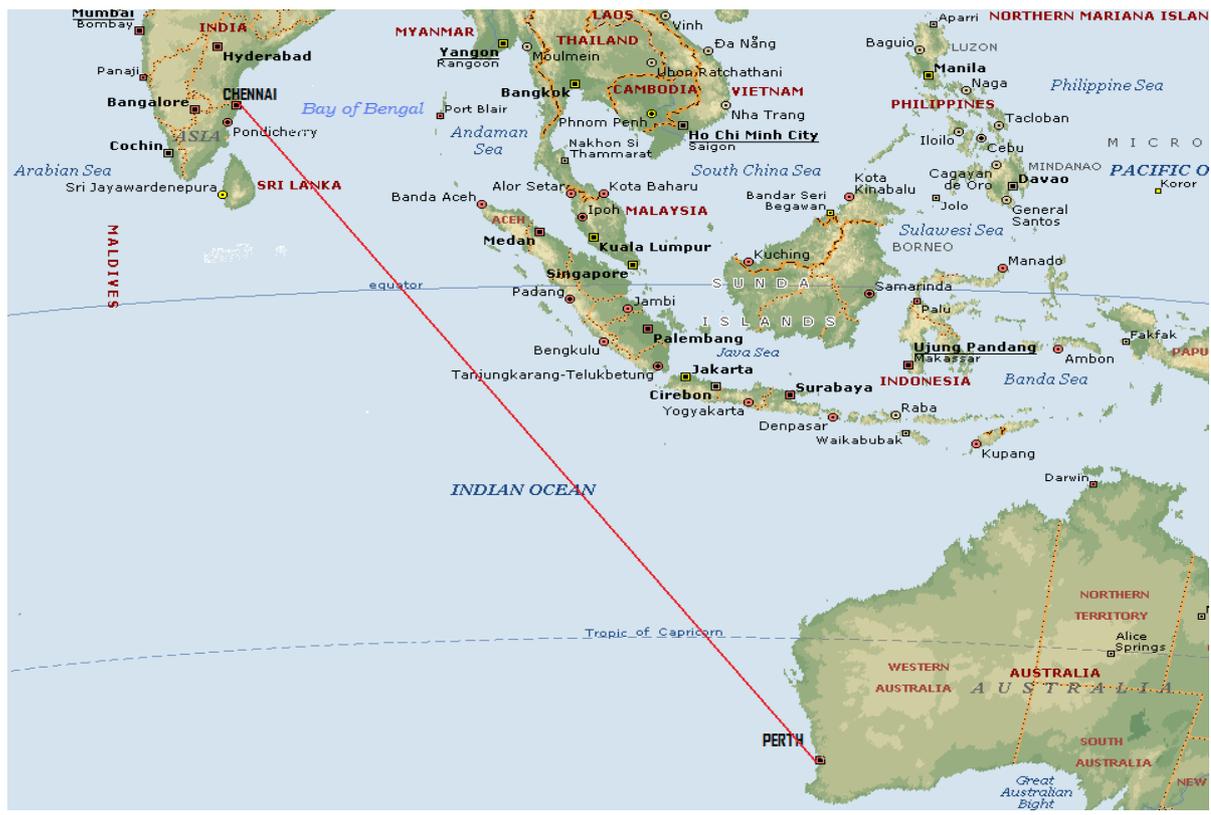


## India-Australia Relations

### OVERVIEW

- India and Australia have **several commonalities**, which serve as a foundation for closer cooperation and multifaceted interaction, on lines similar to what India has developed with other Western countries. Both are **strong, vibrant, secular and multicultural democracies**. They both have a **free press** and an **independent judicial system**; the **English language** is an important link. **Cricket**, and now the large numbers of **Indian students** coming to Australia for education, are significant elements in awareness at the popular level.
- **The relationship has grown in strength and importance since India's economic reforms in the nineties and has made rapid strides in all areas - trade, energy and mining, science & technology, information technology, education and defence.**
- Australia is in India's extended neighbourhood, a point made by then Australian Foreign Minister Stephen Smith when he made a key note address in September 2008 at the University of Western Australia:

***"It is under-appreciated that Perth and Chennai are closer to each other than Sydney is to Seoul, to Shanghai, or to Tokyo." .....As the world sees the potential of an Asian/Pacific century unfold, Australia sees India at the heart of this historic shift in political and economic influence."***



- Despite the intersecting commonalities, India and Australia have only in recent years been able to significantly enhance the relationship, reflected in the decision taken in November 2009 during PM Rudd's visit to India, to take it to the level of a strategic partnership.

