

The Role of Global Firms to Strengthening India's Role in International Trade

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Abstract

A primary driver of economic growth and employment prospects in India is the proliferation of digital tools. These tools are responsible for the creation of jobs in new tech-driven businesses as well as the transformation of established industries through increased efficiency and new business models. On the other hand, this transition also brings about a number of issues, the most significant of which is the displacement of low-skilled employment and the growing requirement to update the skills of the workforce. In the ongoing process of consolidating its position in international markets, India is bolstering its position through diversification, innovation, and strategic trade reforms. India's exports are not only expanding, but they are also setting new records. This is due to a number of factors, including a robust recovery from the pandemic and ongoing global concerns. The increase from November 2024 to November 2025, which is a year-on-year increase, demonstrates that India is a trustworthy and reliable partner in international trade. India's overall exports increased from US\$ 64.05 billion to US\$ 73.99 billion, indicating a remarkable 15.52% gain between November 2024 and November 2025. On the other hand, India's imports stayed virtually unchanged at US\$ 80.63 billion during this time period. As a direct result of this, the trade imbalance decreased by a substantial 61.07%, going from 17.06 billion US dollars to 6.64 billion US dollars. An increase in high-value commodities, expanding global relationships, and policy reforms that encourage a more balanced and internationally linked trade trajectory are all factors that contribute to India's resilience, which is shown in this rise despite disruptions in trade. India is also concentrating on improving its trading relationships with other countries in order to increase its exports. The trade agreements that India has with other economies strengthen its commitment to inclusive growth, which benefits farmers, artisans, workers, and micro, small, and medium-sized enterprises (MSMEs) while protecting India's key national interests. In the most recent instance, the deal between India and Oman builds on long-standing bilateral connections, thereby establishing an economic framework that is both forward-looking and balanced. An inclusive growth agenda must include a unified push to reform education, easily available skill development initiatives (such as the Skill India Mission or the e-Shram portal), and regulatory frameworks that welcome and accommodate the changing nature of employment. In order to fully benefit from digital transformation, the emphasis is moving towards ongoing learning and flexibility in India.

1. Introduction

India's trade performance, export promotion reforms, digital transformation, bilateral and regional interactions, free trade talks, and overall trade facilitation were all areas that saw exceptional achievements in 2025, according to the Year-End Review published by the Department of Commerce. In 2024–25, India reached a historic milestone in terms of its foreign commerce. The country's overall exports of merchandise and services reached an unprecedented amount of US\$ 825.25 billion, which reflects a robust annual growth rate of 6.05 percent. This momentum continued into the fiscal year 2025-26, with exports reaching a total of \$418.91 billion over the period of April to September 2025. This

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is a year-on-year gain of 5.86 percent, making it the highest export performance any financial year has ever seen during the first half of any fiscal year. In spite of the adverse global environment, the first and second quarters of the fiscal year 2025–26 both achieved record highs. The services sector continued to be a primary driver, recording a healthy US\$ 387.54 billion in 2024–25 at a growth rate of 13.63 percent. To maintain this trajectory, the services sector recorded US\$ 199.03 billion in the first half of FY 2025–26, representing an increase of 9.34 percent. In the fiscal year 2024–25, the value of merchandise exports stayed unchanged at \$437.70 billion, while the value of non-petroleum exports reached a new all-time high of \$374.32 billion, representing a growth rate of 6.07 percent. From April to September of 2025, the total value of merchandise exports increased by 2.90 percent, reaching 219.88 billion US dollars. Strong performances in electronic goods, engineering goods, pharmaceuticals, marine products, and rice were the primary drivers of export growth during this period. At the same time, major destinations such as the United States of America, the United Arab Emirates, China, Spain, and Hong Kong registered notable increases in their imports from India.

