



India-Australia relations under Modi government: Strategic and trade ties

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Abstract

Prior to India's independence, Australia and India established diplomatic ties when the Indian Consulate General in Sydney opened its doors in 1941 as a trade office. Canberra welcomed India's first High Commissioner to Australia in 1945. Lieutenant-General Iven Mackay was chosen to serve as Australia's first High Commissioner to India in March 1944. India is at the forefront of Australia's international alliances. In 2014, bidirectional Prime Ministerial visits were followed by frequent meetings of the top leaders. In April 2017, former Prime Minister Turnbull travelled to Mumbai and New Delhi. Learn more about the relationship between Australia and India. In response to a suggestion made by the Senate Standing Committee on Foreign Affairs, Defence, and Trade following an investigation into Australia's relations with India, the Australia-India Council (AIC) was founded on May 21, 1992. AIC strengthens ties between Australia and India by increasing awareness and encouraging exchanges. The Modi administration's policies on India-Australia ties are covered in this essay.

Australia and India now have an even closer and more solid relationship as a result of Prime Minister Modi's visit. On May 24, 2023, at Admiralty House in Sydney, Australia, Prime Minister Shri Narendra Modi met with H.E. Mr. Anthony Albanese, Prime Minister of Australia. The successful First Annual Leaders' Summit, which took place in March 2023 in New Delhi, was recalled by both leaders, who also reiterated their resolve to further developing and expanding the complex India-Australia Comprehensive Strategic Partnership. Collaboration in commerce and investment, new and renewable energy, green hydrogen, essential minerals, education, migration and mobility, and inter-ethnic relations were the main topics of discussion. They also covered collaboration in defence and security. Both leaders welcomed the signing of the India-Australia Migration and Mobility Partnership Arrangement (MMPA), which will further facilitate student, professional, researcher, and academic mobility. This includes through a new skilled pathway called MATES (Mobility Arrangement for Talented Early Professionals Scheme), which was created especially for India. This essay analyses India-Australian strategic and commercial ties under the Modi administration.

Keywords: Modi government, strategic ties, trade ties, comprehensive partnership, migration, partnership

Introduction

The India-Australia bilateral relationship is underpinned by shared values of a pluralistic, Westminster-style democracies, Commonwealth traditions, expanding economic engagement and increasing high level interaction. Several commonalities, including strong, vibrant, secular and multicultural democracies, free press, independent judicial system and English language, serve as a foundation for a closer co-operation and multifaceted interaction. The longstanding people-to-people ties, ever increasing Indian students coming to Australia for higher education, growing tourism, and sporting links, especially Cricket and Hockey, have played a significant role in further strengthening bilateral relations between the two countries.

In recent years, India-Australia relationship has charted a whole new trajectory of transformational growth. Bilateral cooperation has seen exponential growth in existing frameworks of cooperation and further expanded across a wide spectrum of new areas opening up new possibilities, both at bilateral as well as global level. With greater convergence of views on various international issues such as international terrorism and shared approach to rules-based order in the Indo-Pacific region, the two great democracies of the region have expanded their bilateral relationship into global partnerships in plurilateral formats, including the Quad.

There are a number of similarities between India and Australia that can be used as a basis for increased cooperation and complex contact, along the lines of what India has established with other Western nations. Both nations are robust, thriving, secular democracies that embrace diversity. The English language is a key link, cricket, and now the great number of Indian students travelling to Australia for education are crucial aspects in popular awareness. They both have free press and independent judicial systems. Since India's economic reforms in the 1990s, the connection has strengthened and become more significant, and it has advanced quickly in all areas - trade, energy and mining, science and technology, information technology, education, and defence.

