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TRADE TALKS

This framework not only boosts trade but also strengthens people-to-people connections—an area where the Indian diaspora, now over 900,000 strong in Australia, plays a significant role.

CECA: The Next Frontier

The proposed Comprehensive Economic Cooperation Agreement (CECA) aims to build on ECTA's foundation, pushing the partnership into new areas like critical minerals, clean energy, digital trade, and advanced manufacturing. Negotiations, relaunched in 2021, focus on broader regulatory alignment, investment facilitation, and resolving non-tariff barriers. CECA will deepen market integration by expanding tariff concessions and enabling mutual recognition of standards and professional qualifications.

Critical minerals cooperation is central to CECA. Australia is rich in lithium, cobalt, and rare earth elements—resources vital for India's renewable energy and electric vehicle ambitions. Both countries are exploring joint ventures in mineral exploration, processing, and battery manufacturing, aligning with India's goal of 500 GW of non-fossil fuel capacity by 2030. CECA could cement preferential supply agreements for these strategic resources.

Agriculture remains a promising area. While ECTA boosted trade in pulses, almonds, and wool, CECA could open access for Australian dairy products, avocados, and premium wines. Indian agribusiness firms are exploring partnerships in processing and logistics, particularly in cold-chain infrastructure.

TRADE TALKS

Services and digital trade will feature prominently in CECA. Australian universities are expanding campuses in India, while Indian ed-tech and IT firms are entering Australia's education and digital services markets. Professional mobility agreements under CECA will allow mutual recognition of degrees and certifications, fostering cross-border talent flows.

Future Cooperation: Goods, Services, and Supply Chains

The future of India-Australia trade lies beyond traditional goods. Emerging opportunities include:

- **Renewable Energy and Climate Technologies:** Both countries are working on green hydrogen projects, solar energy cooperation, and energy storage solutions.
- **Supply Chain Resilience:** Joint initiatives under the Supply Chain Resilience Initiative (with Japan) aim to reduce dependence on single-source markets, particularly for critical sectors like electronics and pharmaceuticals.
- **SMEs and Start-ups:** Innovation-driven partnerships are expanding, with Indian tech start-ups exploring Australian markets and Australian investors tapping India's booming digital ecosystem.
- **Education and Skills:** Australian universities are establishing partnerships with Indian institutions, while vocational training programs support skill development for global mobility.

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Role of the Indo-Australian Chamber of Commerce (Austcham)

The **Indo-Australian Chamber of Commerce (Austcham)** has emerged as a key facilitator of this growing partnership. Serving as a bilateral business platform, Austcham connects industry leaders, policymakers, and entrepreneurs to unlock trade and investment opportunities. It organizes high-level forums, trade missions, and B2B engagements that help companies navigate regulatory frameworks and identify strategic sectors.Through its initiatives, Austcham has facilitated cross-sector dialogues on digital innovation, clean energy, and education.

Challenges and Enablers

Despite significant progress, challenges remain. Non-tariff barriers, complex customs procedures, and regulatory differences continue to hinder full utilisation of ECTA. Both nations need to strengthen dispute resolution mechanisms, streamline logistics, and improve awareness among SMEs about how to leverage trade provisions. CECA negotiations must address digital trade rules, intellectual property rights, and investment protections to create a predictable environment for long-term business partnerships.

Outlook: Towards a $100 Billion Partnership

Both governments aim to double bilateral trade to **USD 100 billion** in the near future. With ECTA already reshaping trade patterns and CECA expected to deepen economic engagement, this target is realistic. The synergy between India's rapid economic growth—expected to make it the world's third-largest economy—and Australia's resource and technology strengths positions this partnership as a cornerstone of the Indo-Pacific economic framework.

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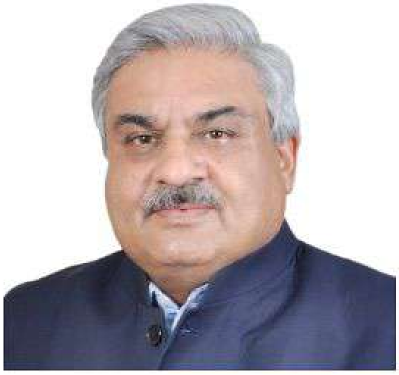
TRADE TALKS

India-Australia Economic Partnership: From ECTA to CECA and Beyond

by Anil Wadhwa



The Australia-India Economic Cooperation and Trade Agreement (ECTA), which came into effect in December 2022, has already proven to be a transformative milestone in bilateral trade. In its first full year, merchandise trade between India and Australia surged, crossing USD 26 billion in 2022-23, almost double the pre-agreement levels. Even with a slight moderation to USD 24 billion in 2023-24, trade momentum remains strong. India's exports to Australia rose by 14%, while Australia's non-coal exports to India—agriculture, machinery, and metals—saw a 35% growth.

ECTA's immediate success stems from comprehensive tariff reductions. Over 85% of Australian exports to India are tariff-free, a number set to reach 90% by 2026. Similarly, 96% of imports from India now face zero duties, with full tariff elimination scheduled by 2026. Indian products such as textiles, leather goods, gems and jewellery, and pharmaceuticals have gained competitiveness in the Australian market. In turn, Australian exports of lentils, almonds, wool, citrus fruits, and premium wine have expanded into India's growing consumer base.

The services sector is also benefiting. Under ECTA, Australian companies gained improved access to over 85 service sectors in India, including education, financial services, engineering, and IT-enabled services. Indian professionals, particularly in IT and consulting, now enjoy greater mobility in Australia, supported by work and study visa pathways.