



The Indian Journal for Research in Law and Management

Open Access Law Journal – Copyright © 2026

Editor-in-Chief – Dr. Muktai Deb Chavan; Publisher – Alden Vas; ISSN: 2583-9896

This is an Open Access article distributed under the terms of the Creative Commons Attribution-Non-Commercial-Share Alike 4.0 International (CC-BY-NC-SA 4.0) License, which permits unrestricted non-commercial use, distribution, and reproduction in any medium provided the original work is properly cited.

COMPARATIVE ANALYSIS OF INDIAN & INTERNATIONAL TRADE LAWS

SAMEEKSHA KHANDELWAL

INTRODUCTION

Trade laws play an essential role in shaping economic policies and relations between countries. In today's world, no nation can survive in isolation. India, which has a rapidly growing economy, follows a unique trade law framework that fulfils its domestic priorities and international obligations. This blog presents a comparative analysis of Indian trade laws and global trade laws, highlighting their structure, principles, enforcement mechanisms, and current challenges.

TRADE LAWS: MEANING AND SCOPE

Trade refers to the process of exchanging goods and services, which can occur through various means such as barter or monetary transactions. Trade Laws are the rules made by governments that control how goods, software or technology are brought into or sent out of a country, including rules on customs, export restrictions, duties and taxes that must be paid. While International trade law is the set of laws and agreements that govern commerce between countries, it creates rules and regulations that countries and businesses must follow in order to do business across borders. ¹It tries to make trade more open and similar across countries, while national trade laws are shaped by each country's own economic needs and social priorities.

TRADE LAWS: SOURCES

¹ *Trade and Environment*, Arizona State University Elsevier Pure, <https://asu.elsevierpure.com/en/publications/trade-and-environment/> (last visited Dec. 24, 2025).

India regulates its foreign trade through laws, international agreements, and government agencies. These rules help promote exports, control imports, and protect local industries. These rules also ensure that Indian products meet global standards and compete fairly in the global market. The Foreign Trade (Development and Regulation) Act, 1992, sets the rules for India's foreign trade policy. It is carried out by the Directorate General of Foreign Trade (DGFT), which issues licenses, implements trade policies, and ensures traders follow the rules. The Customs Act, 1962 helps the government control what comes into and goes out of India, collect taxes on goods, and make trade easier. The SEZ Act, 2005 encourages export-based production by giving tax benefits, easy procedures, and modern infrastructure. India also protects its local industries by using anti-dumping and safeguard duties under the Customs Tariff Act, 1975, following WTO rules.

International trade rules at the global level are mainly governed by the World Trade Organization (est. 1995 via 1994 Marrakesh Agreement) which set common rights and duties for all members, along with country-specific commitments.²GATT was updated and was placed under WTO to lay down rules for trade in goods. Rules for trade in services (covered under GATS), intellectual property rights (covered under TRIPS), dispute settlement, and trade policy review were also created with the establishment of the WTO. Alongside, many countries have also created bilateral and regional trade agreements like FTAs or RTAs, which work separately from WTO rules but often cover similar areas.

FUNDAMENTAL PRINCIPLES OF INTERNATIONAL TRADE LAW

The ideals of Non-discriminatory rules and lowering trade barriers are enshrined in the principles of international trade law which are as follows:

The National Treatment Principle says that once a foreign good enters a country's market, it should be treated the same as locally made goods. The same and equal treatment applies to foreign and domestic services and to intellectual property like trademarks, copyrights, and patents. This rule applies to goods, services, and trade-related intellectual property rights.

Most Favoured Nation Principle says that if a WTO member reduces a trade barrier or gives a trade benefit to one country, it must give the same benefit to all WTO members. This rule applies equally to all members, regardless of their size or level of development. However, these advantages are given only to WTO members, not to non-members.

