

Govt. extends foreign trade policy by 6 months

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- **Foreign Trade Policy provides a framework for increasing exports of goods and services as well as generation of employment and increasing value addition in the country.**

The Commerce Ministry on Monday announced the extension of the existing foreign trade policy by six months. The reason behind the development is currency volatility and global uncertainty. The ministry said, the geo-political situation is not suitable for long-term foreign trade policy.

As per an ANI tweet, the Commerce Ministry said, "existing Foreign Trade Policy extended by six months due to currency volatility & global uncertainty. Geo-Political situation is not suitable for long-term Foreign Trade Policy."

Existing Foreign Trade Policy extended by six months due to currency volatility & global uncertainty. Geo-Political situation is not suitable for long-term Foreign Trade Policy: Commerce Ministry

— ANI (@ANI) September 26, 2022

Earlier, the government had extended the due date for the Foreign Trade Policy 2015-20 to September 30, 2022.

Currently, fears of a recession in major economies like the US and Europe have escalated a panic among investors. Foreign investors have begun to pull back their money from equities as bears took control. Alongside foreign funds outflow, the geo-political tension in Ukraine coupled with inflationary pressures and monetary policy tightening has forced further weakening in the rupee against the US dollar. The American currency is at a 22-year high, while the rupee hit a new all-time low of 81.6 against the greenback.

Foreign Trade Policy provides a framework for increasing exports of goods and services as well as generation of employment and increasing value addition in the country. It focuses to support both the manufacturing and services sectors, with a special emphasis on improving the ease of doing business.

Between April to August 2022, India's merchandise exports stood at \$192.59 billion up by 17.12% from \$164.44 billion in the same period a year ago. Imports continue to rise more than exports. In the first five months of FY23, merchandise imports grew by 45.64% to \$317.81 billion from \$218.22 billion in the corresponding period last year. The trade deficit widened by more than 2-folds to \$125.22 billion (April - August 2022) compared to \$53.78 billion in the same period last year.

Earlier this month, Commerce Minister Piyush Goyal held a meeting that focused on export target setting, the new Foreign Trade Policy (FTP) (2022-27), and the strategies and measures to take forward domestic manufacturing and exports. The Board of Trade in the meeting advised the government on policy measures connected with the Foreign Trade Policy to achieve the objectives of boosting India's trade.

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