

# Piyush Goyal quizzes Chinese trade minister on dumping of goods

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The audience at the B20 event was in for a surprise on Friday as Trade Minister Piyush Goyal decided to play the moderator and devil's advocate at the G20 trade ministers' session, posing some tough questions to his counterparts.

He asked Chinese trade minister, Wang Showen, whether China regretted that India did not join the Regional Comprehensive Economic Partnership (RCEP).

Showen replied: "The China-India trade relationship is growing very fast. Last year, our bilateral trade reached \$130 billion. If there had been an FTA (free trade agreement), either bilaterally or in RCEP context, the trade potential between the two countries would be much further tapped. It would benefit our two peoples. It is your decision whether or not you will join RCEP, but our doors are always open."

Goyal quipped that his concern was slightly different.

"We are already concerned about bilateral trade, even though \$130 billion is largely skewed in favour of China. Indian industry feels, if we had entered into RCEP, our trade deficit would also have risen further along with the increase in trade. We just can't seem to understand the pricing. The cost at which you are supplying goods is a matter all ministers would like to know. How can



you supply goods at less than the raw material cost?"

Showen avoided giving a direct reply, saying: "I would like to congratulate you for being a very successful trade minister for India because even though you are not able to balance your trade with each of your trading partners, you have been successful in maintaining a global trade balance overall for your country. It is natural that you will have a trade deficit with countries like China, but you will also have trade surpluses with other countries."

Speaking to US Trade Representative (USTR) Katherine Tai, Goyal remarked that of the three USTRs he had worked with, his working relationship with Tai was the best. He asked Tai whether other countries should also use the template set by

India and the US for resolving WTO (World Trade Organization) disputes bilaterally.

The two countries recently agreed to settle six of their seven WTO disputes out of the court.

"In terms of trade disputes, trade frictions, trade disagreements, they happen all the time. When it comes to dispute settlement, the critical moment in every disagreement is the point where there is a political alignment of will to resolve the issue as much as possible. What we have done together is to demonstrate that commitment, and that alignment of political will. What we have done is, I agree, a template that breaks the pattern of partnership between the US and India," Tai replied.

To the EU Trade Commissioner Valdis Dombrovskis, Goyal asked

whether the Carbon Border Adjustment Mechanism (CBAM) would be a threat to open borders and expanding trade.

"When we were designing this measure, we were putting a lot of attention to make sure that it was WTO-compatible and hence non-discriminatory. We are putting the same price of carbon on imported goods that we are putting on domestic producers, and any price of carbon paid in other countries will be deducted," he added.

To the Switzerland State Secretary for Economic Affairs Helene Budliger Artieda, who is leading the talks for an FTA with India on behalf of the four-nation European Free Trade Association (Efta) grouping, Goyal said India could help Swiss companies produce pharma products faster, and make medicines available for the whole world at more competitive price.

Switzerland is very strong in research and innovation, particularly in the pharma sector. "So we would look forward to more innovative partnerships with your companies," Goyal added.

"It is very difficult to pitch Efta to Indians, but it is very easy to pitch India to Switzerland. Everybody sees the opportunities. This is my fourth visit this year, and that shows we are highly interested. We are hopefully racing to the finishing line. I am counting on an excellent office on your side," Artieda said.