



Australian Government

Department of Foreign Affairs and Trade

Australia-India Economic Cooperation and Trade Agreement (AI-ECTA)

Presentation to Wine Australia
Export Ready India Seminar

3 August 2022

Before entry into force

- Domestic process to enable entry into force:
 - Tabling of text in Parliament with a National Interest Analysis
 - Review by Joint Standing Committee on Treaties (JSCOT)
 - Committee reports with recommendations whether to take binding treaty action
 - Implementing legislative changes by both houses of Parliament
 - Exchange of diplomatic notes before entry into force
- **Encourage strong stakeholder support during JSCOT review**

Ground-breaking results on bottled wine

- **Bottles valued US\$5-15***: immediate tariff reduction from 150% to 100%, followed by gradual reduction to 50% over 10 years
- **Bottles valued over US\$15***: immediate tariff reduction from 150% to 75%, followed by gradual reduction to 25% over 10 years
- **Future-proofed outcome**: most-favoured nation treatment
- **Joint Dialogue on Wine**: involving industry and govt

* 750ml bottles; CIF price (includes product cost, insurance and freight)

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Australia-India FTA news

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About the Australia-India Comprehensive Economic Cooperation Agreement negotiations

Recent years have seen remarkable growth in the trading relationship between India and Australia, fuelled by the many complementarities between the two economies. Two-way trade in goods and services has grown in value from \$13.6 billion in 2007 to \$24.3 billion in 2020.

INDIA MARKET SNAPSHOT

GDP: US\$2.59 trillion (2020)

GDP per capita: US\$1,877 (2020)

GDP growth: 9 per cent (2021)
*IMF estimate

Population: 1.37 billion (2019)

Trade with Australia: \$24.3 billion (2020)

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Benefits for Australia

When it enters into force, the Australia-India Economic Cooperation and Trade Agreement (AI-ECTA) will create new opportunities for Australian goods and services exporters in India's enormous and growing market of nearly one and a half billion consumers.

New market openings for Australian services exports in India

The AI-ECTA contains commitments that will benefit services suppliers and professionals considering entering the Indian market and who are already doing business in India.

To improve professional mobility, a new framework to support the recognition of professional qualifications, licensing and registration procedures between professional services bodies will be established.

Australian services suppliers in 31 sectors and subsectors are guaranteed to receive the best treatment accorded by India to any future free trade agreement partner, including in:

- higher education and adult education
- business services (tax, medical and dental, architectural and urban planning)
- research and development
- communication, construction and engineering
- insurance and banking
- hospital, audiovisual and tourism and travel.

Modern commitments will provide for non-discriminatory treatment for Australian service suppliers across a wide range of sectors. There will also be improved transparency and predictability around the domestic regulations that apply in India.

India will provide market access for single-brand retailing and franchising, as well as commitments regarding wholesale distribution services. Australian internet services businesses in India will also have more opportunities to expand their portfolio with foreign equity limit of 74 per cent for commercial presence.

AI-ECTA contains separate Annexes on Financial Services, Professional Services and Telecommunications Services, consistent with the growth opportunities these sectors represent.



Australian Government dfat.gov.au/ceca

April 2022. More information on the Australia-India Economic Cooperation and Trade Agreement is available at dfat.gov.au/ceca

Preferential tariffs for Australian goods exports to India



Sheep Meat – elimination of tariffs on entry into force (EIF).



Wool – elimination of tariffs on EIF.



Seafood – elimination of tariffs on entry into force for fresh rock lobster and elimination of tariffs over 7 years for other fresh, frozen and processed seafood products.



Infant formula – elimination of tariffs over 7 years.



Barley, oats and lentils – locked-in duty-free entry for barley and oats and immediate 50% reduction for in-quota exports of lentils.



Nuts – elimination of tariffs over 7 years on cashews, macadamias, shelled pistachios and hazelnuts. For almonds, immediate 50% tariff reduction on in-quota exports.



Fruit and vegetables – elimination of tariffs over 7 years for avocados, onions, cherries and berries. Reduction of tariffs over 7 years for apricots and strawberries. For oranges, mandarins and pears, immediate 50% tariff reduction for in-quota exports.



Wine – tariff reductions over 10 years for bottles over import prices of US\$5 and US\$15 and guaranteed best market access by India in any future FTA.



Resources – elimination of tariffs on entry into force for coal, alumina, metallic ores such as copper, manganese and zirconium, titanium dioxide and certain non-ferrous metals. Tariffs on LNG will also be bound at 0 per cent on EIF.