Tapping into India’s burgeoning economy

Minister for Trade, Tourism and Investment
The Hon Steven Ciobo MP

Welcome to a new edition of business envoy, focusing on India. Just over 25 years ago India was barely engaged in the global economy. Today, it is the world’s fastest growing major economy and will become the third largest economy by 2030. Growth is driven by the world’s largest and youngest working-age population, domestic consumption, investment in infrastructure, education, and innovation. Emblematic of its rise – a billion new smartphones will be sold in India in the next five years.

Prime Minister Narendra Modi’s Bharatiya Janata Party’s recent win in state elections underlines his mandate for ongoing economic reform. This result followed progress on difficult reforms – introducing a national GST, demonetisation and broader economic policies such as financial inclusion initiatives, easing of investment restrictions and an innovative approach to competitive federalism, all serving to create a better business environment.

Prime Minister Modi’s bold reform agenda creates opportunities for Australia. Increasing two-way trade and investment with India is part of the Australian Government’s plan to boost jobs, growth and prosperity.

We’re making progress. In 2015-16, two-way trade in goods and services was nearly $20 billion – double what it was a decade ago.

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Two-way investment is at $22 billion, having grown 15 fold over the same period. However it's the potential for future growth that is the focus of the Turnbull Government. Currently, more than 60 per cent of the value of Australia’s merchandise exports comes from just three commodities: coal, gold and vegetables. We need to actively identify fresh ways to build on these traditional strengths and diversify our trade and investment relationship. Education, skills and tourism have opportunities for growth. As does the ‘new economy’ — providing high value-add services in innovation and technology, fintech, medtech, agritech and IT.

We are also continuing to work towards a comprehensive and ambitious bilateral trade agreement and participating alongside India in the Regional Comprehensive Economic Partnership negotiations involving 14 other countries. Wide-ranging and high-quality outcomes in both these negotiations would facilitate increased and diversified goods and services trade between India and Australia, as well as more cross-border investment.

This edition will give a sense of where new trade and investment opportunities exist for Australian business and highlight examples of successful collaboration between Australia and India. In the coming months, DFAT, Austrade and state and territory governments will continue to support Australian businesses to explore opportunities that enhance trade and investment ties with India, including at Australia Business Week in India.

• For more information on the CECA and RCEP negotiations, including how to make a submission on the negotiations is available at: http://dfat.gov.au/trade/agreements/aifta/ and http://dfat.gov.au/trade/agreements/rcep
During my first year as High Commissioner in New Delhi I have been struck by the extent of Australia’s shared history with India.

Indians fought alongside Australian forces at Gallipoli during the First World War; in 1944 Australia became one of the first countries to establish a diplomatic presence; and since 1949 we have worked together as members of the Commonwealth. Our shared history is underpinned by, among other things, our systems of parliamentary democracy, our love of cricket and our secular societies.

This shared history provides a solid foundation to deepen our relationship throughout the twenty-first century.

Since it began to open its economy in the early 1990s India’s development trajectory has been impressive, and continues to change in fast and exciting ways.

The Indian Government, lead by Prime Minister Narendra Modi, has placed a high priority on economic reforms to build business confidence, increase foreign investment and provide incentives for state governments to institute business-friendly reforms.

The pace of reform is helped by the demands of a growing middle class and India’s relatively young demographic profile. We are seeing the emergence of a skilled, educated and tech savvy youth. By 2025 around 20 per cent of the world’s working-age population will live in India.

For Australia, these trends have driven dramatic increases in export revenues from service sectors such as education and tourism. India now represents the second highest source of international students to Australia, with more than 60,000 last year. It is also our ninth largest inbound market for visitor arrivals to Australia. A record 260,000 Indians visited Australia over the past year. And demand continues to rise with double-digit year-on-year growth in this sector.

As India develops, its energy requirements will grow. Australia is a natural partner for India’s energy needs. We have vast reserves of coal and liquefied natural gas and are world leaders in areas such as mining services, technology and mining safety. There are opportunities in solar power generation to support the Indian Government’s ambitious goal for renewables to reach 175GW of electricity generation by 2022.

I see tremendous scope to diversify the relationship by expanding cooperation in sectors such as technology, agriculture, water management and sports. In turn, driven by greater collaboration and a focus on knowledge partnerships, innovative applications of technology are likely to other sectors of the economy.

As in any developing economy, doing business in India can be challenging. It requires perseverance and a commitment to the market. It also requires an understanding of how India works. Relationships matter and are critical to success. So it is worth investing in them and taking the time to understand market nuances. Australian business built successes across North Asia doing just that. Now it’s time to do the same in India.

When I was asked why I wanted to come to India as High Commissioner, my answer was simple. India now sits at the top tier of countries of importance to Australia. Yet, despite our long history together, there is still great scope to advance the relationship and to shape it. I write at a moment when India is undergoing a significant transformation and its potential becoming realised. I look forward to working to take up the many opportunities India presents and taking the Australia–India business relationship forward.
From Mumbai: India’s Davos

The Vibrant Gujarat Summit and Trade Show 2017 in mid-January delivered Indian Prime Minister Narendra Modi and his home state Gujarat a mix of international political and business leaders, including nearly all of India’s major corporate leaders, senior government officials, largest foreign investors and over two million visitors. The biennial event reaffirmed its status as ‘India’s Davos’ with the Gujarat Government announcing 25 578 agreements were signed this year, including billion dollar commitments to establish an aerospace and defence cluster, a steel plant and new industrial parks. As a partner country, Australia held a successful Country Seminar which boosted the profiles of Austrade, the Australia-India Council and the Australia-India Business Council.

Australia’s engagement as a partner country for the second time running and New South Wales’ participation to further Gujarat-NSW sister state ties were widely appreciated. The Australian Consulate-General in Mumbai is responsible for Australia’s relations with Gujarat and expects the next Vibrant Gujarat in 2019 may be an even larger event ahead of Indian national elections that year. Interested Australian businesses and investors are invited to read Austrade's Gujarat Market Summary and contact Austrade in Ahmedabad on 132878 or info@austrade.gov.au

From Ottawa: Lighting the sparks of innovation

In mid-2016 the Canadian Government launched its “Innovation Agenda” to identify priority actions to spur innovation. After 180 days of consultations with leaders of Canadian society and 120,000 engagements with the public via visits, emails, tweets and phone calls, 1752 ideas were categorised into six areas of action: entrepreneurial and creative society, global science excellence, world-leading clusters and partnerships, accelerating clean growth, competing in a digital world and ease of doing business. Areas of international interest include support for innovation partnerships or “clusters”, expanded investment promotion and measures to improve labour mobility. Canada wants to develop “super clusters” that bring together Canadian partners with businesses, research institutions and governments to create hotbeds of innovation and to accelerate the commercialisation of ideas. The Government will also ramp-up its investment promotional arm, announcing in December funding of C$218 million over five years to create a new federal body, the ‘Invest in Canada Hub’, by the end of the year. It will also increase the number of trade commissioners focused on investment attraction in strategic markets. Human capital and skills development will also get a boost with the government seeking to make it easier for international talent to engage with Canadian companies. A new work permit exemption for short-duration work terms (fewer than 30 days) will facilitate short-term, inter-company work exchanges, study exchanges, or the entrance of temporary expertise. The government is also considering an ambitious two-week standard for processing visas and work permits under its Global Skills Strategy announced in the Fall Economic Statement.

