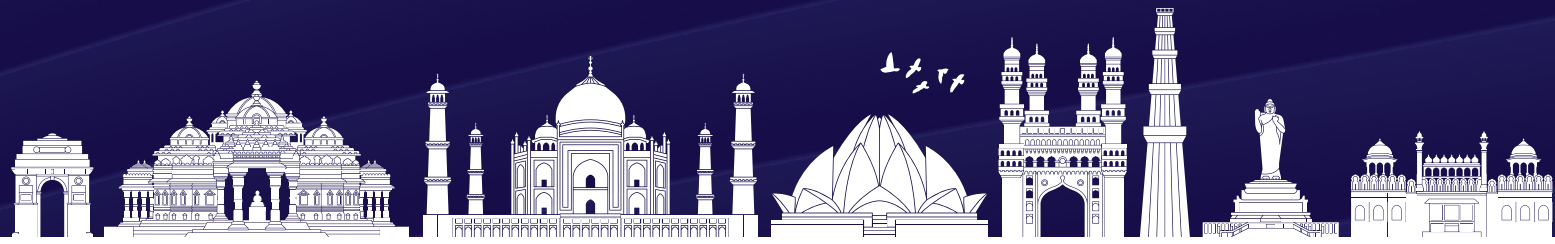




GOVERNMENT OF
WESTERN AUSTRALIA

Invest & Trade
WESTERN AUSTRALIA



India Market Outlook

2022-23

Trade and investment opportunities
for Western Australian businesses

India market overview

Gross domestic product

US\$3.3 trillion

(EIU 2021)

2nd most populous country in the world

1.4 billion

(2021)

5th largest

economy in the world

India is a large and growing market, offering a broad range of long-term opportunities for Western Australian businesses. India's economy is developing through industrial and manufacturing growth and increased consumption from a rising middle class.

India also has one of the world's fastest-growing services sectors. As India develops, it will need many goods and services that Western Australia provides, including those from the education, mining, energy, agriculture and tourism sectors.

Western Australia's trade relationship with India

1996

Established the Invest and Trade WA office in Mumbai

\$5.2 billion

7th largest trading partner in 2021-22

\$2.9 billion

9th largest merchandise export market

Western Australian merchandise exports to India in 2021-22



62%

Non-monetary gold



17%

Alumina & bauxite



6%

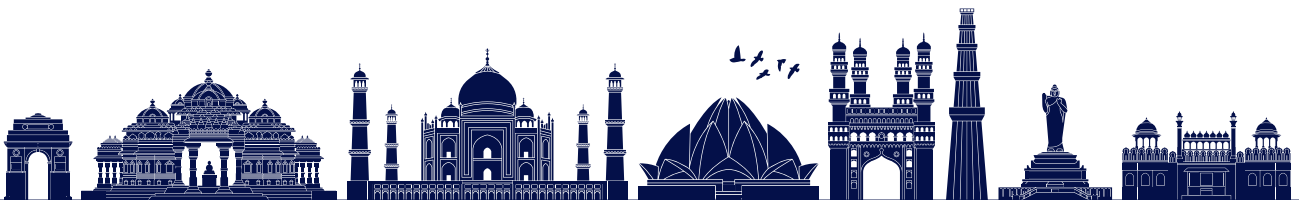
Pigments, paints and varnishes



Western Australia's largest international student source market, 8,251 international students in 2021

The Western Australian Government supports local businesses pursuing opportunities with India through Invest and Trade WA, including the recently established Invest and Trade WA Chennai office. This includes advice and assistance to Western Australian companies looking to export to India or attract investment to grow their business.

The relationship between Western Australia and India has been supported by the Western Australia Andhra Pradesh Sister-State Relationship Agreement. Established in 2016, Western Australia and Andhra Pradesh committed to work together in mining, mining services, agriculture, fisheries, energy, education and training and water management.





