

RCEP talks: India may propose lower market access for Chinese goods

Trade ministers to meet in Cebu this week; Delhi to seek clarity on services offers

OUR BUREAU

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India may propose to give China lower market opening concessions in the Regional Comprehensive Economic Partnership pact being negotiated between the 16 countries compared to what it offers to all others when Trade Ministers meet in Cebu this week.

New Delhi will also insist that other members improve their offers in services and bring in more clarity before it lays down clearly its offers in goods, a senior Commerce Ministry official said.

"We think it would be naïve of any country to expect that we could offer the same levels of concessions to China as we do to countries such as Laos or Vietnam. It is not possible. Although we are still discussing our strategy, we may go for a different set of concessions for China," the official said.

Trade Ministers from the 16-member RCEP — which includes the 10-member ASEAN, India, China, Japan, South Korea, Australia and New Zealand

and — will meet in Cebu, Philippines, on November 3-4 to try and see if final commitments in the area of goods, services and investments could be reached.

New Delhi, however, has to first decide on how it would treat China — the country which accounts for almost half of India's trade deficit — before it firms up market opening offers for others, the official said.

Three-tiered tariff

In the last RCEP Trade Ministers meeting in Laos, New Delhi gave in to pressure from other members and agreed to give up the three-tiered structure of tariff cuts being initially pursued.

Under the three-tiered approach, India offered the maximum concessions to the ASEAN (tariff elimination on 80 per cent items), followed by Japan and South Korea (tariff elimination on 62.5 per cent items) with which it has bilateral free trade pacts and the least to China, Australia and New Zealand (tariff elimination on 42.5 per cent items)

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where no such pacts exist.

"We believe that by proposing to give China lower market access than the other RCEP countries we are not moving back to the three-tiered structure. It is a meaningful deviation that we would seek to take care of our genuine concerns," the official said.

The official added that since there was not much progress in services negotiations, India would demand more clarity on offers in services before it clarifies its position in goods further.

"There has been almost no offer in Mode 4 services which involves movement of workers. In the other areas too, there is no clarity on what members are offering. We are going to reiterate that an agreement of services has to be signed as part of a single undertaking simultaneously with goods," the official said.