

ASIA-PACIFIC NATIONS INK WORLD'S BIGGEST FREE TRADE AGREEMENT

Relevant for: International Relations | Topic: RCEP and India

The RCEP signalled that it was willing to reopen dialogue with New Delhi, which left the bloc last year

After 15 Asia-Pacific countries on Sunday signed what is being billed as the world's largest [free trade deal](#), the Regional Comprehensive Economic Partnership ([RCEP](#)) said the pact was open for accession by New Delhi, and the members will start talks whenever India indicates its willingness to join the grouping.

In the interim, India may participate in deliberations of the RCEP, which includes 10 South-East Asian economies, besides China, Japan, South Korea, New Zealand, and Australia, as an observer. It could also participate in economic cooperation activities undertaken by the RCEP signatory states under the RCEP Agreement "on terms and conditions to be jointly decided upon by the RCEP signatory states", according to a statement posted on the website.

"Expressing their strong will to re-engage India in the RCEP Agreement, the RCEP ministers affirmed that the above mentioned arrangements will commence on the date of the signing of the RCEP Agreement, and will continue until India accedes to the RCEP Agreement," according to the statement.

The announcement was not surprising as several RCEP countries wanted New Delhi to join the pact. Many nations, including Singapore and Vietnam, see India as a counterweight to China, despite their strong economic links with Beijing.

"#RCEP is an Indonesia and ASEAN-initiated and -led negotiation process. India is a key country of Indo-Pacific that participated in negotiations from Day 1 and significantly shaped RCEP today," Indonesian ambassador to India Sidharto Suryodipuro said in a Twitter post.

Analysts in New Delhi, however, questioned the timing of signing the pact, given that China was seen as intimidating its neighbours in the South-East Asia region.

Signing the pact buys into the Chinese view that countries in the region depend on it economically, said Kanwal Sibal, former foreign secretary. "The pact feeds into China's economic strength", which in turn it projects politically like in the South China Sea, he said. It will be now more difficult to contain China politically and strategically, he said.

The pact also includes Australia and Japan, which were looking at diversifying supply chains away from China, in the aftermath of the covid-19 pandemic, and comes in the wake of China's economic bullying of Australia, Sibal pointed out, referring to a series of measures Beijing had taken against Canberra earlier this year.

Beijing had imposed high tariffs against Australian agricultural products after Canberra called for an international inquiry into the source of the novel coronavirus that had first surfaced in China.

Last year, India refused to join the grouping citing reservations that goods manufactured by China could come into India through other member countries under the RCEP, exacerbating its already skewed trade with China. India had also said it was reviewing free trade deals it had

struck in the past, considering that the deals had not worked in its favour. Indian industry had also apprehended that greater market access to China may harm key manufacturing sectors such as steel and textiles. India also expressed concerns about giving greater market access to other non-free trade agreement partners such as Australia and New Zealand.

Indian foreign minister S. Jaishankar had recently said that in the past New Delhi had entered into arrangements with short-term calculations in its pursuit for globalization. Biswajit Dhar, a professor of trade relations at the New Delhi-based Jawaharlal Nehru University said, if India joins "RCEP at this stage, it will be inconsistent" with the "government's current priority of boosting manufacturing."

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