

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

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1583**  
**TO BE ANSWERED ON 27<sup>th</sup> NOVEMBER, 2019**

**ALTERNATIVES TO RCEP**

1583. SHRI SUBBARAYAN K.:  
SHRI RAVIKUMAR D.:  
SHRI PINAKI MISRA:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री ) be pleased to state:

- (a) whether the Government has decided to opt-cut of the Regional Comprehensive Economic Partnership (RCEP) and if so, the reasons therefor;
- (b) whether there is any gain being forgone by not being a part of this free trade block;
- (c) whether there is any provision for India to join this group at a later stage;
- (d) if so, whether any step is being taken/to be taken to enhance the preparedness of the economy for the same;
- (e) whether there is any plan to initiate any other form of a free trade agreement with any other group of countries or a single country in the future including the United States and the European Union;
- (f) if so, the details thereof; and
- (g) the details of the measures being taken by the Government to reduce trade deficit?

**ANSWER**

वाणिज्य एवं उद्योग मंत्री ( श्री पीयूष गोयल )  
**THE MINISTER OF COMMERCE AND INDUSTRY**  
(SHRI PIYUSH GOYAL)

(a) to (d): During the 3<sup>rd</sup> RCEP Leaders Summit which was held on 4 November, 2019 in Bangkok, India stated that the current structure of RCEP did not fully reflect the RCEP Guiding Principles or address the outstanding issues and concerns of India, in the light of which India did not join RCEP. While RCEP was intended to provide mutually beneficial outcomes for RCEP countries including India, the current structure did not adequately address ambition and concerns of India's stakeholders.

(e) to (f): India is engaging bilaterally, plurilaterally and multilaterally to pursue opportunities for furthering its trade ties, including opportunities for suitable trade agreements, keeping in mind the national interest.

(g): Amongst others, the Government has taken the following key steps to boost India's exports and boost competitiveness for reducing trade deficit:

- i. The new Foreign Trade Policy (FTP) 2015-20 was launched on 1st April 2015. The FTP 2015-20 provides a framework for increasing exports of goods and services as well as generation of employment and increasing value addition in the country, in line with the 'Make in India', 'Digital India', 'Skills India', 'Startup India' and 'Ease of doing business' initiatives. The policy, inter alia, rationalised the earlier export promotion schemes and introduced two new schemes, namely Merchandise Exports from India Scheme (MEIS) for improving export of goods and 'Services Exports from India Scheme (SEIS)' for increasing exports of services. Duty credit scrips issued under these schemes were made fully transferable.
- ii. A new logistics related division was created in the Department of Commerce to coordinate integrated development of the logistics sector. India's rank in World Bank's Logistics Performance Index moved up from 54 in 2014 to 44 in 2018.
- iii. Various measures for improving ease of doing business were taken. India's rank in World Bank 'Ease of doing business' ranking improved from 142 in 2014 to 63 in 2019 with the rank in 'trading across borders' moving up from 122 to 68.
- iv. A comprehensive "Agriculture Export Policy" was launched on 6th December, 2018 with an aim to provide an impetus to agricultural exports.
- v. A new scheme called "Trade Infrastructure for Export Scheme (TIES)" was launched with effect from 1st April 2017 to address the export infrastructure gaps in the country.
- vi. A new scheme called "Transport and Marketing Assistance" (TMA) scheme has been launched for mitigating disadvantage of higher cost of transportation for export of specified agriculture products.
- vii. The prevailing policy includes measures to nudge procurement of capital goods from indigenous manufacturers under the EPCG scheme by reducing specific export obligation from 90 percent to 75 percent of the normal export obligation.
- viii. The policy provides issue of Advance Authorisation to allow duty free import of inputs, which are physically incorporated in export product within a specified timeline.
- ix. During the Mid-term Review of the FTP 2015-20 on 5th December, 2017; Incentive rates for labour intensive / MSME sectors were increased by 2%.
- x. Niryat Bandhu Scheme was launched for outreach/ trade awareness amongst new/potential exporters.
- xi. Interest Equalization Scheme on pre and post shipment rupee export credit was introduced with effect from 1.4.2015 providing interest equalisation at 3% for labour intensive / MSME sectors. The rate was increased to 5% for MSME sectors with effect from 2.11.2018. Merchant exporters were covered under the scheme with effect from 2.1.2019.

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