

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

RAJYA SABHA
UNSTARRED QUESTION NO. 1316
ANSWERED ON 06/12/2024

REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP (RCEP)

1316. SHRI MOHAMMED NADIMUL HAQUE:

Will the Minister of Commerce and Industry be please to state:

(a) whether Government is re-considering joining the Regional Comprehensive Economic Partnership (RCEP) agreement, if so, the details thereof, and if not, the reasons therefor; and

(b) the data regarding bilateral export and import trade between India and China between 2019-2024?

ANSWER

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) Regional Comprehensive Economic Partnership (RCEP) agreement was intended to provide mutually beneficial outcomes for RCEP countries. However, the structure of RCEP did not adequately address the ambitions and concerns of India's stakeholders. In the light of these, India decided not to join the RCEP, in its current form. Accordingly, during the 3rd RCEP Leaders Summit held on 4th November 2019 in Bangkok, India conveyed its position that current structure of RCEP did not reflect the RCEP Guiding Principles or address the outstanding issues and concerns of India. There has been no change in India's position since then. Nevertheless, under the Act East Economic Policy, India's engagement with the ASEAN countries and other trading partners would continue.

(b) Bilateral merchandise export and import trade data between India and China since 2019-20 are mentioned below:

(USD Billion)

Year	Merchandise Exports to China	Merchandise Imports from China
2018-19	16.75	70.32
2019-20	16.61	65.26
2020-21	21.19	65.21
2021-22	21.26	94.57
2022-23	15.31	98.51
2023-24	16.66	101.74

Source: DGCI&S

Most of the goods imported from China are capital goods, intermediate goods and raw materials and are used for meeting the demand of fast expanding sectors like electronics, telecom and power in India. The rise in import of electronic components, computer hardware and peripherals, telephone components, etc. can be attributed to transforming of India into a digitally empowered society and a knowledge economy. India's dependence on imports in these categories is largely due to the gap between domestic supply and demand.

The raw materials in the form of Active Pharmaceutical Ingredients (APIs) and drug formulations imported from China are used for making finished products (generic medicines) which are also exported out of India. The electronics components such as mobile phone parts, integrated circuits, video recording or reproducing apparatus etc. are used for making finished products (e.g. mobile handsets) which are also exported to other countries. The Production Linked Incentive Scheme (PLI) in API/Bulk Drugs/Key Starting Materials and Large-Scale Electronics Manufacturing have been launched by the Government recently and these schemes will reduce dependency on imports and make India a competitive destination for drugs/electronics manufacturing and create more domestic champions apart from giving boost to Atmanirbhar Bharat.
