India's 8th WTO Trade Policy Review Highlights Trade Reforms, Digital Leadership and India's Stand on Multilateral Trade Governance

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Recent Developments:

- **India's 8th Trade Policy Review (TPR)** was conducted at the **World Trade Organization (WTO)** in **Geneva** on **21 and 23 July 2026**, covering the review period from **1 January 2021 to 31 December 2025**.
- The Indian delegation was led by **Commerce Secretary Rajesh Agarwal**, who presented India's trade policy achievements, economic performance and reform agenda before WTO members.
- Around **65 WTO Members** participated in the review, raising a large number of questions on India's trade policies, industrial incentives and regulatory framework.
- The review reaffirmed India's commitment to a **transparent, rules-based, development-oriented and multilateral trading system** while highlighting its concerns regarding emerging plurilateral trade arrangements.

What is the WTO Trade Policy Review Mechanism (TPRM)?:

Meaning:

- The **Trade Policy Review Mechanism (TPRM)** is the **transparency and peer-review mechanism** of the **World Trade Organization (WTO)** under which members periodically examine each other's **trade policies and practices**.
- The mechanism seeks to improve **transparency, predictability, understanding and accountability** in the multilateral trading system rather than settling disputes or imposing penalties.

Legal Basis:

- Established during the **Uruguay Round** in **1988** and incorporated permanently through **Annex 3 of the Marrakesh Agreement (1994)** establishing the WTO.

Objectives:

- Promote **greater transparency** in members' trade policies.
- Improve adherence to **WTO rules, disciplines and commitments**.
- Facilitate the **smooth functioning** of the multilateral trading system.
- Encourage **constructive peer dialogue** instead of litigation.

Trade Policy Review Body (TPRB):

- The **Trade Policy Review Body (TPRB)**, comprising the full WTO membership, conducts Trade Policy Reviews.
- Reviews are based on:

- **Government Report** submitted by the member under review.
- **Independent Secretariat Report** prepared by the WTO Secretariat.
- Interactive discussions and questions from WTO members.

Frequency of Reviews:

- Review frequency depends upon a member's **share in global trade**.
- Since the 2019 amendment:
- Largest trading members — every **3 years**.
- Next major traders — every **5 years**.
- Other members — every **7 years**.
- **Least Developed Countries (LDCs)** may receive a longer review cycle.

India's Economic and Trade Performance:

Economic Growth:

- India maintained **nearly 8% average annual GDP growth** during **2021–2025** despite geopolitical conflicts, supply-chain disruptions and global protectionism.

Export Performance:

- India recorded **USD 863.1 billion** in exports during **2025–26**, marking the country's highest export performance.

Development Vision:

- India reiterated its commitment to **Viksit Bharat @2047** while simultaneously addressing the developmental aspirations of nearly **one-fifth of the global population**.

Major Trade and Economic Reforms Highlighted by India:

Industrial and Manufacturing Reforms:

- **Aatmanirbhar Bharat** promotes domestic manufacturing while integrating India with **Global Value Chains (GVCs)**.
- Regulatory reforms under the **Jan Vishwas Initiative** have simplified compliance requirements and improved the ease of doing business.

Trade Facilitation and Logistics:

- Digital customs systems have improved border clearance efficiency.
- Logistics modernisation and quality infrastructure have strengthened trade competitiveness.

Digital Economy Reforms:

- Expansion of **Digital Public Infrastructure (DPI)** has enhanced financial inclusion and trade efficiency.
- India promoted **Artificial Intelligence (AI)**, innovation ecosystems and startup development as future growth drivers.

Sustainable Development Measures:

- Greater emphasis has been placed on sustainability, climate resilience, agricultural resilience and inclusive development.

Global Trade Engagement:

- Expansion of **Regional Trade Agreements (RTAs)** has diversified India's trade partnerships.
- India continued extending development assistance through **South-South Cooperation** and the **Indian Technical and Economic Cooperation (ITEC) Programme**.

Recognition Received During the Review:

Observations by the WTO Trade Policy Review Body (TPRB):

- Recognised India among the **fastest-growing major economies**.
- Appreciated India's leadership in **digitally delivered services exports**.
- Commended reforms relating to **Digital Public Infrastructure**, financial inclusion and trade facilitation.
- Welcomed India's acceptance of the **WTO Agreement on Fisheries Subsidies** after depositing its **Instrument of Acceptance**.
- Appreciated India's timely responses to advance questions, demonstrating transparency under the TPR mechanism.

Observations by Brazil:

- Appreciated the success of the **Goods and Services Tax (GST)** in creating a unified domestic market.
- Highlighted India's digital trade reforms and export diversification.
- Recognised the importance of India's expanding **Regional Trade Agreements (RTAs)**.
- Appreciated the **Duty-Free Tariff Preference (DFTP) Scheme** for **Least Developed Countries (LDCs)**.
- Considered India's **Digital Public Infrastructure (DPI)** a potential development model for other developing countries.

