

## **Australia and India: Trade Strategies in an Era of Great Power Competition**

CUTS 40<sup>th</sup> Anniversary Event

Crawford School of Public Policy, Australian National University (ANU)

January 30, 2024 | 1100-1300 Hours (AEDT)

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### **BACKGROUND & CONTEXT**

Bilateral trade ties between India and Australia have been on an upswing in the recent past. It has been just over a year since the India-Australia Economic Cooperation and Trade Agreement (ECTA) entered into force. Two-way goods and services trade flows are already showing promising gains. Both sides are now actively engaged in talks towards a broader and deeper Comprehensive Economic Cooperation Agreement (CECA).

The two countries are guided by the need to lock-in mutually beneficial terms of trade, and provide an enabling framework for forward-looking avenues of cooperation in both traditional as well as emerging economic spheres. New age cooperation in areas such as critical minerals, pharmaceuticals, sports, space, organic goods etc. has the potential to further transform the bilateral trade relationship and significantly enhance both economic and people-to-people ties between New Delhi and Canberra.

Yet, the India-Australia trade relationship also needs to be seen in the context of the broader economic realignments underway in the larger Indo-Pacific & Asia-Pacific region. This realignment is being driven by great power competition and its attendant aspects of derisking and diversifying supply chains, promoting regulatory coherence amongst like-minded countries and pioneering standard-setting on new and emerging regulatory areas.

This is seen in the emergence of international frameworks for regulatory cooperation as complements to regional trading arrangements. Prominent among these are the Indo-Pacific Economic Framework for Prosperity (IPEF) and a broad range of sectoral cooperation and partnership agreements on the Green Economy and the Digital Economy.

While both India and Australia are founding members of the US-led IPEF, Australia is also spearheading agreements for enhanced cooperation on elements such as the Green and Digital Economy with strategic trade partners like Singapore.

For its part, India remains outside the fold of both the major mega-regionals (the RCEP and the CPTPP) while Australia is party to both. India's preferred FTA approach seems to be of expanding its network of bilateral FTAs, with a spate of fresh negotiations and upgrade talks with major trading partners underway. Both India and Australia are engaged in long running talks with the EU to seal their respective FTAs with the bloc, but success has so far been elusive.

The two countries also need to factor in the significant churn in their respective extended neighbourhoods. Sri Lanka and Bangladesh are contemplating accession to the RCEP, while a host of countries have expressed a desire to join the CPTPP, with the UK having recently completed its accession process. Timor-Leste and Papua New Guinea are in talks to be a part of an enlarged ASEAN, while various ASEAN FTAs with its dialogue partners are themselves undergoing reviews and upgrades.

Finally, the larger APEC umbrella is emerging as the latest platform where competing worldviews of international trade and investment are playing out, with visions of a pan Asia-Pacific Trade Agreement (APTA) unlikely to materialise in the near future.

Overall, trade strategies of both countries must adopt a holistic view, taking into account the various push and pull factors. This Session will discuss these and other aspects, and the corresponding strategies which emerge for both India and Australia.

## AGENDA

<p>Welcome Remarks 11–11.15am</p>	<p>(Introduced by Shiro Armstrong) <b>Janine O’Flynn</b>, Director, Crawford School of Public Policy, Australian National University <b>Pradeep S Mehta</b>, Secretary General, CUTS International</p>
<p>Moderator 11.15–11.20</p>	<p><b>Shiro Armstrong</b>, Professor, Crawford School of Public Policy, Australian National University [introduction of speakers]</p>
<p>Panellists 11.20am–1.00pm  Initial remarks of <b>max 10 minutes each</b> followed by Q&amp;A</p>	<p><b>Tim Yeend</b>, Associate Secretary, Department of Foreign Affairs and Trade <b>Ravi Kewalram</b>, First Assistant Secretary &amp; Chief Negotiator, FED, Department of Foreign Affairs and Trade <b>Anil Wadhwa</b>, former Indian Ambassador and Distinguished Fellow, CUTS International <b>Prudence Gordon</b>, Executive Director, Australian Centre for International Trade and Investment <b>Peter Draper</b>, Executive Director, Institute for International Trade, University of Adelaide</p>