



India Australia Economic and Cooperation Trade Agreement comes into force

India has achieved the unique distinction of operationalizing two Trade Agreements this year. After the entry into force of India UAE Comprehensive Economic Partnership Agreement on May 1 earlier this year, the India-Australia Economic Cooperation and Trade Agreement (#IndAusECTA) has come into effect, i.e., December 29, 2022. The ECTA was signed on April 2, 2022, ratified on November 21, written notifications were exchanged on November 29 and after 30 days, the Agreement has come into force.

Addressing industry representatives and the media in Mumbai, the Hon'ble Union Commerce and Industry Minister Shri Piyush Goyal said that the Agreement has been “negotiated with the speed of Bret Lee and the perfection of Sachin Tendulkar”.

“There is a lot of potential for exporting finished goods to Australia, since they hardly manufacture anything, they are largely a raw material and intermediate producing country, we will get cheaper raw materials which will not only make us more competitive globally but also enable us to serve Indian consumers better; enabling us to provide more quality goods at more affordable prices.”

“Australia, which is largely dependent on imports, will benefit hugely, they will soon start seeing a lot more finished goods coming in from India, providing huge amount of work and job opportunities in both goods and services, provided by Indian talent.”

“The Agreement will also eliminate Double taxation on IT services which were making us less competitive and making us less profitable in IT sector, the double taxation has now been removed by amending the law, from 1st April, double taxation for IT sector will be over, we will save millions and millions of dollars right now, and over a billion dollars going forward, maybe 5 - 7 years going forward, giving us competitive edge and also creating a lot many jobs.”

It is estimated that an additional 10 lakh jobs would be created in India under ECTA. Indian Yoga teachers and chefs are set to gain with the annual visa quota. Over 1 lakh Indian students would benefit from post-study work visa (for 18 months to 4 years) under the ECTA. The agreement is also likely to increase investment opportunities, promote exports, create significant additional employment and facilitate strong bonding between the two countries.

Australia is an important strategic partner of India. They are also part of the four nation QUAD, Trilateral Supply Chain Initiative and the Indo-Pacific Economic Forum (IPEF).

All the necessary notifications required for entry into force of Ind-Aus ECTA on 29.12.2022 have been issued by Department of Revenue and the Directorate General of Foreign Trade in the Department of Commerce.

A few shipments have been given preferential access certificates by the Hon'ble Commerce and Industry Minister Shri Piyush Goyal, in Mumbai.

Please find the appended link to access the detailed framework on the same. ([click here](#))

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Warm Regards,

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