At a diaspora event he spoke at with his Australian counterpart Anthony Albanese in Sydney, Prime Minister Narendra Modi said that the growing connections between Australia and India are based on "mutual trust and mutual respect" and that both nations are committed to advancing connectivity and trade. At a diaspora event in Sydney that he co-spoke at with his Australian colleague Anthony Albanese, Prime Minister Narendra Modi said that the growing ties between Australia and India are based on "mutual trust and mutual respect" and that both countries are focused on advancing connectivity and trade. Speaking to cheering crowds at the 21,000-seat Qudos Bank Arena, Modi emphasised the contribution made by the nation's

750,000- person Indian Australian community to advancing ties in a range of areas (Ministry of External Affairs 2023, p. 11) [4].

He claimed that as a result, relations between India and Australia had evolved beyond the "three Cs" of the Commonwealth, cricket, and curry, the "three Ds" of democracy, diaspora, and dosti, and the "three Es" of energy, economy, and education. According to Modi, the "mutual trust and mutual respect" that has grown between India and Australia as a result of both diplomatic ties and the contributions of the Indian diaspora is the relationship's main driver. In Hindi, he said, "You are the real strength of it. Modi also emphasised the accomplishments of his administration, including large-scale transfers of direct benefits to millions of people and ambitious renewable energy goals (Minister for Foreign Affairs 2023, p. 8) [11].

While there has been a regular exchange of visits at the ministerial level, there have been few bilateral visits at the level of the head of government or head of state, especially from our perspective. In July 2000 and again in March 2006, Prime Minister John Howard travelled to India. In November 2009, during Prime Minister Kevin Rudd's visit to India, it was decided to elevate the partnership to one of strategic partnership. There was the signing of a Joint Declaration on Security Cooperation. India's vice president, Shri M. Hamid Ansari, attended the CHOGM 2011, which was held in Perth from October 28 to October 30, 2011. When PM Shri Narendra Modi visited Brisbane on the eve of the G20 Leaders' Summit in November 2014, it was his first successful trip to Australia in 28 years.

Numerous Indian associations exist in Australia, and by periodically hosting cultural events, they play a vital role in promoting Indian culture. With the assistance of Indian Associations in various Australian towns, the High Commission of India and the ICCR finance Indian dance troupes travelling to Australia to participate in Diwali celebrations. In October 2014, ICCR sent a 6-person Odissi dance troupe to perform in Sydney, Canberra, and Melbourne. In the past, the ICCR sent a Bollywood Dance Group to Darwin in October 2014 and a Sattriya Dance Troupe to Perth in June 2014. The Know India curriculum is also a fantastic way for children in the diaspora to learn about India's rich cultural heritage, economic development, and social advancement. In Australian universities, there are also visiting chairs for Indian studies (High Commission of India 2023, p. 67) [5].

Nearly 295,000 Indians (those born in India) live in Australia and are employed as teachers, doctors, accountants, engineers, and researchers, all of which contribute to the country's economy. India is Australia's third-largest immigrant source country. The High Commission presided over the organisation of the Pravasi Bharatiya Divas Conference, which took place in Sydney from November 10 to 12. The Confederation of Indian Industry (CII) sent a sizable business delegation to the Convention. Indian businesses operating in Australia as well as Australian universities all provided the conference with considerable support, sponsorship, and participation.

India-Australia Strategic Relationship

Australia and India upgraded bilateral relationship from 'Strategic Partnership' in 2009 to Comprehensive Strategic Partnership (CSP) in 2020. Over the years, an array of institutional mechanism has been put in place to promote bilateral co-operation. Bilateral mechanisms

include high level visits, Annual Meetings of Prime Ministers, Foreign Ministers' Framework Dialogue, 2+2 Defence and Foreign Ministers' Dialogue, Joint Trade & Commerce Ministerial Commission, Defence Policy Talks, Australia-India Education Council, Defence Services Staff Talks, Energy Dialogue, JWG's on different issues etc.