### HISTORICAL CONTACTS

- India and Australia have **commercial ties dating back to the 18th century**, when India played a central role in nourishing the young colony and trade with Australia came to be an important element in the operations of the East India Company in Bengal.
- For the next half century, **Australia's most immediate and direct links were with India rather than London**, as bureaucrats, merchants, chaplains and judges moved between the two colonies. India was an important source of food and provisions for Australia; by 1840 a ship was leaving Sydney for India roughly every four days, and merchants in Calcutta grew rich from supplying the new outpost. At the beginning of the 19th century, several British colonial families from India made a life for themselves in the new Australian colonies.
- The Consulate General of India in Sydney was first opened as a Trade Office in 1941 and the High Commission in Canberra in 1945. The Consulate General of India in Melbourne was opened in 2006. The Consulate General of India in Perth was inaugurated in October 2011.

## POLITICAL

- While there has been a regular exchange of visits at Ministerial level, bilateral visits at Head of Government/Head of State level have been limited. PM John Howard visited India in July 2000 and again in March 2006. Prime Minister Kevin Rudd of Australia visited India in November 2009, when **it was agreed to take the relationship to the level of a strategic partnership**. Vice President Shri M.Hamid Ansari represented India at the CHOGM 2011 held in Perth from 28-30 October.
- At the level of EAM, there have been visits by Mr.Jaswant Singh in June 2001 and for the CHOGM Summit in March 2002. Mr.Yashwant Sinha visited in August 2003; Mr. Pranab Mukherjee visited in June 2008. **External Affairs Minister, Mr. S.M. Krishna visited in August 2009; in January 2011 for the Foreign Ministers' Framework Dialogue and in October 2011 for pre-CHOGM Foreign Ministers' meetings at Perth**. From the Australian side, both Mr. Gareth Evans and Mr. Alexander Downer visited India several times in the period 1989-1995 and 1996-2005 respectively. Foreign Minister Stephen Smith visited India in September 2008, in October 2009 and in March 2010. **Foreign Minister Kevin Rudd visited Bengaluru in November 2011 to attend the IOR-ARC Council of Ministers' meeting**.
- India and Australia co-operate in various **multilateral fora**. **Australia supports India's candidature in an expanded UN Security Council**. Both India and Australia are members of the G-20, Commonwealth, IOR-ARC, ASEAN Regional Forum, Asia Pacific Partnership on Climate and Clean Development, and have participated in the East Asia Summits. Both countries have also been cooperating as members of the Five Interested Parties (FIP) in the WTO context. **Australia is an important player in APEC and supports India's membership of the organisation**. In 2008, it became an Observer in SAARC.

## DEFENCE

- Defence Cooperation between India and Australia **has expanded significantly in recent years**. An MoU on Defence Cooperation has been signed as well as a Joint Declaration on Security Co-operation was signed. There are frequent exchanges of visits including at the level of Service Chiefs, regular Naval, Air Force and Army Talks; joint naval exercises; regular exchanges at each other's training institutes and seminars. **Defence Minister Stephen Smith visited India in December 2011 for Defence Ministers' Dialogue**.

## TRADE & INVESTMENT

- **Australia is India's eighth largest trading partner and India is Australia's fifth largest**. **India's ranking among Australia's export destinations has risen from twelfth to fourth in the period 2003-04 to 2009-10**.
- **Trade is growing exponentially**. **From A\$ 6.54 bn in 2003-04, trade in goods and services between India and Australia reached A\$ 21.01 billion (US\$ 20.81 billion) in 2010-11**. India's exports to Australia were A\$ 2.77 billion (*US\$ 2.73 billion*), while India's imports from Australia were A\$ 18.93 billion (*US\$ 18.73 billion*).

