

India-Australia Comprehensive Economic Cooperation Agreement (CECA)

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Context- Recently the India-Australia Joint Ministerial Commission was convened and it discussed negotiations for a full-scale free trade pact and steps to spur investment flows into both countries.

Key Highlights

- Both India and Australia were pleased with the progress in resolving various bilateral technical market access issues and also they look forward to concluding the **India-Australia Comprehensive Economic Cooperation Agreement (CECA)** soon.
- With the conclusion of an ambitious Comprehensive Economic Cooperation Agreement (CECA), it will build on the foundation laid by the Economic Cooperation and Trade Agreement, including new areas of trade, investment and cooperation.
- CECA will create new employment opportunities, raise living standards and improve the general welfare in both of the countries.
- Apart from next steps to further enhance the bilateral economic relationship, the two countries also discussed engagements in the G-20, the **Indo-Pacific Economic Framework (IPEF)** and the **World Trade Organization (WTO)**.
- Agreeing towards a productive engagement in the run-up to the 13th WTO Ministerial Conference to be held in Abu Dhabi in 2024, the two countries reaffirmed their commitment towards improving WTO functions and having a fully functioning dispute

settlement system soon.

- On the IPEF, Australia and India share high ambitions and would continue to work together on areas of mutual interest, including the clean economy and resilient supply chains.
- India-Australia bilateral trade accounts more than \$31 billion last financial year.
- And also there is considerable potential for significantly enhancing bilateral trade within the next 5 years.

India-Australia Comprehensive Economic Cooperation Agreement (CECA)

- Australia and India have signed a bilateral agreement known as the Australia-India Comprehensive Economic Cooperation Agreement (AI-CECA).
- In May 2011, the two nations began negotiating a Comprehensive Economic Cooperation Agreement.
- India and Australia both signed an interim agreement on April 2, 2022.
- A number of Australian exports to India, including coal, lentils, sheep meat and wool, lobsters, and rare earths, will see their tariffs reduced as a result of the agreement.
- It also stated that tariffs on wine and other agricultural goods, like nuts, blueberries, almonds, oranges, mandarins, pears, and strawberries, would be phased out.

India- Australia Trade Relation

- India and Australia have excellent bilateral relations that have changed dramatically over the past few years and have evolved into a friendly partnership.
- This is a unique partnership marked by shared values of pluralistic, parliamentary democracies, Commonwealth traditions, expanding economic engagement, long-standing ties between people, and increasing interaction at the highest levels.
- The foundation of India-Australia's numerous facets of bilateral relations is the comprehensive strategic partnership that was established at the India-Australia Leaders' Virtual Summit in June 2020.
- The stability and strength of a rapidly expanding and diversifying bilateral relationship between India and Australia are bolstered by the expanding economic and commercial ties between the two nations.
- Australia and India have been significant trading partners.
- India is Australia's ninth-largest trading partner, and Australia is India's 17th-largest trading partner.
- In 2021, bilateral trade between India and Australia will be worth USD 27.5 billion for both goods and services.
- India's product commodities to Australia became 135% somewhere in the range of 2019 and 2021.
- In 2021, India's exports, which primarily consist of a broad range of mostly finished goods, totaled USD 6.9 billion.
- In 2021, India imported goods worth \$15.1 billion from Australia, primarily raw materials, minerals, and intermediate goods.
- Along with Japan, India and Australia participate as partners in the trilateral Supply Chain Resilience Initiative (SCRI) arrangement, which aims to improve supply chain

resilience in the Indo-Pacific region.

- Further, India and Australia are additionally individuals from the QUAD gathering (India, the US, Australia and Japan), likewise containing the US, and Japan, to additional improve collaboration and foster association across a few issues of normal concern.