

# India wins key concession on services at RCEP

Asit Ranjan Mishra

asit.m@livemint.com

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Members of the proposed mega trade deal Regional Comprehensive Economic Partnership (RCEP) have conceded to India's demand to liberalize their services market and allow movement of skilled professionals. This may help India, which had so far been a reluctant participant, to conclude negotiations by the year-end.

"We have been emphasizing on the inevitable linkage between services and goods negotiations, because RCEP is not a goods agreement alone, and services must be an integral part of the agreement. The linkage has been finally accepted," commerce minister Suresh Prabhu said on the sidelines of a Coffee Board event in New Delhi.

"This is a big success for India. We are very happy with the outcome at the Singapore Ministerial. Members will have

## Trade talks yield results

▶ RCEP member countries have agreed to India's demand for allowing **movement of its skilled professionals**

▶ India may get more than 20 years for **tariff elimination on particular items with China**

▶ No TRIPS plus commitment under intellectual property rights will safeguard the **pharma sector**

▶ Foreign investors can sue governments only in limited sectors under investor-state dispute settlement mechanism

RCEP members have agreed to establish linkage between goods and services negotiations

Suresh Prabhu  
Commerce minister



to send their services offers by 10 October," India's chief trade negotiator for RCEP, Dammu Ravi, said on Tuesday.

India believes strong commitments in services by RCEP countries will open up opportunities for its burgeoning skilled professionals seeking gainful employment.

At the two-day Singapore Ministerial, which concluded on Friday, the 16-member grouping adopted a "package of year-end deliverables", negotiations for which need to

be completed by November. RCEP negotiations are on since 2013.

With general elections due in India and Indonesia next year, countries are seeking to conclude substantial negotiations. However, Indian officials believe the deal cannot be signed before the end of 2019.

There may be another two rounds of Ministerial meetings before the heads of states meet at the RCEP Summit in November. The trade ministers have directed negotiators

to intensify negotiations during their meeting in Auckland between 17 and 24 October.

Members also agreed that countries, which do not have trade agreements, can negotiate bilaterally to decide more ambitious tariff liberalization within a certain range. India is also likely to phase out tariffs on certain sensitive items with China beyond 20 years. This will allow India to allay concerns of domestic industries such as steel and textiles, which fear that China will start dumping goods once RCEP takes effect.

"That is a significant movement. It (the tariff phase-out period) can be even 30 years or more," said Prabhu.

India had set up an informal group of ministers (GoM) under Prabhu, with growing opposition to the RCEP deal from within and outside the government. *Mint* reported on 27 August that the GoM had decided to remain engaged in RCEP, allaying fears that India may exit the trade talks.