

India – Australia Relations

India and Australia have **several commonalities**, which serve as a foundation for closer co-operation 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, is **significant elements in awareness at the popular level**.

India is increasingly becoming a factor in Australian analysis and policy making. Our growing economic profile and commercial relevance to the Australian economy is recognised, both at the state and federal level in Australia.

PM Shri Narendra Modi visited Australia on the eve of G20 Leaders' Summit in November 2014 at Brisbane, Australia. His visit was continued after the conclusion of G20, as a bilateral one from 16-18 November 2014.

Australia's trade in goods and services with India was A\$ 13.565 equivalent (US\$9.72) billion in 2014-15 with Indian exports of goods amounting to A\$ 3.805 (US\$2.726) billion. Australia's exports of goods to India were A\$ 9.76 (US\$6.994). In addition Indian exported service worth A\$2.907 (US\$2.083) billion where as India's import of service was A\$1.496 (US\$1.072) billion. Australia is places at 33rd position in India's export destination and 18th among import sources.

India's main exports to Australia are Passenger Motor Vehicle & machinery, Pearls, Gems and Jewellery, and Refined Petroleum while our major imports are Vegetables, Wool, Non-monetary Gold, Coal, Copper and Fertilizers.

The two countries are currently discussing a Comprehensive Economic Partnership Agreement (CECA) which will provide greater market access to Indian exporters of goods and services. The two sides have exchanged their goods and services offer lists for the CECA. It is expected that the conclusion of the CECA will expand the base of merchandised trade, remove non-tariff barriers, encourage investment and address behind the border restrictions to trade. We also seek to address the adverse balance of trade for India in Goods and Services through specialised market access for Gems and Jewellery, pharmaceuticals, passenger cars, organic chemicals, transport equipment, machinery and other products. In the area of services, we seek greater mode IV access and Mutual Recognition Agreements. The 9th round of negotiations took place in Delhi in Sept 2015 and discussions will be carried forward during the visit of Minister Robb on Oct 27. A **Make In India** event to showcase to the Australian entrepreneurs to come and set up industries / joint ventures in India had been planned for November 2015 but fresh dates are now being worked out.

There is an Indian community of nearly 4, 50,000 in Australia which is contributing to the Australian economy in their role as teachers, doctors, accountants, engineers and researchers. India is the third largest source of immigrants for Australia.

An MoU in the field of Tourism was also signed between the two countries during the visit of PM Modi to Australia in November 2014, which is expected to promote and support the growth in the Tourism Industry. A major **Festival of India** will be held in Australia in 2016 along with a Tourism Week to promote India as a destination for Australians.

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 Commonwealth, IORA, 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.

Foreign Minister Julie Bishop paid a visit to India in November 2013 and again in April 2015 for the annual Foreign Ministers Framework Dialogue. She used an address at ORF in Delhi to highlight the importance Australia attaches on its relationship with India, particularly in the context of its renewed focus on the Indo-Pacific.

Former Prime Minister Mr. Tony Abbott paid a visit to India from 4-5 September 2014 at the invitation of our PM. This was the first incoming state visit after the new government headed by Shri Modi assumed office in New Delhi. During the visit, four Agreements/ MoUs on Civil Nuclear Cooperation, Sports, Water and Skills were signed along with a number of significant initiative were launched. On this occasion, PM Abbott handed over 2 stolen statues of Nataraja and Ardhanarishwara, which were with Australian museums.

Mr. Andrew Robb, Minister for Trade and Investment visited India in January 2015 as a head of the strong 450 plus business delegation and also participated in Vibrant Gujarat Summit. He again visited India in end April 2015 for expediting the process of concluding CECA. Mr. Robb visited India 3rd time in 2015 to attend the reconstituted Australia-India CEO's Forum at the invitations of the Co-Chairs of Australia and India. On October 25-27, Andrew Robb visited India for the fourth time along with a high level delegation for the inaugural session of the Australia-India Leadership Summit.

India-Australia Senior Official's Talk (SOT) was held in New Delhi on October 27. The Australian side was led by Mr. Peter Varghese, Secretary, DFAT and Indian side was led by Anil Wadhwa, Secretary (East). 4th Round of India-Australia Dialogue on East Asia and the Pacific also held in October in Canberra.

