

Australia and India: Trade and Investment Opportunities in Changing Geo-Political Environment

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Abstract

It has been three decades since the Rao government's 1990-91, New Economic Policy reforms opened the Indian economy and adopted globalisation, privatisation, trade liberalisation, and export promotion strategies. In 2018-19, for Australia, India was the fifth largest export market, and eight largest bilateral trading country, with access to a large and youthful market with approximately 1.3 billion population. International trade contributes 45 percent to Australia GDP creating one in five jobs. India will need to meet its demand for good and service for its growing population and economic growth aspirations, and form strategic bilateral trade, investment, and security relationship with a reliable partner like Australia. In November 2018, the India Economic Strategy – 2035 for economic partnership for trade and investment opportunities between India and Australia was launched by the Australian Department of Foreign Affairs and Trade. This paper will provide an overview of the Australian and the Indian economy and explore the extensive bilateral trade and investment opportunities at all levels that can be formed between Australia and India for mutually gain from trade and investment, given the dynamic geo-political environment and increasing uncertainties in the Asia-Pacific region. The final section presents policy implications, conclusion, and future research directions where Australia can play a significant role as a peace maker and sign a Free Trade Agreement with the SAARC countries together, for their mutual socio-economic advantage and inclusive growth to meet the United Nations 17 Sustainable Development Goals, which will give Australia access to a combined market for trade and investment with a total population of 1.836 Billion. Therefore, economic strategic partnership between India and Australia is paramount for creating opportunities for economic development, progress, prosperity of Indians and Australian citizens and security and peace in the Indo-Pacific region.

Key Words: Australia, India, strategic partnership, trade, investment, economic development

Introduction

In the last two decades there has been growth in bilateral trade relationship between Australia and India. According to Gurry (1993) 'India should rank as one of Australia's most important neighbours' (p.5.10) for bilateral trade and economic relationship. In 2018-19, India was Australia's second largest source of skilled professionals, after the United Kingdom and third largest source of immigrants following UK and New Zealand and fifth largest export market. However Indian position fell from 5th to 8th largest bilateral trading partner with Singapore replacing India (Department of Foreign Affairs and Trade {DFAT}, 2020a). Increasing number of Indian nationals and businesses are choosing Australia as a destination of choice for education, tourism and for doing business (Ahluwalia & Little, 1998; Bhagwati, 1993; Bhosale, 2018). For promoting bilateral trade and export market for Australian goods, services, and investment opportunities, the "India Economic Strategy-2035" was launched by the department of Foreign Affairs and Trade in Australian on 22-November-2018 for mutual economic benefits and gains from trade (Varghese, 2018). This strategic plan on one hand will transform, enhance, and strengthen the Australian economy and its economic partnership with India. On the other hand, this strategic partnership has identified ten (10) priority economic sectors and ten (10) priority Indian States to start with, out of 30 States for trade, investment, and economic development and growth opportunities to realise the aspirations and dreams of millions of Indians and achieve the 17 Sustainable Development Goals (17-SDGs) (United Nations, 2020). In 2014 Modi government came to power and transformed the foreign policy from Look-East to Act-East towards South-East Asia, Japan and Australia to form bilateral trade, investment and defence security ties with the countries (Ganguly, 2017; Hall, 2015; Medhekar & Haq, 2020; Nguyen, 2017; Ranjan, 2016; Tandon, 2016; Wojczewski, 2019).

This paper is structured as follows. The first introductory section introduces the economic significance of gains from bilateral trade and investment opportunities for Australia and India. Literature will review bilateral international trade in context of Australia-India. Section 3 will review the "India Economic Strategy-2035" for economic partnership and opportunities between the two countries. The final section presents policy implications, conclusion, and future research directions to form partnership between India and Australia in the key strategic sectors of the economy for economic development and growth, and to advance the knowledge in the field of bilateral trade and free trade agreement between Australia and India for mutual economic benefits amidst the changing geo-political environment post-COVID-19 in the Indo-Pacific or the Asia-Pacific region.

