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## Bolstering India-Australia Relations

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Australia's newly elected Prime Minister, Anthony Albanese, is quite committed to deepening economic and strategic ties between India and Australia. The relationship between the two countries has been on a major upswing for the last few years. PM Albanese and Indian PM Narendra Modi affirmed their desire to continue with the positive environment in their bilateral ties, and both leaders also met on the sidelines of the Quad summit in Tokyo.<sup>1</sup> Both leaders reviewed and discussed the cooperation under the comprehensive strategic partnership, defence manufacturing, green energy, science and technology, and people-to-people ties.

### **Background of India-Australia Bilateral Ties**

Bilateral ties between India and Australia have witnessed a transition from a difficult historical past to a prosperous future. Both nations are members of the commonwealth of nations and also widely share security, economic, political, and sporting ties. The relations between the two countries deteriorated when India conducted nuclear tests in 1998 and Australia imposed tough economic sanctions. During that time, economic and trade cooperation between India and Australia was worst affected. However, after 2000, the two nations began to increase their cooperative partnership due to changing regional scenarios in Asia and China's aggressive behaviour. Their bilateral ties saw a boost when PM Modi visited Australia in 2014 and further partnerships in the Quad and other multilaterals and minilaterals.<sup>2</sup> Moreover, in Australia's White Paper on foreign policy in 2017, India was placed among Australia's most important international partners for regional and global security. Australia has also committed to investing over \$280 million in boosting cultural ties as well as initiatives across sectors of technology, critical minerals, space and strategic research with India under the five-year plan.<sup>3</sup>

### **Convergences Between the two Nations**

The summit held in March 2022 between India and Australia focused on several mechanisms agreed upon under the Comprehensive Strategic Partnership (CSP) which was launched in 2020. This partnership aims at elevating the ties between the two countries from a bilateral strategic partnership to the CSP. Both nations also concluded a Mutual Logistics Support Arrangement (MLSA) and a defence science and technology arrangement to further build a prosperous and stable post-Covid-19 world.<sup>4</sup> MLSA allows the militaries of both nations to use each other's bases for replenishment of supplies, which elevates their defence cooperation.

In November 2020, Australia joined the Quad Malabar defence exercise along with India and other Quad members and also attended the first Quad summit meeting with the US and Japan. In the meeting, the Quad members decided to extend their partnership to include the non-traditional security challenges. At the 2+2 dialogue between India and Australia, they reaffirmed

their commitment to enhancing cooperation in vaccine manufacturing and equitable access to Covid-19 vaccines.

Both nations also conduct regular joint military exercises as well as anti-piracy coordination and white shipping information sharing. Some of the bilateral military exercises are AUSINDEX 2021, PITCH BLACK 2018, and AUSTRAHIND 2018.

In economic terms, the two countries launched an infrastructure forum to enable Australian firms to explore infrastructure opportunities in India. Furthermore, a new consulate-general in Bengaluru was announced to help Australian businesses in India's digital economy and innovation ecosystems. India and Australia aim for the full completion of a Comprehensive Economic Cooperation Agreement (CECA) by the end of this year.<sup>5</sup> This agreement covers trade in goods and areas like services, investments, intellectual property, and government procurement. Their economic relationship has seen a major boost through the signing of the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA) in April 2022 between the two trade ministers.<sup>6</sup> This agreement is known to be a major milestone and aims at prosperous bilateral trade and achieving ambitious targets for the economies of both nations. Through the ECTA, the trade may increase from US\$ 27 billion to around US\$ 45-50 billion over the next five years. Indian companies would also get a supply of energy and raw materials, and on the other hand, Australia would get better access to the growing Indian market.

At the March 2022 summit, the two nations expressed their commitment to a free and open rules-based order in the Indo-Pacific supported by the ASEAN centrality. Both sides also underlined the vitality of freedom of navigation in the South China Sea, consistent with international law. Furthermore, it was also mentioned that India will participate in the Indo-Pacific Endeavour Exercise 2022, which aims at promoting stability in Australia through bilateral and multilateral engagement and capacity building.

