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Auto Trigger Mechanism in RCEP

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Recently, India has stated it will push for several crucial issues for acceptance at negotiating round of the **RCEP countries** that have started in Jakarta.

Key demands of India

- To protect the domestic industry, India proposes the **'auto-trigger' mechanism** to check import surges.
 - According to it, in case **there is a flood of imports** (once duties are eliminated or reduced for RCEP members), after reaching a certain **threshold**, the auto-trigger of **safeguard duties** on imports should be initiated.
 - Through this India can accord some **protection to its local industry**.
- India is opposed to the proposed **Investor-State Dispute Settlement (ISDS)** body, as it does not want its domestic laws to be challenged outside India.

However, RCEP countries are in favour of ISDS, because of certain issues faced by companies in India like:

Operational permits of international investors in telecom companies were cancelled by the Supreme Court in the wake of the **2G scam**. etc.
- India is pushing for stringent norms for **'Rules of origin'** to prevent goods being routed through nations with lower duties

India is apprehensive that after signing of RCEP, the Indian market will be flooded with the cheap import of the third country which is not a member of RCEP but has signed FTA with other RCEP member.

Rules of origin are the criteria needed to determine the national source of a product. Their importance is derived from the fact that duties and restrictions in several cases depend upon the source of imports.

Apart from this India wants **greater market access in the services sector**.

Source: THBL