From Bandar Seri Begawan: Education a central pillar of relationship

Education links form a core component of our bilateral relations with Brunei. Australia is the second largest destination for Bruneian students studying overseas, resulting in a sizeable and influential alumni cohort. Although the overall number of Bruneians studying in Australia is small by comparative standards, at around 400 it is significant in terms of Brunei’s total population of around 330 000. Interest in studying in Australia is high with more than 400 people attending the Australian High Commission’s annual Australian Future Unlimited Education Information Day in February. The event was timed to coincide with the Brunei Ministry of Education’s Higher Education Expo 2017 where Australia was joined by institutes from the United Kingdom, Japan and Malaysia. Several Australian universities enjoy relationships with the University of Brunei Darussalam and University of Technology Brunei which enable students to complete half their degree in Australia – see UTB’s arrangement with UNSW in Chemical Engineering for example. Following expressions of interest, the High Commission is exploring opportunities for cooperation between Australian and Bruneian institutions in the fields of specialist medicine, biodiversity and defence policy. Read Austrade’s Education Market Profile – Brunei and contact Austrade at Josie.Abdullah@austrade.gov.au for more information.

From Jakarta: ‘Truly Aussie’ Year of Australian Lifestyle

Australia as a ‘Lifestyle Superpower’ is the focus of the Australian Embassy in Indonesia’s 2017 year-long public diplomacy campaign Year of Australian Lifestyle in Indonesia. The campaign, which uses the hashtag #AussieBanget or ‘Truly Aussie’, kicked off on January 31 with ‘film’ as the first of the year’s monthly themes. Now in its second year, the Embassy’s Festival Sinema Australia Indonesia 2017 was oversubscribed at all venues including two new locations, demonstrating a growing appetite among Indonesian audiences for high quality Australian films. In February, #AussieBanget’s focus on ‘design’ coincided with Australian designer Jamie Sortino receiving the highest design accolade of opening Indonesian Fashion Week 2017. Over the rest of the year the campaign will highlight Australia’s world
class business and education sectors; promote Australia as an investment, learning and tourism destination; showcase Australia’s capabilities in science, research, innovation and technology; profile Australia’s creative industries; and highlight Australia’s approach to diversity and religious tolerance. Follow @DubesAustralia on Twitter and #AussieBanget to find out about new events.

The Australian Embassy welcomes your involvement in the #AussieBanget campaign. For further details please contact the Advocacy and Outreach Section at cultural.jakarta@dfat.gov.au

From Port Vila: A close trade and investment partnership

The Australian High Commission in Port Vila attended Prime Minister Charlot Salwai’s January 2017 launch of Vanuatu 2030 – the People’s Plan, a vision for achieving a stable, sustainable and prosperous Vanuatu within the next 15 years. As Vanuatu’s largest bilateral aid donor, Australia is a committed partner in making a difference to the lives of people in Vanuatu. Australia’s trade and investment ties with Vanuatu are also strong. Australia is the source country for two-thirds of long stay tourists and almost all cruise ship passengers, helping to bolster the tourism sector which accounts for approximately 40 per cent of GDP and one third of formal sector employment. According to Pacific Islands Trade and Invest most tourism businesses are family run and a major source of employment for women and youth. Vanuatu is one of the largest source countries under Australia’s Seasonal Worker Programme. The SWP provides much needed seasonal labour for Australian businesses and is a significant source of remittances for Vanuatu.

Australia is also Vanuatu’s largest source of foreign investment. Australian companies in Vanuatu are active in diverse fields such as hospitality, training and education services, building and construction and food and wine products. Australia and New Zealand are currently negotiating the Pacific Agreement on Closer Economic Relations Plus with Vanuatu and 12 other Pacific Islands Forum countries. The primary objective of PACER Plus is to promote the economic development of Forum Island Countries through greater regional trade and economic integration. The Australian High Commission in Vanuatu also recently provided assistance to the Ministry of Tourism, Trade, Commerce and Ni-Vanuatu Business to second an officer to the role of Vanuatu Trade Commissioner to the Australian office of Pacific Trade and Invest in Sydney. As a result, four businesses from Vanuatu were invited to showcase their products as part of the Pacific Trade and Invest stand at the trade-only expo Fine Food Australia in Melbourne, gaining valuable international exposure and expanding their potential buyer networks. International investors were also represented at the Australia Vanuatu Business Forum, held in Port Vila in February.

From Chennai: A wealth of opportunities for market-ready tech start-ups and R&D centres

Southern India – one of the world’s most dynamic tech industry growth centres – offers a wealth of opportunities for Australian innovators and market-ready start-ups that are interested in collaborating with Indian counterparts. Incubators across the region’s main technology centres, including Bangalore and Hyderabad, are keen to establish collaborative relationships with Australian incubators and accelerators. They are willing to offer ‘landing pad’-like facilities to Australian start-ups, enabling them to focus on India’s lucrative market and help them navigate some of its complexities. The largest of these, T-Hub Hyderabad, the brainchild of the Telangana Minister for Information Technology, Industry and Commerce, K T Rama Rao, was established 12 months ago as a not-for-profit collaboration between the government of Telangana, three well-known Indian academic institutes and the private sector. It has the capacity to host around 220 start-ups at its 770-seat facility at the Indian Institute for Information Technology, Hyderabad and focuses on FinTech, HealthTech, AgriTech, Smart City, Sustainability, Social Impact, and Aviation and Logistics. The Australian Consulate-General in Chennai is encouraging Australian incubators/accelerators, innovators and start-ups to consider these opportunities, with collaboration in the fields of healthtech, agritech and water-related sustainability technology, of greatest interest. T-Hub is also seeking to establish an international exchange partnership program, following a successful US-Indian model, involving two to three week visits by groups of around ten market-ready start-ups to understand markets and develop contacts. For more information contact Sophie Smith at Sophie.Smith@dfat.gov.au at the Australian-Consulate General in Chennai.

Austrade is reaching out to Indian IT companies and venture funds (eg: Infosys Innovation Fund, Wipro Ventures, Tech Mahindra Growth Factories Fund, and Reliance GenTech Ventures), and working with foreign multinational corporations in-house research centres based in India (eg: AirBus/GE/
ABB to support funding of Australian start-ups and commercialisation of Australian innovation. Austrade are also seeing opportunities to leverage mature Australian technology to support addressing challenges faced by India’s rapid growth. These are primarily in the areas of: Smart Cities; Water management; Agricultural practices improvement; Road Safety; and METS.

