance reforms in crucial sectors like intellectual property rights and agricultural subsidies, India has made use of its membership. India has negotiated trade regulations that suit its interests as a nation using the WTO as a forum. Securing advantageous conditions for market access, especially in the agricultural and services sectors, has been one of India's top concerns at the WTO. India, a nation with a sizable agricultural base and a developing services sector, has negotiated trade barriers for its exports in these areas while maintaining sufficient protection for its local industries.

Regional and Bilateral Trade Agreements

India's international trade strategy emphasizes regional and bilateral trade agreements to gain preferential access to key markets, reduce tariffs, and enhance economic integration. The country has signed several Free Trade Agreements (FTAs) such as the ASEAN-India Free Trade Agreement (AIFTA) in 2009, the India-Japan Comprehensive Economic Partnership Agreement (CEPA) in 2011, and the India-South Korea Comprehensive Economic Partnership Agreement (CEPA)⁵ in 2010. These FTAs focus on boosting trade, reducing tariffs on goods, and promoting services trade between India and its strategic partners. Additionally, India has entered into numerous Bilateral Investment Treaties (BITs) to safeguard foreign investments and promote investor confidence through legal protections and dispute resolution mechanisms. India chose to opt out of the Regional Comprehensive Economic Partnership (RCEP) in 2019 due to concerns about an influx of cheap imports, particularly from China, which could

⁵ <https://www2.deloitte.com/content/dam/Deloitte/in/Documents/about-deloitte/in-Deloitte-UIBC-India-UAE-CEPA-noexp.pdf>

negatively impact domestic industries, demonstrating India's cautious approach to trade liberalization to protect sectors like agriculture and manufacturing.

Key Challenges in India's Trade Agreements

The foundation of India's trade agreements policy is the necessity of striking a balance between safeguarding local economic security and promoting global integration. India, a developing nation with long-standing issues in industries like manufacturing and agriculture, aims to participate in international commerce while preserving the livelihoods of millions of people and advancing its industries. In addition to supporting free markets, the nation's approach to international commerce makes sure that trade agreements don't disproportionately hurt weaker groups or jeopardize the government's aspirations for self-reliance (Atmanirbhar Bharat). Protecting the agricultural sector, bolstering local manufacturing, and advancing the services industry—particularly IT and outsourcing—are the three main pillars of India's plan. India's services industry, especially in outsourcing and information technology (IT), has emerged as a worldwide powerhouse, making a substantial contribution to the nation's exports and GDP. Pushing for trade liberalization in services, particularly through the WTO's General Agreement on Trade in Services (GATS)⁶, is India's approach to trade accords. India promotes increased market access for its service providers in partner nations, especially in the fields of information technology and other professional services.

India's Approach to International Trade Law: Case Laws and Case Studies

India's participation in global trade institutions like the World Trade Organization has influenced its approach to international trade law. As trade has become more important for India, the country has become more involved in trade disputes and legal battles. Case studies and case laws demonstrate India's position in international trade law and how it navigates between domestic economic priorities and global trade commitment.

India and the World Trade Organization (WTO)

India joined the WTO in 1995 and has been involved in trade disputes as a complainant and a respondent. The WTO Dispute Settlement Body (DSB) has been crucial for India to defend its trade policies and challenge other countries' measures. DSB decisions have influenced India's

⁶ <http://www.tribunajuridica.eu/arhiva/An7v11/4.%20Bakhouya.pdf>

trade laws, prompting changes in areas like agriculture, intellectual property, and industrial subsidies.

Key WTO Disputes Involving India: Case Laws

1. India – Agricultural Products (2012):

The United States challenged India's restrictions on importing agricultural products, specifically poultry, citing concerns about avian influenza. India implemented the measures to safeguard human and animal health. However, the WTO Dispute Panel ruled against India, deeming the restrictions inconsistent with the WTO's SPS Agreement. The Panel concluded that India's actions did not adhere to international standards or scientific risk assessments, violating WTO regulations. As a result, India had to adjust its import restrictions to comply with the ruling, emphasizing the necessity for India to harmonize its regulations with global trade standards, especially in sectors like agriculture that commonly utilize protectionist policies to support local producers.

2. India – Solar Panels (2014):

The U. S. opposed India's domestic content requirement in its National Solar Mission program, citing violations of WTO agreements. The WTO ruled in favor of the U. S. , determining that India's policy discriminated against foreign manufacturers. India's argument for promoting sustainable development was dismissed. As a result, India had to adjust its solar policy to adhere to the ruling. This case highlights the difficulties India encounters in reconciling its domestic industrial goals, focusing on manufacturing and clean energy, with international trade responsibilities.

3. India – Export Subsidies (2018):

The United States challenged India's export promotion schemes, such as the MEIS and EOU schemes, claiming they violated the WTO's SCM Agreement by providing prohibited subsidies. A WTO Panel ruled in favor of the U. S., stating that India's schemes were inconsistent with its commitments. As a developing country reaching a certain economic threshold, India is no longer allowed to provide export subsidies. This decision forced India to alter its subsidy programs and develop new ones in compliance with WTO regulations. The ruling underscored the challenges India faces transitioning

from a developing to a middle-income country, losing certain trade agreement flexibilities in the process.

