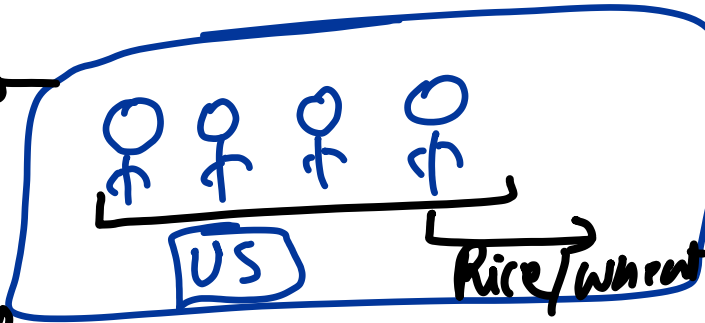


# Trade Policy & Trade Negotiations

## Export Related Measures

1) Ban on exports :- Generally done when there is shortage in exporting country.

2) Export Taxes :- Intends to reduce exports, Increase domestic supply, reduce prices



3) Export Subsidies & Incentives :- They include export subsidies, duty drawbacks, loan from Govt, etc.

4) Voluntary Export Restraints :- Temporary

restriction [Quota]

It prescribes the maximum quantity

Ex:-

Maldives

Indian Govt

5 years

100 tonnes

that can be exported [Political Considerations]




# Trade Negotiations

## RTA [Regional Trade Agreement]

→ Grouping of countries formed with the objective of reducing barrier to trade with them.

## Different Types of Trade Agreements

- 1) Unilateral Trade Agreements :- Importing country offer incentive to encourage exporting country to improve exporting country's economy.
- 2) Bilateral Agreements :- Agreement which sets rules of trade between two countries.  
Ex: EU - SA Free Trade Agreement.  

- 3) Regional Preferential Trade Agreement :- Reduce



Trade barrier between countries for only members of the group.

Ex: - Global System of Trade Preference [GSTP]

4) Trading Bloc: - Group of countries that have a free trade agreement between themselves & may apply a common tariff to other countries

Ex: - European Free Trade Association [EFTA]

