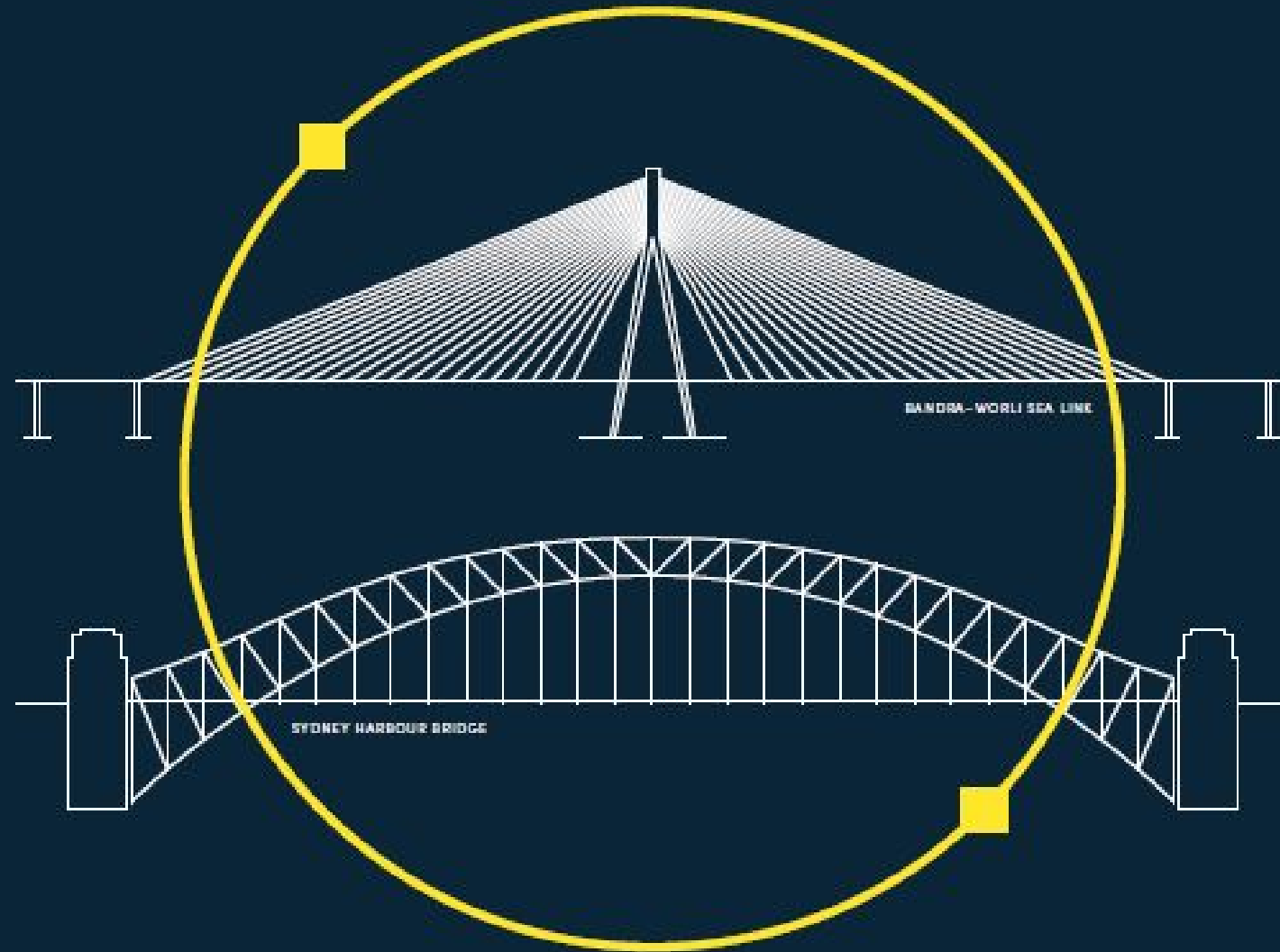


AN INDIA ECONOMIC STRATEGY TO 2035

NAVIGATING FROM POTENTIAL TO DELIVERY





What is the India Economic Strategy?