India is a key market under Western Australia's Asian Engagement Strategy 2019-2030, which supports:

- » Maximising trade and investment opportunities
- » Asia literacy and capability
- » People-to-people links
- » Business networks and communities.

Australian investors and exporters receive preferential market access through free trade agreements (FTAs). Western Australian businesses looking to expand into India can reap the benefits of these agreements.

Australia-India Comprehensive Economic Cooperation Agreement (AI-CECA)

An interim agreement, the Australia-India Economic Cooperation and Trade Agreement (AI-ECTA), entered into force on 29 December 2022 and is considered by the Australian Government to be a 'stepping stone' to a full AI-CECA.

Upon entry into force, the AI-ECTA has eliminated tariffs on over 85% of Australian goods exports to India, valued at around \$12.6 billion, rising to almost 91%, valued at \$13.4 billion, over 10 years.

The main benefits of the AI-ECTA include:

- » increased access for Western Australian primary producers of sheep meat, fresh rock lobster, barley, oats, wool and wine
- » increased access for manganese, copper, cobalt, nickel, aluminium and tin ores, titanium dioxide, alumina, copper alloys and most nickel products, zirconium and titanium, coal, Liquefied Natural Gas (LNG) and crude petroleum
- » increased certainty and predictability for Australian and Indian service companies operating in each other's markets
- » confirmed pathways for professionals to work in each country and support for post study work and working holidays to build people-to-people links.

For further information on FTAs with India visit: <https://ftaportal.dfat.gov.au>

Trade and investment opportunities with India

An outline of trade and investment opportunities with India is provided below, categorised under Western Australia's key industry sectors.

Each section also describes the Western Australian Government's actions to support businesses pursuing these opportunities in 2022-23. The actions are a combination of initiatives to assist Western Australian businesses to develop their export capability (sector-based) and activities that specifically support trade and investment opportunities with India (market-based).

Energy

India's demand for energy is growing as its economy develops and population increases. As energy demand rises, India is likely to meet a greater share of its energy needs through imports. The composition of India's energy demand is also likely to shift more towards gas and cleaner energy.

By 2030, India could represent more than a third of global electric vehicle (EV) battery demand if it meets its goals for a rapid transition to electric mobility. To manufacture EV batteries domestically, the Indian Government is actively assessing global supplies of battery minerals and evaluating strategic partnerships with energy-rich countries and private sector partnerships to secure offtake agreements. As such, there are opportunities for Indian investment in Western Australia through offtake agreements for key battery minerals.

India's long-term objective is to increase its battery manufacturing capacity while importing only the cathode or its raw materials. This presents a medium to long-term opportunity for Western Australia to export either cathode active materials (CAM) or, potentially, manufactured cathodes to India.

There are also opportunities to provide technical support services in India as it seeks to increase domestic energy capacity, particularly in renewables. Western Australia's expertise in energy storage systems – for example micro grids, virtual power plants and standalone power systems – presents an opportunity for collaboration with India on the supply of cost-competitive, reliable, battery-based energy supply.

Western Australian Government actions

- » Promote investment opportunities in energy sectors including waste to energy, e-waste and related areas such as recycling and a circular economy.
- » Promote Western Australia as a destination for investment and offtake opportunities for hydrogen in accordance with the Western Australian Renewable Hydrogen Strategy.
- » Facilitate engagement between Western Australian businesses and India's remote and renewable power sectors.
- » Work with partners in India to attract investment into downstream battery materials processing such as precursor-CAM and CAM manufacturing.
- » Deliver critical battery materials roundtables in conjunction with Austrade as part of its Australia India Business Exchange program of events.
- » Continue to implement Western Australia's Lead Agency Framework to facilitate major projects and proposals in Western Australia.



Tourism, events and creative industries

India was Western Australia's 11th largest market for international visitors in 2019¹, with 31,000 visitors. High-value and business travellers from India are a current target market for Western Australia.

