

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
RAJYA SABHA
UNSTARRED QUESTION NO-1485
ANSWERED ON 01/08/2025

PROGRESS OF IPEF

1485. DR. SYED NASEER HUSSAIN:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state: -

- (a) India's specific contributions and commitments under the Indo-Pacific Economic Framework (IPEF) initiative since its inception;
- (b) the measures identified in aligning India's trade and economic policies with the objectives of the IPEF, especially concerning non-tariff barriers and environmental standards;
- (c) whether India has advocated for any specific policy changes within IPEF to address the concerns of developing nations, and the response from partner countries; and
- (d) the data on the anticipated economic benefits from India's participation in IPEF?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY

(SHRI JITIN PRASADA)

(a) & (b) The Indo-Pacific Economic Framework for Prosperity (IPEF), a 14-country plurilateral grouping seeks to strengthen economic engagement and cooperation among partner countries with the goal of advancing growth, economic stability and prosperity in the region. India has signed the Agreement relating to Supply Chain Resilience (Pillar-II) to strengthen supply chain crucial for national security and economic stability which came into force in February, 2024. The Agreement on Clean Economy (Pillar-III) to promote technical cooperation, workforce development, capacity building, and research collaborations to facilitate development, access, and deployment of clean energy and climate-friendly technologies. Agreement on Fair Economy (Pillar IV) emphasizes enhancing transparency in trade and investment by combating corruption and promoting tax transparency and the IPEF Overarching Agreement (an oversight Ministerial-level mechanism) were signed in September 2024. These Agreements are in force since October, 2024.

Also, IPEF partners established the three supply chain bodies namely the Supply Chain Council (SCC), Crisis Response Network (CRN), and Labour Rights Advisory Board (LRAB) under the IPEF Pillar II. India presently serves as Vice-Chair and the United States as Chair of Supply Chain Council (SCC).

(c) Agreements under IPEF have been finalized after multiple rounds of negotiations in consultation with stakeholders including relevant line Departments /Ministries and Ministry of External Affairs.

(d) IPEF partners represent approximately 40 percent of the global GDP, and 28 percent of global goods and services trade, making it crucial for international trade dynamics. Potential benefits of the IPEF agreements are summarized below: -

- i. Pillar-II: The Agreement seeks to strengthen economic, commercial, and trade relationships among enterprises in the economies of the Parties and improve supply chain resilience in critical sectors. The Agreement also encourages private sector engagement to improve the resilience, efficiency, productivity, sustainability, inclusivity etc. of IPEF supply chains.
- ii. Pillar-III: This Agreement is expected to facilitate investments, project financing including concessional financing, joint collaborative projects, workforce development and Technical Assistance and Capacity Building for industries, in particular for the MSMEs, and facilitate further integration of Indian companies in the global value chains, particularly in the Indo-Pacific region.
- iii. Pillar-IV: Initiatives under the Agreement are expected to strengthen anti-corruption efforts and improve the efficiency of tax administration.
