

29/03/2024

GS II (Economy)

1) What is Free Trade Agreement (FTA)?
Discuss the significance of Trade and Economic Partnership Agreement (TEPA) signed recently b/w India and EFTA. (250 words)

Recently, India signed the FTA with EFTA countries, comprises of four non-European countries. It is the 2nd comprehensive FTA after with UAE.

Free Trade Agreement

* FTA is the agreement b/w two or more countries.

* Aims to improve trade and commerce b/w the signed countries.

* Aims to give concessions among certain products b/w two or more countries.

* Unlike PTA, FTA has the negative list, comprises of goods & services which are not covered in the agreement.

Eg: India and UAE FTA
India and EFTA FTA.

TEPA:

* Trade and Economic Partnership Agreement.

* Signed b/w India and EFTA - Norway, Switzerland, Liechtenstein, Iceland.

* These are four non-EU countries.

* TEPA aims to invest \$100 billion in India as a FDI in the next 15 years.

* Aims to produce (generate) 1 million employment for youths.

* Also covered the sustainable development and IPR.

* India has significance in the 'Atmanirbhar Bharat'

* Indian youths would have more employment opportunities.

* Indian market would be diversified

* India has now easy access to with EU through EFTA.

way Forward:

- * Although signed, Implementation is very crucial.
- * Focus more on Implementation of this agreement.
- * It would valid, only for 15 years initially.
- * It would lapse after 15 yrs.
- * India should consider to increase the time of the agreement.
- * consensus should be made on IPR & ~~its~~ challenges