Western Australian Government actions

- » Establish Western Australia as the most desirable destination choice for international leisure visitors through the delivery of a new world-class tourism brand.
- » Investigate opportunities for direct and additional aviation services between India and Western Australia.
- » Support key distribution partners in-market to promote Western Australia as a premier tourism destination.
- » Promote Western Australia as a destination for conference attendance, development and delivery.

¹ Due to COVID-19 travel restrictions from 2020-2022 the composition of international visitors in these years was significantly different from previous years. International visitor statistics for 2019 provide a better representation of the relative size of each market.

International education

The report 'An India Economic Strategy to 2035' identified education as the flagship sector for the India-Australia relationship, noting that India aims to lift the enrolment rate in higher education from 27% to 50% by 2030.

The National Education Policy 2020 aims to bring transformational reforms in school and higher education, shaping India into a global knowledge society.

The Education Business Development Manager, based in Invest and Trade WA Chennai office, works with education agents across India to promote Western Australia as an education destination, including undertaking education agent training and familiarisation tours.

Western Australia can also capitalise on its handling of the COVID-19 pandemic to market itself as a safe and attractive destination for Indian students.

Western Australian Government actions

- » Leverage the State's offshore international education marketing campaign in-market.
- » Work with education agents in India to elevate the profile of Western Australia's education sector and promote study programs offered by Western Australian universities and vocational education institutions.
- » Work with StudyPerth to promote Western Australia as a study destination of choice to education institutions and students in India.
- » Gather intelligence to provide regular updates on in-market activities and trends to inform Western Australia's international education policy.
- » Collaborate with Western Australian education providers to undertake promotional activities and roadshows in India to assist universities and pathway providers in student recruitment.
- » Support international education consortia activities in Western Australia and India, including through the Education Business Development Manager based in Chennai.
- » Promote Western Australia as a favoured education destination within India, including by:
 - » collaborating with education agents on relevant events and programs that promote the Western Australian School Curriculum and Standards Authority (SCSA), universities, TAFE institutions and public and private schools
 - » exploring the possibility of the SCSA offering the Western Australian pre-primary to Year 10 curriculum to select education institutions in India.
- » Support Western Australian universities to expand their student, academic and research links in-market.

Mining and mining equipment, technology and services (METS)

India's increasing urbanisation and industrial activity is driving demand for mineral commodities. While a range of factors have caused trade in mineral commodities to be volatile in the past, the longer-term prospects for export of iron ore, copper, nickel and gold to India are positive.

India's aspirations for its mining industry include accelerating exploration activity, increasing private sector participation and minimising environmental impact. As India seeks to achieve these aims and improve productivity in its mining sector, there may be opportunities for Western Australian METS businesses, particularly in the areas of environmental management, safety, exploration and remote operations.

Western Australian Government actions

- » Maintain key stakeholder relationships and information exchange between Western Australia and India in the mining industry.
- » Continue to streamline approvals processes and regulatory reforms to create a more attractive investment environment for the Western Australian mining industry.
- » Attract investment into critical minerals projects in Western Australia by:
 - » facilitating understanding of Western Australia's potential as a secure and reliable supplier and processor of critical minerals (including rare earth elements)
 - » developing investment attraction and trade promotion strategies for India.
- » Facilitate long-term technology and research and development partnerships with companies in India's resources value chain.
- » Facilitate capacity-building partnerships with Indian technical training institutions in the mining sector.



Primary industries

Western Australia's agricultural trade with India is relatively small. However, as India's economy develops, incomes rise and industrialisation and urbanisation reduce the amount of land available for agricultural production, India will likely need to source more of its food products through imports.

Specific agrifood opportunities in India for Western Australia include grains (particularly malting barley), pulses (lupins, chickpeas and lentils), rolled oats and avocados. Opportunities may also emerge for value-added products sought by the growing middle class, such as wine and processed food, while the introduction of direct flights could open up markets for fresh premium products.