- A long-term and ambitious plan to unlock opportunities for Australia from India's economic growth out to 2035.
- It was commissioned in April 2017 and released in July 2018.
- Led by Peter Varghese AO, the Strategy is an independent report to the Australian Government, based on over 250 consultations across Australia and India.
- Government is considering its response to the report's 90 headline recommendations following consultation with Australian and Indian stakeholders.

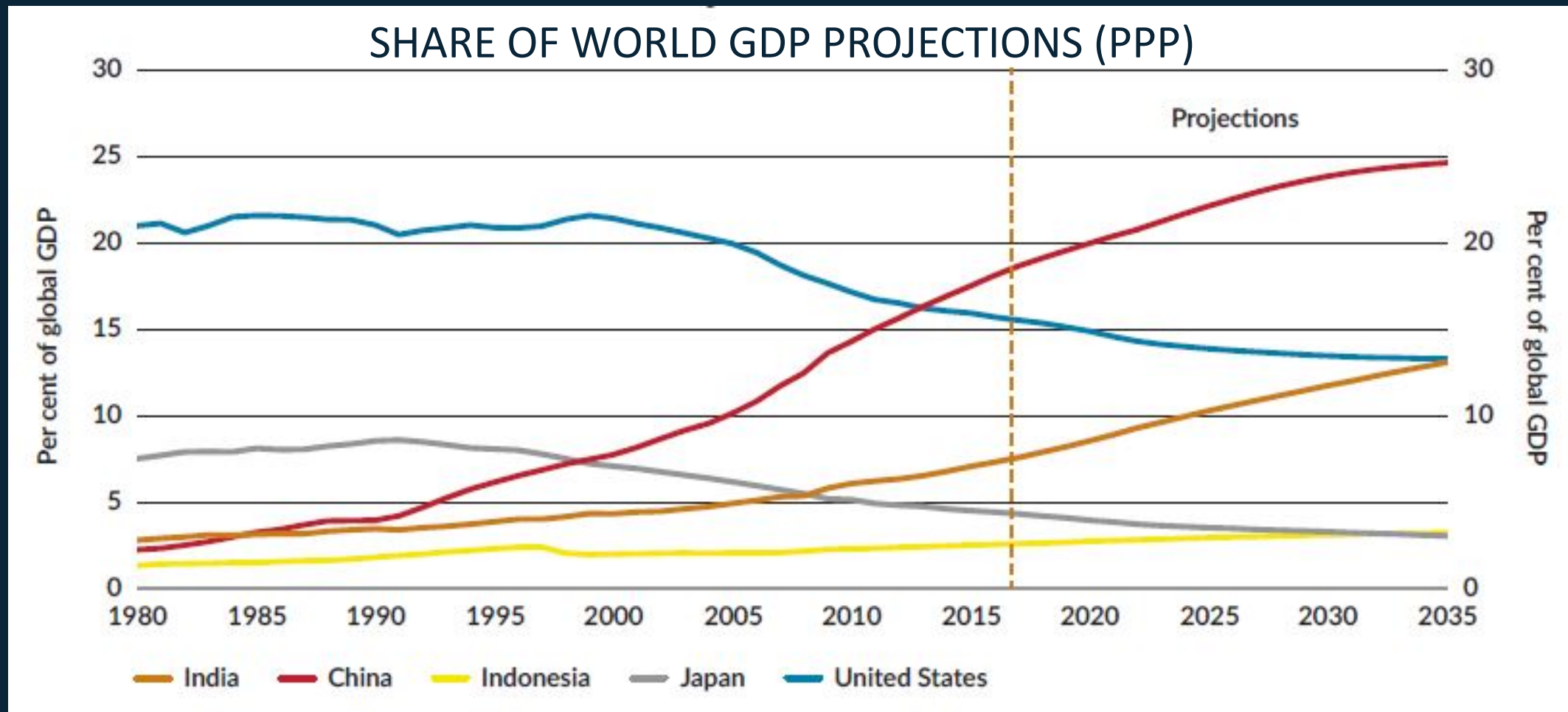
Why do we need an India Economic Strategy?

