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FTA with Australia: Push for easy visa, no consensus on tariff 2

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New Delhi, 23 April 2014: New Delhi is pushing for easier visa norms and work permits from Canberra while the latter wants greater market access in the Indian higher education space as part of the ongoing free trade agreement (FTA) talks.

According to commerce ministry officials, the two sides are yet to agree on tariff lines (merchandise) to be brought under the purview of the pact though each wants easier access to the other's services markets. "The FTA talks are in progress right now and we have not yet reached a meeting point on tariff lines. We would like to export services where we are good at besides seeking easy visa norms and work permits. We want visa relaxation in certain areas and they want to sell more agri products to us," said a commerce ministry official involved with the FTA negotiations.

On the other hand, Australia is willing to export its education services in the form of teaching and universities to India. The India-Australia FTA talks began in 2011 and five rounds of negotiations have already taken place with the sixth round set to happen in New Delhi later this year.

In 2012-13, India's merchandise exports to Australia stood at \$2.3 billion and imports were \$13 billion while in 2013-14 (April-December), the exports were \$1.6 billion as compared to imports of \$7.7 billion in the period.

India has so far implemented free trade pacts with Singapore, Korea, Japan, Malaysia and Asean and is negotiating similar pacts with Australia, Canada, European Union and New Zealand.

Trade with Australia has been hit this year due to restrictions imposed on import of gold in the form of higher import duty and the 80-20 rule of the Reserve Bank of India.

"An increase in export of services depends on the visa norms and work permits and both sides want as many commodities as they can to be included in the FTA. Hence, it is very difficult to put a timeline for the completion of the FTA," the official added.

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