India's relations with Australia reached a new high with the first ever visit of the President of India H.E. Shri Ram Nath Kovind to Australia on 21-24 November 2018. President unveiled the statue of Mahatma Gandhi in Parramatta in New South Wales as part of the 150th Birth Anniversary celebrations of Mahatma Gandhi and addressed a large gathering of Indian diaspora and local community. Five MoUs were exchanged during the visit. President's visit to Australia was preceded by the visit of then Governor General of Australia H.E. Sir Peter Cosgrove AK MC (Ret'd), to India, in March 2018, to attend the founding conference of the International Solar Alliance.

The two-way Prime Ministerial visits in 2014 gave significant momentum to the bilateral relationship. Former Prime Minister Hon. Tony Abbott visited India on 4-5 September 2014. During the visit, four Agreements/ MoUs were signed. Prime Minister of India Hon. Shri Narendra Modi visited Australia for G20 Leaders' Summit at Brisbane in November 2014, followed by a bilateral visit from 16-18 November 2014. During the visit, Hon. PM Modi held wide-ranging talks with the then PM Hon. Tony Abbott and addressed a joint sitting of both Houses of Parliament, the first by an Indian PM. "Framework for Security cooperation between India and Australia" and five other Agreements/MoUs on Social security, Tourism, Arts & Culture, Sentenced persons and combating Narcotics were signed on this occasion.

Former Prime Minister Hon. Malcolm Turnbull paid a State Visit to India from 9-12 April 2017. Six bilateral agreements/MoUs on Cooperation in combating international terrorism & transnational organized crime, Health and Medicine, Sports, Environment, Climate and Wildlife, Civil Aviation society and Space technology were signed during the visit. Hon. PM Modi had telephonic conversations with then Australian PM Hon. Scott Morrison on 18 February 2021, 7 May 2021 and 15 September 2021. Hon. PM Modi held a bilateral meeting on 23 September 2021 with Hon. PM Morrison in Washington DC. The Prime Ministers also met on 1 November 2021 in Glasgow on the sidelines of CoP26 Climate Summit. Together with other leaders they jointly launched the 'Infrastructure for Resilient Island States (IRIS)' at the World Leaders Summit at COP26 on 2 November 2021 (Centre for the Advanced Study of India 2023, p. 50) [6].

Prime Minister of India Shri Narendra Modi and the Hon. Scott Morrison MP, former Prime Minister of Australia held India-Australia Leaders' Virtual Summit on 4 June 2020 where the bilateral Strategic Partnership concluded in 2009 was elevated to Comprehensive Strategic Partnership (CSP). Apart from a Joint Statement on CSP, the Summit also delivered eight landmark agreements/MoUs in various fields, including Maritime Cooperation in Indo-Pacific, Defence, Cyber Security, Education, Mining, Water Resource Management etc. To pursue the CSP, Foreign and Defence Ministers of both countries agreed to meet in a '2+2' format biennially. Prime Minister of India Shri Narendra Modi and the Hon. Scott Morrison, former Prime Minister of Australia held the 2nd India-Australia Virtual Summit on 21 March 2022.

India Australia Economic Cooperation and Trade Agreement

Shri Piyush Goyal, Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, and Textiles, Government of India, and Mr. Dan Tehan, Minister for Trade, Tourism, and Investment, Government of Australia, signed the India-Australia Economic Cooperation and Trade Agreement ("IndAus ECTA") in a virtual ceremony with the honourable prime ministers of Australia and India present. The Prime Minister, Shri Narendra Modi, said in a statement following the signing that this was his third encounter with his Australian counterpart in the previous month. He expressed his gratitude for the leadership of Prime Minister Morrison and the work done by Mr. Tony Abbott, a former Australian prime minister who is now his trade envoy. He also expressed his gratitude to the Trade Ministers' team for a well-executed interaction.

The IndAus ECTA's quick signature, according to the prime minister, demonstrates how deeply both nations trust one another. Shri Modi emphasised the enormous potential for the two economies to meet one another's requirements, and this agreement will allow the two nations to take full use of these chances. He emphasised, "This is a watershed moment for our bilateral relations." "Based on this agreement, together, we will be able to increase the resilience of supply chains and also contribute to the stability of the Indo-Pacific region," the prime minister added.