Australia: Australia is an island continent in the southern hemisphere, with an approximate population of 25.6 million (Worldometers, 2020). Table-1 provides an overview of the key macroeconomic data for the Australian economy for the past five years. It indicates that Gross Domestic Product (GDP) growth rate slowed down from 2.6% in 2016 to 1.8% in 2019, to

negative -0.3 in the first quarter of 2020, to -7% in second quarter and -6.3 in the third quarter of 2020, as the Australian economy contracted, and is technically in recession after 30 years due to COVID-19 trade and travel restrictions, grounded airlines and closed international borders to prevent the spread of coronavirus. This has had a negative impact on inbound international students, foreign tourist arrivals and trade. Unemployed rose from 5.1% in 2018 to 7.5% in 2020, due to job losses in retail, tourism, hospitality, travel, education, and other economic sectors. Further, household consumption dropped with high unemployment and investment activity fell but government expenditure grew providing job-seeker and job-keeper income support schemes in response to COVID-19 driven unemployment shock (RBA, 2020).

Inflation in the second quarter was -0.3% and in the third quarter 0.7% below the target inflation range of 2-3% set by the Reserve Bank of Australia. However, since 2019, due to slowing down of the Chinese economy impacting on Australian mining sector, Reserve Bank of Australia (RBA) adopted an expansionary monetary policy, and cut the official interest rate three times in 2019 by quarter of a percent, and twice in March 2020, to 0.50%, further dropping to 0.1% percent in October which is now historically lowest to complement government's first home buyers and home renovation grant to create employment growth, to overcome negative impact of global pandemic and to increase business and consumer confidence in the economy (RBA, 2020).

Table 1. Australia -Macroeconomic Indicators

Australia Macro-Economic Indicators	2016	2017	2018	2019	2020
GDP (US\$ b)	1,266	1,379	1,330	1,432	1,320
GDP per capita (Aus\$ b)	51,903	55,690	56,228	56,919	54,200
GDP Annual Growth %	2.6%	2.2%	2.3%	1.8%	-7.0%
Current account Aus \$b	-17961	-10726	-11886	-2900	17738
Current account balance %GDP	-3.1	-2.5	-3.4	-1.5	-1.50
Inflation % change	1.3	1.9	1.8	1.3	0.7
Unemployment (% labour force)	5.7	5.6	5.2	5.19	7.5
Govt. Debt to GDP ratio %	40.5	41.1	41.5	45.1	---
Govt. Budget (deficit%)	-2.4	-1.9	-0.5	-0.20	---
Official interest rate %	1.5%	1.5%	1.5%	1.0%	0.1%
Imports \$ billion (BOP basis)	350,649	376,552	34730	35839	28108
Imports % of GDP	21.52	20.57	21.38	21.55	---
Exports \$ billion (BOP basis)	336,89	336,67	36798	41585	33737
Exports % of GDP	19.25	21.19	21.18	24.13	---
Coronavirus cases until Nov 2020	277756 persons				
Coronavirus deaths Nov 2020	907 persons				
Coronavirus recovered Nov 2020	25328 persons				
Hospital beds (per 1000 people)	3.84 Dec/2016				
Medical Doctors & Nurses (per 1000)	Dr 3.87 & Nurses 12.98 Dec/ 2017				
Hospitals (per 1000 people)	55.89 Dec/2017				

Source: Trading Economics; DFAT, 2018a & 2020a; World Bank, 2020; RBA, 2020

Note 2020: 2nd & 3rd quarter and recessionary impact of Covid-19

Further, Australia current account surplus increased to in the second quarter of 2020 AUD 17.70 billion, as exports of goods surplus increased being largest on record, but imports dropped from February mainly due to supply chain disruption in China due to COVID-19. As some countries and states relaxed COVID-19 lockdowns and an increased global demand, Australian exports of goods and services by 4 percent in 3rd quarter to AUD 33.74 billion in September 2020

