India-Australia Relations

Overview

India and Australia have several commonalities, which serve as a foundation for closer cooperation and multi-faceted interaction, on lines similar to what India has developed with other Western countries. Both are strong, vibrant, secular and multicultural democracies. They both have a free press and an independent judicial system; the English language is an important link, Cricket, and now the large numbers of Indian students coming to Australia for education, are significant elements in awareness at the popular level.

The relationship has grown in strength and importance since India’s economic reforms in the nineties and has made rapid strides in all areas - trade, energy and mining, science & technology, information technology, education and defence.

Australia is in India’s extended neighbourhood, a point made by then Australian Foreign Minister Stephen Smith when he made a key note address in September 2008 at the University of Western Australia: “It is under-appreciated that Perth and Chennai are closer to each other than Sydney is to Seoul, to Shanghai, or to Tokyo.” ……As the world sees the potential of an Asian/Pacific century unfolds, Australia sees India at the heart of this historic shift in political and economic influence.”

Political

While there has been a regular exchange of visits at Ministerial level, bilateral visits at Head of Government/Head of State level have been limited, specially from our side. PM John Howard visited India in July 2000 and again in March 2006. Prime Minister Kevin Rudd visited India in November 2009, when it was agreed to take the relationship to the level of a Strategic
Partnership. A Joint Declaration on Security Co-operation was signed. Vice-President, Shri M. Hamid Ansari represented India at the CHOGM 2011 held in Perth from 28-30 October 2011.

Former Prime Minister Julia Gillard paid a state visit to India from 15-17 October, 2012. The decision of the Australian Government to supply uranium to India was taken during her time and finally now Civil Nuclear Cooperation Agreement has been signed between the two countries when Prime Minister Tony Abbott visited India in September 2014. Other MoUs signed during his visit were Cooperation in Sports, Renewal of MoU on Cooperation in the field of Water Resources Management and Cooperation in Technical Vocational Education and Training.

Before this, Mr. Richard Marles, the Parliamentary Secretary for Foreign Affairs represented Australia at the IORA Council of Ministers' meeting held in Gurgaon, India on 2nd November 2012. Australia took on the two year position of Vice Chair in 2011 and assumed the role of Chair in 2013-2015. In Gurgaon Communique, Union of Comoros has been admitted as 20th member of the IOR-ARC and USA as the 6th Dialogue Partner. Mr. Salman Khurshid visited Perth in end October/beginning November 2013 for FMFD and IORA meets.

Earlier, Mr Simon Crean, Minister for Regional Australia, Regional Development and Local Government and Culture visited Mumbai, India from 3-11 November 2012 to confer an honorary member of the Order of Australia to India’s cricketer Sachin Tendulkar for his service to Australia-India relations by promoting goodwill, friendship and sportsmanship through the medium of cricket.

Trade Minister Craig Emerson visited India to co-chair the 14th Australia-India Joint Ministerial Commission (JMC) held on 28th January 2013 at New Delhi. The Minister discussed trade and investment relationship between the two countries, as well as global issues such as food security, poverty alleviation and trade liberalization.

India and Australia co-operate in various multilateral fora. Australia supports India’s candidature in an expanded UN Security Council. Both India and Australia are members of the G-20, Commonwealth, IORA, ASEAN Regional Forum, Asia Pacific Partnership on Climate and Clean Development, and have participated in the East Asia Summits. Both countries have also been cooperating as members of the Five Interested Parties (FIP) in the WTO context. Australia is an important player in APEC and supports India's membership of the organisation. In 2008, Australia became an Observer in SAARC.

Defence Cooperation between India and Australia has expanded significantly in recent years. An MoU on Defence Cooperation has been signed as well as a Joint Declaration on Security Co-operation. There are frequent exchanges of visits including at the level of Service Chiefs, regular Naval, Air Force and Army Talks; joint naval exercises; regular exchanges at each other's training institutes and seminars. Defence Minister Stephen Smith visited India in December 2011 for Defence Ministers' Dialogue.

Raksha Mantri Shri A K Antony paid the first ever official visit by an Indian Defence Minister to Australia from June 4-5, 2013. In talks with Australian Defence Minister Stephen Smith, the two Ministers recognised the rapid progress made in Defence relations through the framework of bilateral talks.

A delegation led by Shri Sachin Pilot, Hon'ble MoS(IC) for Corporate Affairs visited Australia between 3-8 June 2013 to interact with counterparts and Australian regulators to share experiences on corporate regulation, corporate governance and competition policy issues.
In July 2013, Dr. M. Pallam Raju, Minister for HRD visited Australia for the Annual Education Ministers' Dialogue. The 2nd Australia India Vice-Chancellors' Conference was also held which reviewed Australia-India university partnerships and Australia-India industry/sector skill council partnerships.

