

# Duty concessions give a fillip to Australia exports

SHREYA NANDI

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Exports of items, such as engineering goods, electronics, apparel and pharmaceuticals, to Australia have witnessed an upward trend, mainly on the back of duty concessions offered under the India-Australia Economic Cooperation and Trade Agreement (ECTA), government officials said.

The India-Australia ECTA kicked in a year ago on December 29, 2022.

Agricultural exports from Australia — including sheep meat, seafood, broad beans, citrus and almonds — to India grew 50 per cent since the trade agreement came into force, the Australian government said in a statement. Most of Australian industrial exports to India have increased by around 30 per cent, with pharmaceuticals, wood and paper and cochlear implants leading the charge.

From January to September, Australian businesses claimed lower tariffs on \$15.2 billion worth of exports to India. Through this deal, India hopes to benefit from preferential market access provided by Australia on 100 per cent of its tariff lines. While as much as 51 per cent of Australia's around 6,500 tariff lines attracted zero import duty

## ONE YEAR OF ECTA

The deal came into effect on Dec 29, 2022

	Export (\$ mn)	Growth (%)	Import (\$ mn)	Growth (%)	Trade balance (\$ mn)
Jan	400.21	-42.2	1029.9	-26.7	-629.69
Feb	461.25	-59.6	1403.24	-15.3	-941.99
Mar	463.43	-42.7	1528.26	-3.33	-1064.83
Apr	721.2	0.26	1052.41	-46.3	-331.21
May	538.18	-20.4	1450.8	-28.5	-912.62
Jun	1072.9	24.8	1428.45	-42.5	-355.55
Jul	869.4	15.27	1452.8	-17.5	-583.4
Aug	1233.28	59.8	1826.2	19.5	-592.92
Sep	461.79	15.4	1093.2	-12.4	-631.41
Oct	583.33	7.32	1458.13	12.11	-874.8
Total	6804.94	-7.7	13723.1	-19.1	-6918.16

Source: Department of Commerce

even before ECTA kicked in, as a part of the deal, duty for 3,185 tariff lines were brought down to zero with effect from December 2022.

However, in the case of some products, the duty cut will take place over five years. On the other hand, India has offered preferential access to Australia on over 70 per cent of its tariff lines, including lines of export interest to Australia. These are primarily raw materials and intermediaries, such as coal, mineral ores and wines.

This comes even as there has been a dip in overall exports to Australia.

In terms of value, exports witnessed nearly 7.7 per cent year-on-year (Y-o-Y) contrac-

tion at \$6.8 billion during January-October, mainly due to external factors affecting trade. Imports also witnessed contraction during the 10-month period ending October to \$13.72 billion, down 19 per cent. This is in line with the trend in India's imports from the rest of the world.

From January 1, Australian exports to India will be even more competitive, with more tariff cuts on high quality Australian products such as seafood, cherries, sandalwood and wine.

Australian businesses and households have saved over \$145 million in duties on goods imported from India, like clothing, household linen, automom-

## 'Trade deal talks being pursued actively by India'

Negotiations on the proposed trade deals with the UK, Oman and European Free Trade Association (EFTA) were being actively pursued by India, a senior government official said. The department of commerce is looking at finalising these trade deals by January or latest by February, ahead of general elections. Negotiations are expected to take place next month.

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and electrical parts.

The agreement has also helped ease supply-chain stresses for Australia's manufacturing, resource and construction industries, by improving access to inputs such as tubes, pipes and off-road dump trucks.

"Since this agreement came into effect, we have seen enormous gains for a range of Australian exporters, including our farmers, manufacturers, and universities. This is a relationship we need to invest in and I look forward to working with India to take our trade agreement to the next level," Don Farrell, Australian Minister for Trade and Tourism, said in a statement.