Indian Economy · GS - III

“India’s trade agreements must promote export competitiveness while safeguarding domestic economic interests.” Discuss with reference to the India–US trade pact.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 15/10/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

India–US Trade Agreement, Tariff Reduction, Market Access, Export Competitiveness, Domestic Industries, Trade Balance, Non-Tariff Barriers, Supply Chains, Strategic Autonomy.

Model Answer

Introduction:

Trade agreements can expand export opportunities, attract investment and strengthen economic ties. However, their benefits depend on the terms negotiated and the competitiveness they create for domestic businesses.

Significance:

The India–US trade pact could improve market access for Indian exporters, reduce tariff-related disadvantages and encourage investment and supply-chain integration. Greater access to the US market may create opportunities in manufacturing and other export-oriented sectors.

Challenges:

India must ensure that negotiated tariff rates remain competitive compared with rival economies. It must also assess the implications of greater import competition for domestic producers, farmers and small businesses. Differences over market access, standards and non-tariff barriers can complicate negotiations.

Way Forward:

India should negotiate transparent, reciprocal and sector-sensitive terms, consult affected industries and support exporters through better infrastructure, quality standards and productivity improvements.

Conclusion:

A successful agreement should deliver measurable export opportunities while protecting legitimate domestic interests and strengthening India's long-term competitiveness.

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