From Vientiane: Improving the business environment
Prime Minister Thongloun Sisoulith has undertaken publicly to improve Laos’ ranking on the World Bank’s Ease of Doing Business survey to less than 100. It is currently idling at 139, one of the lowest in the region. The Lao National Assembly recently endorsed a revised version of the 2009 Investment Promotion Law as a signal to prospective foreign investors that Laos is making efforts to improve its business operating environment. Discussions in parliament focused on more generous tax incentives for foreign investors, changes to land use and allocation via a reduction in land concessions from 99 years to 50 years, and structural changes to streamline the process by which investors seek to enter and operate in the Lao market. Australian business in Laos has told the Australian Embassy in Laos it welcomes a number of positive changes in the law. Australia supported the revision of the law through the Mekong Business Initiative – an advisory and advocacy facility to promote business environment reforms in the Greater Mekong Sub-region managed by the Asian Development Bank and funded by the Australian aid program. Australia is one of the Lao PDR’s main development partners with Australia’s programs focusing on trade and business reform, education and human resource development. This year marks the 65th anniversary of diplomatic relations between Laos and Australia. Laos’ relationship with Australia is the country’s longest unbroken diplomatic relationship at Ambassadorial level. Read more in DFAT’s Laos Country Brief and Austrade’s Export Market - Laos webpage.

From Oman: Positive feedback from alumni
Omani alumni of Australian universities number more than 850 including current students, according to the Omani Minister for Education. The Australian Embassy in Riyadh, which has formal accreditation to Oman, has received positive feedback, with graduates reporting they are very satisfied with the standard of education and pastoral care provided by Australian institutions. The lower Australian dollar has made the cost of living noticeably more affordable for Omani students, and the new visa system has made applying for student visas easier and faster. The Australian Government is highlighting opportunities in education in Oman and other Middle East and North Africa countries through events such as the MENA Connection

Seminars held each November. Austrade’s Oman Education Market Profile and Market Dashboard showing student enrolments, fields of education and visa grants for Oman can be found at www.austrade.gov.au/Australian/Education/Countries/oman

For more information contact Austrade Regional Education Manager Ismail Farag (in Riyadh) at Ismail.Farag@austrade.gov.au or telephone +966 11 2816176.

From Seoul: Aussie students say “Annyeong Haseyo!”
Australian Minister for Foreign Affairs Julie Bishop launched the New Colombo Plan Internship and Mentorship Network in the Republic of Korea during a visit to deepen business and strategic links in February. The NCP Internship and Mentorship Network provides internships and mentorships for Australian students in the Indo-Pacific to test their skills in real life situations, build cross-cultural competencies and develop professional networks to complement their formal studies under the program. As a registered NCP Internship and Mentorship Network member, private-sector organisations can access a diverse talent pool and support students in obtaining professional experience in the region. At the end of the year, more than 540 Australian undergraduate NCP students will have studied and undertaken work-based placements in Korea under the program. To learn more about how your business can get involved, visit the Department of Foreign Affairs and Trade’s New Colombo Plan Internship and Mentorship webpage.
Australia needs to secure a place in India’s growth story
by Leonie Muldoon, Senior Trade and Investment Commissioner, Austrade India

Economic reforms and anti-corruption programs are expected to improve the ease of doing business in India for international enterprises.

India is a market Australian businesses should not ignore. Already an Asian giant, India is now the world’s fastest growing major economy with a rising middle class and growing urbanisation.

It also has the largest youth population in the world, with around half of its population under 25 years old. This ‘positive demographic dividend’ offers a beneficial tailwind for the economy through an expanded consumer market and labour force.

The country is also undergoing a digital transformation, with online channels such as Amazon, Flipkart and Snapdeal, presenting new ways to access Indian consumers.

Clearly this is a market that presents significant opportunities for Australian enterprises.

But despite its size and proximity to Australia, India is only Australia’s 10th largest trading partner and our fifth largest export market for goods and services.

This is because India has a reputation for being a difficult place to do business, and a perceived preference for self-sufficiency, protectionist policies and price sensitivity.

But business conditions are slowly improving.

Prime Minister Narendra Modi’s planned major economic tax reforms and anti-corruption programs are expected to ease the process of doing business in India for international enterprises and improve the overall business environment.

What are the opportunities?

India’s rapid economic expansion, driven by its demographic profile and fast-growing consumer base, provides numerous opportunities for Australian businesses across a range of sectors. Opportunities include:

- **Education and skill development** – Significant opportunities exist beyond attracting students to study within Australia. Under India’s ‘Skill India’ economic development program there is the potential for collaboration with Indian educational institutions in professional and technical skill development.

- **Innovation** – The internationalisation of India’s companies is driving investment growth as they seek access to resources, technologies, new markets and global supply chains. Investment in technology and innovation is increasing as Indian manufacturers and India’s large ICT companies develop new solutions in data analytics, fintech, cyber security, advanced manufacturing and agritech. It presents Australian business with opportunities to collaborate.

- **Premium food** – Australia is already a key supplier of agricultural commodities such as pulses and wheat to India. Significant demographic changes and improving living standards are driving rapid growth in demand for global food brands, providing new export opportunities for suppliers of Australian gourmet food, fine wines, and lamb and goat meat. There are also opportunities to export Australian ‘quick service brands’ to India through franchising.

**Australia Business Week in India**

Australian businesses will have the opportunity to join a trade mission to India, with the second Australia Business Week in India scheduled to take place this year as part of the Australian Government’s efforts to enhance trade, investment, education and tourism ties with India.

The inaugural ABWI was held in January 2015 and was Australia’s largest ever trade mission to India with around 450 Australian delegates participating in a week-long series of events and generating new business opportunities, partnerships, trade deals and relationships with Indian businesses.

For more information, and to learn how Austrade can help Australian businesses in India, please contact: ind@austrade.gov.au
Health — India’s healthcare sector is expected to more than double to $364 billion by 2020, up from $143 billion in 2016. Its healthcare infrastructure is struggling to keep up with this growth in demand, and healthcare providers are actively looking for solutions and services. Opportunities exist for Australian businesses in intelligent health solutions, delivering healthcare in remote areas, data analytics, and training and skill development. There are also opportunities to partner with Indian pharmaceutical companies for R&D, new drug development, clinical trials, data analytics and bio-informatics.

Mineral equipment, technologies and services (METS) — Demand for Australian METS expertise continues to grow, with opportunities for Australian providers to tap into the global value chains of Indian mining and resources companies operating in international markets.

Water, environment and sustainable energy — Water and environmental management is high on the Indian Government’s agenda, evidenced by flagship projects such as the $4.5 billion Ganga Cleaning Project for the iconic Ganges River, the $650 million National Hydrology Project, and the National Aquifer Mapping and Management Project. Other opportunities exist in national and multilateral projects in hydrology and water basin management, urban water management, waste management, recycling and reuse of industrial wastewater and environmental remediation.

International expertise is also required for energy storage technologies to support India’s ‘Smart Cities Mission’ through renewable energy integration and off-grid renewables.

Infrastructure — Opportunities exist in rail, smart urban infrastructure and road safety management. In rail, this includes access to multinational manufacturing operations based in India, as well as supporting the development of other areas such as major heavy-haul rail corridors, major rail-port developments, and inland container terminal development.

Smart cities — India’s ‘Smart Cities Mission’ has been allocated a budget of nearly $20 billion to redevelop existing cities for improved planning outcomes, creating opportunities for Australian urban planning, green building technologies and integrated transport systems. In road safety management, there are commercial opportunities for Australian road safety consultants to act in advisory roles to government.

Sports — India’s quest for sporting success and focus on better community engagement in sport is creating opportunities for collaboration with Australian groups with expertise in sports training. Opportunities include sports consultancy for corporate and government groups, grassroots sports development, and sports education.
India is not a market that can be tackled whole. Its complex democracy consisting of 29 diverse states with unique economies, political leadership and business conditions, requires a targeted approach. Recognising this, Australian states and territories are helping businesses navigate these differences and tailoring efforts to Indian states that have conducive business environments.