Minister of State for Power, Coal and Natural Energy, accompanied by a business delegation, visited Australia from February 7 to 11. He attended 5 round tables on energy security and renewable energy issues in three cities viz. Brisbane, Melbourne and Sydney. He also visited Canberra and held bilateral talks with Andrew Robb, Minister for Trade and Investment and Josh Frydenberg Minister for Resources, Energy and Northern Australia.

THE ISSUE OF CIVIL NUCLEAR CO-OPERATION

A Civil Nuclear Cooperation Agreement between the two countries was signed in September 2014 when PM Abbott visited India. The Administrative Arrangements for putting this agreement in practice have been finalized and following detailed scrutiny and a report by the Australian Parliament's Joint Select Committee on Treaties. Prime Minister of India and Australia met in the sideline of G-20 Summit in Antalya on November 15, 2015 and formally announced the ratification of the agreement.

DEFENCE CO-OPERATION

Former Raksha Mantri Shri A K Antony paid the first ever official visit by an Indian Defence Minister to Australia from June 4-5, 2013. During his visit, he held talks with the then Australian Defence Minister Stephen Smith in Perth and paid a courtesy call on the then Prime Minister Ms Julia Gillard. In their talks, the two Defence Ministers recognised the rapid progress made in Defence relations through the framework of bilateral talks at the level of Defence Ministries, and service-to-service interaction, defence training and exchanges of visits by Service Chiefs and Senior Officers. They also discussed regional and international issues of mutual concern.

In October 2013 Australian Navy conducted an International Fleet Review in Sydney where Indian Navy's ship INS Sahyadri participated. Indian Coastguard Ship Sankalp visited Port Darwin in the first week of December 2014 and two Indian ships, INS Satpura and INS Kamorta visited Fremantle Port, Perth, in the first week of June 2015 as a goodwill visit under Vice Admiral Satish Soni C-in-C, Eastern Naval Command. Prior to this, a team of officers from National Defence College visited Australia in the last week of May 2015 under bilateral Defence exchange programmes.

During PM's visit to Australia in November 2014, both sides decided to extend defence cooperation to cover research, development and industry engagement. They agreed to hold regular meetings at the level of the Defence Minister, conduct regular maritime exercises and convene regular service-to-service talks. The 4th Air-to-Air Staff Talks were held in Canberra in April 2015 and the 9th Navy-to-Navy Staff Talks were held in June 2015 in Sydney; the 4th Army-to-Army Staff Talks are slated to be held in Delhi. The 4th Defence Policy Talks were held in Canberra in June 2015. Former Defence Minister of Australia Kevin Andrews is slated to visit India in early September 2015 and our CNS Adm. RK Dhowan visited Australia in early October for bilateral talks and signed a Technical Agreement on White Shipping Information Exchange.

The first-ever Bilateral Maritime Exercise was conducted in Visakhapatnam and the Bay of Bengal featuring an Australian frigate, submarine, support ship and P3 maritime surveillance aircraft along with Indian Navy warships. Both sides expressed satisfaction over the conduct of the exercise and agreed to make it a biennial event.

Closer strategic cooperation was also evident in the first Secretary-level Trilateral talks with Japan in June 2015 and in the decision to hold annual Secretary-level 2+2 talks from early 2016.

AGRICULTURE, SCIENCE AND TECHNOLOGY

An Australia-India Strategic Research Fund (AISRF) has been set up; the two countries have identified a number of collaborative research projects in these areas. The areas covered under the Fund are agricultural research, astronomy and astrophysics, environmental sciences, microelectronics, nanotechnology, renewable energy, marine sciences and earth systems sciences

AISRF is currently at A\$ 65 million from each side over a five year period. The fund supports large-scale research projects designed to deliver practical solutions, focussing on energy, food and water security, health and the environment.

AISRF consists of **India Australia Biotechnology Fund; India-Australia Science & Technology Fund; Grand Challenge Fund and Fellowship Schemes**. This is in addition to \$ 40 million committed earlier by both sides to support joint research in the above fields and \$ 20 million for the Australian Centre for International Agricultural Research (ACIAR) to undertake joint research in dry-land agriculture in India. **Joint Committees on S&T and Biotechnology** have been established to administer the Fund. The Australian side will also cooperate in our Clean Ganga Project as agreed during recent our PM's visit to Australia.

