



AUSTRALIAN CHAMBER OF
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MEDIA RELEASE

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AUSTRALIA-INDIA RELATIONS MUST BE BUILT ON MORE THAN JUST CRICKET

Statement by Mr Peter Hendy, Chief Executive

The Australian Chamber of Commerce and Industry (ACCI), Australia's largest and most representative business organisation, has today released a position paper *Riding the Indian Elephant: Opportunities and Challenges for the World* which examines the potential for a closer relationship between our two nations and advocates a future Australia - India Free Trade Agreement (AIFTA).

The Australia-India relationship must be built on more than just cricket.

ACCI considers that India has the potential to become one of the major economic, political and trade powers of the world economy. The challenge for its government, its business community and its people is realising that potential.

For much of the past 60 years since Independence, India's trade and economic performance has been lacklustre and held back by poor policy choices - namely socialism, central planning and autarky. In the past, policy settings focused on wealth distribution rather than wealth creation.

However, recent healthy economic indicators, such as stronger and less volatile economic growth, lower inflation, improved trade performances and rising foreign reserves, create a window of opportunity for the world's second most populous nation to develop a more market-focused and competitive economy.

The Australia - India commercial and economic relationship appears well-placed for further expansion. Mathematical-economic modeling undertaken by ACCI highlights the healthy trade complementarity between the two countries, with anecdotal evidence suggesting the trend is likely to be sustained into the foreseeable future.

At the same time, the Trade and Economic Framework (TEF) agreement reached between the two countries earlier this year is a positive outcome that will, hopefully sooner rather than later, transform into a bold and comprehensive Australia - India Free Trade Agreement (AIFTA).

The position paper is available on the ACCI website at www.acci.asn.au.

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