

# India-Australia relations

written by iasexam.com | 23/05/2023

**Context-** The India- Australia Summit recently held in March aimed to strengthen the relationship between the two countries and focussing on enhancing trade, investment and defence ties.

## **India- Australia relations**

- Both the countries have had a long lasting relationship with diplomatic relations established in the pre- independence period of 1941 with the Consulate general of India being opened as a trade office in Sydney.
- However, the relationship between the two has gone through several ups and downs.

## **Diaspora**

- There exists strong people-to-people ties between Australia and India. Indians are among the top skilled immigrants to Australia.
- As per the Census 2021, around 9.76 lakh people in Australia have Indian origin in their ancestry, thus making Indians as the second largest group of overseas-born residents in Australia.

## **Defence**

- Both India and Australia have established defence cooperation through the Mutual Logistics Support Agreement (MLSA) that was signed during the June 2020 virtual summit.
- The defense minister of Australia and the deputy prime minister have visited India during the 2+2 ministerial dialogue on enhancing defense cooperation. Australia will host the Malabar exercise in August 2023 along with India, Japan and the U.S. India has also been invited to join the Talisman Sabre exercise in 2023.

## **Economic ties**

- In December 2022, India and Australia signed the first free trade agreement i.e the Economic Cooperation Trade Agreement (ECTA).
- This agreement resulted in reduction of duty to zero on 96% of Indian exports to Australia and zero duty on 85% of Australian exports to India.

## **International Cooperation**

- Both India and Australia are members of the Quad, the Commonwealth, The IORA- Indian ocean Rim Association, ASEAN regional forum, Asia Pacific Partnership on Climate and Clean Development and have participated in the East Asia Summits.
- Australia is an important player of the APEC-Asia Pacific Economic Cooperation and it has been supporting India's membership into the organization. Both the countries are also the cooperating members of the FIP- Five Interested Parties in the World Trade Organisation.

## **Conflicting areas**

- In recent years the bilateral ties between India and Australia have been strained due to several challenges. The Adani coal mine project in Australia led to protest by activists straining the bilateral relationship.
- The issues on visa restrictions for Indian students and professionals seeking to work in Australia and attacks on the Indian diaspora and Indian temples by Khalistan supporters have also caused tension.

## **The China factor**

- India and Australia both have strained relations with China. After Australia banned Huawei from the 5G network, called for inquiry into the origins of Covid-19 and slammed China for human rights violations in Hong Kong and Xinjiang region, its relations with China got strained. China in retaliation imposed trade barriers and cut off ministerial contact with Australia.
- India has had long tense relations with China that got aggravated after the clashes at the Galwan valley.

## **Conclusion**

- Despite these challenges Australia and India share common values, interests, objectives and geography.
- Both countries have the common vision of a free, open, inclusive and rules based Indo-Pacific and are committed to resolve disagreements, conflicts and other coercive and unilateral actions.
- The countries being members of the Quad is an example of the convergence of their interest and shared concerns and values.