International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

India's Tariff Policy and WTO Commitments: A Legal Balancing Act

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ABSTRACT :

"India's complex tariff policy and WTO commitments are discussed in this article. After all, India is a founding member of the WTO and has balanced international trading duties with domestic economic goals. This analysis reviews India's tariff policies since the WTO was created, identifies gaps and legal disputes, and evaluates political factors that shape policy implementation. This article captures India's efforts to implement its developmental responsibilities as well as trade commitments by evaluating WTO litigation, including India – Additional Duties, India – Solar Cells, and India – Iron and Steel Products cases. India continues to face domestic economic problems that require the government to intervene, and while the country has undertaken some liberalizing reforms, India's trading partners, as well as the WTO's dispute settlement body, often find themselves at odds with newer economic interventions. The paper concludes by proposing steps towards better integration of India's national tariff policy with the country's WTO commitments in light of rapidly evolving global trade dynamics."

Keywords: World Trade Organization, tariff policy, India, international trade law, dispute settlement, bound rates, applied rates, developing country exceptions

Introduction

The World Trade Organization (WTO), created as a successor to the General Agreement on Tariffs and Trade (GATT) in 1995, has transformed international trading with its legal infrastructure for the liberalization and dispute resolution of trade. For India, a founding member, balancing domestic policies with international trade obligations has been challenging given the country's development constraints as a large emerging economy (Bhattacharyya, 2020). Since the early 1990s, India has revised its tariff policies to support this change.

Like many other developing countries, India depends on tariffs to control trade and increase revenue. They nurture infant industries, address balance of payment problems, provide food security, and support government revenue collection (Dhar, 2019). However, the ability of members to individually increase tariff rates above committed bound rates is restricted by GATT Article II and other WTO agreements such as the Agreement on Agriculture and the Agreement on Subsidies and Countervailing Measures (Das, 2021). India's sovereign economic policy power straddles the conflict of international legal obligations.

This study explores the timeline of India's tariff framework, key disputes at the WTO level pertaining to its tariffs, and the legal justifications and policy rationales underpinning its implementation of tariffs in order to understand how it has maneuvered this complex legal puzzle. The paper explores the balancing act India has performed between its developmental aspirations and international obligations employing WTO legal avenues and flexibilities.

The study carries relevance well beyond the academic realm. Trade policymakers, negotiators, and legal experts can glean valuable insights from the experience of India and other emerging economies as they illustrate the management of domestic policy control and international commitments amidst unprecedented challenges posed by increasing protectionism, supply chain disruptions, and calls for reform of the multilateral trading system. Other developing countries can also benefit from India's approach of prioritizing national policies while engaging with global trade.

Historical Evolution of India's Tariff Policy in the WTO Era

Pre-WTO Tariff Structure

India possessed numerous tariff obstacles and stood as one of the most protected nations alongside the USSR before the economic liberalization took place in 1991, further undergoing 1995's WTO membership (Panagariya, 2019). India's import-substitution industrialization strategy was evidenced by the average applied MFN tariff rate surpassing 100% in most sectors (Ahluwalia, 2019). Under the GATT's weak framework, which "gave developing nations considerable latitude" under trade policies, this set of protectionist policies was legally valid (Mattoo & Subramanian, 2018).

Indian and several developing countries were forced into capping their tariffs during the Uruguay Round negotiations (1986-1994) as a new market access prerequisite (Mattoo & Subramanian, 2018). India bound 67% of its agricultural tariff lines and 74% of non agricultural tariff lines with ceiling rates of bound agricultural products varying between 40% to 300%, while the majority of manufactured goods were capped at 40% (WTO 2020a). These bound rates were legally recognized as India's maximum tariffs without breaching the WTO.

Post-WTO Tariff Liberalization (1995-2005)

Partially due to unilateral liberalization and WTO compliance, India's tariff rates began to shrink in the decade following the entrance into the WTO (Panagariya, 2019). By 2005 the basic average MFN duty was 29% with manufacturing tariffs averaging 20% (WTO, 2007). In comparison to pre-liberalization tariffs, this was still an overly significant shift, but India's tariffs continued to remain high in comparison to the rest of the world.
Because India has a large "water" gap in its bound and applicable rates, the country has policy space to adjust tariffs without breaching WTO rules (Dhar, 2019). India slowly liberalized trade while still safeguarding sensitive domestic industries from an influx of imports and exogenous shocks.

