



Navigating the Australia-India Economic Cooperation and Trade Agreement (AIECTA)

How KPMG can support clients identify and navigate both opportunities and risks.

The AI ECTA will create a number of bilateral opportunities for Australian and Indian businesses



Access to Services

Australian services suppliers in 31 sectors and sub-sectors will be guaranteed to receive the best treatment accorded by India to any future free trade agreement partner, including in:

- Higher and adult education
- Tax
- Medical and dental
- Architectural and urban planning
- Research and development
- Communication
- Construction and engineering
- Insurance and banking;
- Hospital
- Audio-visual
- Tourism and travel



Access to New Regulatory Frameworks

Australia has agreed to amend Australian domestic taxation law to stop the taxation of offshore income of Indian firms providing technical services to Australia. Indian firms providing technical services from India to Australia will no longer have to pay domestic tax, considered a major win for Indian companies.



Access to People

Australia's provision of new access for young Indians via Working Holiday Maker Visa pathways will support key Australian industries in need of labour, facilitating valuable bilateral transfer of skills. Select Indian students will receive extended working visa allowance to boost STEM and IT workforces in particular.



Access to Goods

Substantial reduction in tariffs and commitments addressing non-tariff barriers on both Australian and Indian goods exports across food and agribusiness, energy and resources, medical and consumer packaged goods will create diverse opportunities where trade may previously have been subject to barriers to market entry.

Which customer and business groups will most benefit?

Australian Exporters & Indian Importers

- Tariffs will be removed on 85 percent of Australian goods exports to India, and an additional 5 percent will have tariffs eliminated over periods not exceeding 10 years.
- Goods that will become immediately duty-free include sheep meat, wool, copper, coal, alumina and certain minerals.
- Tariffs will be progressively reduced but not removed on goods such as wine, avocados, onions, broad and kidney beans, certain fruits and nuts, lentils, wool, seafood, infant formula, and pharmaceutical products.

Indian Exporters & Australian Importers

- 96 percent of Indian goods exports to Australia will immediately enter duty-free including textiles, leather, footwear, furniture.
- Benefits extend to preferential access to other labour-intensive Indian industries such as gems and jewellery, food, engineering products, medical devices and automobiles to the Australian market.
- Tariffs on pharmaceutical and medical device products will be eliminated over 5 to 7 years.


Indian Diaspora

- The 721,000+ strong Indian Diaspora which makes up Australia's second largest group of overseas-born residents, will be a key target market for the agreement.
- Recognised as a rich source of business acumen, Diaspora members offer opportunities to leverage strong personal and professional networks in India to contribute expertise and entrepreneurialism to bilateral economic relations.

Key Changes and Impacts of AI-ECTA and how KPMG can help

Creating a new momentum in the Australia-India bilateral relationship for closer economic integration and prosperity of our two countries and region.

Resources and Thought Leadership:

 [KPMG Insights from Experts in this space](#)

 [Australia-India ECTA official text](#)



[An India Economic Strategy to 2035: Navigating from Potential to Delivery \(DFAT\)](#)



[An analysis of the opportunities to diversify and supplement Australia's international trade and investment.](#)

KEY CHANGE	HOW CAN KPMG HELP?
Supply chain and logistics flow Bilateral trade is set to increase from \$27.5 to \$45 billion over the next 5 years. A widening of freight route options may arise as exports between the two countries increase, as well as key input sources. Redesigning logistics flows to accommodate new trade opportunities may reduce cost and complexity.	Redesigning supply chain and logistics flow: Reviewing and improving bilateral supply chain networks to take advantage of the AI ECTA. Support in contract, procurement and legal change: Adjusting sourcing and procurement strategy in light of the new AI ECTA. Building and enhancing cross-border supplier relationships between Australia and India.
Customs Tariffs on goods traded between the two countries will be substantially reduced or eliminated when the agreement comes into force, with phasing rates applying to a range of other goods.	Realising preferential tariff rates under the agreement: Assessing goods against the AI ECTA rules of origin to support importers and exporters realise the customs duty benefits available under the agreement.
Immigration and Global Mobility New opportunities in the post-study and working holiday maker visa categories to fill skill shortages, and the maximisation of two-way mobility between India and Australia through enhanced framework of skill and qualification recognition.	Immigration and global mobility: Support to leverage the growth opportunities whether your business is expanding into the Australian market, has existing operations or is seeking to recruit, retain and incentivise global talent. Strategic immigration and tax advice for businesses with employees who are working in Australia temporarily or on business trips to ensure compliance, mitigate risk and support your people.
Cross-border Tax and Legal Advisory Australia has agreed to amend its domestic tax law to stop the taxation of offshore income of Indian firms providing technical (including IT services) to Australia.	Cross-border tax advisory services: Advice on the tax implications of the AI-ECTA and cross-border trade for Australian and Indian businesses.
Geopolitics and Trade Diversification Strategy The AI-ECTA forms a key outcome of both countries' efforts to strengthen bilateral partnerships, prioritise diversified trade and mitigate risk against uncertain geopolitical circumstances.	Trade diversification strategy: Supporting both Australian exporters and Indian importers to develop an informed market entry strategy by identifying channel, target consumer segment, and communication opportunities. KPMG Australia Geopolitics hub: Provides tools and resources that help organisations respond effectively to the full spectrum of geopolitical uncertainty.
Education and Tourism For hotel and other lodging services, travel agency and tour operator services, India has committed to no restrictions on market access via cross-border supply and commercial presence.	Education support: KPMG works across the education sector on a range of complex issues including student experience, strategy and transformation, technology implementation and risk management. Experienced Hospitality, Tourism and Leisure restructuring professionals help companies across the sector to and take advantage of new opportunities.

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