Ms. Julie Bishop visited India in the first half of December 2013 and had discussions with her counterpart Mr. Salman Khurshid. She said that the present Government of Mr. Tony Abbot is determined to make the Australia-India a relationship as a Foreign Policy priority. She added that we have a strategic partnership, a strong base in terms of economic relationship and in the global forums we have to work together as members of the G20 and the East Asia Summit. She again visited India in April 2015 for the Foreign Ministers' Framework Dialogue.

Shri Beni Prasad Verma, Minister for Steel visited Australia in end January 2014. Focus of the visit was on strengthening bilateral relations in the areas of resources, particularly coal as Australia is world's second largest producer of coking coal. Mr. P Chidambaram visited Australia on the eve of G20 Finance Ministers and Central Bank Governors meet in February 2014 along with RBI Governor Shri Raghuram Rajan. Later on, Mrs. Nirmala Sithraman, MoS for Commerce and Industry represented India at the G20 Trade Ministers’ Conference in Cairns in September 2014.

PM Shri Narendra Modi paid a successful visit to Australia after a period of 28 years when he visited Brisbane on the eve of G20 Leaders' Summit in November 2014. His multilateral visit was further extended to a bilateral one when he visited Sydney, Canberra and Melbourne. In Sydney, he addressed about 15,000 persons at the Allphones Arena. Eminent Political leaders from Australia along with Persons of Indian Origin attended his speech. In Canberra, the PM addressed both Houses of Parliament and met Leader of the Opposition and Presiding Officers of both Houses. Two Agreements and three MoUs were also signed during his visit to Canberra. It was also announced to hold a 'Make-in-India' Show in Australia in 2015. Australia would also be holding Business-Week in India in January 2015. The Australian businessmen headed by their Minister of Trade would also attend 'Vibrant Gujarat' 2015 in Gandhinagar. During his visit to Melbourne, PM addressed the Business Community and invited Australian investors to participate in 'Make-in-India' Campaign. PM Tony Abbott hosted a big reception (a Gala Dinner) at Melbourne Cricket Ground in honour of our PM where around 1000 persons participated.

Commercial

Australia’s trade in goods and services with India was A$14.76 (US$11.45) billion in 2013-14 with Indian exports of goods amounting to A$2.85 (US$2.21) billion. Australia’s exports of goods to India were A$8.36 (US$6.48) billion. Australia’s exports of goods to India have declined by an annual average of nearly 21.76 percent during 2013-14. India’s ranking among Australia’s export destinations has dropped from fifth to seventh in this period. India’s exports of goods and services to Australia have increased by an annual average of 18.45 percent during 2013-14. India’s main exports to Australia are passenger motor vehicles and machinery, pearls, gems and jewellery, refined petroleum and textiles while our major imports are vegetables, wools, non-monetary gold, coal, copper and fertilizers.

India is Australia’s largest export market for gold and chickpeas, second largest market for coal and copper ores and third largest market for lead and wool.

Four products – coal, non-monetary gold, copper ores & concentrates and petroleum – accounted for over 80 percent of India’s imports from Australia, with coal and gold being the dominant imports in 2013-14.
India’s major exports to Australia in 2013-14 are pearls and gems, jewellery, medicaments and passenger motor vehicles.

The India-Australia Joint Ministerial Commission was established in 1989 and has held fourteen meetings to date, the last one was in New Delhi on 30 January 2013 which was co-chaired by Australian Trade Minister Dr Craig Emerson and Shri Anand Sharma, Minister for Commerce & Industry. Negotiations for a Comprehensive Economic Cooperation Agreement (CECA) has already begun and sixth round took place in Delhi in December 2014. The seventh round of CECA negotiations recently took place in Canberra in April 2015. India and Australia also have a CEO Forum with the inaugural Co-chairs being Mr. Navin Jindal, MP on the Indian side and Mr. Lindsay Fox on the Australian side. Three meetings of the CEO Forum have taken place, the last held in Melbourne on 6th December, 2013. This Forum was reconstituted soon after, as declared by our Prime Minister during his visit to Australia in November 2014. The new Co-chairs of the India-Australia CEO Forum are Mr. Gautam Adani, Chairman, Adani Group, from the Indian side and Mr. Sam Walsh, CEO, Rio Tinto, from the Australian side.