Recent Trends (2005-Present)

After 2005, India's tariff liberalization has been slower with some reductions and selective increases concentrated in specific sectors. As of 2023, India's simple average applied MFN tariff stands at 17.6%, with agricultural goods incurring a 38.8% and non-agricultural goods 14.1% (WTO, 2023). India's complicated tariff structure also includes high binding rates which average 51.4% with extreme tariff peaks in sensitive sectors such as agriculture, automobiles, and textiles along with a myriad of other stipulations and special regimes (Ministry of Commerce and Industry, 2023)
In recent years, liberalization of some policies has reversed. As part of the 2014 "Make In India" initiative and the 2020 "Atmanirbhar Bharat," or Self-Reliant India campaign, the Government of India has selectively increased tariffs on electronic goods, telecommunication equipment, and other manufactured goods in order to promote domestic manufacturing (Saraswat et al., 2022). Although these increases are within the Country's bound WTO tariff rates, they indicate a marked change in India's tariff policy in response to domestic and international economic conditions.

Legal Framework Governing India's Tariff Policy

WTO Rules on Tariffs

India's tariff policy remains within the parameters set by WTO. India's tariffs adhere to WTO rules. Article II of GATT 1994 demands members observe tariff limits and treat them no less favourably than their Schedule of Concessions (WTO, 1994). This article makes documented tariff commitments binding and requires members not to apply customs taxes beyond the freely documented schedules.
Additionally, several WTO agreements impose discipline on specific aspects of tariff administration:

1. The Agreement on Agriculture requires the transformation of non-tariff limits into tariff boundaries (tariffication) and enacts regulatory framework for the reduction of agricultural tariffs (WTO, 1995a).
2. The Agreement on Implementation of Article VII of GATT 1994 (Customs Valuation Agreement) rules the customs value of imported goods placed in every jurisdiction and provides detailed valuation requisites limiting unobjective valuation practices.
3. The Agreement on Origin of Goods preferential arrangements (WTO, 1995c) determines the principles for ascertaining where the goods originate from which influences the tariff rate on the goods.
4. The Agreement on Import Licensing Procedures (WTO, 1995d) controls administrative actions taken regarding the execution of trade quotas and other restrictive measures on importation.

India's Specific Commitments

The Schedule of Concessions (Schedule XII) includes the bound tariff commitments of India during the Uruguay Round which to some extent has been altered in several WTO negotiations. Some of the features of India's commitments are:

1. Agricultural Binding Coverage: Indian commitments cover approximately 100% of agricultural tariff lines, which are bound with an average rate of 113.5% (WTO, 2020b).
2. Non-Agricultural Binding Coverage: Approximately 72.4% of non-agricultural tariff lines are bound with an average rate of 34.5% (WTO, 2020b).
3. Unbound Tariff Lines: Some sectors are left unbound granting India the liberty to change the tariffs on such products without WTO obligations. (Dhar, 2019).
4. Special Safeguard Provisions: Under Article 5 of the Agreement on Agriculture India cannot be excluded from the right to use Special Safeguard provisions (WTO, 2020b).

These commitments define the scope of tariff policy that can be exercised by India.

Special and Differential Treatment Provisions

For a developing nation, India leverages a number of Special and Differential Treatment (S&DT) provisions within the WTO framework that rationally assist her in dealing with implementation of tariff commitments:

1. Within the framework of various agreements, India has longer implementation periods for undertaking tariff reduction commitments (Chimni, 2018).
2. In comparison to the developed countries, lower reduction commitments in agricultural tariffs are posed on developing countries (10% average reduction for developing countries versus 36% for developed countries) (WTO, 1995a).
3. Access to some lower-bound protective measure thresholds is granted for developing countries like Special Safeguard Mechanism negotiated during Doha Round (though negotiations are still incomplete) (Das, 2021).

4. Increased scope of modification for schedules under GATT Article XXVIII to cater for specific development needs (WTO, 1994).

The legal latitude carved out by these provisions enable India to cope with international tariff restrictions while addressing national development challenges. Nevertheless, in the context of the last twenty WTO disputes, this form of policy space has been and continues to be fiercely contested, illustrating the clash between unilateral policy freedom and multilateral rule-based restrictions.

Major WTO Disputes Involving India's Tariff Measures

The legal battles are illustrative of the boundaries of India's jurisprudence while attempting to gain economic sufficiency through the use of laws of its trade regulation. India's tariff policy, in this particular case, demonstrates the friction between the country's geopolitical aspirations and domestic economic goals..