Major Issues Raised by WTO Members:

Concerns Expressed:

- Several members questioned **Production Linked Incentive (PLI) Schemes**, **Quality Control Orders (QCOs)**, tariff revisions, agricultural trade restrictions and regulatory predictability.
- Questions were also raised regarding industrial tariffs, import substitution policies and the Minimum Support Price (MSP) framework.

India's Response:

- India maintained that these measures pursue legitimate **public policy objectives**, strengthen manufacturing competitiveness, improve product quality and remain consistent with WTO obligations.

India's Objections to the Agreement on Electronic Commerce (ECA):

Background:

- India and several WTO members differ over the proposed **66-member Agreement on Electronic Commerce (ECA)**.

India's Position:

- India argues that any new **Annex 4 Plurilateral Agreement** requires **consensus of all WTO members** under the **Marrakesh Agreement**.
- India opposes operationalising agreements that have not received multilateral approval.

Annex 4 Agreements:

- Agreements under **Annex 4** bind only those members that voluntarily accept them.
- Presently, the two active Annex 4 agreements are:
- **Agreement on Trade in Civil Aircraft**.
- **Revised Agreement on Government Procurement**.

Interim Arrangement:

- After consensus could not be achieved, **66 participating members** adopted an interim declaration to operationalise the e-commerce agreement among themselves.

Institutional Concerns:

- India questioned the legal and institutional basis for introducing a plurilateral agreement without full WTO consensus.
- India argued that such arrangements weaken the multilateral character of the WTO.

Supporters' View:

- Proponents argue that **Joint Statement Initiatives (JSIs)** allow progress on emerging issues where unanimous agreement is difficult.

Significance of the Trade Policy Review for India:

Global Image:

- Reinforces India's reputation as a **responsible stakeholder** in the multilateral trading system.

Trade Strategy:

- Demonstrates India's effort to balance **Aatmanirbhar Bharat** with greater global economic integration.

Digital Leadership:

- Highlights India's expanding role in **digital trade**, services exports and Digital Public Infrastructure.

Global South Leadership:

- Strengthens India's role in **South-South Cooperation** and development partnerships.

Negotiating Credibility:

- Enhances India's credibility in ongoing WTO negotiations and institutional reform discussions.

Soft Power:

- India organised an exhibition showcasing diverse Indian products and traditional **papier-mâché handicrafts**, strengthening cultural diplomacy.

UPSC Mains Perspective:

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Challenges Before the WTO:

- Weak dispute settlement mechanism after the **Appellate Body** became dysfunctional.
- Growing unilateral trade restrictions and protectionism.
- Increasing preference for **plurilateral agreements** over multilateral consensus.
- Expanding digital economy requiring new global trade rules.
- Balancing development concerns of developing countries with demands for greater market liberalisation.

India's Way Forward:

- Continue supporting a **rules-based, transparent and inclusive multilateral trading system**.
- Advocate **Special and Differential Treatment (S&DT)** for developing countries.
- Expand export competitiveness through logistics reforms, manufacturing and digital trade.
- Pursue balanced WTO reforms while protecting food security, policy space and developmental priorities.
- Strengthen participation in global value chains without compromising strategic economic interests.

Value Addition for UPSC:

Important WTO Bodies:

- **Ministerial Conference –** Highest decision-making body.
- **General Council –** Supervises day-to-day functioning.
- **Trade Policy Review Body (TPRB) –** Conducts Trade Policy Reviews.
- **Dispute Settlement Body (DSB) –** Administers dispute settlement.

Important WTO Agreements for Examination:

- **General Agreement on Tariffs and Trade (GATT) 1994**
- **General Agreement on Trade in Services (GATS)**
- **Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)**
- **Agreement on Agriculture (AoA)**
- **Agreement on Fisheries Subsidies**
- **Trade Facilitation Agreement (TFA)**
- **Agreement on Sanitary and Phytosanitary Measures (SPS)**
- **Technical Barriers to Trade (TBT) Agreement**

Prelims Facts:

- **Trade Policy Review Mechanism (TPRM)** is contained in **Annex 3** of the **Marrakesh Agreement**.
- **Trade Policy Review Body (TPRB)** is the WTO body responsible for conducting Trade Policy Reviews.
- **Trade Policy Reviews are transparency exercises and do not adjudicate disputes or impose penalties.**
- **Annex 4 Agreements** bind only members that voluntarily accept them.
- **India's 8th Trade Policy Review** covered the period **1 January 2021–31 December 2025** and was held on **21 and 23 July 2026** in **Geneva**

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