A significant reform milestone that occurred in 2025 was the introduction of the Export Promotion Mission (EPM), which was intended to serve as a cohesive, contemporary, and responsive framework to replace legacy schemes that were fragmented. The Mission, which has a budget of ₹25,060 crore for the fiscal years 2025–26 to 2030–31, is in accordance with the vision of *Viksit Bharat @2047*. Its primary objective is to enhance India's export competitiveness by implementing two major sub-schemes. While NIRYAT DISHA focuses on non-financial enablers such as quality and compliance support, international branding and packaging, participation in trade fairs, logistics and warehousing facilitation, inland transport reimbursements, and trade intelligence, NIRYAT PROTSAHAN aims to expand the access of micro, small, and medium-sized enterprises (MSMEs) to affordable trade finance through interest subvention, export factoring, credit guarantees, e-commerce export credit cards, and credit enhancement support for market diversification. The Mission is responsible for combining multiple programs, such as the Market Access Initiative and the Interest Equalization Scheme, into a unified framework that is structured around outcomes. Additionally, the Department has expedited its digital transformation plan in order to improve the ease of doing business, data-driven policymaking, and real-time trade intelligence. Platforms such as Trade e-Connect and the Trade Intelligence & Analytics (TIA) portal are making it possible to have centralized access to exporter services, as well as to have near real-time market information and automated reporting. In order to considerably improve trade facilitation, various reforms have been implemented, including the implementation of 24×7 e-IEC issuance, the transition to eCoO 2.0, and the digitization of Appendix 4H certificates.

The Bharat Aayat Niryat Lab Setu platform was introduced as a unified digital interface with the purpose of combining recognized testing and inspection organizations from all across the country in order to simplify the certification process for exporters and importers. From the beginning, this platform will encompass laboratories that fall under the Tea Board, Coffee Board, and Rubber Board. Subsequently, it will gradually expand to include other commodity boards, laboratories that are empanelled by EPC, and private laboratories. The In CENT Lab-Grown Diamond (LGD) project also made significant headway, as seen by the progress that was recorded. With a funding amounting to ₹242.96 crore, the project was carried out by the Indian Institute of Technology Madras. It resulted in the development of a National Centre of Excellence that was fully functional and had modern facilities at three different locations. In addition to the continuing growth trials, five commercial CVD equipment and two HPHT machines have been installed and commissioned successfully. Significant progress was also made in the domestic development of high-performance high-temperature (HPHT) machines and the fabrication of a solid-state microwave generator, both of which are essential for CVD technology. Through the implementation of and participation in the negotiation of a number of free trade agreements, India successfully increased its level of global economic integration in the realm of international trade agreements. It is anticipated that the Comprehensive Economic and Commerce Agreement (CETA) between India and the United Kingdom, which was signed in July 2025, will bring the total value of bilateral commerce to US\$ 100 billion by the year 2030. The CETA gives duty-free access to 99 percent of Indian exports. Additionally, India continued to expand on existing accords such as the India–UAE Comprehensive Economic Partnership Agreement (CEPA), the Australia–India Economic and Trade Agreement (ECTA), and the India–EFTA Trade and Economic Partnership Agreement (TEP). Among the important agreements that are now being negotiated are those with the European Union, the United States of America, Australia (CECA), New Zealand, Chile, Korea (CEPA upgradation), Peru, Sri Lanka (ETCA), the Eurasian Economic Union, Maldives, and the ASEAN AITIGA review. In 2025, the

discussions for a free trade agreement between India and Israel were restarted with the signing of the Terms of Reference. The level of interaction across all of the key geographical areas increased as a result of bilateral and regional collaboration. On February 13, 2025, Prime Minister Narendra Modi and President Donald Trump inaugurated the "Mission 500" effort in North America. The initiative aims to achieve a total of US\$ 500 billion in trade between India and the United States by the year 2030. Additionally, discussions are currently taking place for a full Bilateral Trade Agreement. The 7th Ministerial Dialogue on Trade and Investment helped to accelerate the engagement between India and Canada, while high-level meetings helped to enhance the relationship between India and Mexico. Through the establishment of institutional talks with the United Kingdom, the European Union, the Netherlands, Portugal, Slovakia, the India-Belgium Luxembourg Economic Union (BLEU), Italy, Finland, Romania, and Slovenia, India significantly strengthened its partnerships in Europe. The Prosperity Summit 2025, which took place in New Delhi, was the event that commemorated the entrance into effect of the India-EFTA Trade and Economic Partnership Agreement (TEPA). At this summit, EFTA members promised to bringing in US\$ 100 billion in investments into India over the course of fifteen years and to supporting the development of one million employment.