India: India is the world largest democracy with second largest world's population of 1.3 billion (Worldometers, 2020). India has a growing middle class, and in 2011 nearly 270 (14.9%) million were living below poverty line, which has been reduced to 84 million (7.0%) in 2017 as per Tendulkar's poverty line, due to high GDP growth rate and governments unemployment programs PM farmers relief program, direct benefit transfers, LPG subsidy amongst others resulting in inclusive growth (Bhalla, Virmani, & Bhasin, 2020). India is one of the world's fastest growing economies with forecast growth, underpinned by structural shift from agriculture to manufacturing and service sectors, increase in employment, business opportunities, 45% of population below 25 years, with 20% of the world's working population with increased consumption and urbanisation (DFAT, 2018). Table-2 provides India's key macroeconomic indicators over the years 2016-18. The economy grew at 7.3% GDP growth in 2018 and GDP contracted to -25.2% with economy sliding into recession. Unemployment rate increased to 7.0% and inflation to 7.6% due to COVID-19 related lock downs, trade restrictions, and supply shocks. Reserve Bank of India (RBI) adopted monetary easing with 4% interest rate, to mitigate the impact of COVID-19 and support economic growth. Government consumption expenditure increased due to COVID-19 related relief measures.

Table 2. India-Macroeconomic Indicators

India Macro-Economic Indicators	2016	2017	2018	2019	2020
GDP (US\$ b)	2294.8	2652.7	2713.1	2874.1	2735.0
GDP per capita (US\$ b)	1875.7	1986.6	2086.5	2169.1	---
Real GDP Growth %	7.1	6.7	7.3	1.2	-25.2
Current account balance %GDP	-0.6	-1.8	-2.10	-0.9	3.9
Inflation % change	4.5	3.6	4.7	7.27	7.61
Unemployment rate	3.5	3.5	3.5	6.7	7.0
Debt to GDP ratio %	68.1	68.9	68.3	69.6	---
Govt. Budget (deficit % of GDP)	-3.49	-3.46	-3.34	-4.59	---
Official Interest rate	6.75	6.50	6.0	4.0	4.0
Imports % of GDP	20.92	21.94	23.55	21.35	11.56
Exports % of GDP	19.15	18.78	19.85	18.66	24.82
Coronavirus cases until Nov 2020	8912907 persons				
Coronavirus deaths until Nov 2020	130993 persons				
Coronavirus recovered Nov 2020	8335109 persons				
Hospital beds per 1000 Dec 2017	0.53 per 1000 persons				

Source: Compiled from: World Bank; Trading Economics; WHO

Further, the current account surplus in 2020 has been historically high due to imports falling and exports rising to 584.38, with record high trade surplus in the 2nd quarter of US\$790 billion

resulting from COVID-19 restrictions, and high trade deficit to US\$8.78 billion in Oct 2020. After USA and Brazil India remains the third worst economy affected by COVID-19.

Literature Review

Bilateral Trade Australia and India

After the 1991 economic crisis, India slowly and cautiously opened and liberalised foreign trade and investment policy given its protectionist instinct. Bilateral agreement is between the two countries such as Australia and India, for trading in goods, services, including tariff rates, investment opportunities, and security arrangement which will mutually benefit both the countries in achieving 17-SDGs and inclusive economic development and growth. Since 1980 and 1990, Australia-India trade relationship and engagement has been neglected as Australia did not consider India to be an important player given the Kashmir issue, tilt of Australia with Pakistan, Australia-US alliance and strong trade relationship with China (Chacko & Davis, 2017; Gurry, 1993; Gurry, 2013). The relationship between Australia- India needs to be fostered and improved to reap the mutual benefits and opportunities from bilateral trade, investment, supply chain integration, block-chain technological innovation, digital, and form strategic maritime partnerships in the Indo-Pacific region for defence and security (Bhowmick, Saha & Basu, 2020; Scott, 2013).

In 2006, Liberal-National Prime Minister of Australia John Howard visited India , followed by Labor Prime Minister Rudd in 2009 and the relationship progressed to level of strategic and bilateral trade, going beyond cricket diplomacy (Bergenwall, 2016; Gurry, 2012; Mayer & Jain, 2010; Mishra, 2012; Ranjan, 2016). Further Prime Minister Abbot and Morrison's coalition government has also recognised to strengthen bilateral trade with India, being the largest source of permanent migration and inbound students to Australia (Asialink, 2019). Furthermore, Prime Minister Malcolm Turnbull, visited India in April 2017 with the aim to strengthen two-way strategic cooperation for economic growth, and knowledge sharing in sports, civil aviation security, digital technology, health and medicine, combating international terrorism and organised crime, protecting the environment and climate change and satellite navigation (Government of India, 2017; Thakur & Sharma, 2018).

