Sept 13.

Industry 4.0

Characterized by automation, smart machines, AI, IOT to produce goods more efficiently, and productively across value chain.

Trade 4.0

When digitaisation of how we make, transport or sell is applied to goods and services crossing International borders, $\boxed{\text{Industry 4.0} \longrightarrow \text{Trade 4.0.}}$

Export of services

2021 - 2022 → India's record Export in services crossed US$250 billion for first time. includes Telecommunication, ICT, business and transport services.

Why Trade 4.0

① Promotes inclusive economic growth by providing opportunities for MSMEs local agriculture producers, women, remote entrepreneurs

② Ease of doing business
③ Better consumer preferences
④ Can address challenges such as Intellectual Property Rights by necessitating action.
⑤ India's exports account for only 2.1% of global exports of goods and services → need to dominate Global value Chain.
⑥ Application of advanced digital technologies to production and operations techniques.

Way ahead

① Governments role as creator, facilitator and negotiation.
② We should engage in bilateral and multilateral agreement to adapt to this changing scenario
③ Government should invest in physical digital as well as on Human Capital.

This has the potential to bring changes in data privacy, trade and tariff policies at WTO and calls for better surveillance and implementation.