



## Highlights from the First Virtual Bilateral Summit between Australia & India 2020

Tat Capital Brief



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The first Virtual Bilateral Summit between Australia-India held on June 4, 2020 has successfully heralded a great synergistic collaboration between the two APAC economies.

Prime Ministers Narendra Modi & Scott Morrison have committed to elevate the bilateral Strategic Partnership (which concluded in 2009) to a Comprehensive Strategic Partnership (CSP).

Both countries aspire to have an open, free, rules-based Indo-Pacific region which is supported by inclusive global and regional institutions to promote stable, prosperous, and sovereign states with shared interests.

## Few Highlights:

- Joint Statement on a Comprehensive Strategic Partnership between Republic of India & Australia
- Joint Declaration on a Shared Vision for Maritime Cooperation in the Indo-Pacific
- Framework Arrangement on Cyber and Cyber-Enabled Critical Technology Cooperation
- MOU on cooperation in the field of Mining and processing of critical and strategic minerals
- Arrangement concerning Mutual Logistics Support (MLSA)
- Implementing arrangement concerning cooperation in Defence Science and Technology to the MoU on Defence Cooperation
- MoU on Co-operation in the field of Public Administration and Governance Reforms
- MoU on Cooperation in Vocational Education and Training
- MoU on Water Resources Management

We've made an infographic highlight to reflect the summit statement against findings from Tat Capital's Australia India 2019 Industry Report, released during TatXpo2019:



# INDIA

# AUSTRALIA

## COMPREHENSIVE STRATEGIC PARTNERSHIP

### Virtual Bilateral Summit: Outcome



Expand partnership in Education sector: further research collaborations, exchange of students and academics, and expansion of university tie-ups.

Both leaders underpin progress and growth: To work together, support the development of education campuses in each other's countries.

Renew the 2014 bilateral MOU on cooperation.

Focus on identifying opportunities to strengthen, broaden and deepen cooperation in travel sector.

Both recognise the importance of cooperating globally to save lives with shared 'Science & Technology'.

Promote innovative solutions to respond to and treat COVID-19.

Work together on digital economy, cyber security, and other critical & emerging technologies as per Framework Arrangement on Cyber and Cyber-Enabled Critical Technology Cooperation.

Both are agricultural countries with shared challenges and climactic conditions, therefore, continue building mutually beneficial agricultural relationship.

Partnership on grains management, logistics to reduce post-harvest loss and water management, as water is a scarce resource.

### TAT Industry Report'19: Findings



India's rising internet users make it a growing market for online and vocation training for Australia, which is a world leader in education.

India is second largest market for e-learning, expected to be AUD \$2.71 billion by 2021 with around 9.5 million users.

India is Australia's 8th largest international tourism market and is attracting around AUD \$1.5 billion in spending.

India is a land of varied cultures, cuisines, topography, and is a world tourist destination.

Combine Australian R&D with India's record frugal innovation to scale up innovations, create new products.

Australia has growing aged population; India's overall population growth is world's second highest.

Medical technologies and pharmaceuticals remain Australia's largest commodities; India continues to innovate at a fast pace.

Agriculture holds the key to end extreme poverty, boost shared prosperity and feed a projected 9.7 billion people by 2050.

Australian farmers export 77 % of produce. India with world's second largest growing population, continues to face a gap between demand supply, despite increasing production.

Below is a brief look at the various sectors covered during the summit talks –

- **Education**

Education being a central component of the economic relationship, both PMs noted to continue efforts to expand partnership in this area.

They also concluded a new Memorandum of Understanding on Cooperation in Vocational Education and Training to create new areas of cooperation in policy development, program delivery and exchange of information.

As per the Industry Report by Tat Capital in 2019, India is already Australia's 2nd -biggest education market and the familiarity of a growing Indian community in the diaspora provides additional boost to prospective Indian students.

Australia has an advantage over other countries with world-leading distance education platforms, and flexible study options. There are several existing partnerships between Australian and Indian universities on several academic and vocational skill training areas.

With the pandemic situation, it is of mutual interest to both countries that a partnership in Education has been agreed.

- **Tourism**

Both countries decided to renew the 2014 bilateral MOU on cooperation in the field of tourism. This will continue to focus on identifying opportunities to strengthen, broaden and deepen cooperation in tourism and aviation sectors.

During 2018, arrivals through e-tourist visa increased 39.60 per cent year-on-year to 2.37 million. During January 2019, arrivals through e-tourist visa increased by 21.10 per cent year-on-year to 0.29 million.

According to WTTC's India Benchmarking Report 2015, every AUD \$1.4 million in travel and tourism spent in India generates AUD \$1.9 million in GDP.

In a post Covid world, it is of prime importance that both countries share a partnership in Tourism as agreed.



