

India Joins US-Led Supply Chain Resilience Pact Under IPEF

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India formalised its commitment to the Supply Chain Resilience Agreement (Pillar-II) under the Indo-Pacific Economic Framework for Prosperity (IPEF) in November 2023, the **Ministry of Commerce and Industry** announced. The agreement, which came into force on February 24, 2024, is part of a strategic initiative involving 14 nations in the region, representing 40% of global GDP and 28% of global trade.

Minister of State for Commerce and Industry, **Jitin Prasada**, stated in a Lok Sabha session that the agreement aims to fortify supply chains vital for national security and economic stability. A Supply Chain Council (SCC) has been established under the pact, with the US as Chair and India as Vice-Chair.

The agreement focuses on enhancing trade, economic relations, and supply chain resilience in critical sectors among IPEF partners. It includes provisions for private sector engagement under Article 6.10, encouraging improved resilience, sustainability, and efficiency. Article 10 emphasizes identifying critical sectors or key goods to protect national security, public health, and economic stability.

India has initiated efforts to identify critical sectors for collaboration with IPEF partners, and consulting stakeholders including industry experts, academia, and policymakers.

In September 2024, the inaugural SCC meeting in Washington DC led to the creation of Action Plan Teams targeting semiconductors, critical minerals, and chemicals. India volunteered to lead efforts in the healthcare and pharma sectors. Two sub-committees were also formed to address logistics and data analytics for supply chain optimization.

India’s participation in the first Crisis Response Network meeting, held alongside a simulation exercise in Washington DC, highlighted its proactive approach to mitigating supply chain disruptions during crises.

Additionally, the Department of Commerce has signed two key MoUs with the US over the past two years, focusing on semiconductors and critical minerals, reinforcing India’s position in securing robust supply chains in these pivotal sectors.