

Australia, New Zealand continue to bat for India's entry into RCEP

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Australia and New Zealand continue to push for India's inclusion in the proposed Regional Comprehensive Economic Partnership (RCEP) pact, weeks after New Delhi pulled out of it.

Officials of both the nations have been in touch with other partners in the free-trade agreement and were the real force behind the RCEP nations deciding to keep the door open for India to join at a later date, say sources in the know.

The countries are not interested in aligning more with export powerhouse China even as hopes of gaining access to India, the single-largest potential market, evaporate, said diplomatic sources. As a result, the nations have continued back-channeling efforts and have been crucial intermediaries between India and China, they added.

To focus on the RCEP, India had earlier decided to hold off talks on bilateral free-trade agreements with both the nations. Now, with the government aiming for a deal with the US and deciding to restart similar talks with the European Union, the two southern nations are wary of missing out on trade with India.

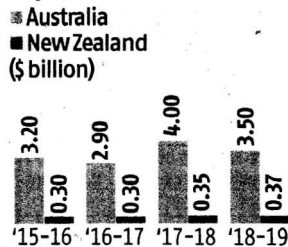
Interest Down Under

India figures significantly in Australia's global trade plans. A report on bilateral trade — An India Economic Strategy to 2035, penned by former Australian High Commissioner to India Peter N Varghese — has battled for more economic linkages between the nations at a time Indian businesses have been scouting for new overseas markets, egged on by the government.

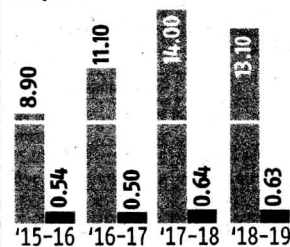
The report mentions India as the single-most significant growth opportunity for Australia. India has also been

INDIA'S BUSINESS DOWN UNDER

Exports



Imports



AUSTRALIA

Major exports

- Refined petroleum
 - Railways*
 - Diamonds
- *Including parts & equipments

NEW ZEALAND

Major exports

- Apparels, home furnishings
 - Jewellery
 - Railways*
- *Including parts & equipment

Major imports

- Coal
- Iron and copper ores
- Unwrought gold

Major imports

- Wood (mostly pine), wood pulp
- Paper
- Coal

Source : Commerce Department

deemed crucial by a section of Australian policymakers if the country is to reduce its trade reliance on China and Japan.

The 500-page report has been submitted to the Australian Prime Minister's office and the country is streamlining the official recommendations on the report. The door to the RCEP has been consciously kept open for India by other nations, and the government needs to reassess its position, Varghese recently said in New Delhi.

Official statistics show that India's exports to Australia stood at \$3.5 billion in the last financial year, while imports were pegged at upwards of \$13 billion. While lower crude oil prices have hit realisations from processed petroleum shipments, most other categories of exports have also stagnated.

On the other hand, the principal reason for the yawning trade deficit has been

Australian coal and natural gas exports worth over \$9.6 billion. Canberra also hopes to position itself as a major supplier for India's farm needs, especially in the volatile pulses trade. In 2017-18, the country had sent over \$924 million worth of chickpeas and pulses, and \$125.63 million worth of wheat.

While these have dropped to only \$24 million after the government put in restrictions on imports, the cyclical nature of India's high-quality pulses requirements has got Canberra hopeful. Aussie agriculture majors such as GrainCorp and Olam Australia are looking to scale up business in India and nearby markets, said a senior diplomatic source.

'Milking' the issue

However, it may be difficult for New Zealand to gain even if India joins the RCEP as its top export sector — dairy — is something Indian policy-

Rajnath: PM stayed out of deal keeping Northeast in mind



Prime Minister Narendra Modi decided to stay out of RCEP keeping in mind India's economic interests, especially of northeastern states, Defence Minister Rajnath Singh said on Friday. He said if India had joined the RCEP, farmers, labourers, and industries would have been adversely affected. "At the recent ASEAN Summit in Bangkok, our PM took a very important decision that India will not be part of it. This is not a small thing," Singh said after inaugurating the Sisseri Bridge in Arunachal Pradesh. **PTI**

makers have sworn not to open to foreign competition.

New Zealand's demand for access to the vast domestic consumer market has been rebuffed by India at the latest stages of the negotiations.

The government had been forced to leave dairy out of the mix after top officials from the newly created animal husbandry ministry along with the National Dairy Development Board repeatedly approached the commerce department to ensure that interests of Indian farmers are protected.

But New Zealand is determined to crack the market. Earlier this month, Kiwi Trade Minister Damien O'Connor had visited Dairy major Amul's facilities in Ahmedabad and offered to share technology and best practices.

The country leads the world in milk, butter and powdered products and its exports are a major price determinant.