Queensland

Since opening an office in India in 2003, Trade and Investment Queensland has been connecting the needs of the Indian marketplace with the capabilities of Queensland businesses. Some of the largest investments into the Australian resources industry have come from India, and Queensland has proven an attractive destination. Through the flagship project Advance Queensland, TIQ is attracting new companies in the technology and innovation space to choose Queensland as the best place to start their business. This has the two-fold benefit of catering to the Australian market as well as taking advantage of Queensland’s geographical proximity to emerging Southeast Asian markets.

Currently, TIQ focuses on the following sectors: Mining and Resources; Vocational and Higher Education; Food and Agribusiness; Advance Queensland; Investment – Resources and Knowledge Industries; and Business Skills Migration Queensland.

TIQ is also working collaboratively with other Queensland Government agencies to promote Queensland internationally as a place to do business in the lead up to the 2018 Commonwealth Games on the Gold Coast. Since March 2016, a number of trade and investment promotion activities have targeted: food and agribusiness; international education and training; innovation; and business of sports.

This year, Queensland is pleased to support the India Australia Business and Community Awards, an event that recognises and celebrates businesses, entrepreneurs and cultural leaders of Indian origin for their contribution to Australia. The Awards, a national initiative, will be held in Brisbane on October 13, 2017. TIQ encourages the business community and cultural groups from India interested in Australia to attend the awards.

For further information on Queensland’s engagement with India, visit www.tiq.qld.gov.au/export/market-overviews/india/

New South Wales

The NSW Government’s India Strategy is focused on deepening trade and investment ties, building on its Memorandums of Understanding with the Indian states of Maharashtra and Gujarat. Collaboration focuses on constructing world-class infrastructure, delivering smart cities, facilitating the exchange of agricultural technology and expertise, and increasing Indian investment into NSW.

Under the Maharashtra MoU, the Maharashtra Water Resources Department and the NSW Department of Primary Industries have signed an $800,000 contract to model water management and share knowledge on water allocation governance.

NSW’s Barangaroo Delivery Authority and Gujarat’s International Finance Tec-City are using the NSW-Gujarat MoU to further strengthen ties and share expertise on green urban infrastructure development. NSW intends to highlight its successful model of partnership with the private sector to make Barangaroo carbon neutral and water positive.

These MoU have also helped NSW attract strong investor interest from India, particularly from the ICT, technology and digital services sector. A large number of Indian ICT companies operate in NSW, including Tata Consultancy Services, Infosys, Tech Mahindra, Wipro, HCL and Mindtree create local jobs. All major India Banks now have a representative office in NSW including State Bank of India, Union Bank of India, Bank of Baroda and Punjab National Bank.

The appointment of former NSW Premier, The Hon Barry O’Farrell, as NSW Special Envoy to India since October 2016, underlines the NSW Government’s commitment to the relationship. Mr O’Farrell visited India in January to attend the Vibrant Gujarat 2017 Summit in Ahmedabad and held meetings with business and government leaders. This visit helped outline NSW professional services expertise necessary to support the Indian Government’s unprecedented initiative to invest US$1 trillion in infrastructure by 2017 and build 100 smart cities.

For further information on NSW’s engagement with India, visit www.dpc.nsw.gov.au/programs_and_initiatives/international_engagement

Victoria

Victoria continues to foster engagement with India across government, community and business. In December last year, Melbourne hosted the Australia India Leadership Dialogue, an annual bipartisan dialogue of senior leaders from India and Australia. In February this year, the Australia India Youth Dialogue was held in Melbourne, which saw 30 emerging leaders from both countries meet to discuss innovation in the health sector. Both

Finding a ‘state mate’ may be the key to deeper economic relations
forums provided opportunities to develop new avenues for collaboration and partnerships between Australia and India, as well as strengthen existing relationships.

Home to the largest Indian-born community in Australia and host to the greatest number of Indian international students, Victoria’s relationship with India is supported by strong cultural ties. The vibrancy of India’s arts and culture was on display in Victoria during the Confluence Festival of India, and through the most recent MPavilion installation, an iconic pavilion designed by renowned Mumbai architect Bijoy Jain.

Victoria continues to focus on sectors where it sees strong alignment with India, notably in digital enabled technologies, start-ups, health and medical technologies, creative industries and food and agriculture. Victoria’s extensive international education partnerships – encompassing higher education, training and research – supports the state’s engagement across all sectors. In market, a technology trade mission from Victoria visited Bangalore, Delhi, Chennai and Mumbai from 13-17 February, with some joining a Victorian Government delegation participating in the National Association of Software and Services Companies’ annual India Leadership Forum.

The momentum generated in recent months will build in 2017, with the Victorian Government developing a new strategy to target engagement. Multiple ministerial visits are planned this year, which will assist in laying the foundation for the strategy’s implementation. The appointment of a new Commissioner to India is also expected in the first half of the year, which will strengthen Victoria’s in-market presence and position the state to take advantage of emerging opportunities in the world’s fastest growing major economy.

For further information on Victoria’s engagement with India, visit www.invest.vic.gov.au/all-offices/india/victoria-s-relationship-with-india

Tasmania

Tasmania recently introduced itself to India with a highly successful trade mission in September last year. Led by the Premier of Tasmania, the mission delegates included industry leaders from the education, energy, tourism and hospitality sectors. These sectors strengthened business ties with counterparts in India and promoted Tasmania’s premium products, notably high quality food and high-end beverages such as wine, gin and whisky.

The Tasmanian Government recently appointed Australian cricketing legend Ricky Ponting as a Tasmanian brand ambassador. Ricky was an integral part of the recent trade mission to promote Tasmania as a desirable tourism and study destination with solid investment opportunities.

International education is also recognised as a key sector of growth for the state. The University of Tasmania is proactively attracting Indian students to the island. The university is also engaging in collaborative research projects abroad, such as with an Indian research foundation to work on a $20 million project developing salt tolerant rice.

The establishment of a private education and training business school – BSchool – brings Indian executives to Tasmania for intensive executive management training. It has opened up opportunities for Indian executives to do business in Tasmania.

For further information on Tasmania’s engagement with India, visit www.stategrowth.tas.gov.au/home/what_we_do/promote_trade_and_industry

South Australia

The South Australian Government is engaging with India through a long-term engagement strategy that will create new commercial opportunities with the region and boost growth.

The prioritisation of the SA sister-state agreement with Rajasthan is expected to bring greater focus to facilitate opportunities for SA businesses, educational institutes and other organisations in multiple sectors. It is based on two-way exchange of research, policy and technical capabilities.

Collaboration on sustainable water management is already facilitating investment in SA water research and technical capabilities – groundwater research, water quality and aquifer recharge. In September last year both states agreed to build an internationally recognised Centre of Excellence in Water and Resource Management in Jaipur to facilitate further exchange of knowledge and technology, assisting Rajasthan and other Indian states to manage their own water resources.

SA’s continued commitment to its relationship with India will be reinforced with its business mission scheduled for November.

