

● RCEP MINISTERIAL

Trade ministers pledge to expedite talks for a deal

FE BUREAU

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TRADE MINISTERS FROM the 16-nation Regional Comprehensive Economic Partnership (RCEP) grouping on Sunday pledged to address contentious issues and clinch a deal this year, underscoring the fact that continuing uncertainties in trade and investment environment had dampened growth outlook.

Without explicitly mentioning the escalating trade war between the US and China, the countries participating in the 7th RCEP ministerial meeting in Bangkok said in a joint statement that the trade uncertainties would likely impact businesses and jobs, "adding to the urgency and imperative of concluding the RCEP". Commerce and industry minister Piyush Goyal attended the meeting.

"While noting that certain



Commerce and industry minister Piyush Goyal

developments in the global trade environment may affect the RPC's (RCEP participating countries') individual positions in the course of the negotiations, ministers agreed that RPCs should not lose the long-term vision of deepening and expanding the values chains in the RCEP," according to the statement.

"The ministers underscored that, successfully concluded, the RCEP will provide the much-

needed stability and certainty to the market, which will in turn boost trade and investment in the region. To this end, ministers reaffirmed their collective resolve to bring negotiations to a conclusion," it added.

Despite making some progress, the RCEP negotiations have dragged on for years, having missed its deadline continuously. As for India, sources had earlier told *FE* that the country could rethink its RCEP engagement and might even be forced to pull out of the mega trade deal if negotiations were sought to be concluded hurriedly without addressing its concerns on its massive trade imbalance with other members, especially China. Also, while several RCEP members want India to commit more in liberalising its goods trade, they remain reluctant to accede to India's interest and allow free movement of profes-

sionals. Even without the deal, India's merchandise trade deficit with the RCEP grouping hit \$105 billion in FY19 (60% of its total deficit).

China alone contributed as much as \$53.6 billion. New Delhi will now link meaningful market access from Beijing in key sectors – including IT, pharma and agriculture – to its endorsement of an RCEP deal.

In their meetings with Goyal late July, several industries criticised India's trade agreements with Asean, Japan and South Korea on grounds that the country's trade deficit with these nations just widened after these pacts had come into force and there was only limited gains for them. If, on top of this, a free trade agreement with China is effected through the RCEP (of which Beijing is a member), cheap Chinese products will flood our market.