

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:2507  
ANSWERED ON:09.08.2010  
FTA WITH AUSTRALIA  
Tewari Shri Manish

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) whether India proposes to sign a Free Trade Agreement with Australia;
- (b) if so, the details thereof;
- (c) whether Balance of Trade between Australia and India is negative;
- (d) if so, the details thereof during the last three years;
- (e) the details regarding likely benefits for the country with the signing of the said Free Trade Agreement; and
- (f) the special benefits that a Free Trade Agreement inter se entitle signatories which normal trade relations do not?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JYOTIRADITYA M. SCINDIA)

(a) & (b) India and Australia set up a Joint Group to study the feasibility of a bilateral Free Trade Agreement between India and Australia. The Joint Study Group has submitted its report on 04.05.2010.

(c) Yes, Madam.

(d) Details are available at <http://commerce.nic.in/eidb/default.asp>.

(e) & (f) The Joint Study Report observed that India and Australia produce highly competitive and largely complementary goods for export to international markets. While economic activity in each country has led to substantial growth in bilateral goods trade, tariffs and non-tariff barriers continue to raise the cost of imports, imposing implicit taxes on businesses and consumers alike. A comprehensive FTA between Australia and India would cover substantially all goods trade allowing the two countries to take maximum advantage of the considerable complementarity between the two economies. Such liberalisation would provide impetus to economic activity and economic welfare in each economy. An FTA would also cover a substantial range of services sectors, including sectors of export interest to both the countries, covering all the four modes in a GATS-consistent and GATS plus framework, and including enhanced cooperation to assist the recognition of professional services. Liberalising investment regimes would result in valuable economic benefits for both countries.