For further information on SA’s engagement with India, visit www.statedevelopment.sa.gov.au/investment/india

Western Australia

Western Australia first established an official presence in India with its Mumbai office. In the ensuing 20 years, strong relationships have been developed with numerous Indian companies and a
number of Indian states, particularly Maharashtra, Gujarat and Andhra Pradesh. WA established a formal sister state relationship with Andhra Pradesh in December last year after a comprehensive analysis of India’s 29 states. Andhra Pradesh offers unrealised mineral wealth, a long but only partially developed coastline, an evolving agriculture sector, offshore oil and gas development and onshore distribution opportunities, and a large future workforce seeking tertiary and vocational education.

Andhra Pradesh is a major state-building program, following the bifurcation of the state in 2014, leadership is both outwardly focused and dedicated to getting on with business. Australian Consul-General to South India Sean Kelly said, “The conclusion late last year of a sister state agreement between Andhra Pradesh and Western Australia has really given the [Australia-India] relationship a major boost”. The two states are working through an impressive agenda of collaborative projects, particularly in mining, energy, education and agriculture that will generate growth and jobs in both regions.


Northern Territory

The Northern Territory Government recognises the natural advantages that flow from the Territory’s vibrant multicultural community. These connections are key elements of the NT’s international engagement with China, Japan, Indonesia and Timor-Leste. It is how the NT seeks to open new doors to India.

The Government’s international engagement focuses on growing key sectors of the economy: agribusiness, gas and minerals, tourism, defence industries and international education. It sees the greatest opportunities for NT business in supporting India’s economic development.

There are opportunities to share expertise in farm management and irrigation to increase efficiency and yields in India’s agriculture sector; and to partner with agribusiness firms to supply export markets.

In the minerals sector, the NT has deposits in a number of the key minerals such as manganese, zinc, copper, gold, bauxite, tungsten and molybdenum that India will need to drive growth in its utility, communications and transport infrastructure.

In the defence sector, the Territory Government welcomes the increasing levels of engagement between the Australian Defence Force and the Indian Armed Forces and was pleased to welcome a visit to Darwin Harbour by the Indian navy vessel INS Sumitra in December last year. India has a very well-developed domestic defence industry and there are partnerships being explored with Indian firms. International education is also a fast-growing sector of the NT economy. India is a priority market for international students and student numbers are growing. Over time, this may also attract greater numbers of tourists from India.

For further information on NT’s engagement with India, visit [http://investnt.com.au](http://investnt.com.au)

Australian Capital Territory

The Australian Capital Territory recognises that the Asian Century provides tremendous opportunities for the Canberra region to provide high value-add services. Canberra’s International Engagement Strategy aims to grow the profile of the ACT brand in the Indian market, focusing on encouraging Canberra-based businesses to engage in DFAT’s public submissions process, growing international education partnerships through StudyCanberra and growing an international visit’s program in partnership with Tourism Australia and travel trade through VisitCanberra.

The appointment of former Member of the ACT Legislative Assembly Brendan Smyth as Canberra’s first Commissioner for International Engagement will also support advocacy efforts and outreach with India.

Forging the Australia-India knowledge partnership

Australia and India share aspirations that no country can reach alone. We both want to be at the global frontier of achievements in science, innovation and technology.

But to do this we need to forge a knowledge partnership that creates jobs, drives growth and modernises both of our economies. So what does this mean in practice?

We already have a solid foundation to become global knowledge leaders

Our top universities, research institutes and end-users of scientific innovation, including hospitals and industry, already work collaboratively together. This needs to continue.

One example is the Australia-India Strategic Research Fund, now in its tenth year. The Research Fund has supported more than 300 research projects and other joint activities that have contributed to preventing, diagnosing and treating diseases, improving agricultural productivity and new discoveries in astronomy.

We need to continue to solve problems together

Australian solar manufacturer Dye-sol, for example, is working with Tata Steel to integrate its highly efficient solar power technology into walls, roofs and windows. This promises enormous benefits to the world. Australia’s Swinburne University of Technology and the All India Institute of Medical Sciences are together developing a smart helmet designed for hot weather that will be light, with cooling and connections to smart phones. Australia is working closely with India and other international partners to develop the world’s largest radio telescope, the Square Kilometre Array (SKA), to be co-located in Australia and South Africa. The SKA will handle a data stream greater than today’s entire global internet traffic as it discovers how the first stars and galaxies formed. For the first time, the SKA will allow us to test Einstein’s theories about the gravity of black holes and change our understanding of the laws of physics.

Increasingly, collaboration features female scientists from Australia and India. Improving women’s participation in science and research is a priority for both nations. We want women and girls to access the opportunities that these fields will offer in tomorrow’s economy.

That is why the Australian Government is funding a range of programs to encourage girls to study science, technology, engineering, maths and medicine and to support women to build successful careers in these fields.

We need to build on our strong education ties

Education and skills collaboration is already one of the most successful aspects of Australia’s relationship with India, but we can play a bigger role in India’s contemporary education system.

Australia released its first National Strategy for International Education 2025 in April 2016. The Strategy enables Australia’s international education sector to be more innovative, future-focused and globally engaged.

The Modi Government has embarked on an ambitious program to train 400 million people by 2022, and is seeking support from Australia. Our industry-led vocational education and training system, qualifications and training providers are world-class and already looking at innovative ways to adapt business models to India’s skills ecosystem.

Australia also has expertise to share in the area of quality assurance. All our higher education institutions are held to the same high quality standards, and more than half of our universities perform in the top 500 of global university ranking systems.

The Australian Government supports two-way mobility of students through a range of programs including Endeavour Scholarships and Fellowships, Endeavour Mobility Grants and the New Colombo Plan (NCP). The fostering of people-to-people links is a key strategic priority for the Australian Government.

The students supported under these programs make a significant contribution to Australian society. They also return to India with an understanding of Australia that fosters collaboration and enduring economic links into the future.

Our knowledge partnership will open doors into futures we cannot even imagine today

Both Australia’s Prime Minister Malcolm Turnbull and Chief Scientist Dr Alan Finkel have challenged Australia to ‘get to the future first’. A strong partnership with India is essential to meeting this goal, as together we become global knowledge leaders.
Case Study One: Australia-India Strategic Research Fund

Tackling the noise problem in quantum electronics

Professor Michelle Simmons and her team at the Centre for Quantum Computing in the University of New South Wales are working to develop a quantum computer.

With support from the Australia-India Strategic Research Fund, Professor Simmons' team are working with the Indian Institute of Science to tackle the problem of noise in quantum electronics. Their collaboration combines Australia's state-of-the-art fabrication facilities and India's ultrasensitive noise measurement apparatus.

Professor Simmons' team are currently the only group in the world fabricating and optimising quantum electronic devices using silicon and germanium.

Quantum computing aims to use the unique and sometimes quirky properties of quantum physics – the study of particles at the atomic and sub-atomic level which can be in multiple states at the same time – to solve complex problems in finance, medicine, weather forecasting and physics, much faster than traditional computers can.

Researchers must first be able to precisely and predictably manipulate material at the quantum scale. Quantum scale electronic devices are traditionally plagued by high levels of noise, or unintended and uncontrolled environmental interference. Understanding and controlling noise has become critical for the development of quantum computers and the continued miniaturisation of traditional computers.

