

Australia to ratify interim trade deal with India soon: Minister

ENDING MONTHS OF uncertainties, Australia will formally ratify its interim trade deal with India, signed on April 2, in the coming weeks.

In a virtual meeting with commerce and industry minister Piyush Goyal on Tuesday, Australia's trade and tourism minister Don Farrell said the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA), as well as the amendments to Australia's domestic regulation for resolving the issues related to the Double Taxation Avoidance Agreement (DTAA), crucial for India's IT industry, have been introduced in Parliament there. It is likely to be ratified shortly after the joint standing committee on treaty submits its report to the



Australian trade and tourism minister Don Farrell

Australian Parliament, he said.

The unusual delay in the ratification by Australia, following the election of a new labour government there, had rattled the Indian IT industry, apart from adding to uncertainties about bilateral trade prospects.

The IT industry wants Australia to stop taxing the offshore income of Indian firms providing technical support there at the earliest. Canberra had agreed to tweak its domestic law to stop such taxation, a pledge that is part of the India-Australia ECTA. The deal aimed at raising bilateral trade to \$50 billion in five years from \$27.5 billion in 2021.

FE had earlier reported that Australia could ratify the trade deal before November 18.

The ECTA promises preferential access to all Indian goods in five years (from 96.4% immediately after the pact comes into effect) and 85% of Australian products (from 70% to start with) to each other's market.

—FE BUREAU