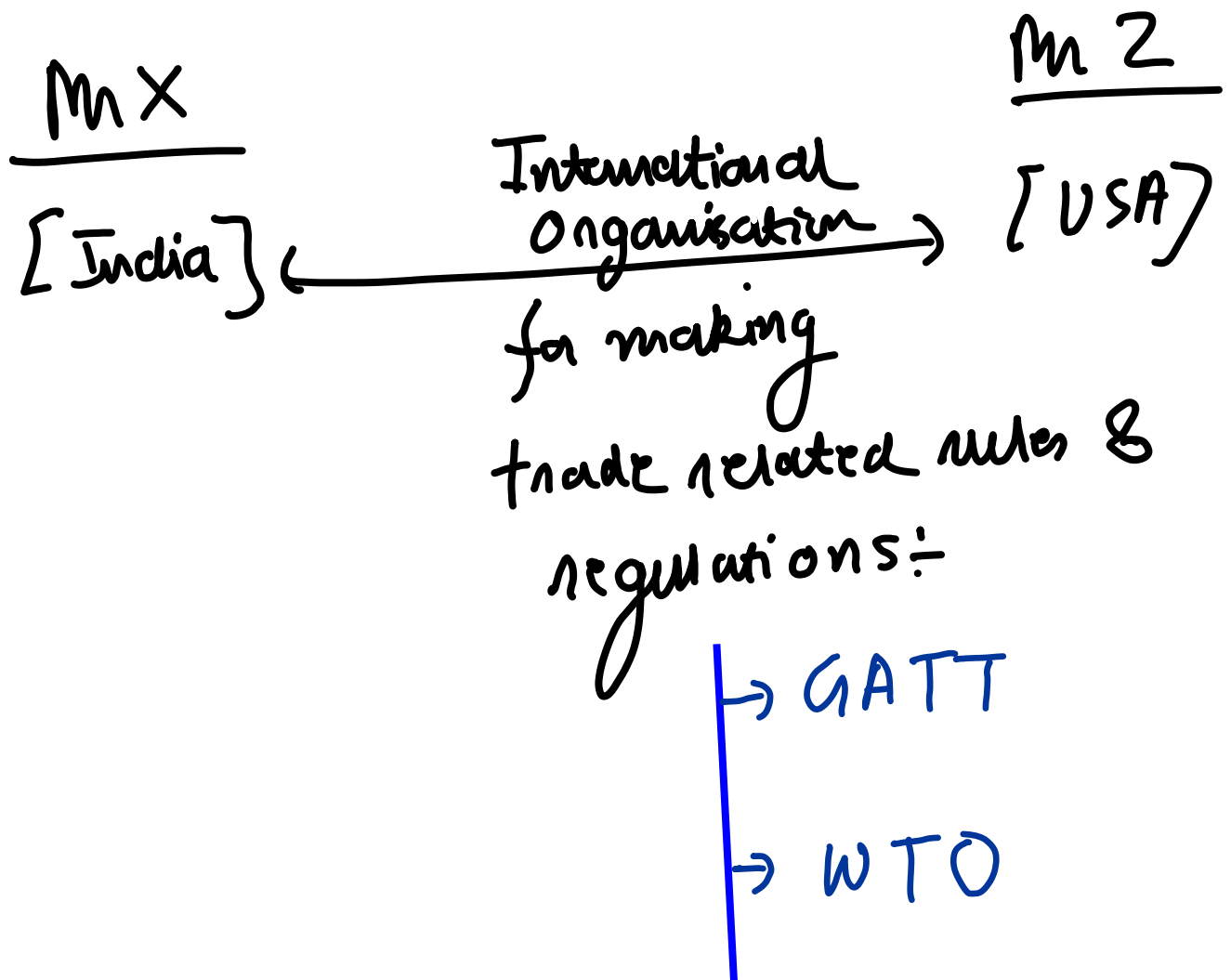
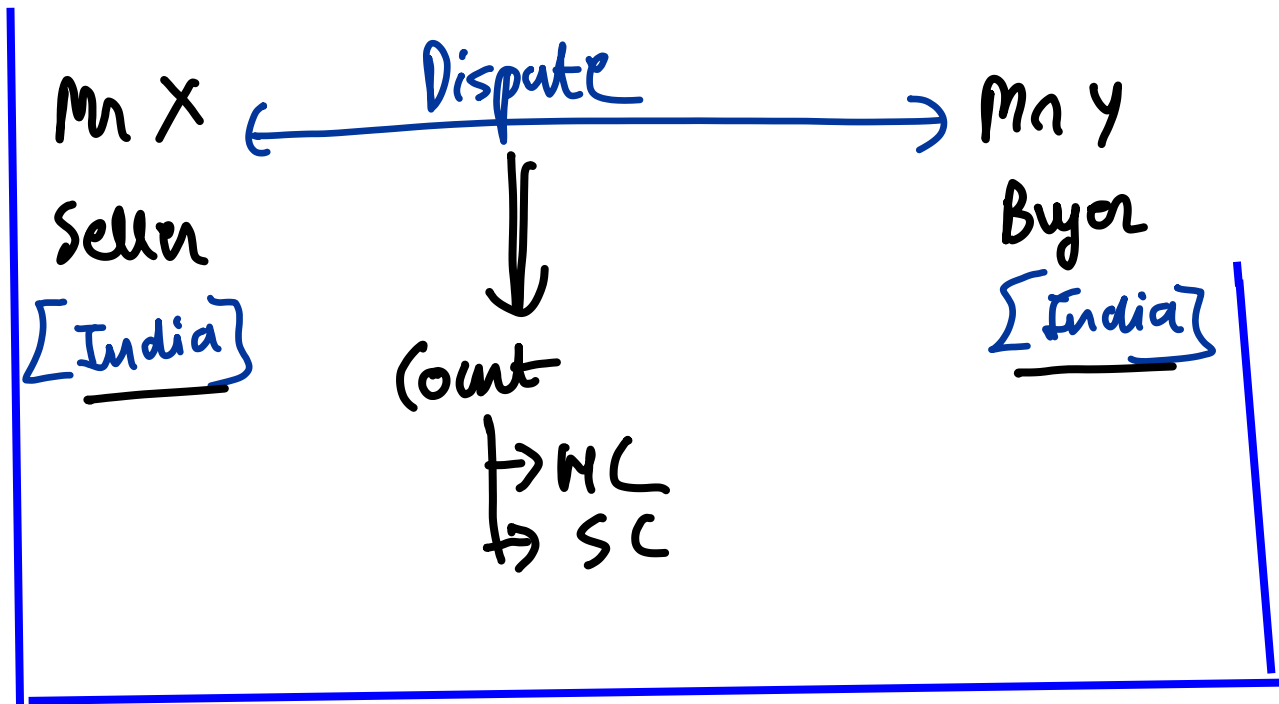
5) Free Trade Area: - Group of countries that eliminate tariff among themselves but independently decide tariff rate for non member country.

6) Customs Union: - Group of countries that eliminate all tariffs on trade among themselves but maintain a common external tariff on trade with countries outside India.  
Ex: - WTO Cooperation Council.



→ Economic & Monetary Union :- Common Currency.  
Ex :- European Union.

