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Australian Foreign Affairs & Trade

**Sent By Email:**

[indiafta@dfat.gov.au](mailto:indiafta@dfat.gov.au)

Dear Coordinator,

**Submission -**

**Australia-India Comprehensive Economic Cooperation Agreement (CECA), or  
Free Trade Agreement**

Introduction and Historical Background:

We see on your website, and together with media reports, the Australian Foreign Affairs & Trade is once again, calling for submissions, for an Australia-India Comprehensive Economic Cooperation Agreement (CECA), or Free Trade Agreement.

This proposal is nothing new, but a long time coming and has triggered cynicism over the years, with Australia-India relations. We did a submission back in 2015, seven years ago.

Let's start with history education. First ever Australia-India bilateral trade talks, occurred in 1984, some 38 years ago, between Australian Prime Minister Bob Hawke MP and Indian Prime Minister Rajiv Gandhi MP. From these first ever trade talks, it was proposed for a trade agreement between these two great Commonwealth countries.

Why over 38 years, still no trade agreement? To be frankly honest, in my own experiences with Australia-India relations over many years. Both countries together, are saturated in Commonwealth, Curry and Cricket. The fourth "C" word, Commerce, has been in the "too hard basket" for too long. Both countries, in fault of their own, Indian too busy over the years, chasing trade with United States, and Australia too busy chasing trade with China.

The wakeup calls in recent years, is more a defence trigger, Australia and India now after 38 years, now taking trade and commerce seriously, all because of recent tensions over China,

whereby Australia and Indian in the Indian Ocean, must turn to each other, for many reasons, like Australia and United States in the Pacific Ocean, had to turn to each other, during the 1940s.

Our company, with the writer, has prepared and submitted previous submissions, for an Australia-India Comprehensive Economic Cooperation Agreement (CECA), or Free Trade Agreement. The writer, been involved in a number of Australia-India business chamber groups, over the years, former General Secretary of the Australia-India Chamber Commerce (NSW) INC.

#### State of Play – Australian-India Commerce Relations – Under Developed:

The writer with family and business reasons, has been to India many times, knows well enough the issues, the politics and the potential in Australia-India Commerce Relations, which is best described as “Under Developed”. Reason been, as discussed above.

According to Australia Department Foreign Affairs and Trade’s Fact Sheet on India (2019) -

<b>Australia's trade and investment relationship with India (b)</b>				
<b>Australian merchandise trade with India, 2019-20 (A\$m)</b>		<b>Total share</b>	<b>Rank</b>	<b>Growth (yoy)</b>
Exports to India	10,930	2.9%	8th	-32.6%
Imports from India	4,745	1.5%	16th	-3.6%
Total merchandise trade (exports + imports)	15,674	2.3%	12th	-25.8%
<b>Major Australian exports, 2019-20 (A\$m)</b>		<b>Major Australian imports, 2019-20 (A\$m)</b>		
Coal	7,790	Refined petroleum	867	
Copper ores & concentrates	447	Medicaments (incl veterinary)	449	
Natural gas	369	Pearls & gems	227	
Non-ferrous waste & scrap	157	Jewellery	188	
<b>Australia's trade in services with India, 2019-20 (A\$m)</b>		<b>Total share</b>	<b>Rank</b>	<b>Growth (yoy)</b>
Exports of services to India	7,720	8.4%	3rd	16.0%
Imports of services from India	2,851	3.3%	8th	10.4%
<b>Major Australian services exports, 2019-20 (A\$m)</b>		<b>Major Australian services imports, 2019-20 (A\$m)</b>		
Education-related travel	6,596	Personal travel excluding education	1,093	
Personal travel excluding education	498	Telecommunications, computer and information services	775	
<b>Australia's investment relationship with India, 2019 (A\$m)</b>			<b>Total</b>	<b>FDI</b>
Australia's investment in India			19,912	1,932
India's investment in Australia			16,806	1,116
<b>India's global merchandise trade relationships</b>				
<b>India's principal export destinations, 2019</b>		<b>India's principal import sources, 2019</b>		
1 United States	16.6%	1 China	14.1%	
2 United Arab Emirates	9.2%	2 United States	7.5%	
3 China	5.3%	3 United Arab Emirates	6.3%	
30 Australia	0.9%	14 Australia	2.2%	

