

# BREAKTHROUGH ACHIEVED IN RCEP TALKS, CLAIMS INDIA

Relevant for: International Relations | Topic: RCEP

Suresh Prabhu

Commerce and Industry Minister Suresh Prabhu on Tuesday said that the negotiations for the Regional Comprehensive Economic Partnership (RCEP) would not end in 2018, but would spill over to 2019, even as officials said there was a breakthrough in understanding India's concerns at the meeting in Singapore on August 30-31.

According to Mr. Prabhu, the 16-nation group accepted some key demands from India: on differential tariff regimes for different country groups like China, and in allowing a 20-year implementation period of the agreement.

"The RCEP negotiations will not end in 2018 that has been agreed at the level of the leaders. But it will go on in 2019 as well," the Minister said, speaking at the sidelines of a Coffee Board event, indicating that a "package of substantial deliverables" would be agreed to in November this year, but not the preferential trade agreement, which has been negotiated for more than six years, itself.

Earlier reports had indicated that India would face a stark choice between agreeing to end RCEP negotiations by a deadline at the end of 2018, or to step back from the negotiations, while other countries including the 10 ASEAN nations, China, Australia, New Zealand, Japan and South Korea, went on.

Another key area where India scored, according to officials, was in establishing a linkage between services and goods negotiations, given that some countries were not as welcoming of allowing movement of labour.

"We have clearly said that the RCEP stands for regional cooperation in economic partnership. It is not goods partnership alone... economic partnership envisages that services must be integral part of the trade. So this... linkage that has been accepted," Mr. Prabhu said.

## Separate negotiations

Of the 16 countries that have been negotiating for the RCEP, India does not have Free Trade Agreements with three countries — Australia, New Zealand and China, for which negotiations will now be separately held, in a "bilateral pairing mechanism".

"We have been highlighting that we cannot negotiate through RCEP route... With these three countries, we have to separately negotiate... I am happy to say that India's decision has been accepted," Mr. Prabhu added, calling the new understanding at the RCEP grouping a "significant change" from the past, when India was seen as the outlier of the group.

*(With inputs from Suhasini Haidar)*

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