Through the exchange of letters of exchange, India enhanced trade facilitation with Nepal in South Asia. This was done in order to expand rail-based freight transportation and transit routes. A free trade agreement between India and the Maldives was signed during the visit of the Prime Minister in July 2025. The Terms of Reference for the agreement were signed. The tenth meeting of the India-Taiwan Working Group was one of the engagements that took place in North-East Asia. This meeting was responsible for facilitating the first export of organic tea from India to Taiwan.

India aimed to strengthen its trade architecture with Israel, the United Arab Emirates, Saudi Arabia, Bahrain, Qatar, Oman, Kuwait, and the GCC as a whole across West Asia and North Africa. This included making progress on numerous CEPA and FTA tracks and monitoring the implementation of existing agreements. In Dubai, the development of the Bharat Mart has advanced, and it is anticipated that it would be finished in 2027. A full evaluation of the agreement was conducted by the India-UAE CEPA Joint Committee, which also reached a consensus on further facilitation measures. Following successful renegotiations, India and Oman moved their Comprehensive Economic Partnership Agreement (CEPA) closer to receiving internal approvals.

The Joint Trade Committee and Working Group meetings that India had in Africa with Uganda, South Africa, and Zambia resulted in the identification of considerable prospects across a variety of industries, including agriculture, health, mining, micro, small, and medium-sized enterprises (MSMEs), and renewable energy. Over 2,000 business-to-business meetings were enabled during the 20th CII India-Africa Business Conclave, which served to reinforce India's position as a crucial partner in the expansion of Africa's economy. The event brought together senior leaders from 65 different countries. The Directorate General of Foreign Trade (DGFT) continued to play a crucial role by rationalizing policies, granting authorizations in a timely manner, and strengthening digital governance. It restored RoDTEP benefits for Special Economic Zones and Export and Import Units (SEZs and EOUs), aligned export obligation periods for Advance Authorizations involving QCO-regulated inputs, and issued a variety of policy updates covering import and export regulations for pulses, fabrics, urea, platinum, areca nut, and sensitive commodities. Additionally, it aligned Import and Export Policy Schedules with legislative updates. DGFT has implemented an online system for correcting Duty-Free Import Authorizations that have not been utilized, has permitted CA certificates for Diamond Imprest Authorization applications that are pending ITR filing, has updated India's SCOMET list to align with the Wassenaar Arrangement, and has extended the validity of technologist certification in establishments that have been approved by the Executive Directorate of Foreign Trade. Both the expansion of the verified Source from India directory and the start of pilot operations of the Lab Setu platform for integrated testing services were prominent examples of the digital reforms that were implemented. In general, the Year-End Review of the Department of Commerce for the year 2025 reflects a year that was marked by strong export performance, transformative policy reforms, digital modernization, expanding global partnerships, and a forward-looking strategy to position India as a competitive, technology-driven, and globally integrated trade powerhouse in the years leading up to Viksit Bharat @2047.