"Our Indian partners were able to look at the devices we made and could tell us what the issues were that made a particular device behave badly. As a consequence, we could change our fabrication process to get our devices working better," Professor Simmons said.

Outcomes from the collaboration so far have included the discovery of a new state of matter, the development of new techniques for the production of atomic-scale germanium and silicon transistors, and the repeated production of quantum electronic devices with the lowest levels of electrical noise to date.

Over the next five years, the team is planning to produce a 10-qubit quantum integrated circuit device.

International cooperation is accelerating Australian and Indian efforts to produce a scalable quantum computer, and the rest of the world is watching closely.

Find out more
For more information on the Australia-India Strategic Research Fund, visit www.science.gov.au/airsf

2017 Australia-India Council grants round
Do you have an innovative idea that will establish new, sustainable connections and improve perceptions between Australia and India? Why not apply for an Australia-India Council grant. The 2017-18 grants round is now open. Visit: http://dfat.gov.au/aic
Applications close 27 April 2017.

To stay up to date with the Australia-India Council, like our Facebook page: www.facebook.com/ausindiacouncil

Researcher, Joris Keizer, using a scanning tunnelling microscope to fabricate silicon devices with atomic precision.
Vocational training set to change lives in India

With more than 500 million people under the age of 29, vocational training expert, Parampreet Singh believes that India is on the cusp of either a demographic dividend or a demographic disaster.

“It is really important that we skill this massive youth population so that they can be qualified, regarded for their skills and that they can actually find properly paid work,” Mr Singh said.

Recognizing this, recent years have seen the Government of India begin to overhaul the vocational training sector. Now, there is an urgent need for training providers to offer high-quality, practical courses that can not only reach the hundreds of millions of young people across India, but also the 70 per cent of the population who still live in rural villages.

Mr Singh believes that one solution lies in the Australian education system. In 2003, he travelled to Australia to study a Masters of Information Systems at the Melbourne campus of the Central Queensland University.

“I owe a lot to the Australian education system,” he says. “As students we were encouraged to think critically and creatively and this has shaped my approach to business.”

After graduating and working as a consultant for a private vocational training firm in Melbourne, Mr Singh was introduced to Australia’s Technical and Vocational Education and Training system.

“I was amazed by the system,” he recalls. “I thought it was a solution for most developing countries … looking at India as an example, less than five per cent of the workforce in the vocational space is formally qualified,” he explains.

This is mainly because people are unwilling to undertake vocational training, as most courses are still too long, expensive and fail to develop the skills industry is looking for. Without viable vocational training options, trades people in India, and many other developing countries, remain under-appreciated and their salaries, plus social status remain low.

Determined to make a difference, Mr Singh returned to India in 2012 and launched his company Uday, meaning rise. In 2014, Uday became the first training provider to offer short, skills-based courses adapted from the Australian TVET system to suit the Indian context.

Now employing 30 people across seven states and working with 70 training partners, Uday is enabling those least able to access training opportunities – young people, farmers and women – to gain marketable skills.

Already, Uday has helped 8 000 young people across seven states and working with 70 training partners, Uday is enabling those least able to access training opportunities – young people, farmers and women – to gain marketable skills.

“Because we have such a large population, if we can skill that population and help them become part of India’s growth, that will change lives,” Mr Singh says.

• For more stories visit the Australia Global Alumni YouTube channel under Australian by Degree.
• Following the recent launch of the Australia Global Alumni Engagement Strategy 2016-2020 Australia’s global alumni are now connecting online and face-to-face at events around the world - check it out here globalalumni.gov.au or join them on LinkedIn.
• Information about the Australia India bilateral education and skills relationship can be found at: www.australiaindiaeducation.com/ and the international skills training courses pilot program www.education.gov.au/internationalskillstraining
Case Study Three: Cooperation in Sport

**Victoria University** deepens Australia-India relationship through sport

**Austrade**

A mutual passion for sporting excellence has enhanced Australia’s education and trade relationship with India and led to Victoria University securing a contract with the Government of Punjab in November last year. This will help provide a sustainable sports ecosystem to support talent identification, athletes’ long-term development, and a sports participation plan targeting the broader community.

**Australia-India Memorandum of Understanding**

Australia and India signed an MoU in 2014 paving the way for cooperation in sport between the two nations. The MoU, facilitated by DFAT and Austrade, allows for direct negotiation between the relevant Indian state governments and Australian institutions. Previously, Australian institutions had to apply through a public tender process for government consultancy work, where tenders were decided on the lowest cost bid, all but ruling out any meaningful Australian participation.

Using the MoU, Austrade identified the sports education and development project in Punjab in January 2015. Over the following 22 months, the Australian Government facilitated introductions and negotiations between the two organisations in close collaboration with the Australia-India Council. The AIC funded a program enabling Victoria University to conduct sports workshops in India to showcase its expertise and develop relationships.

**Working with Punjab Institute of Sports**

Over the next two years, Victoria University will analyse Punjab’s sports systems and develop a ten-year master project plan covering twelve sports. The university will also share its sport science expertise through intensive education classes to upskill coaches and teachers, and implement student exchange programs with Punjab’s three state universities.

From the third year onwards, Victoria University will identify opportunities for a joint Master’s degree and Doctor of Philosophy projects, covering the development of high-performance protocols and curriculums covering nutrition, biomechanics and skills acquisition.

Dr Camilla Brockett, Senior Research Fellow at Victoria University’s Institute of Sport, Exercise and Active Living says the Australia-India sports MoU has created unprecedented opportunities for Australian sporting institutions in India.

‘With DFAT and Austrade providing strategic facilitation, Indian governments have been exposed to world-leading Australian expertise in sports policy, business, science and education,’ she says.

‘Victoria University has a division dedicated to international sports consultancy, helping to advance the University’s global research impact and industry engagement which in turn, is expanding our expertise and providing unique career pathways.

‘After a number of years developing relationships with Indian stakeholders, Victoria University is now growing its India engagement portfolio including undertaking a major project at this year’s Standard Chartered Mumbai Marathon, the largest marathon in Asia,’ adds Dr Brockett.

The Australian government is working with Victoria University to promote its capabilities to other Indian states.

**Emerging opportunities**

Austrade’s Mumbai-based Trade Commissioner Tom Calder says Victoria University’s contract with the Punjab Institute of Sports is a significant step in advancing Australia India sports cooperation.

“The Indian sports ecosystem is developing quickly and Australian organisations are well placed to provide expertise in sports technology, training, consultancy and education,” he said.

“Austrade is supporting other businesses to access opportunities across the government and corporate space in India to assist in developing sports expertise from the elite level down to grassroots programs.”
Health Care Sector

Australia’s innovative health collaboration with India

The Indian Government is actively looking for innovative solutions and service providers to help build the health infrastructure needed for the 21st century.

Building on decades of collaboration in India’s health sector, Australia is expanding professional exchanges, research and development, skills training, and commercial engagement to integrate innovation and technology into both nations’ healthcare system.

New drugs to help fight the diabetes pandemic

With support from the Australia India Research Fund, Professor Matthew Cooper and his team at The University of Queensland’s Institute for Molecular Bioscience, are working with the Indian Institute of Chemical Technology to identify potential new therapies for type 2 diabetes.

