

# To join 'trade' pillar or not? Final call soon

## Govt in talks with stakeholders to study implications of the IPEF pillar

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The government will soon make a final decision on whether it wants to join the 'trade' pillar under the US-led Indo Pacific Economic Framework (IPEF), people aware of the matter said.

The IPEF has four pillars — trade, supply chains, tax and anti-corruption, and clean energy. India has decided to join all the pillars, except trade. It is seen as an economic initiative to counter China's influence in the South and Southeast Asian nations.

The commerce department has started extensive consultations with relevant stakeholders, ministries, and government departments before taking a final call on this. The development comes soon after the US Trade Representative (USTR) — responsible for coordinating US international trade and negotiations with other countries — shared trade (pillar 1) negotiating text with 13 other IPEF partner-nations on topics, such as labour, environment, digital trade, and technical assistance before the of IPEF negotiating round in Bali last week.

Before the first negotiating round in December, the USTR had also shared negotiating text on chapters such as trade facilitation, agriculture, services domestic regulation, and transparency and good regulatory practices under the trade pillar.

"India is doing a detailed study to understand the implications of the trade pillar. Relevant government

departments will also be consulted. It will take around six-eight weeks," one of the persons cited above told *Business Standard*.

During the first in-person meeting of IPEF in September last year, India pulled out of the trade-related negotiations pertaining to IPEF, citing that it was unclear what benefits member countries, including India will derive through the negotiations. Besides, a broad consensus had then not emerged on issues pertaining to labour, environment, digital trade, and public

procurement, Commerce and Industry minister Piyush Goyal had said. As a result, India decided to wait for the

final contours.

Currently, India has an 'observer' status as far as the trade pillar is concerned.

Experts said India decided to tread cautiously while dealing with new-age trade issues — labour, environment, among others — as before making any commitment, the government would have to first see if it could cause any challenges or complexity on the domestic front.

The commerce department will also hold bilateral talks with other IPEF member-nations and seek their views on the trade pillar. Right now, barring India, all other 13 nations have decided to join the trade pillar.

The 14 other members of the IPEF are the US, India, Australia, Brunei, Fiji, Indonesia, Japan, Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, and Vietnam.

**The IPEF is seen as an economic initiative to counter China's influence in the South and Southeast Asian nations**