India – Additional Duties on Imports from the United States (DS360)

Background and Legal Issues

The "Additional Duty" (AD) and "Extra-Additional Duty" (EAD) imposition on beverages and other imports drawn by India at the WTO arbitrament center in the US fossilized this dispute with India in 2007 (WTO, 2008). The charge by United States was supported on the basis of consequentialism-guiding GATT Article II and Article III as taxes contrary to Member Agreements violating the Bound Rates. India countered with the claim referring all exactions as taxes borrowing and internal levies intending GATT Article II:2(a) of its provisions.

Panel and Appellate Body Findings

The Panel of first instance was on India's side as the US was not in a position to prove India Bound Rate was exceeding. The appeal body overturned this part of the decision explaining the misinterpretation of Article II:2(a) (WTO, 2008). The Appellate Body highlighted the fact that Article II:2(a) imposes a limit upon such charges.

Significance for India's Tariff Policy

This case illustrated India's legal boundaries in imposing customs taxes and internally an upper limit which they had to abide to. India changed post conflict the Customs Tariff Act to avoid the burdensome taxation of importing goods which were also taxed heavily (Chimni, 2018). The WTO dispute resolution shifted the paradigm in India's tariff policy, made them more prudent on their domestic spending policies, and led to the alignment of local tax policies and international obligations, which were previously taken for granted.

India – Solar Cells and Modules (DS456)

Background and Legal Issues

In 2013, the US challenged India's Jawaharlal Nehru National Solar Mission (NSM) which subsidized solar power installations subject to the use of local content provisions which mandated the use of Indigenously manufactured modules and cells (WTO, 2016). The case was primarily built around non-tariff barriers, but had elements of tariff negotiations, showcasing India's fractured approach towards trade policy.

Panel and Appellate Body Findings

India's case was dismissed by the Panel and Appellate Body that the DCRs overtly contravened India's obligations on national treatment commitment under GATT Article III:4 and TRIMs (WTO, 2016). India had failed to justify the measures within the GATT Article III:8a's government procurement exemption and GATT Article XX's general exclusions.

Significance for India's Tariff Policy

Following this unfavorable ruling, India has promoted renewable energy production within India through tariffs instead of local content criteria. India imposed claimed safeguard tariffs on solar cells s in 2018 with basic customs duties set at 40% for solar modules and 25% for solar cells as of April 2022 (Ministry of New and Renewable Energy, 2021). This pattern illustrates the extent to which WTO jurisprudence has constrained India's instruments of policy formulation, wherein preference is given to tariff measures over banned performance requirements.

India – Iron and Steel Products (DS518)

Background and Legal Issues

In 2016, Japan brought a dispute against India's hot-rolled steel import safeguards claiming violation of the Agreement on Safeguards and GATT Article XIX, (WTO, 2018) In reaction to these steps, India undertook measures because of the increase in steel imports which were a threat to domestic manufacturers.

Panel Findings

The Panel found against India due to its competent authorities not providing justification for "unforeseen developments" and "GATT obligations" a safeguard measure under article XIX:1(a) (WTO, 2018). The Panel also pointed out some flaws regarding India's Agreement on Safeguards mandated finding of sharp increase in imports, substantial injurious effect, and causative nexus.

Significance for India's Tariff Policy

This South Asian country demonstrates that India has to comply with both procedural and substantive standards when resorting to safeguards-based trade protection. India has exercised more restraint in his safeguard investigations after the judgement to comply with WTO legal requirements as stated in (Directorate General of Trade Remedies, 2020). Apart from compliance with the WTO, India has increasingly resorted to the use of anti-dumping measures and normal rate of tariffs to escalate the hitherto legal bound policy flexibility.

Policy Considerations Informing India's Tariff Strategy

Balancing Development Needs with Trade Liberalization

Indian tariffs attempts to alleviate the dual challenge of development and trade liberalisation at the same time. Pakistan's Trade Policy Review indicates that India applies tariffs in a manner to protect labor-intensive industries, foster industrial development, and ensure food security as a developing country with widespread poverty and unemployment (Dhar, 2019). The WTO's Special and Differential Treatment for least Developed countries offers India some leeway in fulfilling its tariff obligations.