Look at our past submissions, Australia-India trade relations, from Australia Department Foreign Affairs and Trade, were over \$15.2 billion in 2013. You can see why the words “Under Developed” are used, to best describe Australia-India relations in commerce - business, trade and investment. The above comments show why, the words “Under Developed” are very much appropriate. Then the comments below, show the potential and opportunities, are needed for an Australia-India Comprehensive Economic Cooperation Agreement (CECA), or Free Trade Agreement, to foster and grow Australia-Indian commerce relations.

### Lack of Trade Delegations with Australia-India Relations:

Another observation we like to make, is the lack of trade delegations between the two great countries, especial at state levels. A challenging question – When is the last time, an Indian state chief minister, visited Australia with a trade delegation from their own state ?

Australian cannot talk either. I was shocked and disappointed, the then NSW Premier, Gladys Berejiklian MP, visited India on a government agenda, but not with a trade delegation, which I conveyed my feedback with disappointments, to our local State MP, The Hon, Matt Kean MP, now NSW State Treasurer. Over the years, we had NSW State Premiers, visited India, on a government agenda, but no trade delegations !

We have seen over the years, published articles, on Australia-India relations in business, trade and investments, that all talk about the potential, but talk about the action / achievements. Great to see the Commonwealth, Curry and Cricket of the Australia-India relations over many years. Its time now, to put action onto the talk, Australia-India relations in business, trade and investments, for an Australia-India Comprehensive Economic Cooperation Agreement (CECA), or Free Trade Agreement. Something that then Australian Opposition Leader, Tony Abbott MP, spoke about and spoke about when became prime minister. Australia-India relations has so much to offer, apart from Defence alliances, but also film making partnerships, sporting partnerships, agricultural partnerships, professional services partnerships with mutual recognition, television production partnerships, higher education / vocational training, mining/resources, IT, science, cultural, tourism and other Australia-India partnerships in business, trade and investments.

### Property Purchasing, Acquisitions and Investment in Australia-India Relations:

As our business is engaged in property, both Australia and India still have the barriers in property purchasing, acquisitions and investment. The Australian Foreign Investment Review Board (FIRB) annual reports, over recent years, show countries such as United States, China, New Zealand, Malaysia, Singapore, Japan, Germany, other Asian and European countries that have foreign investment in Australia, in property. India is not even mentioned!

An Australia-India Comprehensive Economic Cooperation Agreement (CECA), or Free Trade Agreement must consider and address property purchasing and acquisitions, for Australia-India, to be in the same capacity with Australia-New Zealand. This would trigger good investments for each great country, and long overdue.

### Professional Qualifications Mutual Recognition in Australia-India Relations:

During the John Howard government era, the then Federal Attorney General Philip Ruddock MP, spoken passionately numerous times, about an Australia-India Free Trade Agreement. Mr Ruddock made comments, that an Australia-India Free Trade Agreement, should look at professional mutual recognition of qualifications. For example, engineers, lawyers, accountants, architects etc, for both Australia and India to remove the “red tape” barriers to mutual recognize each other country’s professionals with their qualifications, especially when their professional nationals going to the other country, to work on special projects.

Since the 2000s, it was said, in the next 30 years, India requires 30,000 engineers to work on projects, equivalent to 30 cities to be built. Australian universities would be the big supplier of engineering qualifications, which the students would be both Indians and Australians.

Specialised project requires engineers, whether these specialised projects are in Australia or India. Australian and Indian engineering graduates from Australian universities, under an Australia-India Free Trade Agreement, would need to recognise the Australian engineering qualifications, without the 'red tape' barriers.

The same would apply for lawyers, accountants, architects and other professionals, going from one country (Australia or India) and travel to work in the other country, especially with specialised projects.