In 2018, the President of India visited Australia to strengthen the bilateral relationship and signed five memorandum of understanding: (i) to cooperate to facilitate bilateral investment between India and Austrade, (ii) deliver services to people differently-abled people, (iii) foster scientific collaboration and innovation between Central Mine Planning and Design Institute Ranchi and Commonwealth Scientific and Research Organisation in Canberra, (iv) cooperation between agriculture research and education Acharya- Ranga University, Guntur and University of Western Australia, Perth, and (v) Joint academic collaborations and PhD agreement

Queensland university of Technology , Brisbane and Indraprastha Institute of Information Technology, Delhi (Business Standard, 2018).

In 2017, bilateral trade between Australia and India in goods and services was Aus\$ 13.6 billion. The major Australian exports are coal (\$5.5 billion), education related travel services (\$2.1 billion), gold (\$903 million), agriculture goods such as, chickpeas and lentils (DFAT, 2018). Australia has nearly US\$ 2.7 billion trade surplus in agriculture sector with India (Indian Express, 2018). Major Australian imports from India in 2014-15 were refined petroleum (\$910 million), personal travel/tourism services (\$561 million) and business services (\$481 million). The bilateral trade of goods between countries was valued at Aus\$ 27.4 billion in 2017, with key imports from Australia being coal, pulses, and wheat worth Aus\$15.7 billion; and exports to Australia were refined petroleum, medication and jewellery worth AUS\$ 5.1 billion. Two-way service trade between the countries was valued at Aus\$ 6.6billion, with 300,000 Indian visitors to Australia in 2017 (education and tourism) and Foreign Direct Investment of Australia in India was worth Aus \$ 1.827 billion (DFAT, 2018a).

In 2018-19 Australia's bilateral trade with China was \$235.0 billion and ASEAN countries were \$123.7 Billion. Australia's top 10 bilateral trading partners in 2018-19 see Table-3 were: China, Japan, the United States, the Republic of Korea, Singapore, New Zealand, the United Kingdom, India, Malaysia, and Thailand. India's bilateral trade share is 3.4%, compared to China' 26.4%, given that India has the second largest population, with a growing market demand for goods and services.

Table 3. Australia's Top 10 Bilateral Trading Partners 2018-19

Rank	Trading Partners	Goods	Services	Total	% Share
1	China	213.0	22.0	235.0	26.4
2	Japan	81.4	7.1	88.5	9.9
3	United States	48.7	27.7	76.4	8.6
4	Republic of Korea	38.0	3.4	41.4	4.6
5	Singapore	21.4	11.3	32.7	3.7
6	New Zealand	17.8	12.8	30.6	3.4
7	United Kingdom	15.1	15.2	30.4	3.4
8	India	21.1	9.2	30.3	3.4
9	Malaysia	21.4	3.7	25.1	2.8
10	Thailand	20.7	4.0	24.7	2.8
	Total Trade	498.6	116.4	615.1	69.0

Source: DFAT (2020a)

Australia's key exports by sector in 2018-19 totalled to \$470.2 billion. The percentage of exports by sectors was Mineral fuels (239.3B\$), Services (97.1B\$), Manufactures (54.0B\$),

Rural (47.9B\$) and Gold (19.7B\$) (ABS catalogue, 2020). The top ten Australia's export markets in 2018-19 are shown in Table-4, with China on top and India in the fifth position.

Table 4. Australia's Top 10 Export Markets 2018-19

Rank	Top 10 markets	Goods	Services	Total	% Share
1	China	134.7	18.5	153.2	32.6
2	Japan	59.1	2.6	61.7	13.1
3	Republic of Korea	25.6	2.2	27.8	5.9
4	United States	14.7	10.0	24.7	5.3
5	India	16.2	6.6	22.8	4.9
6	New Zealand	10.0	6.0	16.0	3.4
7	Singapore	10.6	5.4	16.0	3.4
8	Taiwan	12.4	1.5	13.9	2.9
9	United Kingdom	7.9	5.6	13.5	2.9
10	Malaysia	8.9	2.6	11.5	2.5
	Total 10 Markets	300.1	61.1	361.1	76.8

Source: DFAT (2020a)