Together they have been synthesising new molecules that can block a key driver of immune cell inflammation, called the ‘inflammasome’. Inflammasomes are protein complexes in our immune system that trigger the release of molecules that exacerbate inflammation, leading to deposits of toxic ‘amyloid’ (protein fragments) in the pancreas. The two teams are working on a series of early stage molecules which can potentially stop this inflammatory process in immune cells.

They also hope to test the effect of ‘tracer’ molecules in type 2 diabetes models to see if they can halt the death of insulin-producing cells and ultimately stop the progression of diabetes. Their aim is to develop a suite of these ‘tracer’ molecules which could be used to visualise inflammation in the body in real time and to better identify the effect of inflammation in the pancreas.

Better detection of tuberculosis

Tuberculosis is one of the top ten causes of death globally. More than two billion people worldwide are infected with the highly contagious bacteria that causes TB. Accurate diagnosis is critical to controlling TB but the current diagnostic tests are expensive, slow and rely on access to centralised laboratories.

In India alone, the World Health Organisation estimates that in 2014 up to 25 per cent of TB cases went undiagnosed and untreated. The development of simple, cheap and portable diagnostic tests would improve detection rates and could help to break the transmission cycle of the disease.

A team at Australia’s Commonwealth Scientific and Industrial Research Organisation, led by Dr Scott Martin, has been working to develop a portable point of care diagnostic tool to detect TB from urine samples without the need for laboratory analysis. With support from AISRF, the CSIRO has teamed up with India’s Institute of Microbial Technology in Chandigarh to tackle the issue.

CSIRO sends its sensors to India’s Institute of Microbial Technology, who use them to analyse infected and healthy samples from their collection. The institute then sends the test result data back to CSIRO to optimise the device.

While it is early days, preliminary results are promising. They suggest that, with optimisation, the sensors could soon be reliably diagnosing TB.

CSIRO has also been working with Axxin, an Australian biomedical company, to design and produce a portable device to house the chemiresistor sensors for use in the field. These devices are relatively cheap and should allow the technology, once perfected, to be deployed for point of care TB diagnosis in resource-limited countries to control and prevent TB in India and the region.

For more information on the Australia-India Strategic Research Fund, visit www.science.gov.au/aisrf

The digital effect

Digital’s influence on broader consumer spending is significant and growing rapidly in India. The internet and mobile phone usage is an increasingly pervasive factor in India’s commerce. In the past three years, the number of online buyers has increased sevenfold to 90 million. Continued growth in internet penetration and rising e-commerce adoption will drive further growth in the number of online buyers. By 2020, the size of the Indian online retail market is expected to grow at a compound annual growth rate of 50 per cent and reach US$55b with an estimated 175 million online shoppers. It is primed to become one of the largest online retail markets in the world. Austrade’s Indian E-commerce Ecosystem Report is a valuable tool for exporters looking to understand ecommerce opportunities in India.

Mobile Subscribers (as of March 2016):

- Airtel India – 251m
- Vodafone India – 197m
- Idea Cellular – 175m
- Reliance Communications – 102m
- Aircel – 87m
- BSNL – 86m
- Tata Docomo – 60m
- Telenor India – 52m
Construction and infrastructure sector:

Building infrastructure with India

India is looking for partners to help deliver its ambitious economic agenda, including a US$1 trillion commitment in 2017 to build infrastructure and 100 ‘Smart Cities’. With more than 70 per cent of Australians living in cities, our expertise in smart urban infrastructure sees Australia well placed to provide support. Some savvy Australian businesses are already reaping the benefits of being ‘first movers’ in road safety and railway design.

Communication is key to success in India

ARRB’s National Technical Leader for Road Safety Infrastructure and Safe Systems Blair Turner says doing business in India can be challenging.

“It’s a different environment to work in, but in road safety, even small improvements can have a noticeable impact,” Mr Turner said.

Australian businesses thinking about exporting to India should be conscious of cultural differences.

“Your Indian partner’s understanding of what has been said might be different to yours, so it’s essential that the terms of doing business are well understood and have the same meaning for both parties.”

A close relationship with Austrade can help a great deal, he says.

Modernising rail in India

Few countries in the world are more dependent on railways than India, which moves the equivalent of Australia’s population by rail every day.

TTG Transportation Technology provides energy-efficiency technology for these projects, helping Indian Railways double its capacity to carry rail freight more quickly, cheaply and reliably.

Locating opportunities in India

“Given its size, India is an obvious market for us to explore. However, it has a very complex rail network” TTG Managing Director Dale Coleman said.

“Invariably you’re dealing directly with Indian Railways, which is a big institution. It’s difficult to penetrate an organisation of that size and secure the relationships you need.”

The tender was a two-step process – an expression of interest followed by a proposal. Coleman says the procedure was transparent and moved ‘reasonably efficiently’ through the World Bank approval process.

“We put in a very assertive bid,” Mr Coleman said. “Price was important, but we had the best combined technical and financial score.”

How to win business in India

Mr Coleman sees many opportunities for Australian companies in India’s rail transport sector.

It is critical for Australian companies to know about potential business in India before a call for tenders. He is a strong advocate for using someone who understands local conditions to represent your interests.

“There are particular processes to doing business in India and you have to be mindful of them.” He adds that, “wherever you do business, you need to make people feel they can trust you. Companies that achieve such trust will do very well.”

For more information, email info@austrade.gov.au or visit www.austrade.gov.au
### Australia in India

- **Capital:** New Delhi
- **Land area:** 2,973,190 sq km
- **Official language(s):** Hindi, English
- **Population:** 1.3 billion (2015)
- **Currency:** Indian rupee
- **Head of State:** President HE Mr Pranab Mukherjee
- **Head of Government:** Prime Minister The Hon Mr Narendra Modi

#### Economic Indicators (a)

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP (US$b) (current prices)</td>
<td>1,823.0</td>
<td>1,829.0</td>
<td>1,863.2</td>
<td>2,042.6</td>
<td>2,073.0</td>
<td>2,251.0</td>
</tr>
<tr>
<td>GDP per capita (US$)</td>
<td>1,497.4</td>
<td>1,471.4</td>
<td>1,479.5</td>
<td>1,600.9</td>
<td>1,603.6</td>
<td>1,718.7</td>
</tr>
<tr>
<td>GDP PPP (Int'l $b)</td>
<td>5,781.8</td>
<td>6,219.2</td>
<td>6,739.2</td>
<td>7,356.7</td>
<td>7,998.3</td>
<td>8,720.5</td>
</tr>
<tr>
<td>GDP per capita PPP (Int'l $)</td>
<td>4,749.2</td>
<td>5,003.4</td>
<td>5,351.3</td>
<td>5,765.8</td>
<td>6,187.2</td>
<td>6,658.3</td>
</tr>
<tr>
<td>Real GDP growth (% change yoy)</td>
<td>6.6</td>
<td>5.6</td>
<td>6.6</td>
<td>7.2</td>
<td>7.6</td>
<td>6.6</td>
</tr>
<tr>
<td>Current account balance (% GDP)</td>
<td>-4.3</td>
<td>-4.8</td>
<td>-1.7</td>
<td>-1.3</td>
<td>-1.1</td>
<td>-1.4</td>
</tr>
<tr>
<td>Inflation (% change yoy)</td>
<td>9.5</td>
<td>9.9</td>
<td>9.4</td>
<td>5.9</td>
<td>4.9</td>
<td>5.5</td>
</tr>
<tr>
<td>Unemployment (% labour force)</td>
<td>3.5</td>
<td>3.6</td>
<td>3.6</td>
<td>3.6</td>
<td>na</td>
<td>na</td>
</tr>
</tbody>
</table>

#### Population Comparison

- India
- Australia
- Around 20 per cent of the world’s working-age population will live in India by 2025
- A record 260,000 Indians visited Australia in 2016.
- More than 60,000 Indian students study in Australia.