The Prime Minister of India and Australia described "people to people" contacts as the main tenet of their relationship, adding that "this agreement will facilitate the exchange of students, professionals, and tourists between us, which will further strengthen these relations." The Australian women's cricket team received the Prime Minister's best wishes for the upcoming World Cup final. Australia's Prime Minister Morrison praised Prime Minister Modi for his leadership while highlighting the two nations' unprecedented level of collaboration in recent years.

The Australian Prime Minister referred to the signing of the IndAus ECTA as another milestone in the expanding bilateral relationship between Australia and India, saying that it furthers the relationship's potential. IndAus ECTA will strengthen the warm and strong relationships between the people of the two nations by enhancing work, study, and travel opportunities, according to Mr. Morrison, in addition to enhancing trade and economic cooperation. By collaborating for the benefit of both vibrant regional economies and like-minded democracies, it will send a strong message to our firms that "one of the biggest doors" is now open (Australian Department of Foreign and Trade 2023, p. 12) ^[1, 2, 3, 8].

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The Agreement will help a number of labor-intensive Indian industries that are currently subject to an Australian import charge of 5%. The deal will result in immediate duty-free access to 98.3% of the tariff lines, or 96.4% of India's value-added exports to Australia. Over a five-year period, the remaining 1.7% of the lines will become zero duty lines. Australia offers duty-free status across all of its tariff lines. All labor-intensive industries, including textiles and apparel, agricultural and fish products, leather goods, footwear, furniture, numerous engineering goods, jewellery, and some pharmaceuticals, are covered by immediate duty-free access. As a result, many companies will be able to compete by obtaining cheaper raw materials, including those in the steel, aluminium, clothing, and other sectors. A separate Annex on Pharmaceutical Products has also been agreed to by both parties as part of this agreement, allowing for the fast-track approval of proprietary, generic, and biosimilar medications (Australian Consulate General 2023, p. 24) ^[8].

Growing economic and commercial links between Australia and India contribute to the two countries' relationship's stability and strength as it continues to diversify and flourish. The fair and equitable IndAus ECTA, which addresses trade in goods and services, will greatly increase bilateral trade in products and services, generate new employment opportunities, raise living standards, and enhance the welfare of the two peoples as a whole. Additionally, it will strengthen the two nations' already tight, strategic, and profound ties.

90 percentage of the value of Australian goods, including coal, are duty-free in India. Zero duty on goods worth 85.3 percentage will be offered right away, while goods worth 3.67 percentage will be offered gradually over the course of 3, 5, and 10 years. Coking coal and thermal coal, wines, agricultural products-seven of them with a TRQ (cotton, almonds shelled and in shell, mandarin, oranges, lentils, pear), metals (aluminium, copper, nickel, iron & steel), and minerals (manganese ore, calcined alumina)-are just a few of the tariff lines that India has offered Australia concessions on. Numerous delicate products, including wheat, sugar, iron ore, apple, walnuts, and other foodstuffs, have been kept on India's Exclusion List (Australian High Commission 2023, p. 45) ^[3, 8].

Australia's pledges under Trade in Services are the best it has made thus far in trade agreements and are consistent with its most recent FTA with the UK. Australia has made extensive commitments in about 135 sub-sectors, has committed its schedule to the negative list, and has been granted Most Favoured Nation (MFN) designation in about 120 sub-sectors. The Agreement establishes a 1,800 annual quota for Indian chefs and yoga instructors. For Indian students, a post-study work visa (18 months to 4 years) would be made accessible. More than 100,000 Indian students studying in Australia will gain from this.

Additionally, the #Ind Aus ECTA arranges for young professionals to obtain Work and Holiday Visas. After five years after the Agreement's entry into force, India has finally agreed to a negative listing. According to the negative listing strategy, a nation treats locally and imported goods/services equally in all respects, with the exclusions being stated in the negative list. Therefore, after a period of five years, India would treat services exported from Australia in this manner.) India is also committing to

Australia in about 103 service sub-sectors, with Most Favoured Nation designation being granted for the first time in about 31 service sub-sectors (Indian Council of World Affairs 2018, p. 5) ^[9, 10].