Indian investment in Australia is growing. Major Indian investments in Australia include Sterlite Industries (copper mines); Aditya Birla Group (copper mines); Gujarat NRE Co. (coal mines); Asian Paints; Reliance has entered into a partnership agreement with Uranium Exploration; IFFCO and Legend Holdings of Australia have entered into an agreement involving investment of over A$100mn by IFFCO in Legend’s phosphate projects with buyback arrangements; NMDC and Rio Tinto have entered into an agreement for joint exploration in India, Australia and other countries. Tata Power and Australian company Geodynamics have entered into an agreement involving Tata Power taking an 11.4 per cent stake in Geodynamics for A$ 44.1 million. Petronet LNG, New Delhi has signed an agreement with Exxon Mobile in August 2009 to source 1.5 mmtpa of LNG from the Gorgon Project, for 20 years starting from 2014. The Adani Group of India, owners of the country’s largest private port have acquired a coal mining prospect from Linc Resources in the Galilee Basin in Queensland. The deal is valued at $1 billion. $500 million in cash paid to Linc Resources and a royalty of $2 per tonne over 20 years. Adani has also acquired rights to manage the Abbot Point Coal loading terminal for a period of 99 years at a cost of A$1.83 billion. Lanco Infratech made an investment in Australia, spending almost A$850 million to buy Griffin coal assets. GVK Power and Infrastructure has finalised purchase of two thermal coal mines from Australia’s Hancock Prospecting for about US$ 2.4 billion and is also investing in development of rail network from the mine to the nearest port, which entails a total investment of US$10 bn. Infosys has acquired Portland Group, a sourcing and category management services firm in Australia for A$ 37 million. ICICI Bank has obtained necessary RBI approval to open its branch office in Australia.

All the major Indian IT companies have a presence in Australia and are rapidly growing. These include Infosys; Satyam Mahindra; TCS; HCL; Polaris Software Lab Ltd; Birlasoft; NIIT; ICICI Infotech; Wipro; Mahindra-British Telecom Ltd among others. Satyam Mahindra has the largest product development centre outside India in Melbourne.

Tourism is growing rapidly. The tourist traffic between the two countries is increasing steadily. It is understood that 219,000 Australian tourists visited India and 160,000 Indian tourists visited Australia last year. The resumption of direct flights between Sydney/Melbourne and New Delhi on a daily basis has proved a big booster to travel between the two countries.

Cultural

There are many Indian Associations in Australia and they play key role for promoting Indian culture by organising cultural functions occasionally. High Commission of India & ICCR sponsor
the Dance troupes from India to Australia to perform Traditional Indian cultural Programmes during Diwali celebrations with the help of Indian Associations in various cities in Australia.

ICCR deputed a 6-member Odissi Dance Troup which gave performance in Sydney, Canberra and Melbourne during October 2014. Earlier, ICCR deputed a Sattriya Dance Troup to Perth in June 2014 and Bollywood Dance Group to Darwin in October 2014.

Know India programme is also is a great learning Experience for Diaspora children about the rich Heritage and cultural of India, the Economic progress and Social Development taking place in India.

We also have visiting Chairs for Indian Studies in Australian Universities.

Indian Community

There is an Indian community of nearly 295,000 (persons born in India) in Australia which is contributing to the Australian economy in their role as teachers, doctors, accountants, engineers and researchers. India is the third largest source of immigrants for Australia.

The Pravasi Bharatiya Divas Conference was organised under the aegis of the High Commission in Sydney from 10-12 November 2013. A strong business delegation from the Confederation of Indian Industry (CII) participated in the Convention. The conference had strong support, sponsorship and participation from Indian companies in Australia and Australian Universities.

There are currently about 46,000 Indian students studying in Australian Universities compared to more than 48,000 in 2011. The decline in number of students since 2009 is a consequence of tightening visa regulations, changes in general skilled migration rules, the negative impact of the attacks on students in 2009-10 and the rising value of the Australian dollar. The number of attacks has declined sharply in the recent period owing to the remedial measures taken by the Australian authorities and the police.

Indian Mission and Posts in Australia

Besides the High Commission in Canberra, India has Consulates in Sydney, Melbourne & Perth and an Honorary Consul in Brisbane.

Government of India offices and PSUs in Australia include the Tourist Office; State Bank of India branch office (since April 2004) received license for full trade finance activities in 2007; New India Assurance Co Ltd (in Australia since 1955); and Air India (offline station). Bank of Baroda, Union Bank of India and Punjab National Bank have their representative offices in Sydney.

Useful Resources:

For more information and latest updates please visit: High Commission of India, Canberra website:
www.hcindia-au.org

June 2015