

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
(DEPARTMENT OF COMMERCE)

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 847**  
ANSWERED ON 09/02/2024

**PROTECTION OF AGRICULTURE SECTOR FROM ECTA WITH AUSTRALIA**

847. SHRI ANEEL PRASAD HEGDE:

Will the Minister of COMMERCE & INDUSTRY be pleased to state:

- (a) whether Government is aware that due to the Economic Cooperation and Trade Agreement (ECTA), Australia has gained access to the Indian market for wine, wools and sheep meat, which led to negative impact on India's agricultural sector, if so, the steps contemplated by Government to protect the country's agriculture sector from these trade agreements; and
- (b) the reasons for India planning to go for a comprehensive FTA with Australia when the country is already suffering loss after a limited FTA with Australia and the trade-deficit rose to more than double within few months?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY  
(SMT. ANUPRIYA PATEL)

(a) India Australia Economic Cooperation Trade Agreement (Ind-Aus ECTA) came into effect from 29.12.2022. India's import figures of wool, wine and sheep meat from Australia for the period January-December, 2023 and the corresponding period of previous year without FTA are given in the table below:

Values in US \$ Million

<b>India's Imports from Australia</b>		
<b>Description</b>	<b>January-December 2022</b>	<b>January-December 2023</b>
Sheep Meat	0.2	0.83
Wines and Vermouth	10.07	8.95
Wool	139.01	124.28

Data source: DGCIS

While entering into a Free Trade Agreement (FTA) with trading partner, various factors including the overall balance, the complementarities, domestic sensitivities etc. are taken into account based on extensive stakeholder consultations. To safeguard the interest of the domestic industries, particularly the agricultural sector, there are in-built provisions under Ind-Aus ECTA namely, exclusion of large number of agricultural products and Tariff Rate Quotas (TRQs) for a limited number of agricultural products, stricter Rules of Origin including wholly Obtained criteria for most of the Agricultural

products, requirement of substantial processing in the territory of the Parties, bilateral safeguard measures in case of import surge etc.

**(b)** The Ind-Aus ECTA aims to strengthen economic relations, liberalise and expand trade and investment, enhance economic growth and create opportunities for workers and business of the two countries. It would also provide commercially meaningful Market Access, easier mobility for professionals, longer post study work visas for Indian students in Australia, visas for 1800 chefs and Yoga teachers. In addition, with the resolution of long pending issue of double taxation by Australia, the Indian Tech Companies would no longer be required to pay taxes on offshore revenues in Australia thereby enhancing their competitiveness in such markets. During April-Dec 2023, India's exports to Australia has grown by 13.78% as compared to corresponding period in 2022, whereas imports from Australia declined by 16.93%, thereby reducing the trade deficit by 35.26%

The commitment to pursue fuller Comprehensive Economic Cooperation Agreement (CECA) between India and Australia is built into the ECTA to promote further economic integration to liberalise trade and investment between the two countries.

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