2. Government Initiatives to Enhance India's Export Framework

The Central Government has implemented various initiatives and policies to enhance exports, attract investments, and promote ease of doing business. A **New Foreign Trade Policy** was launched on March 31, 2023, and took effect on April 1, 2023. The policy's core approach is built on four key pillars: (i) Incentives for Remission, (ii) Export promotion through collaboration with exporters, states, districts, and Indian missions, (iii) Enhancing ease of doing business by reducing transaction costs and implementing e-initiatives, and (iv) Focus on emerging areas such as e-commerce, developing districts as export hubs, and streamlining the SCOMET (Special Chemicals Organisms Materials Equipment and Technologies) policy. It emphasizes emerging sectors like dual-use high-end technology under SCOMET, boosting e-commerce exports, and fostering collaboration between states and districts for export growth. The new Foreign Trade Policy (FTP) introduces a one-time Amnesty Scheme to help exporters clear old pending authorizations and start anew. It also promotes the recognition of new towns through the "Towns of Export Excellence Scheme" and acknowledges exporters via the "Status Holder Scheme."

To further support exporters, the **Interest Equalization Scheme** on pre- and post-shipment rupee export credit has been extended until August 31, 2024, with an allocation of Rs. 12,788 crores. Assistance is also being provided through schemes like the Trade Infrastructure for Export Scheme (TIES) and the Market Access Initiative (MAI).

To promote labour-intensive sector exports, the **Rebate of State and Central Levies and Taxes (RoSCTL) Scheme** has been in place since March 7, 2019, while the **Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme** has been implemented since January 1, 2021. The RoDTEP Scheme was further expanded on December 15, 2022, to cover previously excluded sectors like pharmaceuticals, organic and inorganic chemicals, and iron and steel products. Additionally, anomalies in 432 tariff lines were addressed with revised rates effective from January 16, 2023. A **Common Digital Platform for the Certificate of Origin** has been launched to boost Free Trade Agreement (FTA) utilization by exporters.

The **Districts as Export Hubs initiative** identifies export-potential products in each district and addresses bottlenecks while supporting local exporters and manufacturers to generate employment. Indian missions abroad play an enhanced role in promoting India's trade, tourism, technology, and investment goals. There is regular monitoring of performance involving with Commercial Missions abroad, Export Promotion Councils, Commodity Boards/ Authorities and Industry Associations, with corrective measures implemented as needed.

To attract domestic and foreign investments, the Government has introduced reforms such as the Goods and Services Tax (GST), corporate tax reduction, FDI policy changes, measures to reduce compliance burdens, and initiatives to boost domestic manufacturing through public procurement orders, the Phased Manufacturing Programme (PMP), and Quality Control Orders (QCOs). The Production-Linked Incentive (PLI) Schemes for 14 key sectors, with an outlay of Rs. 1.97 lakh crore, aim to enhance manufacturing capabilities and exports.

The Government has prioritized simplifying, rationalizing, digitizing, and decriminalizing its interface with businesses and citizens across all States and UTs. Over 42,000 compliances have been reduced, and more than 3,800 provisions have been decriminalized. The **National Single Window System (NSWS)** allows businesses to apply for 277 Central approvals, with information on 661 approvals available through the Know Your Approvals (KYA) module. The **Jan Vishwas (Amendment of Provisions) Act, 2023**, promotes trust-based governance, decriminalizing 183 provisions under 42 Acts managed by 19 ministries and departments.

India's roadmap for 2047 emphasizes global competitiveness, innovation, and integration into global supply chains. Policy reforms have improved India's rank in the **World Bank's Doing Business Report from 142nd in 2014 to 63rd in 2019**. Also, India's rank in the **Global Innovation Index (GII)** amongst 132 economies has improved from **81st in 2015 to 40th in 2023**. Intellectual Property Right (IPR) reforms have boosted patent grants from 5,978 in 2014-15 to 103,057 in 2023-24, while the number of designs registered grew from 7,147 to 30,672 during the same period.

The **Startup India initiative**, launched to foster innovation and entrepreneurship, has created a strong ecosystem, with 1.33 lakh DPIIT-recognized startups. Its action plan spans simplification, funding support, and industry-academia partnerships. Trade policy reforms have furthered India's participation in global supply chains. The **Foreign Trade Policy** focuses on cost competitiveness, trade facilitation, and emerging sectors, provides a strong framework for promoting global supply chain participation.

