



India-Australia CECA

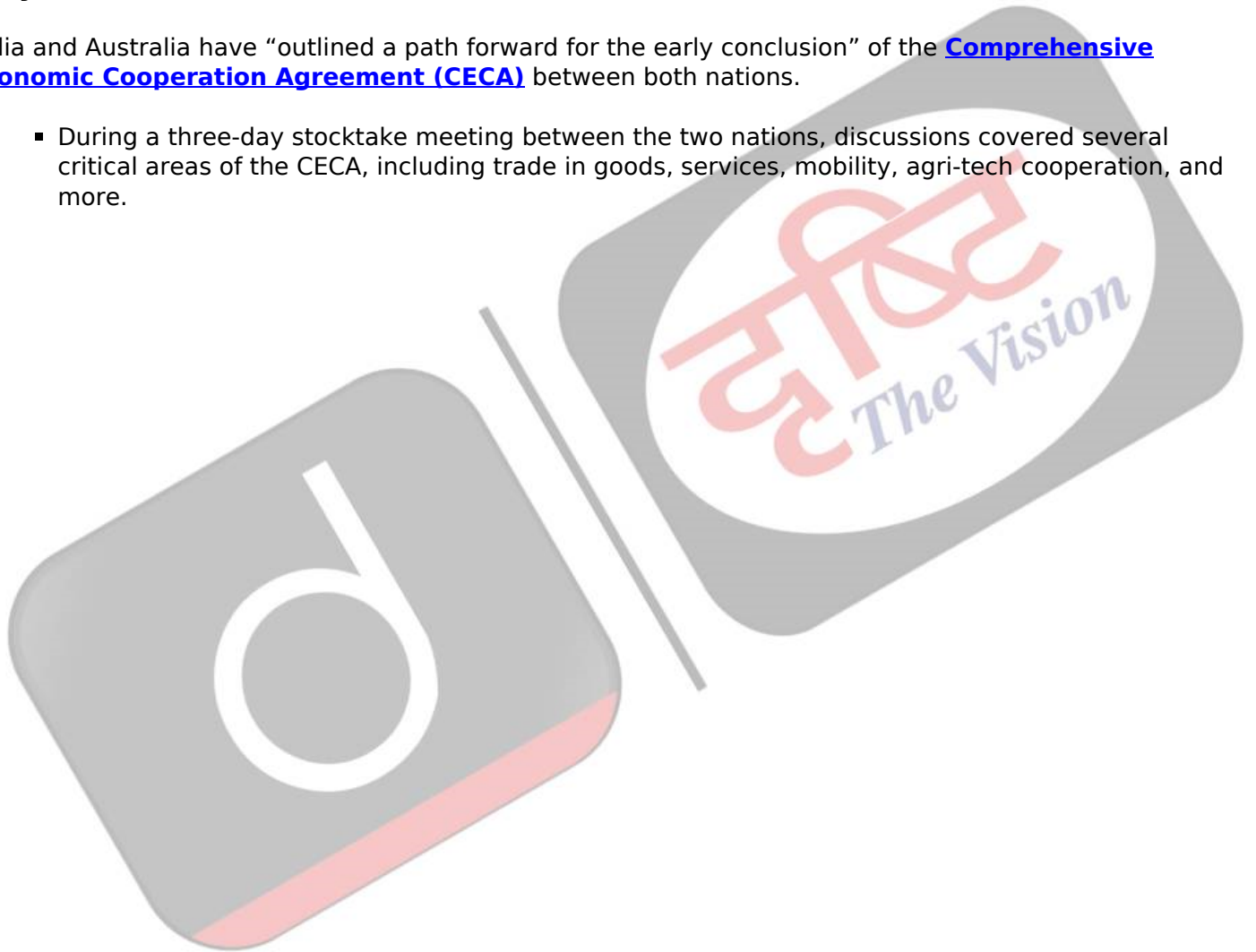
[Source: PIB](#)

Why in News?

India and Australia have “outlined a path forward for the early conclusion” of the [Comprehensive Economic Cooperation Agreement \(CECA\)](#) between both nations.

- During a three-day stocktake meeting between the two nations, discussions covered several critical areas of the CECA, including trade in goods, services, mobility, agri-tech cooperation, and more.

