

India is pressing ahead with talks to join a China-led free trade pact, officials said on Thursday, despite some domestic producers' concerns that the country could be flooded with cheaper Chinese imports.

Negotiators for the 16-nation Regional Comprehensive Economic Partnership (RCEP) are in the Thai capital Bangkok this week for talks aimed at finalising the giant free trade zone by the end of the year.

Indian Trade Minister Piyush Goyal will join Indian delegates on the weekend for direct talks with his counterparts from China, Japan, Australia, New Zealand and Singapore.

India will be looking for safeguards to be built into the proposed pact to prevent a sudden surge in imports, the trade ministry said in a statement.

Goyal has been holding talks to allay fears of a flood of Chinese imports if New Delhi joins the agreement, the ministry said.

"The focus and emphasis of the meetings chaired by the Commerce and Industry Minister were on putting in place appropriate safeguards including auto-trigger mechanism against a sudden surge in imports from RCEP countries," it said in a statement.

India has reached an agreement in principle with other countries to include a safeguard mechanism that would trigger duties if goods are deemed to have been dumped from a partner country, a source with knowledge of the negotiations said.

Indian producers fear cutting tariffs on dairy and other produce would open the door to cheap Chinese imports and threaten an agriculture sector that supports most of India's 1.3 billion people.

A political ally of Prime Minister Narendra Modi's party has joined opponents of the free trade pact.

The nationalist Rashtriya Swayamsevak Sangh (RSS) called on Friday for a nationwide campaign against the deal, saying any change in tariffs would cripple factories and farms at a time of slowing economic growth.

“RCEP shackles the hands of the government to take the required policy measures to strengthen manufacturing and agriculture,” said RSS economic leader Ashwani Mahajan.

Proponents of the deal say it’s better for Indian agriculture to be in the trade zone than out.

“It would be better for India to have an open approach where agriculture can compete globally rather than adopt a conservative approach,” said A. K. Gupta, director of the Agricultural and Processed Food Products Export Development Authority, which falls under the commerce ministry.

The RCEP includes the 10 members of the ASEAN grouping of Southeast Asian nations and six Asia-Pacific countries — China, India, Japan, South Korea, Australia and New Zealand.

Aside from agriculture products, critics say cheaper Chinese mobile phones, steel, engineering goods and toys could also flood the Indian market.

Government officials say the treaty would enable Indian industry to join global supply chains for high-end goods such as electronics and engineering. Greater access to overseas markets would help offset an economic slowdown at home, they say.

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