Australia receives promises in the areas of business services, insurance, banking, and other financial services. The Agreement opens up opportunities for investment in telecom, building, health, and environmental services, as well as computer-related services. These are all comparable to earlier FTAs that India has signed. Additionally, commitments have been made to obtain MRAs for professional services within the next 12 months.

India is one of Australia's most important Indo-Pacific partners, with the relationship characterised by strong people-to-people links and close cooperation at all levels of government. The Australia-India relationship is at a high point, underpinned by the Comprehensive Strategic Partnership announced by Prime Ministers Morrison and Modi in June 2020, significant investments to bolster our economic ties announced as part of the India Economic Strategy Update, launched in March 2022, and the signing of the Australia-India Economic Cooperation and Trade Agreement in April 2022. The relationship has expanded significantly in the 30 years since the launch of the Australia India Council. The Australian government is now establishing a new, high-profile body– the Centre for Australia-India relations-with substantially increased funding, resources and a mandate to strengthen business and diaspora ties (World Politics Review 2022, p. 9) ^[10].

Australia's Indian communities make important contributions to our society; they are active across all aspects of Australian life, including in business, politics, the judiciary, government, civil society, academia, science, the arts and sport. Today three per cent of Australians have Indian heritage and in 2020 the Indian-born population became Australia's second-largest group of overseas-born residents. This community is recognised as having a great sense of civic responsibility and being a rich source of dynamism and enterprise. The Centre will work with our diaspora communities to support broader bilateral engagement with India.

The Centre will also administer over \$20 million in *Maitri* (friendship) initiatives, including a scholars program, a grants and fellowship program and a cultural partnership. The *Maitri Scholars Program* will attract and support high achieving Indian students to study at Australian universities, while the *Maitri Grants and Fellowships Program* will build links between our future leaders, supporting mid-career Australian and Indian professionals collaborate on strategic research and shared priorities. The *Maitri Cultural Partnership* will boost the role of creative industries in our economic and people-to-people ties.

The Centre will promote connections between government and non-government institutions through enhanced policy dialogue. It will work closely with business to promote greater awareness and understanding of the growing India market, building business literacy and supporting new business partnerships. The Centre will be a national platform bringing together all levels of government, together with industry and the broader community to drive Australia-India engagement. The Centre will complement existing institutions and function as a centre of gravity for the bilateral relationship.

Conclusion

The India-Australia relations have strengthened in recent years due to shared values, interests, geography, and objectives. Both countries envision a free, open, inclusive, and rules-based Indo-Pacific region, unilateral or coercive actions are not preferred and are to be avoided in resolving any disagreements or conflicts. Renewed relationship between India- Australia through initiatives such as India Australia bilateral Summits give an opportunity to further strengthen the ties between the two countries to play an active role in ensuring rule-based order in the Indo-Pacific. One of the reasons for failure to accelerate the pace of Australia-India relationship over the last decade was the lack of 'political will' from both the sides which could take steps beyond the issuing the joint statements, participating in a photo session and their fondness for cricket.

The future will depend on the Indian government's willingness to enhance the priorities. It should be noted that Prime Minister Modi's visit to Australia was almost after three decades of gap by any Indian prime minister. In addition to the unavoidable trade complementarities between Australia and India, Prime Minister Modi's eagerness to enhance India's international presence in the Indo-Pacific region, his economics driven foreign policy, and his record number of foreign visits which also include small Island nations which did not figure in the itinerary of the previous prime ministers of India indicate that Australia will be no more at periphery in India's foreign policy priority list. This also dispels the concerns in Australia about India's willingness to engage beyond its immediate regional geo-strategic interests and its engagement with big powers.

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