Case Studies in India's Trade Policy

1. India and the Regional Comprehensive Economic Partnership (RCEP):

India was initially involved in the negotiations for the Regional Comprehensive Economic Partnership (RCEP) but chose to withdraw from the agreement in 2019 due to concerns about its impact on domestic industries, specifically agriculture and manufacturing. India feared that allowing cheaper imports, particularly from China, would negatively affect small-scale industries and farmers. Additionally, India was worried about the lack of protections for its service sector, in which the country holds a competitive edge. By opting out of RCEP, India demonstrated a cautious approach to trade liberalization, prioritizing the protection of domestic industries and seeking more favorable terms in future trade agreements. This decision highlights India's efforts to balance global trade participation with safeguarding domestic interests.

2. India's Free Trade Agreements (FTAs):

India has signed FTAs with countries like ASEAN, Japan, and South Korea to improve market access. However, challenges like competitiveness and non-tariff barriers hinder the full benefits of these agreements. Despite the India-ASEAN FTA, trade deficit has widened, sparking concerns. India is now reassessing its FTA strategy to ensure mutual benefits and is seeking new agreements with developed economies like the European Union and the United Kingdom.

3. Case Study : Balancing Domestic Interests with Global Rules

India's trade disputes at the WTO, including cases involving agricultural products, solar panels, and export subsidies, demonstrate the country's efforts to reconcile internal policies with international trade responsibilities. India has adjusted domestic laws in response to WTO decisions, even revising programs essential for domestic economic priorities like clean energy and export growth.

India's Approach to International Trade Law

India's approach to international trade law is guided by multilateral engagement, strategic bilateral agreements, and safeguarding domestic industries. The country advocates for developing nations' rights at the WTO while ensuring domestic policies align with global standards. Key aspects of India's approach include protecting agriculture and small industries from global competition, balancing industrial policy with trade obligations like the "Make in India" initiative, and strategically using trade remedies such as anti-dumping duties to protect domestic industries. India faces challenges under WTO rules, as seen in the solar panel case, but continues to navigate international trade regulations to support its industries.

Conclusion and Analysis of India's Approach Towards International Trade Law

India's approach to international trade law has transformed since the 1990s economic liberalization, balancing domestic interests with global engagement. The country prioritizes economic goals, development objectives, and the protection of vulnerable sectors. India is committed to multilateralism through active participation in the World Trade Organization (WTO) since 1995, advocating for developing country rights and trade rules with special treatment for less developed nations. While focusing on areas like agriculture, intellectual property rights, and services, India faces challenges within the WTO framework. The stalled Doha Development Round restricts India's ability to secure concessions, particularly in agriculture. Compliance with WTO regulations poses a dilemma as India seeks to shield domestic industries from unfair competition and foreign dumping.

Bilateral and Regional Trade Agreements: Opportunities and Complexities

India has pursued bilateral and regional trade agreements in addition to multilateralism to enhance economic ties with key trading partners. Despite aiming to boost trade and investment, India's experience with FTAs has been mixed, leading to widening trade deficits and challenges for domestic industries. For example, India's trade deficit with ASEAN has grown despite the AIFTA. India's cautious approach towards regional trade agreements was evident in its decision to opt-out of the RCEP in 2019 due to fears of cheap imports, particularly from China. This decision reflects India's strategy of protecting domestic industries, such as agriculture and manufacturing, even if it means losing access to a major trade agreement.

Protecting Domestic Industries: Trade Remedies and Industrial Policy

India uses trade remedies like anti-dumping duties, safeguards, and countervailing measures to protect its industries from unfair competition, consistent with WTO rules. These measures target import surges that harm domestic producers, particularly in steel, chemicals, and textiles. The Make in India initiative promotes domestic manufacturing but must avoid violating WTO rules on subsidies and domestic content. The India-Solar Panels dispute over domestic content requirements in the solar energy sector exemplifies the challenge of balancing domestic industry promotion with international trade law compliance. India maintains a defensive posture in some sectors while pursuing export-led growth in others, illustrating its complex industrial policy approach.

India's services sector, especially in IT and business process outsourcing, plays a crucial role in shaping the country's trade policy. It is a significant contributor to India's GDP and exports. India actively supports the liberalization of trade in services under the WTO's General Agreement on Trade in Services (GATS), advocating for greater market access for skilled professionals. However, stricter immigration policies and protectionism in developed countries have hindered India's efforts to secure concessions in this area. Despite challenges, India continues to prioritize services sector liberalization in bilateral and regional trade talks to boost its global market presence.

India's international trade law approach is marked by strategic pragmatism, showing commitment to multilateralism and rules-based trade. The country safeguards domestic interests, opting out of major trade agreements when needed and defending controversial policies at the WTO. This strategy helps India manage international trade law complexities while protecting domestic industries from the negative impacts of globalization.

India's future trade strategy must address key challenges: enhancing competitiveness by improving manufacturing and agriculture sectors through structural reforms; securing reciprocal trade deals that benefit India in sectors like services, pharmaceuticals, and textiles; adapting to global trade changes like digital trade and climate issues; and balancing domestic protectionism with global integration. India needs to address regulatory bottlenecks, infrastructure development, and ensure balanced outcomes in future trade agreements. The country's reluctance to join certain agreements due to data sovereignty and environmental concerns must align with global trade trends. India's cautious approach to protecting agriculture

and MSMEs should shift towards embracing global competition to succeed in the global trade arena.

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