To enhance Australian service sectors export competitiveness, in November 2019, the government introduced an Action Plan to simplify export regulations in Australia, and remove barriers faced by Australian exporters overseas. Australian services exports in 2018-19, increased to Aus \$97.1 billion. International education and tourism accounts for 60 percent of Australia's total services export followed by mining related equipment and technology services. China and India constitute the largest sources of international students to Australia, given the strong demand from foreign students seeking high quality of higher education. According to the Australian Department of Education and Training in 2019, a total of 758,154 international students visited Australia for study purposes (DET, 2020). In 2019, the top10 country of origin of international students to Australia were: China (212,264), India (115,607), Nepal (53,723), Brazil (273,66), Vietnam (26,050), Malaysia (24,361), Republic of Korea (21,175), Columbia (20,718), Indonesia (18,091), Thailand (17,491) and (221,301) from all other countries (DET, 2020).

Further, Australian governments tourism campaigns to attract international visitors as tourist, students, and businesspersons was very successful. However, since March 2020, due to COVID-19 travel and trade restriction, and closing of Australian international borders to prevent the spread of virus, travel and tourism sector is very badly impacted, having a devastating impact on Australian higher education, tourism and hospitality sectors, with millions of job losses. In case of Australia's source of imports in Table- 5, and India does not fall in this list of top ten source countries for Australian imports.

Table 5. Australia's Top 10 Import Source in 2018-19

Rank	Top 10 markets	Goods	Services	Total	% Share
1	China	78.3	3.5	81.8	19.4
2	United States	34.0	17.6	31.6	12.3
3	Japan	22.3	4.5	26.8	6.4
4	Germany	15.1	3.8	18.9	4.5
5	Thailand	14.6	2.7	17.3	4.1
6	United Kingdom	7.2	9.6	16.9	4.0
7	Singapore	10.9	5.9	16.7	4.0
8	New Zealand	7.9	6.7	14.6	3.5
9	Republic of Korea	12.4	1.2	13.6	3.2
10	Malaysia	12.4	1.1	13.6	3.2
	Total import source	215.1	56.8	271.8	64.5

Source: DFAT (2020b)

However, Table -6 shows the key merchandise good imported by Australia from India and vice-versa from 2015-18, five years import, and export growth percentage and the percentage trend forecast. In 2015-16, Australia's merchandise trade with India was Aus\$ 9,708,059 million increasing to Aus\$ 15,158,186 in 2016-17, and Aus\$16,325,643 in 2017-18, with a 2-year percentage growth of 7.7 percent. Further, Australia's total merchandise imports from India in 2015-16 was Aus\$ 4,756,123 million, increasing to Aus\$ 44,67,670 in 2016-17 and Aus\$ 5,542,235 in 2017-18, with a 2-year percentage growth of 24.1 percent.

Table 6: Australia's merchandise trade with India (Aus\$ '000)