## ○ Science & Technology

Both countries recognise the importance of cooperating globally to save lives and manage the economic impact of COVID-19, and future global challenges. Both leaders committed to a new phase of the Australia – India Strategic Research Fund to promote innovative solutions for responding to and treating COVID-19, other jointly determined priorities, and a one-off Special COVID-19 Collaboration Round in 2020. As a result of these talks, both decided to work together in the areas of digital economy, cyber security and other critical and emerging technologies as identified by the Framework Arrangement on Cyber and Cyber-Enabled Critical Technology Cooperation.

The size of the diagnostics market in India, as per industry estimates, stood at around \$7-8 billion in 2019. Improved data systems are leading to better health records, but technological advancement brings with it the downside of cybersecurity which is a huge problem in India. Technology allows patients to manage health more proactively, through wearable devices. On the Australian side, there is an increasing population and an already existing aging population, which will make hospitals an increasing priority for Government and healthcare providers.

Many of Australia's strengths in healthcare are in-line with India's needs and the objectives of India's National Health Mission. Medical technologies and pharmaceuticals remain Australia's largest commodities and India continues to innovate at a fast pace.

Therefore, this agreement between the two countries to work together in the field of Science and Technology will be a mutual benefit to both.

## ○ Mining

The Australian PM conveyed that 'they would be a stable, reliable, and trusted supplier' of high-quality mineral resources to India. Both countries jointly decided to diversify and expand the existing resources partnership.

As per the DFAT report by Peter Varghese in 2019, Indian mining sector is underdeveloped and contribution of mining to India's GDP has been stagnant at around 2.5 per cent over the last decade. It also identified India as one of the most important future markets for Australian METS companies, along with Indonesia and the United States.

The increasing use of new technologies, including environmental technologies, will mean India will require commodities such as critical metals of which Australia has huge reserves. The MOU on cooperation in mining and Critical and Strategic minerals defines specific areas where both will work together to meet the technological demands of the future.

Australia is a world leader in mining and has a sophisticated and export-focused industry with established channels into India.

India is one of the 10 countries that has its own rare earth reserves and active mining projects. The Government has been trying to promote rare earth mineral exploration and production and if India looks to increase its refining capabilities out to 2035, it will benefit from partnering with Australia.

Therefore, it is good that both countries jointly decided to cooperate on new technologies for exploration and extraction of minerals and help build the future together.

### ○ Agriculture & Water Resources Management

Agriculture is an important pillar of both economies. Recognising the long history of collaboration in this sector, it was jointly decided to continue building mutually beneficial agriculture relationship between both countries.

Water security is a huge challenge and it was jointly agreed to deepen policy and technical cooperation to improve water management and sustainable economic development through the Memorandum of Understanding on cooperation in the field of Water Resources Management.

As per the Industry Report by Tat Capital in 2019, the development of the agribusiness sector is one of the most powerful tools for an economy. Australia has world-class expertise in agri-services and land and water resource management. With the world's second largest growing population, India would benefit greatly from shared agricultural science expertise to improve food security and productivity, sustainability, and food system resilience.

The agreement between the two countries on sharing of grains management techniques and harvest related transportation alongside cooperation in the field of Water Resources Management will be vital to the development of this sector in India.

### ○ Defence & Maritime Cooperation

As part of the agreement, both India and Australia agreed to deepen and broaden defence cooperation by enhancing the scope and complexity of military exercises and engagement activities and develop new ways to address shared security challenges.

As per the DFAT report by Peter Varghese in 2019, India is the fifth largest military spender in the world and has the second largest standing army in the world (1.3 million active service personnel).

Both PMs agreed to increase military inter-operability through various defence exercises and their Arrangement concerning Mutual Logistics Support (MLSA). It was mutually agreed that the Implementing Arrangement concerning cooperation in Defence Science and Technology to the MoU on Defence Cooperation will provide a framework to increase the collaboration between the defence science and technology research organisations of both countries. India and Australia share the view that many future challenges are likely to occur in, and emanate from, the maritime domain.

Therefore, as part of these talks, they agreed to boost cooperation in the maritime area as encapsulated in the Joint Declaration on a Shared Vision for Maritime Cooperation in the Indo-Pacific region. This would also include sharing of technologies and resources to support the health and sustainability of oceans and water resources. It would also include increased efforts towards existing commitments such as combat marine litter and single-use plastic waste, target Illegal, Unreported and Unregulated (IUU) fishing activities, and expanded linkages between both maritime agencies.

To deepen future economic and strategic cooperation between the two countries and provide oversight of the CSP, both Prime Ministers agreed to increase the frequency of Prime Ministerial contact through reciprocal bilateral visits and frequent annual meetings. Both Foreign and Defence Ministers will meet in a '2+2' format to discuss strategic issues at least every two years. Both countries also jointly decided to continue their regular interactions under the Foreign Ministers Framework Dialogue (FMFD).





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