

# Seven months after resuming talks, India, Australia to sign FTA today

India sees big gains in pharma; Australia to get relaxations on wine

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India and Australia are all set to sign a free trade agreement (FTA) on Saturday, covering goods including textiles, pharmaceuticals, health, education, renewables, and gems and jewellery, and a number of sectors such as services, rules of origin, sanitary and phytosanitary measures and Customs procedures. The FTA comes barely seven months after the re-launch of negotiations in September last year.

The pact - India-Australia Economic Cooperation and Trade Agreement - will be signed by Commerce and Industry Minister Piyush Goyal and his Australian counterpart Dan Tehan, in a virtual ceremony, in the presence of Prime Minister Narendra Modi and Scott Morrison, the Australian PM.

"The agreement will be much more than a mini trade pact that was being planned. It will cover a whole gamut of areas. In areas where some negotiations are yet

to be finalised, there would be a provision for expansion," a source told *BusinessLine*.

## Pharma focus

Pharmaceuticals is one area where India hopes to make substantial gains and increase business by up to \$1 billion in the next three years, the source said.

"The Therapeutic Goods Administration of Australia will use reports from a comparable regulator recognised by it in relation to the pre-market evaluation of products. Further, the Therapeutic Goods Regulator may utilise good manufacturing practice inspection reports from authorities recognised by it as a comparable regulator in relation to the quality assessment of facilities in India," the source added.

This is a major breakthrough as Indian companies approved by comparable overseas regulators like the US, the UK, Canada, EU, Switzerland and Singapore will have expeditious approvals and rapid access to the Australian pharma market.

## The give and take

India is likely to make gains in labour-intensive sectors such as

textiles, leather, auto components, refined petroleum and gems & jewellery. Australia, on the other hand, may have greater market access for its high-end wines, which, at present, face import duties of 150 per cent. Other items where duties may be reduced are nuts, cosmetics, personal-care products, minerals and exclusive processed food.

"The Australians wanted a more areas to be covered in the deal as they feared going for the easier areas in an interim agreement could make a bigger deal more difficult," the source said.