



# Regional Comprehensive Economic Partnership

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## Why in News?

Four years after India's exit, neighboring nations **Sri Lanka and Bangladesh** are considering joining the [Regional Comprehensive Economic Partnership \(RCEP\)](#).

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## What is a Regional Comprehensive Economic Partnership?

- **About:**
  - The RCEP is a significant economic agreement between ASEAN members and Free Trade Agreement (FTA) partners.
  - RCEP is the **world's largest trading bloc**. It is designed to promote **economic integration, trade liberalization, and cooperation among member nations**.
  - The **RCEP negotiations began in 2012**. It was officially **signed in November 2020**, marking a major milestone in regional trade. It was entered into force on January 1, 2022.
- **Member Countries:**
  - 15 member countries, such as China, Japan, New Zealand, South Korea, Australia, and **ASEAN nations** ( Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam).
- **Coverage Areas:**
  - The RCEP negotiation includes: trade in goods, trade in services, investment, economic and technical cooperation, **intellectual property, competition, dispute settlement, e-commerce, small and medium enterprises (SMEs) and other issues**.
- **Objectives of RCEP:**
  - Facilitate trade and investment among member nations.
  - **Reduce or eliminate tariffs and non-tariff barriers to trade**.
  - Enhance **economic cooperation and regional supply chains**.
- **Benefits of RCEP:**
  - Promotes **economic growth and regional stability**.
  - Streamlines trade procedures and regulations.
  - Encourages **foreign investment**.
  - Enhances competitiveness and innovation.
- **Trade Volume:**
  - RCEP member nations represent **over 30% of the global [Gross Domestic Product\(GDP\)](#)**.
  - The trading bloc covers about **one-third of the world's population**.
  - It has the potential to significantly impact global trade.
- **RCEP's Role in Global Trade:**
  - RCEP strengthens the influence of the **Asia-Pacific region in international trade**.
  - The agreement can serve as a model for future trade deals and regional cooperation.
- **India and RCEP:**
  - India was a founding member of the RCEP. In **2019, India decided to withdraw from the RCEP negotiations**.
  - India's decision to exit the RCEP was based on **concerns about the impact on its domestic economy**.
    - Primary concerns included fears of an **influx of Chinese goods into the Indian market**, affecting local industries.
    - Issues related to mobility in services and reservations from the agriculture sector and small businesses were contributing factors.

### UPSC Civil Services Examination Previous Year Question (PYQ)

**Q. The term 'Regional Comprehensive Economic Partnership' often appears in the news in the context of the affairs of a group of countries known as (2016)**

- (a) G20
- (b) ASEAN
- (c) SCO
- (d) SAARC

**Ans: (b)**