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**Notes:**

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#### Sister-State Agreements

- Rajasthan has a sister-state agreement with South Australia
- Andhra Pradesh has a sister-state relationship with Western Australia
- Western Australia has a state office in Mumbai
- NSW has Memorandums of Understanding with the states of Maharashtra and Gujarat
- TIQ has an office in Bangalore
- Austrade in India:
  1. Ahmedabad
  2. Bangalore
  3. Chandigarh
  4. Chennai
  5. Hyderabad
  6. Jaipur
  7. Kochi
  8. Kolkata
  9. Mumbai
  10. New Delhi

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**Important:**
- **Table:** Economic indicators (a) 2011 2012 2013 2014 2015 2016
- **Row:** GDP (US$b) (current prices)
- **Row:** GDP per capita (US$)
- **Row:** GDP PPP (Int'l $b)
- **Row:** GDP per capita PPP (Int'l $)
- **Row:** Real GDP growth (% change yoy)
- **Row:** Current account balance (% GDP)
- **Row:** Inflation (% change yoy)
- **Row:** Unemployment (% labour force)
Australia’s trade with India

Australia’s Exports to India 2015-16

- Minerals & fuels: 6.0 A$B
- Other goods: 1.7
- STM: 0.5
- ETM: 0.4
- Agriculture: 1.3
- Services: 12

Totals may not add due to rounding.

Australia’s Imports from India 2015-16

- Minerals & fuels: 1.6
- Other goods: 1.7
- STM: 0.5
- ETM: 2.3
- Services: 1.7
- Agriculture: 0.3

Totals may not add due to rounding.

Australia’s total investment with India, stocks as at 31 December 2015

- India’s investment in Australia: $11.6b
- Australia’s investment in India: $10.6b

Trade and investment statistics

**Export**

<table>
<thead>
<tr>
<th>Country</th>
<th>A$B</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>$86.0</td>
<td>↑ 2.1</td>
</tr>
<tr>
<td>Japan</td>
<td>$38.0</td>
<td>↓ 18.2</td>
</tr>
<tr>
<td>United States</td>
<td>$219</td>
<td>↑ 6.8</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>$197</td>
<td>↓ 3.3</td>
</tr>
<tr>
<td>India</td>
<td>$12.9</td>
<td>↑ 2.9</td>
</tr>
<tr>
<td>ASEAN (a)</td>
<td>$36.4</td>
<td>↓ 10.0</td>
</tr>
<tr>
<td>EU (a)</td>
<td>$26.7</td>
<td>↑ 18.3</td>
</tr>
</tbody>
</table>

**Import**

<table>
<thead>
<tr>
<th>Country</th>
<th>A$B</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>$64.1</td>
<td>↑ 7.9</td>
</tr>
<tr>
<td>United States</td>
<td>$47.4</td>
<td>↑ 7.0</td>
</tr>
<tr>
<td>Japan</td>
<td>$22.3</td>
<td>↑ 5.8</td>
</tr>
<tr>
<td>Thailand</td>
<td>$16.5</td>
<td>↑ 17.4</td>
</tr>
<tr>
<td>Germany</td>
<td>$16.2</td>
<td>↑ 9.4</td>
</tr>
<tr>
<td>ASEAN (a)</td>
<td>$56.6</td>
<td>↑ 2.8</td>
</tr>
<tr>
<td>EU (a)</td>
<td>$68.9</td>
<td>↑ 9.5</td>
</tr>
</tbody>
</table>

(a) Excludes some confidential items of trade.

AUSTRALIA’S TRADE BY BROAD SECTOR

<table>
<thead>
<tr>
<th>Category</th>
<th>2016 A$B</th>
<th>2016 Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports</td>
<td>$329.0</td>
<td>↑ 4.2</td>
</tr>
<tr>
<td>Rural</td>
<td>$42.5</td>
<td>↓ 5.9</td>
</tr>
<tr>
<td>Resources</td>
<td>$138.9</td>
<td>↑ 4.2</td>
</tr>
<tr>
<td>Manufactures</td>
<td>$43.7</td>
<td>↑ 1.9</td>
</tr>
<tr>
<td>Other goods</td>
<td>$12.3</td>
<td>↑ 1.5</td>
</tr>
<tr>
<td>Gold</td>
<td>$201</td>
<td>↑ 30.6</td>
</tr>
<tr>
<td>Services</td>
<td>$71.5</td>
<td>↑ 9.6</td>
</tr>
<tr>
<td>Imports</td>
<td>$343.2</td>
<td>↓ 2.7</td>
</tr>
<tr>
<td>Two-way trade</td>
<td>$672.2</td>
<td>↑ 0.6</td>
</tr>
<tr>
<td>Balance of trade</td>
<td>$329.0</td>
<td>↑ 4.2</td>
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</tbody>
</table>

TOP EXPORTS OF GOODS & SERVICES

<table>
<thead>
<tr>
<th>Category</th>
<th>2016 A$B</th>
<th>2016 Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iron ores &amp; concentrates</td>
<td>$53.2</td>
<td>↑ 8.4</td>
</tr>
<tr>
<td>Coal</td>
<td>$41.4</td>
<td>↑ 11.7</td>
</tr>
<tr>
<td>Education services</td>
<td>$21.8</td>
<td>↑ 16.8</td>
</tr>
<tr>
<td>Gold</td>
<td>$18.9</td>
<td>↑ 30.0</td>
</tr>
<tr>
<td>Natural gas</td>
<td>$17.9</td>
<td>↑ 9.0</td>
</tr>
<tr>
<td>Total</td>
<td>$329.0</td>
<td>↑ 4.2</td>
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</table>

TOP IMPORTS OF GOODS & SERVICES

<table>
<thead>
<tr>
<th>Category</th>
<th>2016 A$B</th>
<th>2016 Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal travel services</td>
<td>$290</td>
<td>↑ 7.1</td>
</tr>
<tr>
<td>Passenger motor vehicles</td>
<td>$21.4</td>
<td>↑ 5.1</td>
</tr>
<tr>
<td>Refined petroleum</td>
<td>$14.8</td>
<td>↑ 19.6</td>
</tr>
<tr>
<td>Telecom equipment &amp; parts</td>
<td>$12.0</td>
<td>↑ 2.4</td>
</tr>
<tr>
<td>Freight services</td>
<td>$8.8</td>
<td>↑ 14.0</td>
</tr>
<tr>
<td>Total</td>
<td>$343.2</td>
<td>↓ 2.7</td>
</tr>
</tbody>
</table>
Acknowledgements

Business envoy brings insights from Australia’s global diplomatic network to the Australian business community. It considers global geopolitical events and trends, their economic implications and what they might mean for Australian business.

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