Several developmental considerations drive India's tariff strategy:

1. **Industrial Policy Aims:** India has continued to apply higher tariffs as a means of incentivizing local production under the "Make in India" initiative and other critical sectors (Saraswat et al., 2022). For instance, the tariffs on the materials used for electronic products leads to domestic value addition which supports the WTO policy on the prices.
2. **Tariff Enforcement and Indian Agriculture:** To safeguard India's large farming community and the food security need of the population, India imposes a fee of 38.8% on the importation of agricultural goods (Ministry of Commerce and Industry, 2023). This approach is allowed in the developing country clause of the Agreement on Agriculture due to weak restrictions on developing countries.
3. **Focused Revenue Collection:** Trade customs account for roughly 15% of India's taxation revenue, even with liberalization policies in place (Ministry of Finance, 2023). The dependency on fiscal infrastructure slows the decline in tariffs.
4. **Countering External Vulnerabilities:** In the name of public order, India has internal regulations distinguishing between bound and applicable rates to address external shocks such as import surges and balance of payments difficulty on the costs in the WTO regulations (Das, 2021).

Responding to Global Economic Challenges

The economic challenges of multilateral trading systems have affected India's tariff policies and economic growth, including global economic concerns affecting India's border policies:

1. **Growing Protectionism:** The introduction of protectionism after 2016 on a global scale has impacted India's tariff policies. Selective increase in tariffs has been observed while remaining within the WTO guidelines towards key trade partners (Arun et al., 2022).
2. **Socioeconomic Tariff Policy:** India has been motivated to adjust and rationalize tariffs due to Regional trade agreements. Concerns over liberalized policies led to India's withdrawal from RCEP discussions in 2019.
3. **Supply Chain Resilience:** The COVID-19 pandemic and geopolitical conflicts have highlighted gaps in global supply chains. With the Atmanirbhar Bharat plan, India purposefully altered tariffs to reduce reliance on specific countries for critical imports and foster domestic manufacturing (Saraswat et al., 2022).
4. **Technological Transformation:** Tariff policy has enabled India to navigate the Fourth Industrial Revolution by nurturing emerging sectors and ensuring access to essential technical inputs (National Institution for Transforming India, 2021).

Navigating WTO Constraints and Opportunities

India's approach on tariffs demonstrates a refined grasp of the WTO legal framework's opportunities and boundaries:

1. **Strategic Exploitation of Binding Overhang:** India's current trade regime includes a 33.8 percentage point difference between bound and applied rates which permits tariff increases without breaching WTO commitments (WTO, 2023). This "binding overhang" policy instrument is strategically employed by India across sectors.
2. **Limited Focus in Tariff Adjustment Participation:** India has focused its efforts on engaging with WTO tariff negotiation processes that advance its interests while resisting expansion in sensitive sectors (Chakraborty & Chaisse, 2020). This approach optimally exploits the benefits of trade liberalization while preserving space to maneuver enjoyment.
3. **Utilization of WTO Flexibilities**: Employment of WTO Flexibilities: India has made use of flexibility mechanisms within the WTO such as:
   o Trade remedy measures (anti-dumping, countervailing, and safeguard actions) to curb unfair trade practices as well as the excessive inflow of imports
   o Suspension of tariffs for a limited time to alleviate shortage in supply for some essential goods
   o Withdrawal of tariff commitments through GATT XXVIII negotiations
   o Application of balance of payment provisions GATT Article XVIII (less frequently in recent years)
4. **Lobbying for Change:** India has sponsored a change in the WTO policy intended for developing nations specifically pertaining to agriculture and development (Ministry of Commerce and Industry, 2022). This change attempts to endorse policies aimed at boosting domestic production through more favorable tariffs.

Case Study: India's Information Technology Agreement Participation and Withdrawal

India's Participation in the ITA-1

India's participation in the Information Technology Agreement (ITA-1) marks eventful attempts and challenges in balancing trade liberalisation with economic objectives. India joined the ITA-1 in 1997 which committed India to reduce tariffs on a number of IT products by 2005 (WTO, 1997). The intention was to enhance participation in international technological value chains and reduce costs of inputs for the emerging software and services industry.

This has enormous legal implications. The ITA entails expansive tariff reduction for specific items, which constrains India's policy latitude on electronics (Kallummal, 2019). India's Uruguay Round obligations came with severely un exercised bindings. India could not use tariffs to prop up the IT hardware industry in the 2000s as the technology supply chain shifted to China and other parts of Asia.

Refusal to Join ITA-2

Because of this, India opted not to become a participant in the 2015 extension of the Information Technology Agreement that would have removed tariffs on 201 IT items (WTO, 2015). This represented a calculated risk of trade liberalisation versus more intense industrial policy.

The legal assessment done by India's Ministry of Commerce and Industry argues that ITA-2 will constrain the strategy to develop India's electronics manufacturing hubs (Ministry of Electronics and Information Technology, 2019). The assessment illustrated the disparity between sectoral non tariff barrier removal commitments and growth strategies.