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What is the Australia-India Comprehensive Economic Cooperation Agreement (CECA)?

▪ About:

- The CECA is a **free trade agreement (FTA)** aimed to **eliminate tariffs** on **goods traded and liberalise services sectors** to facilitate business opportunities and cooperation.
- India-Australia CECA aims to address **five key areas: Goods, services, digital trade, government procurement, and Rules of Origin/Product Specific Rules.**
 - In the recent negotiations, both sides have shown interest in the inclusion of new areas in the comprehensive trade deals, such as **competition policy, MSMEs, gender, innovation, agri-tech, critical minerals, and sports.**

▪ Background:

- Negotiations for CECA **began in May 2011**, were suspended in 2016, and re-launched in September 2021.
- The India-Australia **Economic Cooperation and Trade Agreement (ECTA)**, a foundational agreement, was **signed and came into force in 2022**. It is a limited trade

agreement and is less comprehensive than CECA.

▪ **Current Trade Statistics:**

- Trade between Australia and India has grown significantly, with **India being Australia's fifth-largest trading partner.**
- During 2023-24, in value terms, India's imports from Australia were \$16.2 billion, while exports were almost \$8 billion, (compared to \$19 billion in imports and nearly \$7 billion in exports in the previous fiscal).

▪ **Other Similar Initiatives between India and Australia:**

- [Indo-Pacific Economic Framework for Prosperity \(IPEF\)](#)
- [Trilateral Supply Chain Resilience Initiative \(SCRI\)](#) (India, Australia and Japan)

▪ **India's CECA with Other Countries:**

- [India-Singapore CECA](#)
- [India-Malaysia CECA](#)
- [India-Thailand CECA](#)
- [India -New Zealand CECA](#)

MAJOR TRADE AGREEMENTS OF INDIA

Free Trade Agreement (FTA) With Neighbouring Countries

- ↳ India-Sri Lanka FTA
- ↳ India-Nepal Treaty of Trade
- ↳ India-Bhutan Agreement on Trade, Commerce, and Transit

A free trade agreement is a comprehensive deal between countries, offering preferential trade terms and tariff concessions, with a negative list excluding specific products and services.

↳ Others:

- India-Australia Economic Cooperation and Trade Agreement (ECTA)
- India-Thailand Early Harvest Scheme (EHS)
- India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA)

An EHS precedes an FTA/CECA/CEPA, where negotiating countries select products for tariff liberalisation, paving way for broader trade agreements and fostering confidence.

Regional FTA's of India

- ↳ **India ASEAN Trade in Goods Agreement (11):** 10 ASEAN countries + India
- ↳ **South Asia Free Trade Agreement (7):** India, Pakistan, Nepal, Sri Lanka, Bangladesh, Bhutan, and the Maldives
- ↳ **Global System of Trade Preferences** (41 countries + India)

Preferential Trade Agreements (PTAs)

Partners in a PTA grant preferential access to specific products by lowering duties on agreed tariff lines, maintaining a positive list of products eligible for reduced or zero tariffs.

India's CECA's and CEPAs

CECA/CEPA is broader than FTAs, addressing regulatory, trade, and economic aspects comprehensively, with CEPA having the widest scope including services, investment, etc while CECA mainly focuses on tariff and TQR rates negotiation.

- ↳ CEPA with **UAE, South Korea, Japan**
- ↳ CECA with **Singapore, Malaysia**

- ↳ **Asia Pacific Trade Agreement (APTA):** Bangladesh, China, India, S. Korea, Lao PDR, Sri Lanka, and Mongolia
- ↳ **SAARC Preferential Trading Agreement (SAPTA):** Same as SAFTA
- ↳ **India-MERCOSUR PTA:** Brazil, Argentina, Uruguay, Paraguay and India
- ↳ India's PTA with **Chile, Afghanistan**



Read More: [2nd India-Australia Annual Summit](#)

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Prelims:

Q.1 Consider the following countries: (2018)

1. Australia
2. Canada
3. China
4. India
5. Japan
6. USA

Which of the above are among the 'free-trade partners' of ASEAN?

- (a) 1, 2, 4 and 5
- (b) 3, 4, 5 and 6
- (c) 1, 3, 4 and 5
- (d) 2, 3, 4 and 6

Ans: (c)

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