

India, China plan FTA breakthrough

Suresh Prabhu with his Chinese counterpart, Zhong Shan, at the India-China Joint Group on Economic Relations in New Delhi on MondaySpecial ArrangementPIB

Commerce Minister Suresh Prabhu and his Chinese counterpart, Zhong Shan, met here on Monday for the first high-level contact between both sides that decided to “reset” their ties this year in the run-up to a Xi-Modi summit meeting in China.

In exclusive written replies to *The Hindu*, Mr. Zhong, who co-chaired the 11th meeting of the India-China Joint Group on Economic Relations, Trade, Science and Technology with Mr. Prabhu, said a free trade agreement (FTA) between India and China would be negotiated in due course, which would be a breakthrough in ties.

On economic ties

Since 2014, President Xi Jinping and Prime Minister Narendra Modi have met on several occasions. Mr. Zhong said they had decided that the two countries would build a closer partnership in development and deepen cooperation in all areas. With the care and personal support of the Chinese and Indian leaders, the trade and economic ties between the two countries had kept a fast-growing momentum.

In 2017, the bilateral trade reached \$84.4 billion, registering a growth of 20.3% from the year before and a record high. In particular, China’s import from India soared by 40%, helping ease the bilateral trade imbalance. China remained India’s largest trading partner. India had become one of the most important overseas investment destinations for Chinese companies.

Talks with Prabhu

Mr. Zhong said that at the 11th session JEG meeting, he and Mr. Prabhu had in-depth discussions and the two sides had reached a series of important consensus. First, the two sides would jointly promote the synergy between China’s Belt and Road initiative and India’s development strategies, including the “15-year Development Agenda”, “Make in India” and “Digital India” to deepen mutually-beneficial cooperation and share development experience. Second, the two sides would promote India’s exports to China so as to address the trade imbalance between the two countries.

China welcomed the participation of Indian businesses in the agricultural, pharmaceutical and IT sectors, and the participation of producers of manufactured goods. China would provide Indian participants with preferential arrangements. Third, the two sides agreed to set up a special working group to draw a road map for developing two-way trade ... The two sides supported the multilateral trading system and safeguard the interests of developing members. Both sides would demonstrate flexibility to reach at an early date a modern, comprehensive and mutually beneficial RCEP agreement of high standards.

The two sides are also considering positively launching in due course negotiations on a regional trade arrangement or free trade agreement between China and India.

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