RESOURCES

A Joint Working Group on Energy and Minerals was established in 1999 to expand our relationship in the energy and resources sector. The 7th meeting of JWG on Energy & Minerals was held in Sydney on 17-18 May 2011. A Work Program under the Mining & Minerals Action Plan for 2011-14 was signed between the Indian Ministry of Mines and the Australian Department of Resources, Energy and Tourism. **The 8th JWG meeting took place in June 2013 in Delhi** which discussed recent developments on trade and investment, energy and mineral policy and requirements and availability of resources in the two countries. The JWG agreed to a new Work Programme for activities between 2013-15 under each of the five Action Plans, viz., Mining and Minerals, Petroleum and Natural Gas, Coal, Power and Renewal Energy. As energy is a central pillar of economic cooperation, both sides agreed during our PM's November visit to cooperate on clean coal technology and welcomed the Australian's desire to upgrade the Indian School of Mines, Dhanbad. These discussions were carried forward during the 9th meeting of JWG held in Brisbane in June 2015.

Adani Enterprises, India's biggest coal importer, reached an agreement to buy one of Linc Energy's Queensland coal permits for \$ 500 million plus royalties. Linc has sold its Galilee Basin coal deposits to the Adani Group in a deal worth up to \$ 3 billion 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. They have also completed the largest coal mining exploration programme at the Carmichael mine in Queensland and ready to gear up **with its \$16 billion project**, which will include the construction of a world class mine, rail and port infrastructure. Unfortunately, the project has encountered determined opposition from environmental groups, leading to a string of procedural delays despite the best efforts of the government to resolve the issues.

GVK Power and Infrastructure finalised the purchase of two thermal coal mines from Australia's Hancock Prospecting in the Perth based Legacy Iron Ore in September 2012 for **A\$18.89mn**. NMDC is also conducting due diligence for the purchase of Ridley Magnetite Project of Atlas Iron Ore.

EDUCATION

The **Joint Working Group on Education** between the two countries has identified several key areas for co-operation, including collaborative research in education policy, student exchange programmes, capacity building in vocational education and distance learning in higher education. The number of **Indian students studying in Australia** is currently around 46,000 with 50% in higher education and rest in vocational and educational training.

Dr. M. Pallam Raju, Minister for HRD visited Australia from 9-12 July 2013 for holding the Annual Education Ministers' Dialogue with Australian Minister for Higher Education Senator Kim Carr. During the occasion, the 2nd Australia India Vice-Chancellors' Conference was also held which reviewed Australia-India university partnerships and Australia-India industry/sector skill council partnerships. Mr. Christopher Pyne visited India in August 2015 for the 3rd meeting of the Australia India Education Council. He was accompanied by 40 Vice Chancellors, academics and senior officials. During the visit, he also inaugurated the joint IIT Bombay-Monash University campus in Mumbai.

During PM's visit to Australia in November 2014, both sides welcomed cooperation between Australian and Indian Universities and in particular, Joint PhD Programme to encourage research, promote school level cooperation under which an Australian team can come and study 5-7 States in India and promote Universities tie-ups. Australia has also agreed to help in establishing a world class Sports University in India.

THE INDIAN COMMUNITY IN AUSTRALIA

There is a **rapidly growing Indian community of nearly 4,50,000 in Australia**, which is contributing significantly to the Australian economy as teachers, doctors, accountants, engineers and I.T. engineers. India is now the **third largest source of immigrants to Australia**, after UK and New Zealand and the second largest source of skilled professionals for Australia after UK. In addition, there are a sizeable number of people of Indian origin from countries such as Fiji, Malaysia, Kenya and South Africa.

CONSULAR COOPERATION

The **Mutual Legal Assistance Treaty (MLAT) and the Extradition Treaty** between India and Australia, which were **signed in June 2008**, have been ratified by both the Governments, and have entered into force on 20 January 2011.

A **Joint Working Group (JWG) on Visas, Passports, and Consular Matters** was established during the visit of Foreign Minister Stephen Smith to India in September 2008. The 4th Meeting of the India-Australia **Joint Working Group** on Consular, Passports and Visas matters was held in Canberra in end August, 2014. 5th meeting of the JWG was held in Canberra on October 20-21, 2015.

India and Australia signed a **Social Security Agreement** on the eve of our PM's visit to Australia in November 2014. The agreement is expected to become operational shortly, which will benefit Indian professionals working in Australia.

Useful Resources:

High Commission of India, Canberra website:
www.hcindia-au.org

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