

## E-commerce to get bigger focus at RCEP talks

RCEP is a free-trade agreement between 10 countries of the Association of Southeast Asian Nations

Subhayan Chakraborty | New Delhi July 19, 2017 Last Updated at 02:25 IST



Photo: iSTOCK

Discussions on e-commerce is expected to have a significantly bigger footprint than earlier at the 19th Regional Comprehensive Economic Partnership (RCEP) negotiations, which was inaugurated on Tuesday in Hyderabad.

“All member-nations have agreed to widen the scope of discussions on the issue and a list of tentative points to be deliberated upon have been drawn up,” a person familiar with the development said.

India has resisted discussions on e-commerce at the World Trade Organization but developed nations’ demands for talks on proposed global e-commerce rules have become louder. However, if the issue sees significant traction during the RCEP negotiations, India might have a hard time avoiding talks on the subject at other forums.

RCEP is a proposed free-trade agreement (FTA) between the 10 countries of the Association of Southeast Asian Nations (Asean) and six others with which this bloc has foreign trade agreements (FTAs) — Australia, China, India, Japan, South Korea, and New Zealand.

India had pushed hard for opening of services trade, especially on Mode 4, which deals with cross-border migration of services professionals. Other nations have started to make discussions on e-commerce as part of those on services, the source said. Within e-commerce, issues like consumer protection, domestic regulatory frameworks, customs duties and data protection, among others, will be discussed over the next 10 days at Hyderabad.

Over the last few months, news have poured in from WTO headquarters in Geneva of increasing focus on e-commerce among nations. An international grouping has been formed in this regard, composed of Latin American nations Argentina, Chile, Colombia, Costa Rica, Uruguay, as well as Kenya, Mexico, Nigeria, Pakistan and Sri Lanka. Named the Friends of E-Commerce for Development, this group had also initiated panel-level talks with some nations also mooted the idea of making it part of the formal agenda for the upcoming ministerial conference in Argentina in December.

“Such groupings are cropping up fast,” Sachin Chaturvedi, director general of trade at think tank RIS, said. “Drawing from our experience at the last ministerial conference in Nairobi, it is imperative that India start building coalitions on the issue as well.”

Global e-commerce giants are looking for an official route to tap the lucrative markets of the developing world, especially India.

Finalisation of RCEP, which had earlier targeted a 2017 deadline, is now expected next year because the member-nations are yet to agree on tariff reduction for goods while discussions on services have hit a wall.

While the members had supported finalising the broad contours of the agreement by the end of the year, a senior government official said most chapters on goods trade have not been comprehensively discussed. At the Hyderabad meet, members are expected to make their second round of offers on tariff reduction.

India was earlier willing to offer reduction on 80 per cent of all tariff lines, with a six per cent deviation, the official said. Under this scenario, India may offer reduction in tariffs on 86-74 per cent of goods for nations, taking into account the gamut of trade with them.

### **Strong Pitch**

- Developed nations’ demand for talks on proposed global e-commerce rules has become louder
- Within e-commerce, issues like consumer protection, domestic regulatory frameworks, customs duties and data protection will be discussed at RCEP
- Increased focus on e-commerce led to formation of an international grouping composed of Latin American nations as well as Kenya, Mexico, Nigeria, Pakistan and Sri Lanka
- Global e-commerce giants are looking for an official route to tap the lucrative developing markets, especially India