

Indo-Pacific Framework (IPEF)

Economic

May 16, 2022

In news– US has proposed a pick-and-choose Indo-Pacific economic framework recently.

About Indo-Pacific economic framework-

- Idea of IPEF was mooted by the US President Biden at the East Asia Summit in October 2021 as the centrepiece of his administration's economic strategy toward the critical region.
- **Framework will aim at achieving regulatory coherence, among others, on the issues of decarbonisation, workers rights and digital economy and technology.**
- **It is a new partnership that will promote and facilitate high-standards trade, govern the digital economy, improve supply-chain resiliency and security,** catalyze investment in transparent, high-standards infrastructure, and build digital connectivity—doubling down on USA's economic ties to the region while contributing to broadly shared Indo-Pacific opportunity.
- **IPEF's four pillars include-**
 1. Fair and resilient trade (including digital, labour, environmental and other standards).
 2. Supply chain resilience.
 3. Infrastructure, decarbonisation and clean energy.
 4. Tax and anti-corruption.
- Work on the first pillar will be led by the Office of the U.S. Trade Representative (USTR), while the other three pillars will be overseen by the Department of Commerce.
- America's vision is intended to ensure the US and its like-minded partners in the Indo-Pacific collaborate on key economic issues and emerging global economic

challenges.

Key updates-

- The State Department of US is designing the framework to prioritise “flexibility and inclusion”, and participating countries can join IPEF without necessarily joining all the four pillars of the framework, a pick-and-choose arrangement that could make India more open to coming on board.
- India sees the framework in a “positive light”, and notes particular convergence when it comes to the supply chain resilience pillar, but it has sought flexibility in the framework to create incentives for countries to join it, said a person familiar with conversations on the issue.