

Australia to push for inclusion of 'sensitive sectors' in CECA

DEMAND LIST. To actively pursue further liberalisation of goods, services and digital trade

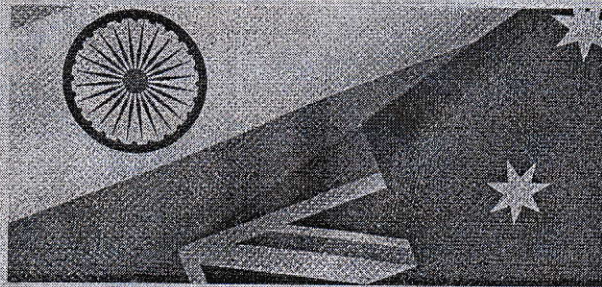
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New Delhi

The Australian government is set to harden its position in the negotiations for the full-fledged India-Australia Comprehensive Economic Co-operation Agreement (CECA), which is likely to formally begin next month, with a large number of "sensitive sectors", including dairy, wine, agriculture, digital trade, government procurement and services, on its demand list.

The Department of Foreign Affairs & Trade (DFAT), in a report presented to Australian Parliament by the Joint Standing Committee on Treaties last month, acknowledged that the Australia-India Economic Co-operation and Trade Agreement (ECTA) excluded many areas because of India's sensitivities and "assured" that in the CECA it would push for commitments in agriculture and other such areas.

FOCUS AREAS

"Australia will pursue further liberalisation for goods



DEEPENING TRADE TIES. The AI-ECTA, signed in April by both countries, will be implemented from December 29

(such as dairy, grains, horticulture and certain non-ferrous metals) and services (such as education, professional services and environmental services). CECA negotiations will also address areas not negotiated under AI-ECTA, including digital trade, government procurement and other...," the report noted.

The AI-ECTA, signed in April 2022 by both countries and approved recently by Australian Parliament, will be implemented from December 29.

Australia has agreed to provide zero-duty market access for 96.4 per cent value of Indian exports on the first day of implementation of the interim ECTA,

increasing it to 100 per cent subsequently. India will immediately eliminate duties on 85 per cent on items and high tariffs on a further 5 per cent of goods will be phased down.

Despite being ambitious in goods, there were a number of areas that were absent in AI-ECTA that were included in other free trade pacts signed by Australia, the Joint Standing Committee on Treaties report pointed out.

The areas where no commitments have been made include digital trade, intellectual property, government procurement, competition policy, small and medium-sized enterprises, labour and state-owned en-

terprises and designated monopolies, it noted.

"Australia has made it clear that it would want to include many of the excluded sectors in the CECA. The negotiations will be tough for India as it has not taken commitments in the new areas in the FTAs it has already signed with some of its trading partners," the source said.

India's goods exports to Australia will reach \$15 billion by 2025 from \$6.9 billion in 2021 taking full advantage of ECTA, while services should move to \$10 billion by 2025 from \$3.9 billion, according to estimates made by exporters' body FIEO.

VISA QUOTA

Australia has also promised an annual quota of visas for 1,800 yoga teachers and Indian chefs, post study work visas for Indian students, and work and holiday visa arrangement for young professionals.

"More liberal visa rules are something that India could push for in the CECA negotiations that are likely to begin in January 2023," the official said.