



EDITORIAL: THE HINDU

GENERAL STUDIES 2: INTERNATIONAL RELATION
TOPIC: BILATERAL RELATION

DATE: 04.03.2025

Australia, a natural partner for India's growth trajectory

Australia Strengthening Economic Ties with India through a New Roadmap

1. Focus Areas of the Roadmap:

- The new roadmap emphasizes key sectors: trade, investment, energy, education, and collaboration with the Indian diaspora.
- Australia and India are aiming for deeper economic engagement, creating a more robust partnership for mutual growth.

2. Australia's Strong Belief in India's Growth:

- Australia views India as an emerging global economic powerhouse, anticipating that India will become the third-largest economy by 2030.
- Australia is a strong supporter of India's aspirations, including its demand for a permanent seat on the United Nations Security Council.
- The two countries share complementary economic strengths and a growing strategic alliance, which makes them natural partners for future growth.

3. The New Roadmap for Economic Engagement:

- A fresh blueprint has been unveiled to enhance economic collaboration between India and Australia.
- This roadmap lays out the potential ways in which Australia can support and gain from India's expanding economy.
- It builds upon the achievements of the 2018 economic strategy and incorporates recent shifts in global trade dynamics, highlighting new areas for growth.

4. Impact of the Free Trade Agreement (FTA):

- The Economic Cooperation and Trade Agreement (ECTA) has proven successful in boosting trade between India and Australia.
- India's exports have risen by 35% over five years, with a notable 66% increase in exports to Australia, underscoring the strength of their trade relationship.



- The FTA plays a vital role in facilitating smoother trade flows, expanding market access for both nations.

5. Australia's Contribution to India's Economic Growth:

- Australia plays a pivotal role in supplying India with crucial resources like energy, minerals, and raw materials that are essential for India's industrial growth and infrastructure development.
- Australia supports India's skills development initiatives, helping train millions of professionals annually, especially in sectors such as technology, manufacturing, and education.

6. Key Sectors for Future Collaboration:

- The roadmap identifies four major "Superhighways of Growth" for future collaboration:
 - **Clean energy:** Helping India transition to sustainable and renewable energy sources.
 - **Education and skills:** Focus on enhancing workforce capabilities, particularly through higher education and vocational training.
 - **Agribusiness:** Promoting food security and fostering trade in agricultural products.
 - **Tourism:** Strengthening cultural and people-to-people ties between the two nations.
- Additionally, the plan identifies seven other sectors for significant collaboration:
 - **Investment, technology, sports, culture, resources, defense, space, and health.**

7. Support for India's Manufacturing and Skills Development:

- Australia provides essential minerals like **lithium, nickel, and cobalt**, which are key for India's burgeoning electric vehicle industry and renewable energy sector.
- Australian universities are setting up campuses in India, aiming to offer high-quality education and training opportunities to a wider population.

8. The Role of the Indian Diaspora:

- The Indian diaspora, numbering over one million people in Australia, plays an instrumental role in the economic and cultural relations between the two countries.



- Indian-origin Australians significantly contribute to business development and fostering mutual understanding.
- The Indian community in Australia acts as a bridge for deeper economic collaboration and trade between the nations.
- There are increasing investments in programs designed to enhance cultural exchanges, promote business partnerships, and encourage diaspora-driven ventures.

9. Strengthening the Economic Partnership:

- The roadmap urges Australian businesses to explore untapped opportunities in India, focusing on sectors such as technology, manufacturing, and services.
- The next step in the process is to finalize the **Comprehensive Economic Cooperation Agreement (CECA)**, which aims to further strengthen trade and investment ties between the two countries.
- With this roadmap, the economic relationship between India and Australia is poised to flourish, creating long-term opportunities for both countries to capitalize on their strengths.

This comprehensive roadmap sets the stage for a promising economic future for both nations, emphasizing strategic collaboration, resource sharing, and a focus on emerging sectors like clean energy, technology, and education.

Source: <https://www.thehindu.com/opinion/op-ed/australia-a-natural-partner-for-indias-growth-trajectory/article69284698.ece>