On October 13th, 2021, the Government of India launched the **PM GatiShakti National Master Plan** to support infrastructure and social sector planning through the PM GatiShakti NMP GIS-enabled portal. The implementation of PMGS promotes multimodal connectivity, improves last-mile connectivity, and contributes to both Ease of Doing Business and Ease of Living. To complement the PM GatiShakti NMP, the **National Logistics Policy (NLP)** was introduced on September 17th, 2022 with the goal of reducing logistics costs and enhancing logistics efficiency across the country. Together, these policies are driving innovation and enabling greater integration with global supply chains.

The comprehensive Trade Connect e-Platform launch has successfully linked more than 6 lakh IEC holders, 185 Indian Mission officials, and over 600 Export Promotion Council members with the Directorate General of Foreign Trade (DGFT)/DoC offices and banks. This digital initiative improves the ease of doing business for small and medium enterprises (SMEs) by offering them valuable information and support, creating a more efficient and transparent export ecosystem. The government has rolled out Enhanced Insurance Cover for MSME Exporters to promote exports, which is expected to provide Rs. 20,000 crore in credit at reduced costs. This initiative aims to enhance the competitiveness of Indian exports and will benefit approximately 10,000 exporters.

The **self-certified electronic Bank Realization Certificate (eBRC) system** reduces compliance costs, saving exporters over ₹125 crore. This system also supports the government's broader objectives of fostering a digital, eco-friendly economy, reducing both administrative and environmental costs. The bulk generation and Application Programming Interface (API) integration of eBRCs streamline the process for exporters, especially small e-commerce businesses, by efficiently managing high-volume, low-cost transactions. This system helps them claim benefits and refunds more effectively, supporting their growth in international trade.

The **E-Commerce Export Hub (ECEH)** initiative aims to revolutionize India's cross-border e-commerce, potentially reaching USD 100 billion in exports by 2030. These hubs connect SMEs, artisans, and One District One Product (ODOP) producers to global markets, boosting logistics efficiency and economic inclusion in Tier 2 and Tier 3 cities. On the **Government e-Marketplace (Gem)**, revised pricing slabs now cap charges at ₹3 lakh for orders above Rs. 10 crore, significantly reducing transaction costs. The **Bharat Mart in Dubai** provides Indian MSMEs affordable access to Gulf Cooperation Council (GCC), African, and CIS markets, enhancing exports to these regions.

Jansunwai, a platform that facilitates direct communication between stakeholders and the Government, eliminating intermediaries and saving time. A **revamped National Programme of Organic Production (NPOP)** is set to benefit approximately 20 lakh farmers from 5,000 grower groups through enhanced export opportunities. It is expected to drive organic exports beyond USD 1 billion by 2025-26, benefiting approximately 20 lakh farmers.

ICEGATE (Indian Customs Electronic Commerce/Electronic Data Interchange Gateway) offers e-filing services to trade, cargo carriers, and other trading partners. Additionally, it provides facilities like e-payment, online registration for IPR, document tracking status at Customs EDI, online verification of DEPB/DES/EPCG licenses, IE code status, PAN-based CHA data, and links to various other key Customs-related websites and information. The platform also features a 24/7 helpdesk for trading partners.

These initiatives underline the Government's dedication to expanding India's trade and fostering inclusive development, positioning India as a global economic powerhouse by 2047.

3. Conclusion

It is a credit to India's expanding manufacturing skills, strategic policies, and commitment to innovation that the country has achieved this level of success in exporting goods. Whether it is by establishing a dominant position in the international market for precious stones or by making headway in more complex industries such as semiconductors

and electrical components, India's export journey exemplifies the country's growing political and economic power. Increasing India's competitiveness on the international stage is mostly accomplished through the implementation of forward-thinking measures by the government. These initiatives include the New Foreign Trade Policy, PLI Schemes, and a great number of others. As India continues to broaden its export portfolio and increase its footprint around the world, the country is well positioned to realize its goal of being a major economic force on a global scale by the year 2047.

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