

Comments on Suman Bery's Presentation

RIETI BBL

June 19, 2026

Shujiro Urata

RIETI and Waseda University

1. Brief Summary of the Presentation

- The presentation points out that India has entered an "FTA binge/boom" since 2021 and examines the factors behind this binge.
- The presentation covers:
- India's recent expansion of FTA negotiations and agreements.
- The evolution of India's trade policy since 1950s: a shift from protectionism to greater openness.
- Changes in the global trading environment:
 - the weakening of the multilateral trading system under the WTO,
 - the rise of geopolitical tensions,
 - climate-related trade measures, and
 - increasing government intervention in trade and industrial policy.
- FTAs contribute to India's economic growth

2. Economic Impacts of FTAs on India

- **FTAs as Drivers of Economic Development**
- Provide a more level playing field for Indian exporters, promoting exports.
- Facilitate job creation through export expansion.
- Promote foreign direct investment (FDI)
- Attract production and value chains relocating from other countries through FDI .
- Increase productivity through technology transfer
- Diversifying export markets.
- Reducing vulnerability to geopolitical and supply-chain shocks.
- Complementing domestic economic reforms.

3. Policy Dilemma

- While the economic rationale for FTAs is compelling, significant challenges remain.
- **India's Trade Imperatives (Challenges)**
- Strengthen domestic manufacturing, which continues to face competitiveness challenges and dependence on imported inputs.
- Enhance strategic autonomy by securing critical supply chains and reducing vulnerability to external shocks.
- **Policy Dilemma**
- To achieve these objectives, India often relies on protection of domestic industries (manufacturing and agriculture).
- However, successful FTA negotiations generally require greater market access and trade liberalization, particularly in sectors where domestic interests are politically sensitive.
- This raises an important political-economy question:

4. Questions

- (Q1) How has the Indian government managed domestic opposition from manufacturing and agricultural interests while pursuing FTAs with partners such as Australia, the United Kingdom, the European Union, and others?
- (Q2) Impact of FTAs on India's trade, investment, employment, technology etc. Expected positive impacts are realized?
- (Q3) CPTPP: CPTPP is said to be high-quality FTA in terms of coverage (comprehensive) and tariff elimination (100% elimination). Can India accept/satisfy high quality elements? What are the challenges besides tariff elimination that India has to deal with, in order to join CPTPP (e.g. e-commerce?) . Any feasibility study has been conducted?
- (Q4) Dysfunction of WTO: consensus decision making system. A subset of WTO members join together with like-minded members to pursue (1) FTAs, (2) Plurilateral trade agreements e.g. digital trade, (3) Multi-Party Interim Appeal Arbitration Arrangement (MPIA). India has not joined (2) or (3). What is India's view toward (2) and (3).
- (Q5) WTO reform: e.g. industrial subsidies and state-owned enterprises, climate change, conditional MFN, etc.

Contents of CPTPP, RCEP, and WTO

	CPTPP	RCEP	WTO
Market Access for Goods	✓	✓	✓
Rules of Origin and Origin Procedures	✓	✓	✓
Textiles and Apparel	✓	✓	✓
Customs Administration and Trade Facilitation	✓	✓	✓
Trade Remedies	✓	✓	✓
Sanitary and Phytosanitary Measures	✓	✓	✓
Technical Barriers to Trade	✓	✓	✓
Investment	✓	✓	✓
Cross Border Trade in Services	✓	✓	✓
Financial Services	✓	✓	✓
Temporary Entry for Business Persons	✓	✓	✓
Telecommunications	✓	✓	✓
Electronic Commerce	✓	✓	
Government Procurement	✓	✓	✓
Competition Policy	✓	✓	
State-Owned Enterprises and Designated Monopolies	✓		
Intellectual Property	✓	✓	✓
Labor	✓		
Environment	✓		
Cooperation and Capacity Building	✓	✓	
Competitiveness and Business Facilitation	✓		
Development	✓	✓	
Small and Medium-Sized Enterprises	✓	✓	
Regulatory Coherence	✓		
Transparency and Anti-corruption	✓		
Administrative and Institutional Provisions	✓	✓	
Dispute Settlement	✓	✓	✓

Note: ✓ indicates the issue is covered,

Sources: Texts of CPTPP and RCEP

Agreements