

# Aus Parliament clears path for FTA with India

Both nations prepare for New Year roll-out; DTAA with New Delhi amended, too

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New Delhi, 22 November

The Australian Parliament on Monday ratified the Economic Cooperation and Trade Agreement (ECTA) with India, paving the way for implementing the deal as early as January 1, 2023.

This will be India's first trade deal with a developed country in more than a decade, after the Comprehensive Economic Partnership Agreement was signed with Japan in 2011.

"The (Anthony) Albanese government has worked hard to expeditiously advance all processes necessary, to ensure Australia is in a position to implement both (India and the UK) free trade agreements before the end of 2022," the Australian trade ministry said in a statement. The Australian Parliament on Tuesday also

ratified its pending deal with the UK.

"There is a good chance that the deal will be implemented starting January 1, 2023, though the Christmas holidays are coming," said a senior Indian government official requesting anonymity.

The deal will now need approval from the Australian Cabinet and the President of India. The ECTA will enter into force 30 days after an exchange of written notifications on the completion of domestic processes.

The Australian Parliament also amended the double tax avoidance agreement (DTAA) with India to stop taxing the offshore income of Indian information technology companies operating in Australia. This will resolve a long pending issue and lead to savings of more than \$200 million for IT companies per year.

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## A WIN-WIN

- Australia to eliminate Customs duties on 100% of tariff lines
- India will do away with import duties on 70.3% of traded goods
- India can every year send 1,800 yoga teachers and Indian chefs to Australia
- Post-study work visa up to 4 years for Indian students
- 1,000 work-cum-holiday visas for young Indian professionals



"AUSTRALIA IS OPENING 100 PER CENT OF ITS TARIFF LINES FOR THE FIRST TIME FOR ANY COUNTRY. IT REFLECTS THE CONFIDENCE AND TRUST BETWEEN THE TWO COUNTRIES"



**PIYUSH GOYAL**  
Commerce and industry minister

"INDIA'S YOUTHFUL POPULATION, ECONOMIC DEMAND, AND GROWTH TRAJECTORY PRESENT UNPARALLELED OPPORTUNITIES FOR AUSTRALIAN EXPORTERS"



**DON FARRELL**  
Australian Trade minister