Subsequent Policy Adjustments

This resulted in India adopting an escalated tariff regime on electronics while lower rates for components to streamline domestic production under the phased manufacturing program (PMP) (Ministry of Electronics and Information Technology, 2019). These WTO-compliant increases fell within India's bound rates, however, this was a purposeful diversion from the ITA's total liberalization strategy.

In 2019, the European Union urged consultations concerning India's tariffs over certain ICT products, claiming that some products covered by India's ITA-1 commitments were subjected to duties (WTO, 2019). This case demonstrates the legal intricacy of product categorization and the promise of lowering tariffs.

From this case study, it can be drawn that India has shifted from a proactive sectoral engagement within the WTO toward a more reserved approach which centers on industrial policy 'developmental space' around tariff commitments. It also indicates how India has deftly circumvented the WTO legal architecture, limit test binding commitments that might restrict future policies and flex available options.

Recent Policy Innovations and Legal Challenges

Calibrated Tariff Structure under "Make in India"

Innovative approaches to tariff policy have emerged in the recent years, under India's development strategy focusing on manufacturing. The "Make in India" initiative which was launched in 2014 includes a calibrated tariff structure aimed at encouraging domestic value addition and does not violate the WTO rules (Ministry of Commerce and Industry, 2020). This approach features:

1. **Increased Tariff Escalation:** Tariffs on finished goods have broadly been raised while tariffs on raw materials and components have been reduced in India. The permissible customs duties in the electronics industry range from 0-5% for key components to 15-20% for finished devices (Ministry of Finance, 2023).

2. **Phased Manufacturing Programs:** Some industries contain timelines to ramp up component tariffs over a certain period as domestic manufacturing capabilities grow so that investor certainty can remain while rates can still be capped (Ministry of Electronics and Information Technology, 2021).
3. **Tariff Reduction on Capital Goods:** India has intentionally reduced tariffs on capital goods, especially advanced manufacturing equipment which cannot be purchased domestically, to develop industry (Ministry of Commerce and Industry, 2022).

Although these reforms have generally complied with India's WTO commitments, they have led to some friction. The United States has complained at the WTO Committee on Market Access that Indian tariffs on mobile phones subtract from anticipated benefits already gained in earlier trade agreements (WTO Committee on Market Access, 2020).

Strategic Tariff Adjustments in Response to COVID-19

The COVID-19 pandemic led to fundamental changes in India's tariff policy and showed how extraordinary circumstances can alter the weight between international commitments and domestic priorities.

1. **Temporary Elimination of Tariffs:** To facilitate imports of public health products such as PPE, ventilators, and testing kits under emergency provisions for public health and safety of WTO laws (Central Board of Indirect Taxes and Customs 2020).
2. **Export Restrictions with Tariff Adjustments:** Impelled by worries of potential shortages in very exceptional circumstances, India prohibited the export of some critical commodities and imposed tariffs on their export under GATT, Article XI:2(a) (Ministry of Commerce and Industry 2020).
3. **Measures to Enhance Supply Chain Resilience:** Tariffs on pharmaceutical intermediates and active pharmaceutical ingredients were adjusted as a consequence of supply chain shocks inside India, to de-risk single source imports that were mainly from China (Department of Pharmaceuticals 2021).

These measures have made it clear that legal possibilities are open through the WTO when extraordinary circumstances arise and that it is necessary to keep some policy space when designing tariffs.

Production-Linked Incentive Scheme and Tariff Complementarities

Another fresh example of India's economic policy approach is the Production-Linked Incentive (PLI) scheme which basically provides subsidies to manufacturers on the basis of incremental. The PLI is not a tariff measure, but it ranges the tariff measures that India uses to build a comprehensive industrial strategy:

1. **Complementary protection:** In most cases, India maintains and varies tariffs on finished imports of goods in PLI scheme sectors (electronics, pharmaceuticals, automobiles, etc.) in order to maintain some market protection and production incentives (Ministry of Finance, 2023).
2. **From a WTO-compatibility perspective:** India has successfully kept the PLI scheme from being considered a prohibited subsidy under the WTO Agreement on Subsidies and Countervailing Measures by showing that the PLI scheme provides incentives based on the value of production, rather than export performance (Ministry of Commerce and Industry, 2021).
3. **Calibration of tariff and incentive:** India has calibrated the tariff protection-PLI nexus in a small number of sectors so that it can maximise any WTO-compatibility, while achieving its industrial policy objectives (Ministry of Finance, 2023).