- India's export of goods to Australia in 2010-11 was A\$ 2.08 bn (*US\$ 2.05 bn*) and India's import of goods was A\$ 15.74 bn (*US\$ 15.58 bn*). India's export of services was A\$ 0.69 bn (*US\$ 0.68 bn*) and import of services was A\$ 2.5 bn. (*A\$ 2.47 bn*). India's main service exports to Australia are computer and information services and tourism. **Main Australian service exports to India are education, education-related travel and tourism.**
- India is **Australia's largest export market for gold** and chickpeas, **second largest market for coal and copper ores** and third largest market for lead and wool.
- **Four products – coal, non monetary gold, copper ores & concentrates and petroleum – accounted for over 80 percent of India's imports from Australia**, with coal and gold being the dominant imports in 2010-11.
- India's major exports to Australia in 2010-11 were pearls and gems, jewellery, medicaments and passenger motor vehicles.
- The **India-Australia Joint Ministerial Commission** was established in 1989 and has held thirteen meetings to date, the last one in Canberra on 12 May 2011. The Indian delegation for the JMC was led by Shri Anand Sharma, Minister for Commerce & Industry. At the conclusion of the JMC, the two sides agreed to commence negotiations for a Comprehensive Economic Cooperation Agreement (CECA), which has now begun. India and Australia also announced formal launching of the CEO Forum with Mr. Navin Jindal, MP as co-chair on the Indian side and Mr. Lindsay Fox as co-chair on the Australian side.
- Dr. Craig Emerson, Trade Minister visited India in January 2011 to participate in the Partnership Summit at Mumbai.
- The signing of five Action Plans in 2008, in the areas of coal, mining, power, petroleum & natural gas and new & renewable energy is significant, underlining **the importance of the natural resources sector in the bilateral engagement.**
- **Indian investment in Australia is growing.** Major Indian investments in Australia include that by India's **Oswal Group** (*ammonia plant*); Sterlite Industries (*copper mines*); **Aditya Birla Group** (*copper mines*); **Gujarat NRE Co.** (*coal mines*); Asian Paints; **Reliance** has entered into a partnership agreement with Uranium Exploration; **IFFCO** and Legend Holdings of Australia have entered into an agreement involving investment of over A\$ 100 mn by IFFCO in Legend's phosphate projects with buyback arrangements; NMDC and Rio Tinto have entered into an agreement for joint exploration in India, Australia and other countries. **TATAs** have enhanced their investment in a mining joint venture (*led by Vale of Brazil*) in Queensland. Tata Power and Australian company Geodynamics have entered into an agreement involving Tata Power taking an 11.4 per cent stake in Geodynamics for A\$ 44.1 million. **Petronet LNG**, New Delhi has signed an agreement with ExxonMobile in August 2009 to source 1.5 mmtpa of LNG from the Gorgon Project, for 20 years starting from 2014. The **Adani Group** of India, owners of the country's largest private port have acquired a coal mining prospect from Linc Resources in the Galilee Basin in Queensland. The deal is valued at \$1 billion. \$500 million in cash paid to Linc Resources and a royalty of \$2 per tonne over 20 years. Adani has also acquired rights to manage the Abbot Point Coal loading terminal for a period of 99 years at a cost of A\$ 1.83 billion. **Lanco Infratech** made the biggest Indian investment to date in Australia, spending almost A\$ 850 million to buy Griffin coal assets. GVK Power and Infrastructure is in the process of finalising purchase of two thermal coalmines from Australia's Hancock Prospecting for about US\$ 2.4 billion. **GVK Power and Infrastructure** has finalised purchase of two thermal coal mines from Australia's Hancock Prospecting for about US\$ 2.4 billion and is also investing in development of rail network from the mine to the nearest port, which entails a total investment of US\$10 bn. **NMDC** has concluded the purchase of half stake in Perth based Legacy Iron Ore in September and is conducting due diligence for the purchase of the Ridley magnetite project of Atlas Iron Ore. **Infosys** has acquired Portland Group, a sourcing and category management services firm in Australia for A\$ 37 million.

