

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

LOK SABHA
UNSTARRED QUESTION NO. 1182
ANSWERED ON 03/12/2024

SUPPLY CHAIN RESILIENCE AGREEMENT

1182. SHRI BAIJAYANT PANDA:

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

- (a) the details of India's role in the Indo-Pacific Economic Framework for Prosperity (IPEF), particularly in the Supply Chain Resilience Agreement;
- (b) the expected benefits of this agreement for Indian manufacturers and exporters; and
- (c) the steps being taken by the Government to enhance India's supply chain resilience in critical sectors such as electronics, automotive and pharmaceuticals?

ANSWER

वाणिज्य और उद्योग मंत्रालय में राज्य मंत्री (श्री जितिन प्रसाद)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JITIN PRASADA)

(a) India has signed the Supply Chain Resilience Agreement (Pillar-II) in November 2023 under the Indo-Pacific Economic Framework for Prosperity (IPEF), a 14 member plurilateral grouping in the region. The Agreement seeks to strengthen supply chain crucial for national security and economic stability. The Agreement came into force on February 24, 2024. Under the Agreement, a Supply Chain Council (SCC) has been set up with the US as Chair and India as Vice-Chair.

(b) & (c) 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. 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. Article 6.10 of the Agreement also encourages private sector engagement to improve the resilience, efficiency, productivity, sustainability inclusivity etc. of IPEF supply chains.

Article 10 of the Agreement provides for identification of critical sectors or key goods by the IPEF partners towards ensuring national security, public health and safety, or prevention of significant or widespread economic disruptions. India is closely working with stakeholders such as industry, academia, experts, etc. for identification of critical sectors or key goods for

collaboration with IPEF partners for India's supply chain resiliency. In September 2024, the first SCC meeting in Washington led to the formation of Action Plan Teams focusing on key areas such as Semiconductors, Critical Minerals, and Chemicals. In the meeting, India has expressed its willingness to lead a proposed action plan team on the healthcare/pharma sector. Two Sub-Committees focusing on Logistics and Movement of Goods, and Data and Analytics have also been formed. India participated in the first meeting of Crisis Response Network held in Washington DC in September 2024, which included a tabletop exercise aimed at shortening response time in actual crisis situations by simulating scenarios where supply chain disruptions are highly likely.

Further, two Memorandum of Understanding (MoUs) have also been signed by Department of Commerce with the USA in last two years: one in the sector of semiconductors and other in the sector of critical minerals both of which are a strong step towards securing India's Supply Chain resilience in these sectors.