This innovative approach emphasizes India's efforts to put comprehensive industrial strategy that utilize instruments that include, but are not limited to tariffs, in the limits of the WTO. However, it also exposes the combined impact of tariff measures and production incentives to a legal test that could be pursued in WTO disputes at some point in the future.

Conclusion and Future Outlook

Balancing Act: Key Findings

The examination of India's tariff policy in the context of its WTO obligations indicates a fine balancing act beset by peculiarities:

1. **Pragmatic Liberalisation:** Since WTO membership in the 1990s India has been liberalising tariffs in a pragmatic manner; while imposed average tariffs fell from approximately 100 percent in the early 1990s to roughly 17.6 percent, India kept much higher bound rates to maintain some policy space (WTO, 2023) .
2. **Strategic selectivity:** India has carefully chosen areas to liberalise tariffs in situations where imports were complementary to domestic production (e.g. certain imports of intermediate goods), but at the same time protecting sensitive sectors such as agriculture and labour-intensive manufacturing (Dhar, 2019).
3. **Legal scientists:** India was very effective in manipulating binding obligations, safeguard provisions and special and differential treatment measures under the legal framework within the WTO so that it is capable of working within the framework without necessarily contradicting its obligations (Das, 2021).
4. **Policy learning:** India's experience with the Information Technology Agreement and its resulting adjustments as a way to preserve some degree of autonomy in its sectoral tariff policies serves as another example of policy learning (Kallummal, 2019).
5. **An economy circled:** In order to support industrial development and comply with its WTO commitments, India has also synchronised its tariff policy with other policy instruments, such as its Production-Linked Incentive plan (Saraswat et al., 2022).

   This study reveals India's ability to manage its tariffs through WTO membership decisions which still provides the country with substantial freedom to operate. The findings indicate that India has abundant space to select development-oriented tariff strategies.

Policy Recommendations

This analysis presents the following measures which will help India align its tariff policies with WTO standards:

1. India should evaluate its tariff system in its entirety to simplify it and eliminate inverted duty structures that currently damage domestic manufacturing and native industries (Panagariya, 2019).
2. **Predictability:** The implementation of predictable tariff changes benefits both domestic manufacturers and international trade partners. Bhattacharya (2020) recommends that India should draft a three-year tariff plan with clear goals and dates for changes.
3. **Involvement in WTO Reform:** India needs to take an active role in WTO reform talks which focus on creating better development rules for a rules-based trading system (Chimni, 2018).
4. **Utilisation of Dispute Mechanisms:** India should improve its use and scope of trade remedy investigations, in accordance to WTO rules, to improve its use of attempts to remedy unfair trade practices in member countries (Directorate General of Trade Remedies, 2020).
5. **Multiplicity of Policy Instruments:** India could seek to improve the use of production incentives, quality standards, and targeted infrastructure in conjunction with tariffs in a way that seeks to achieve its industrial policy objectives of its trade policy while remaining in accordance with WTO rules (Ministry of Commerce and Industry, 2022).

Future Trajectories

Looking forward, India's tariff policy will most likely continue to respond to changing international economic circumstances and domestic priorities by:
1. Rebalancing between sectors: India might adjust its tariffs by sector, maintaining higher rates for critical sectors, while lowering tariffs for others to facilitate integration in global value chains (Saraswat et al., 2022).
2. Tariffs in the digital economy: Increasing pressures in the digital economy will provide India with difficult tariff issues on electronic transmissions, digital products, and associated physical products, likely resulting in new tariff treatments and litigation (Ministry of Electronics and Information Technology, 2021).
3. Climate policy: Tariff policy may also take the shape of border carbon adjustments, and adjusting tariffs to promote green technology and address any competitiveness concerns (National Institution for Transforming India, 2021).
4. Geopolitical landscape: On the trade front, rising tensions in the geopolitical landscape may lead India to adjust tariff space, while also considering strategic trade relationships (specific to the supplier) and national security, economical and energy sovereignty, and supply chain security (Chakraborty & Chaisse, 2020).
The Indian experience potentially offers directives for other evolving economies to consider in balancing foreign trade and national objectives. When pursued with legal and expertise and policy coherence, membership in the WTO allows for some strategic tariff setting, in spite of the limitations of some of them.
India's tariff policy reconciliation with multilateral disciplines will remain a key case study in the ongoing trade liberalization-development imperatives negotiation as the global trading system evolves amid rising protectionism, technological transformation, and calls for WTO reform.

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