Rank	Top Exports to India	2015-16	2016-17	2017-18	2016-18 Growth%	5-year Trend %
1	coal	5,010,019	8,730,850	9,907,331	13.5	16.3
2	copper ores & concentrate	511,071	682,071	852,330	25.0	-7.5
3	gold	685,504	409,597	731,927	78.7	-15.0
4	vegetables	744,370	1,428,741	727,539	-49.1	32.2
5	Iron ores & concentrate	6,315	5,250	299,273	0.6
6	wool & animal hair	215,275	222,831	246,357	10.6	9.0
7	non-ferrous waste & scrap	127,846	122,514	185,772	51.6	26.5
8	fruit & nuts	122,410	145,676	153,795	5.6	13.5
9	ferrous waste & scrap	96,493	86,902	145,868	67.9	-0.2
10	lead	110,800	116,907	127,646	9.2	7.0
11	cotton	62,813	394,002	122,942	-68.8	53.3
12	pigment, paint, and varnish	62,810	83,958	117,530	40.0	18.5
13	crude petroleum	41,607	23,752	108,770	357.9
14	aluminium	48,296	79,730	60,643	-23.9	20.3
15	silver & platinum	78,978	3	50,012
16	paper & paperboard	19,546	74,485	46,769	-37.2	9.2
17	zinc	20,211	20,354	36,275	78.2	18.5
18	other ores & concentrate	123,521	44,001	29,837	-32.2	-33.5
19	pulp & wastepaper	22,107	44,001	24,901	68.4	28.6
20	Confidential trade item	1,051,985	1,340,600	1,883,757
Rank	Top Imports from India	2015-16	2016-17	2017-18	2016-18 Growth%	5-year Trend %
1	refined petroleum	1,573,010	1,081,048	1,642,595	51.9	97.5
2	medicaments & veterinary	320,971	343,270	353,633	3.0	16.0
3	railway vehicle, hovertrains	33,330	123,560	338,912	174.3	138.1
4	pearls & gems	271,661	268,054	280,080	4.5	9.2
5	jewellery	175,455	172,273	179,620	4.3	4.8
6	made-up textile articles	165,543	176,356	176,169	-0.1	10.1
7	passenger motor vehicles	85,134	63,979	104,708	63.7	-18.8
8	women's clothing excl. knit	88,484	95,077	97,472	2.5	21.0
9	floor covering	91,001	88,560	89,062	0.6	13.9
10	textile clothing	73,362	79,929	85,604	7.1	20.6
11	manufactured base metals	52,442	56,041	81,945	46.2	12.0
12	travel goods, bags, containers	60,485	63,169	70,485	11.6	19.0
13	inorganic compounds	79,509	120,282	69,471	-42.2	0.6
14	rice	54,004	51,262	60,553	18.1	11.5
15	electrical distributing equip.	16,269	18,983	60,220	217.2	34.9
16	furniture, mattress, cushion	58,871	58,039	54,448	-6.2	15.8
17	electrical circuits equipt.	45,902	46,908	53,296	13.6	4.6
18	rubber tyres & tubes	33,380	35,871	45,043	25.6	4.9
19	electric machinery & parts	15,249	20,135	44,291	120.0	25.7
20	crude vegetable matter	40,190	39,073	43,540	11.4	-0.4
21	Confidential items of trade	27,215	33,830	34,483

Source: DFAT (2018b)

Economic Opportunities: An Indian Economic Strategy - 2035

The India Economic Strategy – 2035, is the first of a comprehensive detail document which was launched on 22-November-2018 in Australia by a report commissioned by the Australian

Department of Foreign Affairs and Trade (Varghese, 2018). The aim of the plan is to form strategic economic partnership between India and Australia, to mutually benefit from bilateral trade and investment in ten sectors of the economy giving an overview of macroeconomics and investment story, with a chapter devoted to each of the ten (10) economic sector outlining the partnership opportunities, constraints and challenges along with focus areas and recommendations. For example, (1) Education, (2) Resource and Mining Equipment, Technology and Services, (3) Agribusiness (4) Health, (5) Tourism, (6) Energy, (7) Health, (8) Infrastructure- Urban Development and Transport, (9) Financial Services, (10) Sports, (11) Science and Innovation, (12) Defence and Security, and Financial services, (13) A collection of states (14) Understanding the Business Environment, (14) Trade Policy setting (15) bilateral architecture, and (16) The role of the Diaspora (Varghese, 2018).

Discussion and Policy Implications

Australia-India joint Free Trade Agreement (FTA) feasibility study was conducted in 2008, to build and mutually benefit from stronger economic and trade relationship (Australian Government, 2010). However, this FTA is still not signed. Further, Australia and India negotiated a Comprehensive Economic Cooperation Agreement in 2011, to improve trade and foreign investment relationship, with nine rounds of negotiation until September 2015, which is still on the table for signing (CECA, 2020). This was followed by an independent vision for India Economic Strategy – 2035. To implement the recommendations and bring to its full potential, requires strong political leadership, the partnership between the governments of the two countries including State governments to be committed to put this plan into action, with the aim to meet United Nations 17-SDGs and foster three levels of diplomacy Government-to-Government, Business-to-Business, and People-to-People to improve trade and investment opportunities in all the sectors of the economy. Nearly 100,000 Australian-Indian diaspora and some 50, 000 Indian students can play a role in building this strong partnership, for enhancing entrepreneurial opportunities, innovation, job creation, economic development, growth, and resilience of the Indian and Australian businesses, who have suffered during the COVID-19 global pandemic crisis. Further, post Covid-19 Australia needs to diversify its exports of goods and services, particularly raw and minimally processed agricultural and mineral exports to India, creating value and being competitive and responding to Indian consumers taste and preferences (Chatterjee, Rae, & Ray, 2006).

