Indian Economy · GS - II

How can India balance export opportunities under trade agreements with the protection of domestic farmers and other sensitive economic sectors?

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 29/10/2026	GS - II	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Trade liberalisation; comparative advantage; agricultural livelihoods; market access; safeguards; strategic trade policy

Model Answer

Introduction

Trade agreements can expand export markets, attract investment and improve economic competitiveness. However, they must also account for the livelihoods of farmers and other vulnerable domestic stakeholders.

Opportunities from Trade Agreements

Improved market access can help Indian industries and agricultural producers reach international consumers. Greater competition may encourage innovation, efficiency and better product quality. Agreements can also strengthen supply chains and deepen economic partnerships.

Protecting Domestic Interests

Agriculture supports a substantial population, making sudden exposure to import competition a concern. India should assess the effects of tariff reductions on farmers, small enterprises and food security. Sensitive products may require carefully negotiated safeguards consistent with international trade obligations.

Way Forward

India should conduct sector-wise impact assessments, consult farmers and industry representatives, strengthen agricultural infrastructure, improve productivity and support diversification towards higher-value products. Negotiations should also promote transparent standards and effective dispute-resolution mechanisms.

Conclusion

As reflected in the trade position described by Commerce Minister Piyush Goyal, India seeks to expand trade opportunities while protecting sensitive domestic interests. A balanced agreement should support exports, sustainable livelihoods and long-term economic resilience.

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