

INDIA PLANS COMMITTEE TO EASE CUSTOMS NORMS FOR BOOSTING INTERNATIONAL TRADE

NEW DELHI: Two months after it blocked an international agreement on easing trade regulations, India has initiated measures to reform customs procedures and cut red tape to speed up international trade.



The government has decided to set up a national committee on trade facilitation, which will suggest and implement measures to ensure seamless movement of cargo by addressing constraints like high transaction costs and poor infrastructure.

"The national committee on trade facilitation will be put in place soon, which will have representation from 7-8 departments. It will look after all aspects of trade facilitation," a senior commerce department official told ET on condition of anonymity. "India is not against trade facilitation. We are expeditiously working towards it."

India had on July 31 vetoed the trade facilitation agreement at the World Trade Organisation (WTO), which sought to speed up global trade by reforming customs procedures, arguing that there should be a parallel deal on food security. Delhi, however, maintained that it was fully committed to trade facilitation.

The trade facilitation goal requires harmony between departments like customs, shipping & ports, road transport & highways, and the Directorate General of Foreign Trade (DGFT). It is important to get each of them on board, said the official quoted above.

The WTO trade facilitation pact, signed in December 2013, contains legally binding provisions to standardise customs rules in all 159 member-countries for faster and more efficient movement of cross-border cargo.

"WTO deal or no deal, we are carrying out trade facilitation and customs reforms. It will cut transaction cost for exporters," said the official. "We are anyway working towards ratifying the WTO TFA. We need to make legal amendments in two to three places. We are prepared," he added. During his US visit, Prime Minister Narendra Modi had told President Barack Obama that trade facilitation was important for India and it expected the US' support in addressing India's concerns over public stockholding for food security.

Finance minister Arun Jaitley had made several announcements in the budget, allocating significant funds towards trade facilitation. It included extension of 24x7 customs clearance facilities to many more ports, airports and sea ports.