



ASEAN+3

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China has started pushing for a free trade pact between **ASEAN + 3 (which includes the ten-member ASEAN, China, Japan and South Korea)** at the East Asia Summit. This would effectively mean that the, among the **16 countries negotiating the Regional Comprehensive Economic Partnership (RCEP)**, all **except India, Australia and New Zealand** would get included in the proposed pact.

- **RCEP** is a proposed **free trade agreement** among 16 nations (**ten-member ASEAN and Australia, China, India, Japan, South Korea and New Zealand**).
- The ASEAN+3 proposal is intended to **put pressure on India to give China concessions similar to those given by other countries at the RCEP negotiations**.
- Also, such a proposal is a message to India that China is ready to ignore India if India remains non-flexible at the RCEP negotiations.
- The move may also result in Australia and New Zealand putting more pressure on India to be more flexible in the RCEP negotiations, as they would not want to be excluded from the proposed pact.
- Earlier, it was Japan which was insistent on India's participation in the negotiations for a regional bloc as it believed that the country could act as a balancing factor and block China's efforts to increase its influence over the region. However, if China reaches some kind of understanding with Japan on the matter, it could be a rough road ahead for India.
- **RCEP members have proposed that over 90% traded items should have zero tariffs** but India is hesitant about falling in line. **India is especially apprehensive about Chinese goods swamping its market**, forcing domestic producers to cut production or shut down.
- If finalised, the RCEP will result in the largest free trade bloc in the world accounting for 25% of global GDP and 30% of world trade.