

What is TFA? What is the impact in Indian economy? (200 words)

Trade Facilitation Agreement, 2014 of the World Trade Organisation aims at facilitating trade, removing barriers and making trade easy for both developed and developing countries alike. It aims at reducing trade costs, clearance time, red tapism, paper work and making procedures more transparent and accountable. §

It is a multilateral agreement bringing together about 2/3<sup>rd</sup> of the world and providing a platform for better trade opportunities. Though non-binding it helps developing countries to come in par with trade of developed countries.

India has ratified TFA and is now its members. TFA has asked to reduce subsidy beyond 10% for next 4 years, which is given in India. It has allowed it on terms of poverty and hunger reduction conditions in country. TFA will open better options for India, opening its markets for foreign products and getting access to foreign markets at less expenditure.

It will not only improve India's ranking in case of doing business but its overall performance of business will increase, boosting economic growth, employment and quality of products.

But like some has thorns so has TFA, for developing countries like India, it can bring dumping, higher competition, can challenge India's idea of a welfare economy by reducing the subsidies given. Overall TFA has to be well thought and practised, in order for India to come up better in terms of trade.

Excellent!