INDIAN ECONOMY 22 September 2026

Trade Treaties and India's Arbitration Ecosystem

India's expanding network of Bilateral Investment Treaties (BITs) and Free Trade Agreements (FTAs) is being leveraged to strengthen its commercial arbitration ecosystem.

Utilizing international trade and investment treaties to establish a predictable, enforceable, and trusted dispute-resolution system in India.

KEY EXAM POINTS

- India has signed **Bilateral Investment Treaties** (BITs) with the **UAE (2024)**, **Israel (2025)**, and Uzbekistan (2024).
- **Free Trade Agreements** (FTAs) were signed with **New Zealand (April 2026)**, the UK (July 2025), **EFTA (March 2024)**, and Oman (December 2025).
- Integrating **commercial arbitration** into trade treaties can make dispute resolution an integral part of India's trade infrastructure.
- A robust arbitration ecosystem helps build **investor confidence** and ensures predictable enforcement of contracts.
- These strategic adjustments aim to position India as a **global hub** for international commercial arbitration.

DID YOU KNOW..!?

The **Arbitration and Conciliation Act** in India was enacted in the year **1996**, based on the UNCITRAL Model Law.

The **New Delhi International Arbitration Centre** (NDIAC) Act was passed in **2019** to declare it an institution of national importance.

The NDIAC was renamed as the **India International Arbitration Centre** (IIAC) through an amendment in **2022**.

Bilateral Investment Treaties (BITs) protect foreign investments under international law principles like **Fair and Equitable Treatment** (FET).

The **European Free Trade Association** (EFTA) consists of four European countries: Iceland, Liechtenstein, Norway, and Switzerland.

Under **Article 253** of the Indian Constitution, **Parliament** has the power to make laws for implementing international treaties.

The High-Level Committee on Institutionalisation of Arbitration Mechanism in India was headed by **Justice B.N. Srikrishna** in **2017**.

REVISION FLASHCARD

India signed BITs with UAE (2024), Israel (2025), Uzbekistan (2024) and FTAs with EFTA (2024), UK (2025), New Zealand (2026).

Syllabus Relevance: High relevance for Unit 6 (Indian Economy) under external sector, trade policies, and international economic agreements.

Free School Books
Read and study school textbooks for free on the Essaar Academy platform.
School Books: essaaracademy.in/school-books