- Australia needs to continue seeking out new high growth markets to create the jobs of the future.
- The report judges that over the next 20 years no single market will offer more growth opportunities for Australian business than India.
- Two-way trade (\$25.7 billion) and investment (\$29.5 billion) is growing, but only a fraction of what we should aspire to.
- India is a market which requires patience, perspective and preparation and its political economy is such that government has an important role to play in facilitating opportunities for business.



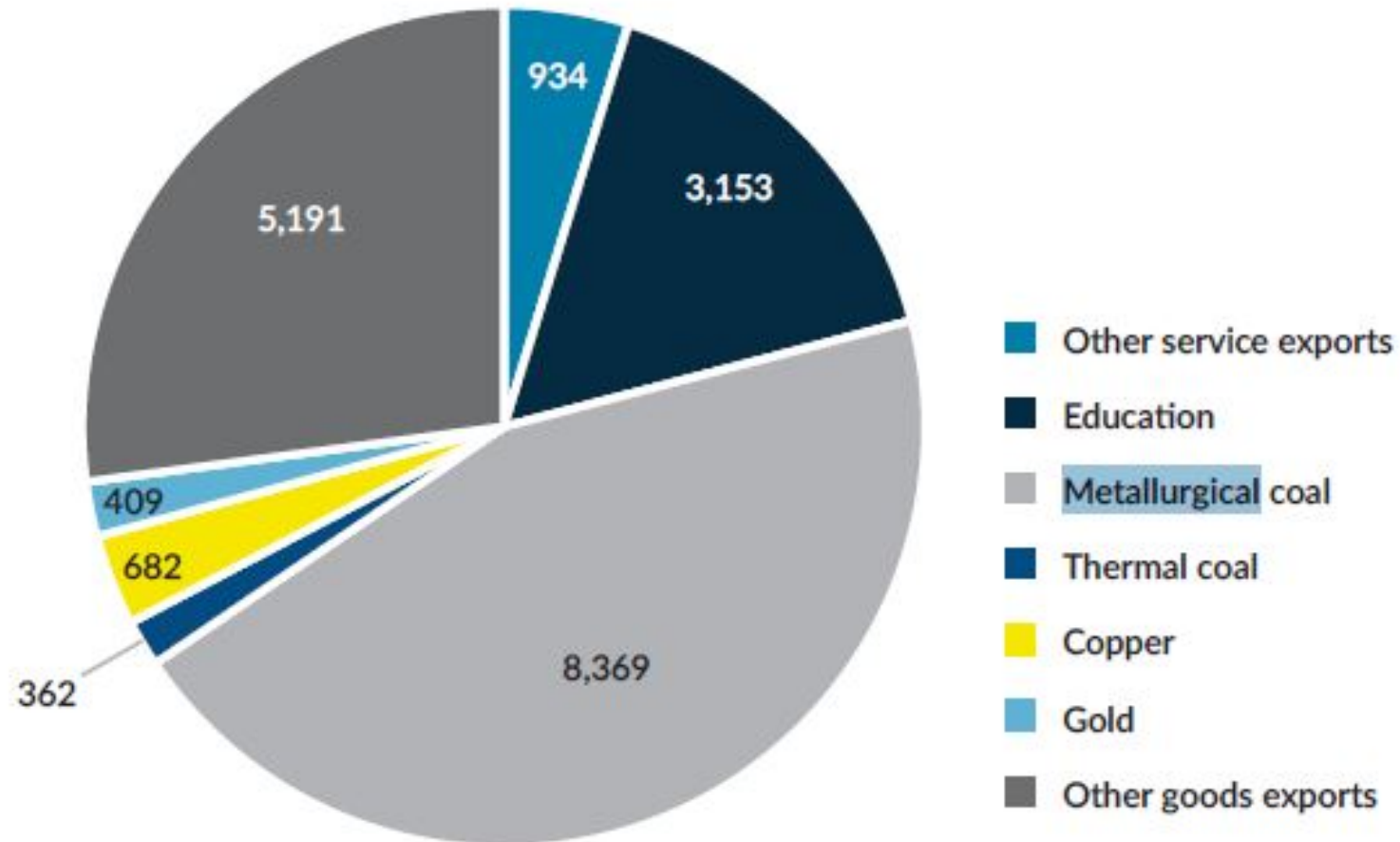
The scale of the opportunity

- By 2035, India's share of global GDP (in PPP terms) is projected to increase to 13 per cent, on par with the US.



