



COMMENTS ON  
“IS INDIA READY FOR CPTPP? IS  
CPTPP READY FOR INDIA?”  
BY MR. SUMAN BERY

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2026/6/19 RIETI BBL

# SELF-INTRODUCTION

Consulting Fellow at RIETI

A former Japanese government official

- at METI in 2016-19

  - responsible for Japan-India economic relations

  - served as a Senior Official for APEC

- at MOFA in 2019-21

  - Ambassador in charge of economic diplomacy,

  - chief negotiator for RCEP negotiations

    - (when India's pivot from RCEP and full conclusion of the negotiation happened.)

President, AOTS (Overseas Technical Cooperation, esp. HRD)

- Close cooperation with India (10 alumni societies in India) and other DCs

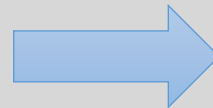
- office in New Delhi

# POINTS MADE BY THE PRESENTATION (1)

- Overview of India's engagement in multilateral WTO and bilateral and multi-country FTAs/PTAs
- Contrast between shallow FTAs in 1998-2011 and new PTAs in 2021-26
- Against the background of shifts in multilateral order, the new trade landscape emerged.
  - Asymmetry in Regional Strategies  
(point outs high negotiation costs)
  - Global Structural Changes
  - Mercantilism v. Productivity
  - WTO Paralysis / Challenges Facing WTO
  - Green shifting & Clean subsidies

India's Trade Imperatives

- Industrial Deficits
- Strategic **Sovereignty**



PTA's as Engines of Investment, Technology and Employment

# POINTS MADE BY THE PRESENTATION (2)

- Is India ready for CPTPP?
- Earlier consensus on RCEP
- TPP based on APEC
- Long list of accession candidates
- India as a difficult negotiation partner
- Agriculture, services, investment protection as difficult issues

Is CPTPP ready for India?

# CONTRIBUTION

- Overview of India's FTA/PTA policies, especially PTA policies since 2021
- Analysis of the trade policy environment for India
  - WTO (multilateral order)
  - Factors behind PTA policies
- Identification of essence of PTAs for India
  - Scaling Jobs
  - Level Playing Fields
  - Value Chain Shifting
- Arguments on India's readiness for CPTPP

# DISCUSSION & QUESTIONS (1)

- How can India promote Productivity Paradigm more effectively?
- “well-structured FTAs drive deep domestic productivity” (slide 18)

→ FTAs/PTAs will not only open up markets for India but also allow India to source competitive parts and materials from partner countries.

Industry development tends to realize unevenly depending on labor intensity, technology, etc.

- How can India mitigate high negotiation costs more effectively?
- “the deep intellectual and administrative capacity to run multiple complex regional tracks in parallel with WTO processes” (slide 16)

→ In case of RCEP, there were 4 committees as well as 10+ working groups and subgroups. This means every participating countries need to be represented 10+ meetings simultaneously.

(A few talented negotiators aren't enough.)

Despite this, not a small number of developing countries in Asia and LA join FTAs. Why not India?

# DISCUSSION AND QUESTIONS (2)

## Can India be involved in and benefit from APEC?

Recently, PM Modi has been invited to APEC Summits.

Indian Government officials' active participation in APEC committees and exercises can be the key to prepare itself for future complex and difficult FTAs/PTAs.

Options:

Full membership

Observer (full or committee-based)

Observer status may bring most benefits from APEC and mitigate concerns over India's difficult negotiating partner characteristics.

## Functions of APEC

- - non-binding
  - - good practice sharing
  - - source of new trade rules (such as Information Technology Agreement (ITA) under WTO)
  - - better and deeper mutual understanding of economic and political backgrounds of the economic, trade and industrial policies
  - - accumulate knowledge of possible wayouts of contentious trade issues
  - - networking of trade people
    - (5 week-long meetings of Committee on Trade and Investment, etc. annually)
- de facto incubator for FTAs
- (enhance prospective governments' trade negotiation capacity building )

# WHAT APEC MEMBERS AGREE ON INDIA'S INVOLVEMENT IN APEC

- “Japan reaffirmed its support to India’s membership in the APEC” (Joint Statement of 2017 Summit)
- “... the United States welcomes India's interest in joining the Asia Pacific Economic Cooperation forum, as the Indian economy is a dynamic part of the Asian economy.” (Joint Strategic Vision from 2015 Summit)
- “China acknowledged India’s important role in driving the global economic growth, supported the openness of APEC, and welcomed India’s desire to strengthen its link with APEC.” (Joint Statement of 2015 Summit)

# DISCUSSION AND QUESTIONS (3)

Will India's FTA/PTA policies promote Japan's FDIs in India?

India's advantage:

GDP growth

Big market and labor supply potential (demographic advantage)

Quality talent (IT, etc.)

Japan-India collaboration for African market

- Competition in Indian market is tough for Japanese FDIs, though it should be tolerated if there are:
  - - economic and political stability
  - - access to international supply chain (import of intermediate parts and goods)
  - - access to the export market
  - - Ease of doing business in real terms (administrative process burdens, etc.)
  - - fair taxation treatment
  - - steady improvements of infrastructure