### **Cooperation in the Indo-Pacific**

India and Australia share the common goal of establishing a free and open Indo-Pacific region that is governed by rules. Both nations have widely increased their engagement in the Indo-Pacific region through the Indo-Pacific Oceans Initiative of India, the Indo-Pacific approach of Australia and the Pacific setup. The two countries aim at countering China's rising assertiveness through their cooperation in the Indo-Pacific. Australia has attempted to push back on China's aggressive trade barriers and also called for an independent investigation of Covid's origins in 2020.

The two countries also have several trilaterals with countries like Japan, Indonesia, and France to secure a rules-based order in the Indo-Pacific. India, Japan, and Australia have a trilateral wherein they cooperate on the Supply Chain Resilience Initiative (SCRI). The SCRI was launched to counter China's dominance of the supply chain in the Indo-Pacific region. India and Australia also engage in the Indian Ocean with partners in forums at the Indian Ocean Rim Association (IORA), and in multilateral exercises like the Malabar and the Indo-Pacific endeavour.

## Way Forward

India and Australia share certain divergences regarding the AUKUS arrangement. Australia has looked at security issues through its alliance with the US, which is further strengthened through the AUKUS, while India tends to follow an independent foreign policy and balance its strategic calculations. Nevertheless, India and Australia, being the major powers with shared interests, can play a prominent role in ensuring a stable and prosperous Indo-Pacific region. The Quad partnership should also be widened in its relevance by enhancing economic and security cooperation among the member nations. The joint defence manufacturing between the two nations has immense potential to be explored in order to leverage Aatmanirbhar Bharat Initiative. Moreover, deeper cooperation in critical emerging technologies will be a win-win situation for both countries in the fields of Artificial Intelligence, drones, semiconductors, etc. New PM Albanese remains committed to developing closer ties with India.

## NOTES

<sup>1</sup> 'PM Modi holds 'fruitful' discussions with with new Australian counterpart Albanese', *Times of India*, May 24, 2022, <https://timesofindia.indiatimes.com/pm-modi-holds-fruitful-discussions-with-new-australian-counterpart-albanese-a-gree-to-further-cement-bilateral-ties/articleshow/91764720.cms>, Accessed on June 01, 2022.

<sup>2</sup> 'Securing Two Oceans: Bolstering India-Australia Defence Cooperation in the Indo-Pacific', *Observer Research Foundation*, January 28, 2022, <https://www.orfonline.org/research/securing-two-oceans/>, Accessed on June 03, 2022.

<sup>3</sup> 'High Commissioner Barry O'Farrell's Keynote address at the IES Update Launch', *Australian High Commission*, April 07, 2022, <https://india.highcommission.gov.au/ndli/HOMIESUpdate07042022.html>, Accessed on June 03, 2022.

<sup>4</sup> Joint Statement on a Comprehensive Strategic Partnership between Republic of India and Australia, *Ministry of External Affairs*, June 04, 2020, [https://mea.gov.in/bilateral-documents.htm?dtl/32729/Joint\\_Statement\\_on\\_a\\_Comprehensive\\_Strategic\\_Partnership\\_between\\_Republic\\_of\\_India\\_and\\_Australia](https://mea.gov.in/bilateral-documents.htm?dtl/32729/Joint_Statement_on_a_Comprehensive_Strategic_Partnership_between_Republic_of_India_and_Australia), Accessed on June 04, 2022.

<sup>5</sup> India-Australia Comprehensive Economic Cooperation Agreement (CECA), *Ministry of Commerce and Industry, Government of India*, <https://commerce.gov.in/international-trade-trade-agreements-indias-current-engagements-in-rtas/india-australia-comprehensive-economic-cooperation-agreement-ceca/>, Accessed on June 05, 2022.

<sup>6</sup> 'India and Australia sign Economic Cooperation and Trade Agreement', *Ernst and Young*, April 26, 2022, [https://www.ey.com/en\\_in/alerts-hub/2022/04/india-and-australia-sign-economic-cooperation-and-trade-agreement](https://www.ey.com/en_in/alerts-hub/2022/04/india-and-australia-sign-economic-cooperation-and-trade-agreement), Accessed on June 05, 2022.