

India likely to join IPEF's first negotiating round

Could be part of non-trade discussions in Brisbane from December 10 to 15

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India is likely to join the first round of negotiations in the proposed Indo-Pacific Economic Framework (IPEF) which is scheduled to take place in Brisbane from December 10 to 15.

"The first in-person IPEF ministerial in Los Angeles in September created strong momentum, and after more productive conversations, we are excited to join our partners in Brisbane for the first in-person negotiating round next month. This will be an important opportunity to identify areas of consensus and continue developing the four IPEF pillars," the office of the United States Trade Representative (USTR) said in a statement.

A central government official said India is likely to join negotiations in three out of the four pillars of the IPEF. India opted out of the most crucial trade pillar of the IPEF during the first in-person IPEF ministerial in September, attended by trade minister Piyush Goyal citing unclear benefits to member countries through this pillar. However, India agreed to participate in the remaining three pillars—supply chain, clean economy and fair economy. While the USTR is leading discussions on the trade pillar, the US commerce secretary is spearheading discussions on the other three pillars.

"With regard to joining the trade pillar of IPEF, India decides its strategy on its own terms. If you want binding commitments (from India) on different subjects, tell me what I am getting in return. It has to be good for my people and my country. What you give me in return will determine whether I will join the trade pillar. You negotiate and if we see some advantage, then we

FOUR PILLARS OF FRAMEWORK

TRADE

Seeks high-standard commitments in labour, environment, digital economy, agriculture, transparency and good regulatory practices, competition, inclusivity, trade facilitation, and technical assistance and economic development.



SUPPLY CHAIN

To coordinate actions to mitigate and prevent future supply chain disruptions and ensure access to key raw and processed materials, semiconductors, critical minerals and clean energy tech for member nations



CLEAN ECONOMY

Aims to advance cooperation on clean energy and climate-friendly technologies, as well as mobilise investment and promote usage of low- and zero-emissions goods and services



FAIR ECONOMY

To promote fair competition by enacting and enforcing tax, anti-money laundering, and anti-bribery regimes to curb tax evasion and corruption



will join," Goyal said at an event last week.

New Delhi-based think tank Global Trade Research Initiative in a report released on Thursday said IPEF members may negotiate accelerated deployment of clean energy technologies, de-carbonisation, and methane emissions. "Agreeing to standards disproportionate to development levels may limit the use of a particular technology or set limits on emissions," it cautioned. Prime Minister Narendra Modi had formalised India's entry into the IPEF in May on the sidelines of a Quad leaders' summit in Tokyo to strengthen economic cooperation among Indo-Pacific nations, as a strategic counter to China's growing clout in the region.

Speaking at the launch event in Tokyo, Modi said India would work with other members to build an "inclusive and flexible" IPEF and talked about the supply-chain pillar without mentioning the other three pillars of the proposed trade deal. A fact sheet released by the White House in May said it would pursue the high-standard rules of the road in the digital economy,

including standards on cross-border data flows and data localisation, as well as labour and environment standards. India and the US have divergent views on these issues.

After a meeting between USTR Katherine Tai and Japanese trade minister Nishimura Yasutoshi on Thursday, both sides highlighted the momentum for the IPEF and discussed their expectations for the upcoming negotiating round in December.

"They expressed their support for an ambitious negotiating schedule going forward, with a focus on inclusivity and strong outcomes for all IPEF member countries. They agreed on the need to table novel commitments that fit the challenges and opportunities of today," the USTR office said in a statement.

Apart from India and the US, 12 other members of the IPEF are Australia, Brunei, Fiji, Indonesia, Japan, South Korea, Malaysia, New Zealand, The Philippines, Singapore, Thailand, and Vietnam. The 14 IPEF partners represent 40 per cent of global GDP and 28 per cent of global goods and services trade.

Committed to working quickly on FTA: Sunak



Prime Minister Rishi Sunak has said that the UK government remains committed to working "as quickly as possible" towards a successful conclusion to the ongoing free trade agreement (FTA) talks with India, as the majority of the substantive negotiation conversations were completed at the end of last month. At a House of Commons session on Thursday on the G20 Summit in Bali, Indonesia, the British Indian leader updated Parliament that he reviewed progress on the FTA during his first meeting with Prime Minister Narendra Modi since taking charge at 10 Downing Street. He was questioned by Opposition Labour Party Leader Keir Starmer and his own Conservative Party MPs on the timeline for the completion of the agreement with India.

"I discussed the free trade agreement with India, and both the Prime Minister of India and I committed our teams to working as quickly as possible to see if we can bring a successful conclusion to the negotiations," said Sunak.

He reiterated the UK government's stance since the Diwali deadline for the FTA was missed, that he would not "sacrifice quality for speed" because it is important to take the time to get trade deals right.