

India to flag worry on pace of services talks at RCEP

Suresh Prabhu.PTI

At the forthcoming ministerial-level meeting on the proposed Free Trade Agreement (FTA) involving 16 Asia-Pacific nations, India will raise concerns regarding the 'slow' pace of negotiations on services trade liberalisation as opposed to 'higher priority' being accorded to commitments to open up goods trade in the region.

The mega-FTA is known in official parlance as the Regional Comprehensive Economic Partnership (RCEP). It involves the 10-member ASEAN bloc and its six FTA partners including India, China, Japan, South Korea, Australia and New Zealand.

'First for new Minister'

Official sources said the new commerce minister Suresh Prabhu will be representing India during the fifth RCEP Ministerial Meeting, which is slated to be held on September 10 in Manila on the sidelines of the ASEAN Economic Ministers Meeting and related meetings with ASEAN's major trading partners. This would be Mr. Prabhu's first major international trade meeting as the new commerce minister.

India is learnt to be upset that other RCEP nations seem to be focused more on "extracting as much (binding commitments) as possible on eliminating tariffs to open up goods trade", instead of sticking to the RCEP 'Guiding Principles and Objectives' which state that the "negotiations on trade in goods, trade in services, investment and other areas will be conducted in parallel to ensure a comprehensive and balanced outcome."

The sources said India will "talk tough and state that any more discussions" on opening up goods trade will be only after ensuring that negotiations on services trade liberalisation "catch up" with talks on goods trade. India is keen that in return for agreeing to open up goods trade (where most RCEP nations have an advantage), other member nations must commit to substantial liberalisation of services trade – including on easing norms on movement of professionals and skilled workers across borders for short-term work.

India is seeking support for its proposal on an 'RCEP Travel Card' for the purpose. India is relatively strong in services with its vast pool of professionals.

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