



TOWARDS A RETURN OF INDUSTRIAL POLICY?
ARTNeT SYMPOSIUM
25-26 JULY 2011
ESCAP, BANGKOK

**RETURN OF INDUSTRIAL POLICY: ENHANCING
INFLOW OF INVESTMENTS BY THE LEAST
DEVELOPED COUNTRIES OF ASIA PACIFIC REGION
FOR ENHANCING MARKET ACCESS
OPPORTUNITIES UNDER DUTY FREE TARIFF
PREFERENCES SCHEME BY INDIA**

Rajan Sudesh Ratna
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PRESENTATION STRUCTURE

- × **India's Duty Free Tariff Preference (DFTP) Scheme**
- × **RTAs and FDI**
- × **India Sri Lanka FTA: Case Study**
- × **Asia-Pacific LDCs - possibility for attracting FDI**
- × **Way Forward...**

DFQF

- **Duty Free Quota Free (DFQF) market access to LDCs mandated under WTO's Hong Kong Ministerial Declaration, 2005.**
- **Developed countries to provide market access for at least 97% of products originating from LDCs.**
- **Developing countries encouraged to provide preferential market access to LDCs with some flexibilities.**

INDIA'S DFTP SCHEME

- Mindful of India's strong relationship with LDCs, India announced the Duty Free Tariff Preference (DFTP) Scheme in April 2008.
- Scheme to grant unilateral tariff preferences on the imports of India originating from LDCs
- Aimed at promoting development of LDCs.

MODALITIES FOR TARIFF PREFERENCES

- Duty Free List: 85% of the total tariff lines (at 6-digit HS) to become duty-free.
- Positive List: In addition, on 9% tariff lines limited tariff concessions would be available (ranging from 10% to 100%).
- Exclusion List: Only 6% of the tariff lines are excluded from the preferential tariff treatment.
- Reduction process:
 - 5 equal cuts
 - 5 year implementation period
- Rules of Origin
 - CTH + 30%

REVIEW PROCESS

➤ **DFTP Scheme to be reviewed based on:**

- **Inputs from Beneficiary LDCs**
- **Performance/ Utilisation of the Scheme**



WHO IS ELIGIBLE

s-49, including 33 LDCs in Africa, 'Beneficiary Country'.

enefits under the Scheme, LDC to
r of Intent to the GoI that they wish
red under this Scheme and that they
nply with the provisions of this