---





# GATT :- The General Agreement on Tariffs & Trade

[GATT]

1) 1948-1994

2) Goods Council → 10 committees

3) GATT lost its relevance as:-

i) International Trade Scenario was becoming complex.

ii) Did not cover IPR [Intellectual Prop] & Services.

iii) It was not a treaty.

WTO

| 5-7 mins |  
| Downts |

→ Outcome of Uruguay Round.

→ 1.07.1995 [Birth of WTO]

→ Initially → 123 member countries

Currently → 164 member countries



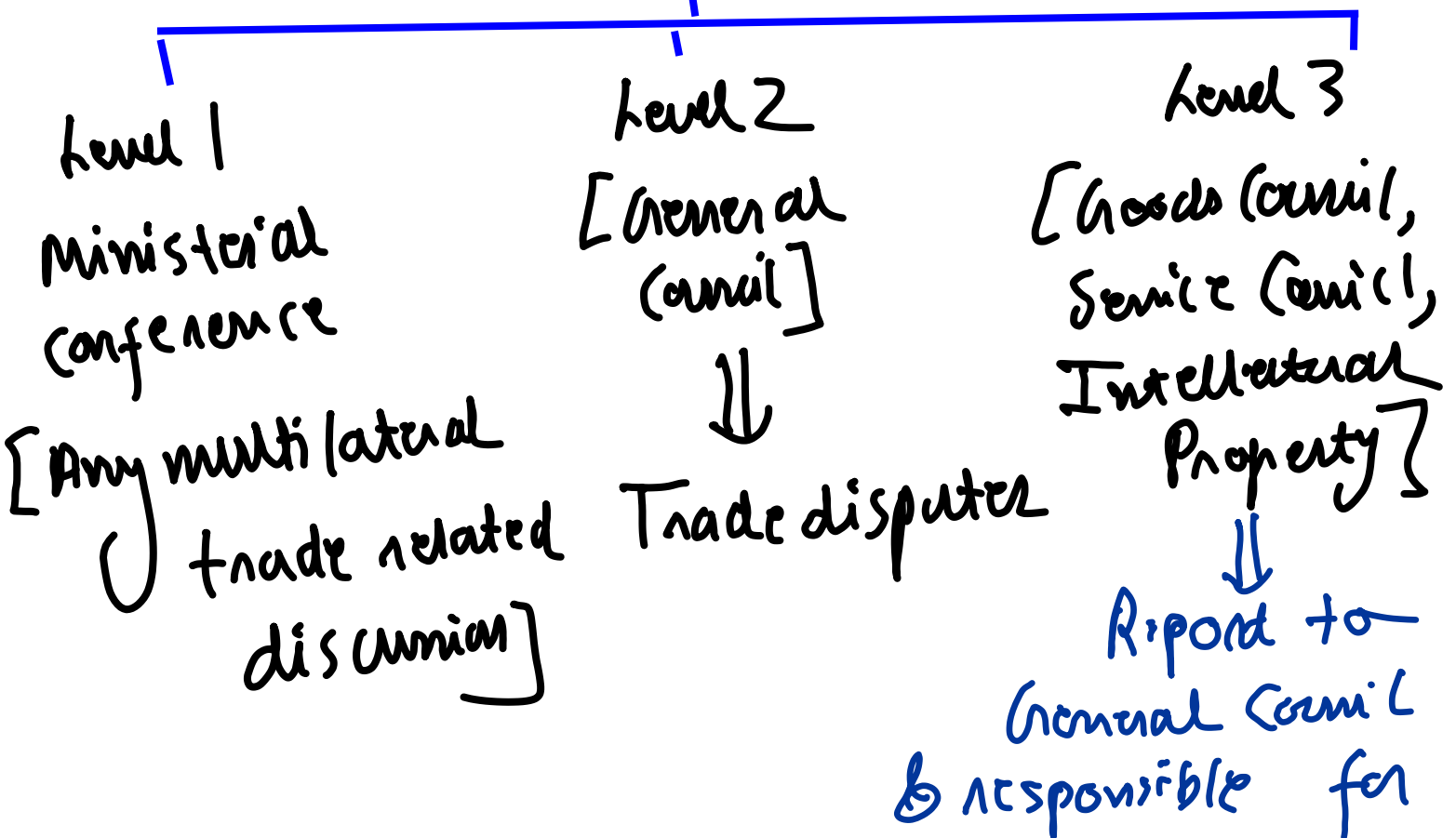
## → Objectives of WTO

- 1) Raise the Standard of Living.
- 2) Ensuring full employment & a rise in effective demand.
- 3) Expanding production, trade in goods & services.

→ Headquarter: Geneva [Switzerland]

---

## Structure of WTO





implementing WTO  
decisions

TRIPS :- Trade Related Intellectual  
Property Rights.

Last Level Committee [Working Group]  
→ Deal with membership application, environmental  
related issues, etc.