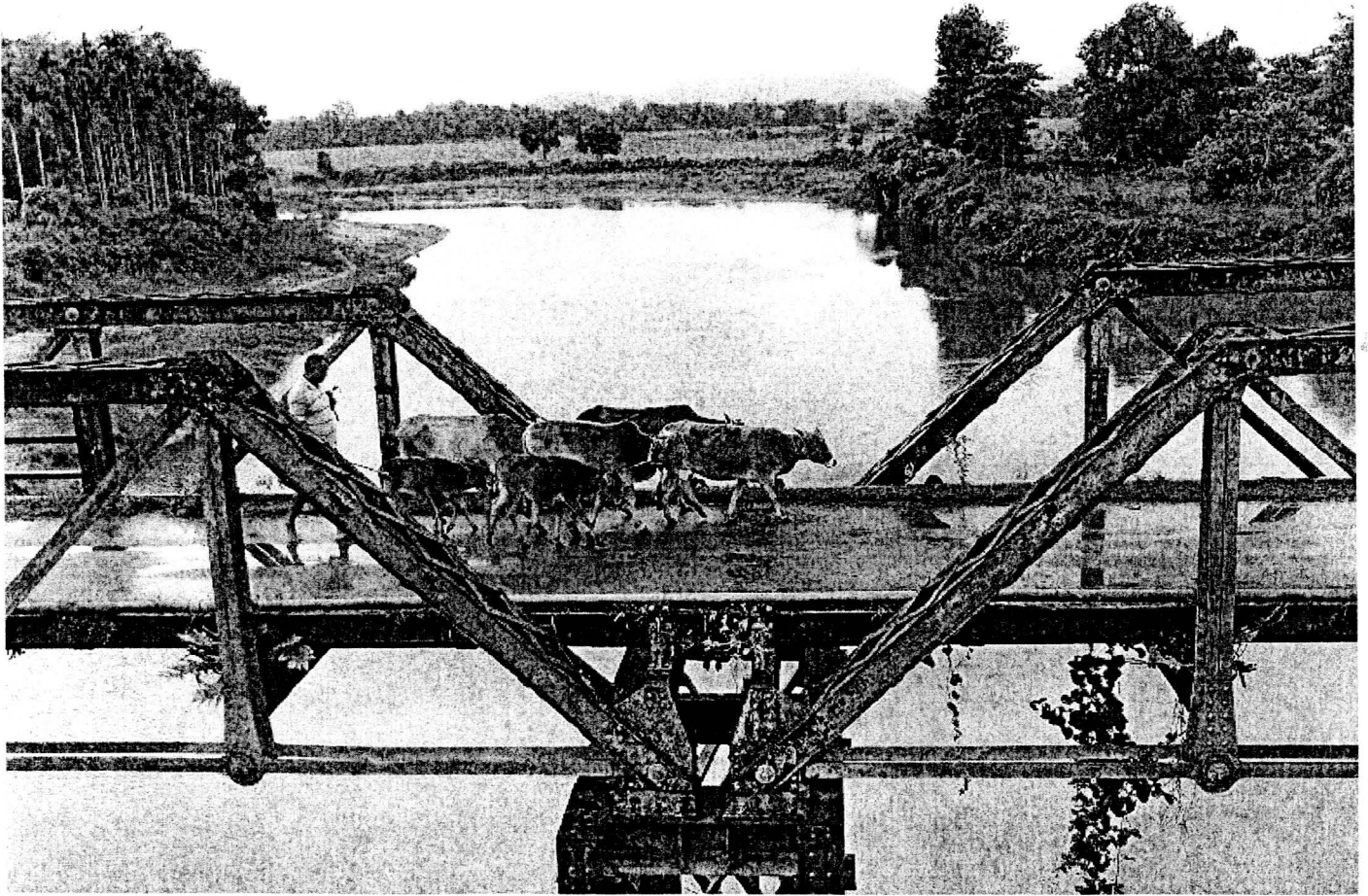


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Influential group in India launches nationwide protest against RCEP free trade pact



The Indian dairy and agriculture sector is particularly concerned about a rise in imports from New Zealand and Australia under the Regional Comprehensive Economic Partnership. PHOTO: EPA-EFE

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NEW DELHI - Influential voices close to the Indian government have intensified their opposition to India's entry into the proposed Regional Comprehensive Economic Partnership (RCEP) deal, as negotiations among the 16 trading partners enter the final lap.

Swadeshi Jagran Manch (SJM), often described as the economic wing of the Rashtriya Swayamsevak Sangh (RSS), began an 11-day nationwide protest on Thursday (Oct 10), claiming the deal in its current form will intensify the ongoing crisis in Indian manufacturing and agriculture.

The RCEP groups 10 Asean nations with China, Japan, South Korea, India, Australia and New Zealand to create a free trade pact covering a third of the world's economy.

The RSS is a socio-political organisation that shares close umbilical links with the ruling Bharatiya Janata Party (BJP) and wields influence over the government.

The subject of free trade agreements had also figured in the annual address of RSS chief Mohan Bhagwat on Tuesday, when he urged the Indian government to not "yield too much" in trade negotiations.

The SJM, together with other supporting organisations, plans to submit memorandums from every district of the country to Prime Minister Narendra Modi to build pressure against India's entry into the trading bloc. Negotiations for the RCEP trade deal are expected to conclude in November.

SJM's national spokesman Deepak Sharma told The Straits Times that the RCEP in its current form would adversely affect more than 100 million dairy farmers, small and medium-scale industries as well as marginal farmers in India. "They will not be able to compete," he said.

The Indian dairy and agriculture sector is particularly concerned about a rise in imports from New Zealand and Australia under RCEP. The National Dairy Development Board has even recommended that the dairy sector be kept out of the purview of this deal.

"The trade deficit between Asean and India has grown from US\$8.1 billion (S\$11.12 billion) in 2013-14 to US\$21.9 billion in 2018-19 despite existing import tariffs. The deficit with China is around US\$54 billion. Given this situation, we are concerned about how well our small and medium-scale industries will be able to compete if we bring in 80-95 per cent of the goods at zero tariffs," Mr Sharma added.

A statement from SJM's national co-convenor Ashwani Mahajan said that the World Trade Organisation's Information Technology Agreement, which seeks to lower taxes and tariffs on IT products by signatories to zero, had been responsible for the virtual decimation of India's hardware industry. This, according to him, throws into doubt claims about the RCEP increasing the competitiveness of Indian manufacturing.

He also said that the Auto Trigger Safeguard Mechanism will fail to protect against import surges because of weak rules of origin provisions and a lack of infrastructure to monitor imports.

The SJM has demanded that the government stay away from an RCEP agreement that would "push the present and future generations to joblessness and poverty".

The BJP has been mindful of opposition to RCEP. On Monday (Oct 7), it organised a roundtable conference on RCEP and other free trade agreements at its headquarters with party officials, economists, industry executives, former government officials as well as activists. A report from the proceedings will be submitted to the government.

Speaking at an industry event in Nagpur on Thursday, Union Minister of Commerce and Industry Piyush Goyal defended the agreement, arguing that India cannot remain isolated in a globalised world that had created inter-dependencies.

"In such a scenario, standing outside the room will not benefit us. India cannot stop its engagements and trade with the rest of the world," he said, adding that the government was committed to preventing the unnecessary influx of Chinese goods.

Mr Goyal is attending the two-day ninth RCEP intersessional ministerial meeting in Bangkok which ends on Saturday.