

27 April 2015

Mr Dene Yeaman
Director
Department of Foreign Affairs and Trade
North Asia Service and Investment Branch
Email: indiafta@dfat.gov.au

Dear Mr Yeaman

Australia –India Comprehensive Economic Cooperation Agreement

National Australia Bank (NAB) welcomes the opportunity to provide comments to the Department of Foreign Affairs and Trade regarding the Australia-India Comprehensive Economic Cooperation Agreement (AI-CECA).

NAB has been investing in the growth of our business and customer base in Asia for over 40 years and opened our branch in Mumbai, India in 2012. As Australia's largest business bank we are well positioned to support our customers as they do business in India, which has become Australia's fifth largest export market.

In India, we provide a range of services to meet the needs of our clients. We also provide banking services to the Indian diaspora in Australia and are actively involved in referrals of students and migrants. The branch provides a link for Indian clients looking to expand or invest in Australia.

In 2014, the relationship between Australia and India was enhanced by the visit to India of The Hon. Tony Abbott MP, Prime Minister of Australia and the visit to Australia by The Hon. Narendra Modi, Prime Minister of India.

NAB was delighted to participate in the January 2015 Australia Business Week in India (ABWI) trade delegation led by The Hon. Andrew Robb AO MP, Minister for Trade and Investment. We were honoured to have Minister Robb witness the signing of the Memorandum of Understanding (MOU) between NAB and the State Bank of India (SBI), India's largest financial institution.

The NAB MOU was the first SBI had signed with an Australian bank. This agreement provides NAB an opportunity to expand our work with SBI in generating new opportunities for investment in Australia. The memorandum will enhance cooperation between the two banks in the areas of project finance, correspondent business banking, migrant banking as well as knowledge sharing in industry sectors such as natural resources and infrastructure.

We understand foreign direct investment into sectors such as infrastructure, food processing, healthcare and education is a priority for the Modi Government in driving economic growth and development. Counter-seasonal opportunities in the agricultural sector are likely to provide benefits for Australian farmers and agricultural producers. Australia's contribution to global food value chains could be further enhanced with access to the Indian market through tariff reductions negotiated as part of the AI-CECA.

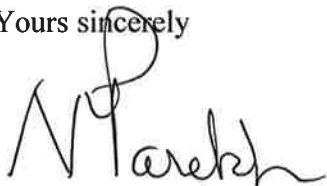
As the second largest contributor of international students to Australia, Indian students' desire for an Australian qualification could be satisfied through transnational education delivery in India. NAB encourages further discussion on access for Australian providers into this sector in anticipation of continued demand and growth for international education.

The development of the AI-CECA highlights the strong social and cultural links between India and Australia and is an acknowledgment of the important work of Australian Government agencies such as the Department of Foreign Affairs and Trade and Austrade. NAB is very supportive of these agencies as well as business organisations including the Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce and Industry (FICCI), the Association Chambers of Commerce and Industry of India (ASSOCHAM) and Indo-Australian Chamber of Commerce in providing market entry, cultural advice and guidance on doing business in the market.

NAB encourages the Australian and Indian Governments to act swiftly on the development of the AI-CECA and looks forward to continuing the dialogue with the Government about AI-CECA.

Should you wish to discuss this submission further, please contact Vanessa Curtain, Manager, Government Affairs and Public Policy at Vanessa.L.Curtain@nab.com.au or 0400 697 625.

Yours sincerely



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Regional Head, South Asia and South East Asia
National Australia Bank

Attachment A – NAB Group Economics: India Monetary Policy Brief April 2015