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