

# IPEF unlikely to impact policy space for India

MUKESH JAGOTA

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**THE AGREEMENT SIGNED** by India at the 14-member Indo-Pacific Economic Framework for Prosperity (IPEF) that seeks to address the vulnerabilities and disruption in supply chains would not in any way take away the country's sovereign rights to impose export restrictions on products or change tariffs, a senior official said on Tuesday.

Another agreement on "fair economy" dealing with corruption where members have almost completed the task of negotiations, gives a big support to India's efforts to bring back proceeds of crime and corruption parked overseas, the person added.

IPEF members have also completed negotiations on the clean economy pillar. The negotiations phase at the IPEF is over for India as it is not part of the talks on trade.

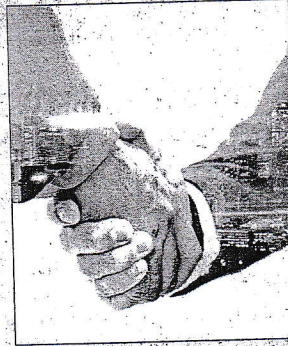
Under the IPEF Fair Economy Agreement, members have resolved to cooperate for combating corruption and seizing proceeds of crime. The agreement deals with exchange of information for tax purposes, sharing of financial intelligence, cooperation on investigation, prosecution of transnational anti-corruption cases and countering terrorism financing.

The joint statement on fair economy also said members would adopt or maintain measures enabling the identification, tracing, freezing, seizure, and confiscation in criminal or civil proceedings of proceeds of crime, consistent with the UN's Convention against Corruption.

As per another official, India's "offensive ask in this... is to facilitate asset recovery of crime proceeds".

Under the supply chain resilience agreement signed on November 15, IPEF members have committed to work closely to ensure supply chains of signatories work smoothly and in case anyone faces any disruption or a crisis others extend a helping hand.

The main three elements of the supply chain pact include coopera-



## IPEF PACTS

■ The supply chain agreement has nothing affecting India's rights to change tariffs or export policy, say officials

■ The fair economy agreement will facilitate asset recovery of crime proceeds

tion, information sharing, working together for an emergency response; cooperation in critical sectors; and embedded services.

"Under the supply chain agreement, there is nothing where in our policy space to exercise our rights of change in tariffs or change in export policy...whatever is necessary for the country's food security or any other requirement of the country also, that policy space remains with us," additional secretary in the commerce ministry Rajesh Agarwal said.

There were reports the supply chains agreement might ask members to share advance information on changes in tariffs. Agarwal clarified India will not have to provide any such advance information to IPEF members. He said there was a mention of putting "unnecessary" export restrictions, but it is caveated and is similar to World Trade Organisation provisions and not beyond that.