India & Regional Comprehensive Economic Partnership (RCEP)

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Why in News?

Recently, India & New Zealand have announced the conclusion of negotiations on an FTA. Once this FTA comes into effect, India would have such FTAs with all the countries in the RCEP except for China.

- **RCEP –** It is a ***major free trade agreement*** between the ASEAN countries and their FTA partners, designed to deepen trade, investment, and cooperation across the Asia-Pacific.
- **RCEP countries –** 10 ASEAN members (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam).
- **RCEP's FTA Partners -** 5 major Asia-Pacific partners (China, Japan, South Korea, Australia, New Zealand).
- **Coverage –** RCEP will cover trade in goods, trade in services, investment, economic and technical cooperation, intellectual property, competition, dispute settlement and other issues.
- **India's position –** India initially participated but later opted out due to concerns about protecting domestic industries.
    - **Reason–** China was a key concern, since RCEP's integrated framework could weaken safeguards and enable indirect entry of Chinese goods via other members.
- **RCEP minus China –** India's decision to stay out of RCEP reflects smart risk management by signing bilateral FTAs with 14 of the 15 RCEP members and keeping China limited to a narrow APTA framework. India secures market access without surrendering tariff control.

India & China *are signatories to the* ***Asia Pacific Trade Agreement (APTA),*** *a preferential trade agreement that provides lower tariffs on a few items rather than an FTA.*

Timeline of India's Major Trade Agreements

- **ASEAN-India Trade in Goods Agreement (AITIGA)** India signed in 2010.

- India is currently in the process of ***re-negotiating*** the AITIGA, as the current deal has led to India's trade deficit with the ASEAN countries growing sharply.
- India-South Korea **Comprehensive Economic Partnership Agreement (CEPA) was** signed in 2010.
- **India-Japan CEPA** was signed in August 2011.
- **India-Australia** Economic Cooperation and Trade Agreement (ECTA) in 2022.
- **India–New Zealand** FTA negotiations concluded in 2025.

To know more about RCEP, click here

Reference

The Hindu | How India secured RCEP's advantages?

