INDIAN ECONOMY 13 October 2026

PM Modi's Free Trade Push Could Add $140 Billion to India's GDP by 2035

New Delhi is rapidly expanding its free-trade network and redrawing supply chains to seek preferential market access amidst rising global trade tariffs.

A strategic economic projection highlighting how India's expansion of free-trade agreements and manufacturing reforms can significantly boost its Gross Domestic Product.

KEY EXAM POINTS

- Free trade agreements could add about **$140 billion** to India's GDP in the year **2035**.
- The **World Trade Organization** developed the large-scale model used for estimating global economic growth projections.
- The average US tariff rate stood at **10.7%** in August following a surge in tariffs since President **Donald Trump** returned to office.
- Enhanced free-trade networks help open new markets, cut import costs, foster **foreign direct investment**, and lift productivity.
- Amplified gains are expected through productivity benefits from a decade of reforms and policies transitioning agricultural workers into **manufacturing** and services.

DID YOU KNOW..!?

Foreign Trade Policy in India is formulated and implemented by the **Ministry of Commerce and Industry**.

The **World Trade Organization** (WTO) was officially established on **January 1, 1995**, following the Marrakesh Agreement.

Foreign Direct Investment (FDI) in India is regulated under the **Foreign Exchange Management Act** (FEMA) enacted in **1999**.

Gross Domestic Product (GDP) is the total monetary value of all finished goods and services produced within a country during a specific time period.

India's **Make in India** initiative was launched in **September 2014** to transform the country into a global design and manufacturing hub.

Bilateral and multilateral **Free Trade Agreements** (FTAs) help member nations eliminate customs duties and tariff barriers on traded goods.

REVISION FLASHCARD

Free trade agreements could add $140 billion to India's GDP by 2035.

Syllabus Relevance: Highly relevant for Indian Economy (Unit 6) focusing on international trade, GDP growth, and economic reforms.

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