The world's largest free trade agreement the Regional Comprehensive Economic Partnership (RCEP) was launched in 2012 and finally was signed on 15- November-2020 by 10 ASEAN countries and China, South Korea, Japan, New Zealand, and Australia (DFAT, 2020c). India has withdrawn from this partnership, indicating it has several issues, which could be related to easy access to Chinese goods, weakening Indian goods competitiveness and widening trade deficits for India. However, Indian economy cannot operate in isolation. It needs a strong

leadership on the global platform to firstly bring peace in the South Asian region and make South Asian Association of Regional Cooperation (SAARC) functional and operative (Medhekar & Haq, 2019).

India is the second largest source country for international students and fifth largest export market for Australia and 8th largest country for bi-lateral trade. Despite this, Australia-India CECA negotiations and Free Trade Agreement between Australia and India which is still on the table for discussion. Further, given the various strengths of the Australia's economy and the Indian- Australian diaspora, Australia can play a significant leading role as a peace maker between India and Pakistan, and bring together first the eight SAARC countries such as Afghanistan, Bhutan, Bangladesh, India, Maldives, Nepal, Pakistan, and Sri Lanka, highlighting the mutual socio-economic benefits it can bring to the eighth SAARC countries, in terms of inclusive development, economic growth, trade, investment, defence security in the Indian ocean region with peace, progress and prosperity, finally aiming for single Monetary Union like European Union. This will give Australia access to a large SAARC countries combined market for trade and investment in key sectors of the economy with a total population of 1.836 Billion in 2019 of the total world 7.672 billion (World Bank, 2020), which is nearly a quarter of world's population that resides in South Asia.

Furthermore, China had launched on 19-11-2018 anti-dumping and countervailing investigation on Australia for barley exported between 1-10-2017 and 20-9-2018 and on 19-5-2020 china imposed 80.5% tariff on Australian barley with 73.6% anti-dumping duty and 6.9% countervailing duty, means Australian barley exports, revenue and production will fall and it needs to find alternative markets. on 18-August-2020, China launched anti-dumping investigation on Australian bottled wine exported between 1-Jan-2019 and 31-Dec-2019, along with tariffs (ABARES, 2020). Compared to other countries Australia has lowest level (1%) of agricultural subsidies. Further to mitigate China's increasing maritime and strategic power in the Indian Ocean SAARC nations bordering India, via one-belt- road initiative (Philips, 2013; Wagner, 2016), Australia can form public-private-partnerships and provide its resources and technical expertise under FTA with India and the SAARC nations for mining exploration, and to build infrastructure such as road, rail, seaport, and airport. Australia could explore other markets such as India and SAARC nations for its exports of raw agricultural goods and other minerals.

Conclusion

Australia and India both are ex colonies of United Kingdom and member of the British Commonwealth. There is a lot in common in terms of democracy, official English language, and the judiciary. Further both the countries are members of World Trade Organization (WTO), responsible for trade dispute settlements and digital economy related e-commerce opportunities, where Australia is leading in addressing trade distorting agriculture non-tariff barriers such as subsidies by initiating the global agricultural reforms. India and Australia are

also members of two forums, Group of Twenty (G20) and Asia-Pacific Economic Cooperation (APEC) for international cooperation in trade and investment for the prosperity of the region. There are close people to people ties, alumni relationships, given that large number of Indian students study in Australia, Indian universities have sister relationships with Australian counterparts, with exchange of scholars between the two countries. Future research should focus on the 10 sectors of the Indian economy as recommended and identified in the “Indian Economic Strategy–2035 report. In the post-COVID-19 environment, Australian needs to explore alternative markets like India for its exports, given the antidumping allegations and high import duty on Australian agriculture goods. Governments of both the countries need to be committed to play a role through promoting entrepreneurship, innovation, business friendly market access, and pro-competitive reforms for creative value supply chains. Australia can work together with India to explore opportunities for sharing its expertise in various sectors of the Indian economy to meet the United Nations 17-SDGs at the same time mutually benefitting from gains from trade, inclusive socio-economic development, growth, peace, progress, prosperity for the citizens of the two countries.

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