

India to push for duty cuts with China



Amid the sour trade war between the US and China, India is eyeing bigger trade share with the neighbour and plans to push on duty cuts for better trade with China under the Regional Comprehensive Economic Partnership (RCEP) trade agreement which ends next year.

After incidents like [Doklam](#), the trade deficit between two of Asia's biggest economies have been continuously widening, fuelled up by the raising import duties for trade between India and China. Also, India's global export share is as low as 1.7%, compared to massive 12.8% held by China. So amid the trade war between the US and China, where both the countries slapped reciprocal duties on each other's goods, India plans to focus on strengthening its exports to the US as well as China to get a bigger global trade share.

The ongoing trade tension can actually bring positive impact on India's global trade and export rates, especially for items like automotive parts, chemicals, electrical equipment, among others - as Chinese shipments of these goods have become costlier in the western market. Alongside having talks with the US to boost trade, India plans to conduct bilateral discussions with China too, and will push for duty cuts by proposing zero duty market access to a number of goods as a part of the RCEP, which is slated to be concluded next year.

India might also cut down the trade duties with 10 countries which are Regional Comprehensive Economic Partnership (RCEP) members. But lowering or removing duties with China can also mean that the Indian market gets flooded with Chinese goods, disrupting the domestic trade pattern. This is why, India might propose a balanced trade agreement which relaxes certain import duty norms on selected goods and services; and also promote exporting goods and services from India for a sustainable and balanced economy.