- All the **major Indian IT companies** have a presence in Australia and are rapidly growing. These include Infosys; Satyam Mahindra; TCS; HCL; Polaris Software Lab Ltd; Birlasoft; NIIT; ICICI Infotech; Wipro; Mahindra-British Telecom Ltd; i-Flex; igate; among others. Satyam Mahindra has the largest product development centre outside India in Melbourne.
- At present, there are **no direct flights** from Australia to India. Tourism is growing rapidly; 1,65,500 Australian tourists visited India in 2010 and 1,38,700 Indian tourists visited Australia in 2010.

## SCIENCE AND TECHNOLOGY

- An **Inter-Governmental Agreement on S&T** was concluded in 1986, under which MOUs have been entered into in the areas of space, meteorology, S&T research, educational and scientific training. There are Joint Working Groups on S&T and Biotechnology.
- In 2006, the two Governments set up the **Australia-India Strategic Research Fund**. The Fund has a contribution of \$ 65 million from each country. It covers several areas including agriculture, astronomy and astro-physics, environmental sciences, microelectronics, and nanotechnology and has identified a number of collaborative research projects. The Research Projects and Case Studies cover critical areas such as oncology, marine science, water management, climate change drive evolution and Ocean colour.
- Senator Kim Carr, Minister for Innovation, Industry, Science & Research visited India in July, 2011. Mr. Martin Ferguson, Minister for Resources, Energy & Tourism visited India in November, 2011.

## EDUCATION

- The **Joint Working Group on Education & Training** between the two countries has identified several key areas for co-operation, including collaborative research in education policy, research student exchange programmes, capacity building in vocational education and distance learning in higher education. The last meeting of the JWG was held in Canberra on 13-14 April, 2011.
- **The number of Indian students studying in Australia rapidly increased from 20,512 in 2004 to over 120,000 enrolments in 2009 and Australia overtook the UK as the second largest destination for Indian students.** However, following the tightening of student visa regulations, changes in the general skilled migration rules, negative impact of the string of student attacks in 2009-10, and the rising cost of Australian Dollar, **the number of student enrolments from India declined significantly with enrolments at 100,310 and actual commencements at 42,576 during the year 2010 (-38% over 2009). The downward trend has continued in 2011, with 69,702 enrolments and 31,703 commencements during Jan-Oct 2011.**
- During the visit of Deputy Prime Minister and Minister for Education, Employment and Workplace Relations, (*now the Prime Minister*) Ms. Julia Gillard to India in September 2009, it was agreed to have an **annual Ministerial dialogue on education** between the two countries.
- Shri Kapil Sibal, Hon'ble Minister of Human Resource Development, visited Perth, Melbourne and Sydney from 06-10 April 2010. Senator Chris Evans, Australian Minister for Tertiary Education visited India in August, 2011.

## INDIAN COMMUNITY

- There is a **rapidly growing Indian community of nearly 450,000 in Australia.** In addition, there are a sizeable number of people of Indian origin from countries such as Fiji, Malaysia, Kenya and South Africa. They are contributing significantly to the Australian economy as **teachers, doctors, accountants, engineers and I.T. professionals. India is now the third largest source of immigrants to Australia,** after UK and New Zealand and the **second largest source of skilled professionals.**

## **INDIAN MISSIONS AND POSTS IN AUSTRALIA**

- Besides the High Commission in Canberra, India has Consulates in Sydney, Melbourne & Perth and an Honorary Consul in Brisbane.
- Government of India offices and PSUs in Australia include the Tourist Office; State Bank of India branch office (*since April 2004*) received license for full trade finance activities in 2007; New India Assurance Co Ltd (*in Australia since 1955*); and Air India (*offline station*). Bank of Baroda, Union Bank of India and Punjab National Bank have their representative offices in Sydney.

For more detailed information, please visit [www.hcindia-au.org](http://www.hcindia-au.org)

**January 2012**