As India's agricultural industry strives to meet growing demand, there are opportunities for Western Australian businesses to help India increase the efficiency and output of its agricultural sector through the provision of agricultural technology and services. There is also an opportunity for Western Australian agribusinesses to provide products and services related to grain storage and handling.

Western Australian Government actions

- » Explore opportunities under the AI-ECTA.
- » Increase visibility of Western Australia's agrifood commodities and premium products in India.
- » Strengthen links with retailers, hotel and restaurant operators in India to assist Western Australian agrifood industries to access new market opportunities.
- » Further leverage Western Australia's success in exporting products such as grains, pulses, rolled oats and avocados to the Indian market.
- » Facilitate virtual business-matching sessions and trade missions to promote market diversification for the Western Australian agrifood industry.
- » Support Western Australia agribusinesses to invest in new market development projects including in the food and beverage industry.

Western Australian business success with India

Western Australian Trade and Investment Mission to India

The Hon Roger Cook MLA, Deputy Premier, and the Hon David Templeman MLA, Minister for International Education, led an international business delegation to India that was made up of more than 70 companies and 110 representatives from the following sectors:

- » International education and skilled migration
- » METS
- » Energy
- » Innovation hubs and smart cities
- » Primary industries
- » Tourism, events and creative industries.



The mission supported Western Australian businesses to enhance their Indian business and cultural literacy, expand their connections into India, strengthen investment and trade opportunities across the six sectors and leverage opportunities arising from the interim AI-ECTA.



The mission which was the largest Western Australian business delegation visiting an international market in history, resulted in:

- » Over \$20 million worth of agreements and announcements to enhance two-way joint ventures, trade and investment
- » Over 30 memoranda of understandings being signed
- » Over 260 digital, print and video media articles
- » The first Western Australian Rock Lobster import to India.

To coincide with the mission, the Deputy Premier officially opened the Invest and Trade WA Chennai office in the India-Gulf region – building on Western Australia's 25 year presence in Mumbai.



Bengaluru Space Expo

The newly opened Invest and Trade WA Chennai office provided in-market support to Western Australian businesses who attended the 7th Bengaluru Space Expo as part of an Australian delegation. The Chennai office facilitated a range of industry introductions and networking opportunities to connect Western Australian businesses to potential partners in India and to promote Western Australian space technology.

To coincide with the visit and the Bengaluru Space Expo, the Chennai office hosted a roundtable discussion to better understand key opportunities and priorities in India's space

sector and to provide a platform to showcase Western Australian space expertise. The Western Australian space companies from the delegation were invited to participate in the roundtable, together with representatives from the Indian Government, the Western Australian Government and space industry experts.

The Chennai office is continuing to offer in-market support to the Western Australian companies, by following up on enquiries stemming from the roundtable and in-market introductions and providing ongoing market intelligence.



Western Australian Government support

Invest and Trade WA Mumbai office has supported Western Australian businesses seeking to access trade and investment opportunities in India since 1996. Invest and Trade WA Chennai office opened in 2022.

The offices have established a strong network of contacts to support Western Australian businesses in India. This includes close working relationships with the Australian Embassy in Delhi and with the Australian consulates in Mumbai, Chennai and Kolkata.

In 2020-21, Invest and Trade WA moved to a regional hub model. Invest and Trade WA's Mumbai and Chennai offices operate as part of the India-Gulf regional hub, providing the following services:

- » Advice on Indian and Gulf markets and specific trade and investment opportunities
- » Advice on market-entry strategies
- » Supporting in-market promotion and visits
- » Facilitating introductions to potential customers and partners.

Invest and Trade WA

Invest and Trade WA promotes Western Australia as a destination for investment, provides a 'one-stop-shop' for incoming trade and investment enquiries and assists Western Australian businesses to develop and expand their export potential.

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View Western Australia's Asian Engagement Strategy 2019-2030:

www.wa.gov.au/asian-engagement-strategy



Department of
**Jobs, Tourism, Science
and Innovation**

