

# Evolution of WTO and its impact on Indian Textiles Industry

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■ **ABSTRACT** : In today's world, globalization and technological developments have made it easier to exchange views, ideas, culture, goods and services which have brought global harmony among the nations. International trade is one of the aspects of globalization which gives an opportunity to the consumers and countries to be exposed to new market and product with least hindrance. Industrialization not only led to mass production but also necessitated trade beyond nation's boundaries for consumption of manufactured goods. Earlier, developed countries had dominance over the world economy and so, to liberalize the global trading system GATT was established and consequently the trade of developing countries rose. This became competitive to the trade of developed nations, so, in order to protect the domestic industries, they took certain protective measures on trade which showed violation of GATT rules. So, in 1995, WTO, an international organization, was established to regulate the international trade with the basic principles of non-discrimination, transparency, open and predictable trade. Prior to the advent of WTO, besides the unfavourable international trade policies, the political instability in India hindered the growth of the textile sector. The establishment of WTO led to the liberalized trade among the member nations. It provided special and differential treatment for developing and less developed countries and introduced agreements like AOA, ATC, TRIPs, TRIMs, SPS, etc. As a result, the Indian textile industry experienced a considerable change in the trading pattern and structure. The quantitative restrictions were phased out, GIs were introduced, inflow of FDI increased under the basic agreements like ATC, TRIPs, TRIMs, respectively. All these have positive impacts on growth of the textile sector. In the year 2006-07, India ranked 7<sup>th</sup> in the export of Textiles and 6<sup>th</sup> in the export of Clothing globally, while by 2013-14, the ranks were improved to 3<sup>rd</sup> and 4<sup>th</sup>, respectively. The initiatives were taken not only by the private sector but the government also to make this industry capable of achieving the international platform.

■ **KEY WORDS**: WTO, International trade, Export, Import, Textile, Clothing

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