An Australia-India Comprehensive Economic Cooperation Agreement (CECA), or Free Trade Agreement must consider and address professional services, with mutual recognition of each country, professional qualifications, especially with engineers, lawyers, accountants etc architects. It needs to take into consideration professional mutual recognition of qualifications, with suitable work and business visa structured arrangements, to remove current 'red tape' processes, especially with specialized projects, that could be joint Australia-India projects.

#### Ease of Business Entries into Both Countries:

Feedback the writer is receiving from clients and business partners is the current barriers and "red tape" of Australian businesses going to India and Indian businesses coming to Australia, when it comes to setting up business in the other country, with legal requirements on business structures, capital raising, investment, shipping, taxation, compliances etc.

An Australia-India Comprehensive Economic Cooperation Agreement (CECA), or Free Trade Agreement must consider and address, the ease of business entries, both great counties, to "cover all the bases", to make it easy for Australian businesses to enter India and for Indian businesses to enter Australia –

Review of 'red tape' regulations and allow an easy approach with legal requirements on business structures, capital raising, investment, shipping, taxation, compliances etc.

This has been raised by many business and professional people, over the years, involved with Australia-India relations.

#### Film Making / Television Production Making – International Co-Production Treaty:

Forging strategic links and develop business connections between Australia and India cannot pass without considering media and Bollywood film production.

The Australia – India official international co-production treaty, must be an integral part of the Australia-India Free Trade Agreement. It is an important part of achieving the aims of the Media & Bollywood between Australia and India. Raised at an Australia-India business group that the writer belongs to, Film Producer Martin Brown from Moulin Rouge and Ana Tiwary

Owner/Producer of inDiVisual films (making documentaries for ABC's Compass TV Program, such as "The Holy Dip"), speaking about the importance of the Australia India Co-production Treaty to be signed by both countries. "Film co-production treaties are government-to-government agreements that enable a film to be structured so that it officially qualifies as a film of both countries. This allows the film to receive statutory incentives (tax breaks and grants funding) from both countries. We produce about thirty feature films a year and India produces about a thousand! We might be a bit slow here in Australia, but this may explain why we are starting to turn our attention to India and realizing the huge potential that exists between our countries."

The Australia-India Free Trade Agreement must include the Australia – India official international co-production treaty, so Australia can become India's number one destination for overseas Bollywood film making and Australia becomes India's number one destination for overseas television programs. Australia is attracting Bollywood film making, as such Salam Namaste and UnIndian with Brett Lee. The co-production treaty with the Australia-India Free Trade Agreement will open the gates to make Bollywood in Australia a big economic driver and cement Australia's reputation as Bollywood's number one overseas post. At the same time, Australia television programs have a future in India, with Australia's Master Chef, a top rating television program in India. The benefits to Australia back, of the co-production treaty with the Australia-India Free Trade Agreement, would including Australia producing and exporting television programs to India, to make Australia, India's top provider of overseas television programs into India.

#### Conclusion:

The writer with ABC Group, welcomes very much the re-commencing of negotiations for Australia-India Comprehensive Economic Cooperation Agreement (CECA), or Free Trade Agreement, which in all honesty, has been on and off, since 1984. The write shares above, his over 15 years' experience in Australia-India relations, especially on business, trade and investment. This includes feedback from clients, business partners and involvement in a number of Australia-India business chamber groups.

Our submission simply asks for both countries, Australia and India, to simply "get on with it", especially when both countries have national elections coming up. Both country leaders, post national elections, need to resume, where Tony Abbott and Narendra Modi left off.



The writer with ABC Group, is more than happy to discuss further and provide more feedback.  
Should you require further information about this submission please contact the writer on 0411 037 057 or email [paul@absgroup.net.au](mailto:paul@absgroup.net.au)

Many thanks.

Yours faithfully,  
**ABS Group**

A handwritten signature in dark ink, appearing to read 'Paul McKenzie'.

Paul McKenzie  
CEO / Director