

The real promise of India, Australia's trade agreement



The Economic Cooperation and Trade Agreement (ECTA) between India and Australia will come into force on December 29. Despite the decade-long negotiations, this is an interim agreement. To deepen relations further, the agreement's final provisions commit the governments to begin further negotiations to transform it into a comprehensive economic cooperation agreement, tackling the more contentious issues of investment, services, government procurement and digital trade, write Sanjay Kathuria and TG Srinivasan, senior visiting fellows at Centre for Policy Research. Both countries are celebrating the agreement. Australia is now the fifth high-income country with which India has a Free Trade Agreement (FTA), and the second with which it has struck one in the last decade. For Australia, ECTA marks a deal with the one large economy in Asia with which it did not have an FTA, coming seven years after its FTA with China. →P12