Lessons from TPP

What is the issue?

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In the past, there were some discussions in India on whether the country should join Trans Pacific Partnership (TPP).

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What is TPP?

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- **12 countries** that border the Pacific Ocean signed up to the TPP in February 2016, representing roughly 40% of the world's economic output.
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- The pact aimed to **deepen economic ties between these nations,** slashing tariffs and fostering trade to boost growth.
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- Members had also hoped to foster a closer relationship on economic policies and regulation.
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- All 12 nations needed to ratify it, before it could come into effect.
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- But, with the US, the largest economy in the TPP, withdrawing from the agreement, the future of TPP is uncertain.
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What could India learn from TPP?

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- The TPP provides a **useful template for India** to facilitate domestic policy reform, promote regional or multilateral collaborative initiatives such as for regulatory coherence.
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- The TPP is a combination of initiatives such as those embodying **good governance principles,** viz. transparency of procedures and regulations,

timely decision, processes to facilitate transactions, standards of review, and support to improve institutional capabilities.
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- Thus, several parts of TPP are relevant for India's ongoing efforts to enhance good governance.
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- Since the internet extends beyond national borders, agreement amongst nations become an important part of the regulatory regime for internet.
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- The TPP becomes particularly useful in this context because it shows a **framework that has been agreed amongst several nations.**
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- With **technological changes**, India need to develop its systems and approaches broadly consistent with practices in other major economies.
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- The mechanisms and solutions in TPP provide a model for working towards greater collaboration amongst regulators of different countries and mutually learn about options to address new issues.
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- The TPP also text provides a template to consider for **collaborative arrangements** in areas such as non-tariff measures faced by Indian exports, including standards and regulatory barriers amongst nations.
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Source: Financial Express

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