The other principle is **General Prohibition of Quantitative Restrictions** where the countries should not limit trade using quotas or bans, except by charging duties or taxes. This is because

² Matthew Kennedy, *The Sources of International Trade Law*, in *The Oxford Handbook of International Trade Law* (2nd ed. 2022) 64–141, Oxford University Press, <https://doi.org/10.1093/oxfordhb/9780192868381.013.5> (published Dec. 19, 2022).

quantity limits block trade more strongly than tariffs and can disturb the smooth flow of international trade.

Together, these principles ensure that international trade remains fair, equal, and open for all

INDIAN TRADE LAW: KEY FEATURES AND COMPARISONS

India's foreign trade policy, 2023 follows the basic principle of international trade law, such as fair trade and non-discrimination under WTO rules. However, it focuses on making exporting easier by moving trade processes online, faster, and paper-free especially helping **MSMEs**, rather than on global tariff commitments. FTP, 2023 uses India specific measures to boost exports and reach \$2 trillion export target by 2030. ³It also follows WTO rules by moving towards tax refunds instead of direct subsidies, unlike some developed countries that still heavily support their farmers.

ASPECT	FTP, 2023	INTERNATIONAL TRADE LAW (WTO)
Non-Discrimination	It ensures equal treatment for exports and imports by applying schemes like Advance Authorization Scheme (AAS) and Export Promotion Capital Goods (EPCG), meaning benefits aren't restricted to specific countries unless via FTAs.	WTO enforces this strictly with the help of principles mentioned above, with binding commitments via tariff schedules and enforceable via dispute settlement. For ex FTP avoids discriminatory QRs as per WTO rules.
Export Incentives	It follows WTO rules by using methods like RoDTEP, which refunds hidden tax paid on inputs.	Export linked subsidies are not allowed in WTO SCM agreement. WTO allows tax refunds as long as they do not unfairly affect trade and are linked only to export requirements, not to guaranteed export performance.

³ Bhatt & Joshi Associates, *Analyzing the Legal Aspects of India's Foreign Trade Policies and International Agreements*, <https://bhattandjoshiassociates.com/analyzing-the-legal-aspects-of-indias-foreign-trade-policies-and-international-agreements/> (last visited Dec. 24, 2025).

Policy Flexibility	It is flexible and doesn't have any end date. It allows government to make changes through notifications based on exporter feedback, give amnesty for past defaults, and work with states to correct past errors.	Rules are rigid, with fixed tariff commitments and compulsory dispute settlements. However, through FTAs some flexibility exists.
IPR Enforcement	Goes beyond WTO rules by using automation and customs powers to stop fake goods, linking IPR protection with MSME support, export hubs, and tech controls to boost exports.	It sets only minimum standards for IPR protection and relies mainly on dispute settlement, without India-style export facilitation or automation.

CONTEMPORARY CHALLENGES AND DEVELOPMENTS

Trade laws shape how countries trade and grow together, and India follows a mix of domestic needs and global rules. Today, India faces challenges like high US tariffs (2025) on jewellery and textiles, port delays hurting SMEs, strict foreign standards, rising global competition, and IPR disputes in pharma. To tackle these, India has introduced PLI schemes, Make in India, Digital India, and FTP measures like e-commerce hubs, amnesty schemes, and rupee trade. Together, these steps aim to overcome challenges and help India reach its \$2 trillion export target by 2030.

CONCLUSION

In conclusion, Indian trade laws and international trade laws share common goals of fairness, transparency, and growth, but differ in their approach and flexibility. While international trade law under the WTO focuses on uniform global rules and binding commitments, India's Foreign Trade Policy, 2023 adopts a practical and export-friendly approach, tailored to domestic needs, especially for MSMEs.

Way forward, India should continue aligning with WTO rules while strengthening infrastructure, logistics, digital trade systems, and IPR enforcement. Expanding FTAs, supporting innovation-driven exports, and ensuring policy stability will help India manage global challenges and move steadily towards its \$2 trillion export target by 2030.