

Parliamentarians' Forum on Economic Policy Issues
India's Foreign Trade Policy and Trade-Related Infrastructure

Thursday, 18 August, 2011, 1900 hrs to 2030 hrs
Deputy Chairman Hall, Constitution Club of India, New Delhi

Objective

To facilitate an informed discussion among the Indian parliamentarians on issues of trade-related infrastructure in India and how it is being dealt in the National Foreign Trade Policy of India, 2009-14

Background & Context

Infrastructure services can produce positive externalities. For example, developing a new road infrastructure project to relieve congestion in access to a port produces advantages not only for the users of the project but also for users of other roads where congestion is lessened as a result of a new project. Even non-users gain through reduction of pollution and improvement of the natural environment, and the country as a whole benefits as a result of increased trade benefits.

In order to make efforts to take advantage of economies of scale in production, procurement, and/or marketing, firms to look beyond national borders for both trade and investment opportunities. Promoting efficient financial intermediation, coordinating and promoting regional public goods, reducing macroeconomic vulnerability to shocks, and strengthening security offer governments' similar incentives to design, develop, and manage regional infrastructure cooperation and integration.

In short, regional infrastructure coordination can lower infrastructure costs and limit environmental and other negative social impacts, while contributing to trade expansion. For example, in the Greater Mekong Sub-Region, special forums have been established to coordinate transport infrastructure developments, particularly for the development of cross-country economic corridors.

Infrastructure investment that reduces trade costs facilitates regional economic integration through trade and investment expansion, which motivates regional cooperation, including cooperation in infrastructure development, generating a virtuous cycle of trade expansion and development.

Given this Background and Context, this meeting is aimed to sensitise the Indian parliamentarians on the importance of trade-related infrastructure in expanding trade opportunities and generating better regional cooperation.

A paper will present an objective analysis of India's trade-related infrastructure, how it has been treated in the National Foreign Trade Policy of India, and what should be done, why and how.