

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

RAJYA SABHA
UNSTARRED QUESTION NO. 50
ANSWERED ON 02/02/2024

INDO-PACIFIC ECONOMIC FRAMEWORK

50. SHRI ANEEL PRASAD HEGDE:

Will the Minister of COMMERCE & INDUSTRY be pleased to state:

- (a) Government's position on the Indo Pacific Economic Framework For Prosperity (IPEF) and benefits India can gain from IPEF when there is no market access provision in this framework;
- (b) whether India plans to join the Pillar 1 of the IPEF which is the Trade Pillar, if so, whether Government would explain the benefits it foresees in joining; and
- (c) whether Government has done any assessment of the costs the country would pay by joining the IPEF?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SMT. ANUPRIYA PATEL)

(a) to (c) Indo-Pacific Economic Framework for Prosperity (IPEF) is a unique, first-of-its-kind collaborative approach at a plurilateral level focussed on sustainable economic growth and development of the 14 partner countries in the Indo-Pacific region. Even in the absence of any market access provisions, IPEF aims to provide a durable and forward-looking cooperative platform with significant potential to deepen and expand trade and investment linkages in the Indo-Pacific region, which is important for India from economic and strategic perspectives.

IPEF is structured around four pillars: Pillar-I (Trade); Pillar-II (Supply Chain Resilience); Pillar-III (Clean Economy); and Pillar-IV (Fair Economy). Following due internal consultation process, India decided to join the IPEF with full participation in Pillars - II to IV and as an observer under Pillar-I. Further, as on date, no decision has been taken on joining the Trade Pillar.

The agreements under the three Pillars, which India is party to, contain cooperative and collaborative provisions to enhance economic linkages and to leverage the existing complementary synergies between IPEF member countries. As an IPEF partner, India is engaging constructively with IPEF members to realize tangible and beneficial outcomes, including deeper integration of India in the Global Supply and Value Chains particularly of Indian MSMEs; facilitation of inward foreign investment, particularly in Clean Economy domain; enhancement of investor confidence by providing a transparent and predictable ecosystem for businesses; and so on.
