

# India-Aus trade pact in force from Dec 29

## Deal to give duty-free access to domestic goods

NEW DELHI, PTI

**T**he free trade agreement between India and Australia will come into force from December 29 giving duty-free access to thousands of domestic goods in that market, which will help in almost doubling the bilateral commerce to \$45-50 billion in around five years.

The Economic Cooperation and Trade Agreement (ECTA), which was signed on April 2, would provide duty-free access to Indian exporters of over 6,000 broad sectors, including textiles, leather, furniture, jewellery and machinery in the Australian market.

Labour-intensive sectors which would gain immensely include textiles and apparel, a few agricultural and fish products, leather, footwear, furniture, sports goods, jewellery, machinery, and electrical goods.

Commerce and industry minister Piyush Goyal said the trade pact will come into effect from December 29 this year.

“India and Australia con-

### MUTUAL BENEFITS

- Australia to offer zero-duty access to India for about 96.4% of exports (by value)
- India's labour-intensive sectors like textiles and apparel, a few agricultural and fish products, leather, footwear, furniture, sports goods, jewellery, machinery, and electrical goods to gain from the pact.
- Tariffs on 85% of Australia's exports to India will be eliminated and high tariffs on a further 5% of goods will be phased down

solidate their long-standing partnership. ECTA, realised under the guidance of leaders on both countries, comes into effect on December 29, 2022. It is the dawn of a whole new era for our businesses and people.” Goyal said in a tweet on Wednesday.

Both the countries have

completed their domestic requirements to enable implementation of the ECTA.

In a statement, Australian Minister for Trade and Tourism Don Farrell said: “The ECTA's two tariff cuts in quick succession intensify the up-front benefits of this agreement for our exporters”.

Under the pact, Australia is offering zero-duty access to India for about 96.4% of exports (by value) from day one. This covers many products that currently attract 4-5% customs duty in Australia.

India's goods exports to Australia stood at \$8.3 billion and imports from the country aggregated to \$16.75 billion in 2021-22.

The statement said that from December 29, tariffs on 85% of Australia's exports to India will be eliminated and high tariffs on a further 5% of goods will be phased down.

“Entry into force of the agreement before the New Year delivers a double bonus of two tariff cuts in quick succession: one as the agreement comes into effect and a second on January 1, 2023,” it said.

It added that ECTA will save Australian exporters around \$2 billion a year in tariffs, while consumers and businesses will save around \$500 million in tariffs on imports of finished goods, and inputs to “our manufacturing sector”.