

India-Australia free trade agreement

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In news- Recently, India and Australia have announced that they are set to conclude an interim trade agreement in March and a Comprehensive Economic Cooperation Agreement (CECA) 12-18 months thereafter.

About the free trade agreement-

- As per Indian Commerce Minister, the **interim agreement** set to be announced in about 30 days will **cover most areas of interest for both countries including goods, services, rules of origin**, sanitary and phytosanitary measures and customs procedures.
- **An interim or early harvest trade agreement is used to liberalize tariffs on the trade of certain goods between two countries** or trading blocs before a comprehensive FTA (Free Trade Agreement) is concluded.
- Bilateral trade between the two countries stood at about \$12.5 billion in FY21 and has already surpassed \$17.7 billion in the first 10 months of FY22.
- India has imported merchandise worth about \$12.1 billion from Australia in the first 10 months of the fiscal and has exported merchandise worth \$5.6 billion in the same period.
- **Key imports from Australia include** coal, gold and LNG while key exports to the country from India include diesel, petrol and gems and jewellery.
- **The agreement with Australia was set to bring opportunities across sectors including** mining, pharmaceuticals, health, education, renewables, railways, gems and jewellery, tourism, defence and textiles.
- **India is also likely to seek easier visa access for both**

students and professionals visiting Australia.

- Australia is likely to seek market access for wines and agricultural products which are not produced on a large scale in India.
- India and Australia are both members of the Quad (Quadrilateral Security Dialogue) along with the US and Japan.
- Australia already had FTAs with both the US and Japan.
- India is currently in the process of negotiating FTAs with the UAE, the UK, Canada, the EU and Israel, besides Australia.
- India is also looking to complete an **early harvest agreement with the UAE and the UK in the first half of 2022.**