

Australia-India Joint Ministerial Commission
13th session, Canberra, 12 May 2011

Joint Statement

The 13th session of the Australia-India Joint Ministerial Commission convened in Canberra on 12 May 2011. The Commission was co-chaired by The Hon. Dr Craig Emerson, Australian Minister for Trade and Shri Anand Sharma, Commerce and Industry Minister (CIM) of India.

Minister Emerson and CIM noted the current dynamism and diversity in the Australia-India relationship, reflecting each Government's commitment to forming a **Strategic Partnership**, as agreed by Prime Ministers in November 2009. Ministers welcomed the steady stream of high-level bilateral visits in both directions since the last Joint Ministerial Commission. They noted the significant business relationships being built across the broad spectrum of economic activity. Ministers also commended the substantial role played by the rich people-to-people links between Australia and India.

Ministers acknowledged the rapid growth in **two-way trade**, driven by the strong complementarities between our economies. India was now Australia's third largest merchandise export market, and Australia was India's eighth largest trading partner. In 2009-10, two way trade between Australia and India was in the order of \$20 billion. Ministers agreed to double this figure to \$40 billion over a period of four years. Recent growth in **investment** between Australia and India, particularly in the Australian resources and energy sector, is also helping to bring our economies closer together.

At the same time, Ministers noted that trade and investment between Australia and India was yet to reach its full potential. They underlined the critical importance of building pathways towards **closer economic integration**, to enable trade and investment to flourish.

One such pathway is a high-quality, truly-liberalising **Comprehensive Economic Cooperation Agreement** between Australia and India. A truly liberalising CECA would assist in broadening the base of merchandise trade, removing non-tariff barriers that impede trade in services, facilitating and encouraging investment, and addressing behind-the-border restrictions to trade.

Ministers noted that India had now completed all of its internal clearance processes. Accordingly, they agreed to commence CECA negotiations between Australia and India. It was agreed that the first meeting for this purpose would be scheduled by June/July 2011.

Ministers also drew attention to the work being done across the breadth of our **economic and cultural engagement**, including in the negotiation (or updating) of double taxation, social security and film co-production agreements. Befitting a modern, dynamic and expanding relationship, these negotiations ensure the institutional architecture underpinning

the strategic partnership remains responsive to the needs of business and the broader community.

Ministers also highlighted the **critical role of the private sector** in providing a parallel pathway to closer economic integration. Business delegates from both countries met at the Joint Business Council (11 May), and delivered a report to Ministers on their discussions. Ministers welcomed progress made in both countries towards establishment of a **CEO Forum**. Ministers announced the formal launching of the CEO Forum with Mr Naveen Jindal as co-chair on the Indian side and Mr Lindsay Fox as co-chair on the Australian side. They looked forward to the first meeting of the Forum later in 2011. Ministers emphasised the value of the Forum as a means to integrate business perspectives and insights into the development of the bilateral economic relationship.

Initiatives that build critical people-to-people links can also enhance understanding of the business culture in our two countries. In the field of **science and technology**, Ministers commended the work being conducted under the auspices of the \$130 million Australia-India Strategic Research Fund to address grand challenges such as food and water security, health, energy and the environment.

Turning to specific drivers of the trade and economic relationship, Ministers discussed the ways in which Australian **resources and energy exports** to India serve as a crucial motor of Indian economic growth. Continued engagement and consultation will be critical, and Ministers looked forward to next week's Joint Working Group on Energy and Minerals in Sydney. They encouraged business to look beyond the tangible trade in coal, gold and copper, and consider how mining services, expertise and technology sharing could increase productivity on both sides, particularly in the areas of mineral exploration, extraction and beneficiation and the development of technologies for natural gas.

They also welcomed the **continuing co-operation** between Australia and India in relation to low emission and renewable energy climate change and sustainable development. Closer bilateral cooperation in these areas would also unleash greater business opportunities on both sides for green technologies. Both Ministers specifically affirmed that there were benefits from greater co-operation on clean and renewable energy technologies.

Ministers acknowledged **the importance of education links** between Australia and India. They agreed that sustainable growth in student mobility is in the interests of both countries. Ministers noted the regulatory and legislative changes made to Australia's overseas students program, and the current review of the student visa program. CIM was briefed on the considerable efforts made by Australia to enhance the welfare of Indian students in Australia such as the International Students Strategy for Australia and Victoria's International Student Care Service, and CIM acknowledged those efforts.

Both Ministers recognised opportunities to broaden and deepen the education relationship, including in the delivery of education and training by Australian institutions in India. Ministers acknowledged the importance of ongoing engagement in the education sector, including the Joint Working Group on Education and the Australia-India Education Council

and in particular the institutional collaborations in skills development and harmonisation of qualifications frameworks of educational institutes on both sides. It was noted in particular that a skills development programme is being developed, including in the identified priority sectors of mining, construction, hospitality and retail. Ministers exhorted both sides to rapidly upgrade and develop skills in these sectors, with a focus on emerging skills needs of the employers and industry.

Ministers also noted the cooperation between Australia and India in the **agricultural sector**, including agreement to establish a Joint Working Group on Agricultural Cooperation. They welcomed ongoing market access discussions and progress made in the case of mangoes, table grapes, macadamia nuts and pulses. Ministers welcomed the release of revised conditions facilitating the importation of fresh mangoes from India and eucalyptus logs from Australia.

CIM noted that India has a focussed objective in the agriculture sector to modernise further its post harvest technologies and welcomes 100 percent foreign investment in the agriculture and food processing sector. He called for closer bilateral cooperation in technology transfers in this critical sector of food security and welcomed greater Australian investment for the agriculture sector, including for cold chains and storage and logistics management of agriculture and horticultural produce. Ministers also urged early conclusion of a bilateral MOU on cooperation in wool production and quality improvement.

Given the significant role that services play in both economies, Ministers noted the scope to expand **trade in services** between Australia and India. In addition to education, hospitality, health, IT-enabled services and tourism, there was considerable potential in financial and legal services. Dr Emerson underlined the willingness of Australian financial institutions to participate in banking, insurance, asset management and infrastructure financing in India. Both Ministers welcomed the proposed visit to India by the Australian Attorney-General. Dr Emerson also highlighted the keen interest of a wide range of Australian business in the further development and diversification of the retail sector in India. It was also noted that collaborative efforts in service industries such as architectural services, E-learning, film making (including animation movies) and computer-aided designing, would result in substantive benefits to both sides.

The planned commencement by Air India of direct flights between Australia and India could only add momentum to these different strands of engagement.

On broader regional and global trade and economic issues, Ministers reiterated their commitment to a successful conclusion of the Doha Round. They acknowledged the close co-operation between Australia and India in the G20, and committed to continue to work together in that critical forum. India and Australia also committed to work closely as Chair and Vice Chair respectively of the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) from 2011-2013.