

# India, Australia may begin comprehensive FTA talks next month

SHREYA NANDI

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Negotiations between India and Australia towards a comprehensive trade agreement are expected to begin from September, with focus on chapters such as digital trade, government procurement, among other areas, said people in the know.

While both nations had signed an interim free trade deal — Economic Cooperation and Trade Agreement (ECTA) — in April, the ratification of the deal may take a few more months due to procedural delays caused by the formation of a new government in Australia.

The interim trade deal (or ECTA) is expected to kick in from November, informed a senior government official.

"India and Australia had decided to resume talks on the full-fledged trade deal 75 days after the signing of ECTA. However, the Parliament session of the new government started last week. It will also need approval from a parliamentary committee before the trade deal is ratified. That will take time. We expect the interim trade deal to kick in around November," the official told *Business Standard*.

The comprehensive economic cooperation agreement (CECA) will include chapters on government procurement, digital trade, market access for goods and services, as well as product-specific rules.

After signing the interior trade deal with Australia in April, Commerce and Industry Minister Piyush Goyal had told *Business Standard* that there are many areas of further development between India and Australia.

"Given India's growing strength in the information technology (IT) sector, the digital world is an area we would like to engage much more with Australia. Then there is sustainability and environment. Our collective fight is to protect the planet from adverse circumstances of climate change. There are many areas where we are going to look for further engagement, such as education, technology,

## India offers \$100-million infra credit line to Maldives



**Prime Minister Narendra Modi with Maldives President Ibrahim Mohamed Solih, at Hyderabad House in New Delhi on Tuesday**

PHOTO: PTI

**India and Maldives on Tuesday inked six agreements to expand cooperation in a range of areas**, including cybersecurity, with Prime Minister Narendra Modi announcing a \$100-million financial aid to help the island nation complete certain infrastructure projects.

After wide-ranging talks with visiting Maldivian President Ibrahim Mohamed Solih, Modi also said that India will provide 24 vehicles and a naval vessel to the Maldivian security forces, besides developing police infrastructure in 61 islands in that country. In his media statement, Modi, in the presence of Solih, said India "has been and will continue" to be the "first responder" to any need or crisis facing the Maldives.

The bolstering of bilateral defence and security ties

including in the maritime domain comes in the backdrop of concerns over China's growing forays into the Indian Ocean region, considered the backyard of the Indian Navy.

The Maldivian president, who arrived here on Monday on a four-day visit, said his government is fully committed to taking the bilateral ties to new heights. "Our relationship with India will always be of the highest priority. The Maldives will always remain a true friend of India, firmly committed to our shared vision of peace and development in our countries and the region," Solih said.

The six pacts inked between the two sides will facilitate cooperation in capacity building, cyber security, housing, disaster management and infrastructure development in the Maldives.

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partnerships and other areas where we can work together," Goyal had said.

Under the interim trade deal, Canberra will provide duty-free access to its market to over 6,000 sectors of India and help in taking bilateral trade to \$50 billion in the next five years. The deal will also offer relief to Indian IT companies operating in Australia since Canberra has agreed to amend its domestic laws to

stop taxing offshore income of such companies, as part of ECTA.

A trade deal with Australia is crucial since it is among the first developed nations to finalise a trade pact with India. The deal is significant for strategic reasons as well, at a time when India has entered into a trilateral supply-chain resilience initiative (SCRI) arrangement with Australia and Japan.