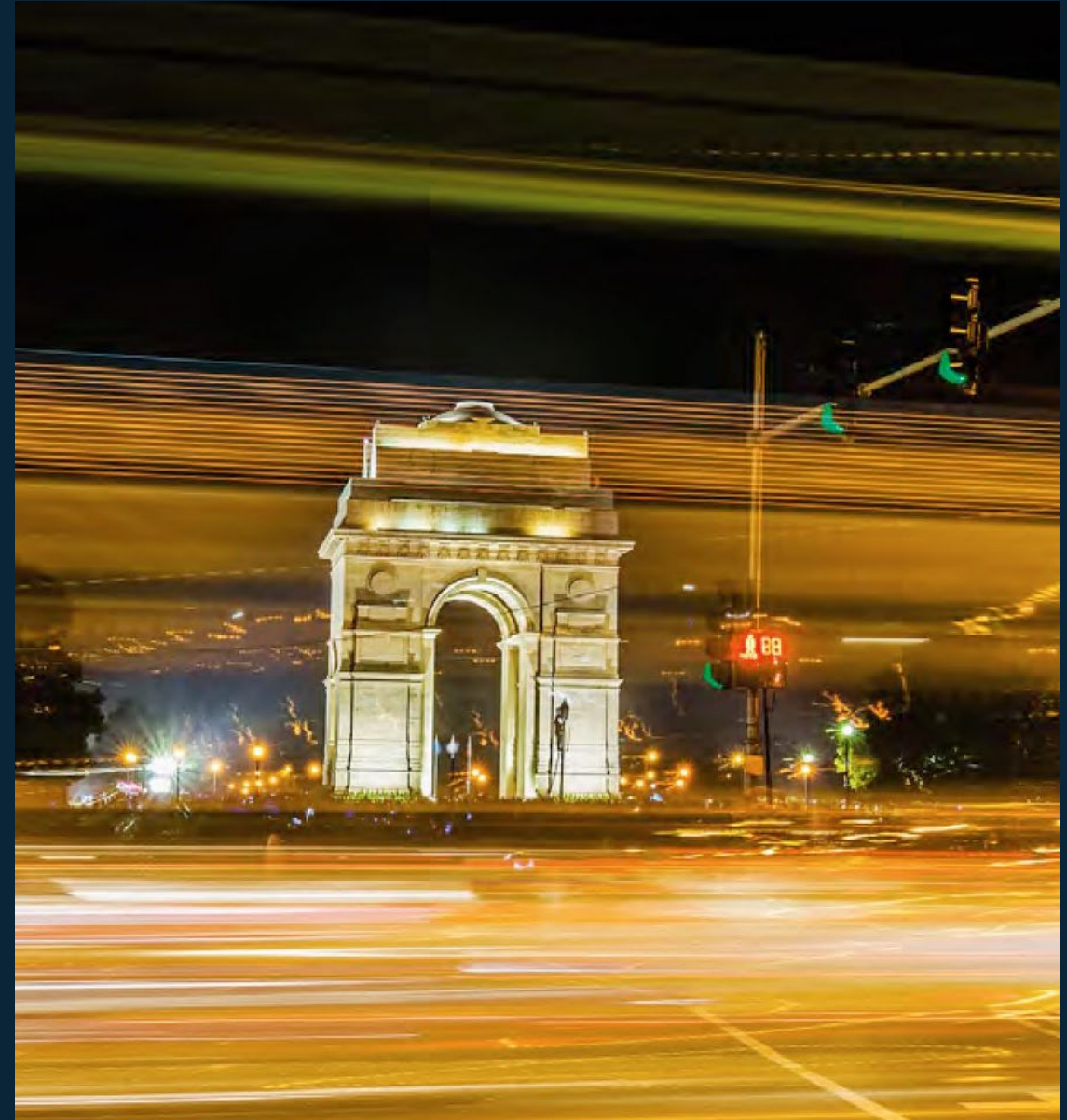
A step-change in the economic partnership

AUSTRALIA'S GOOD AND SERVICES EXPORTS TO INDIA 2016-17 (\$ MILLION)



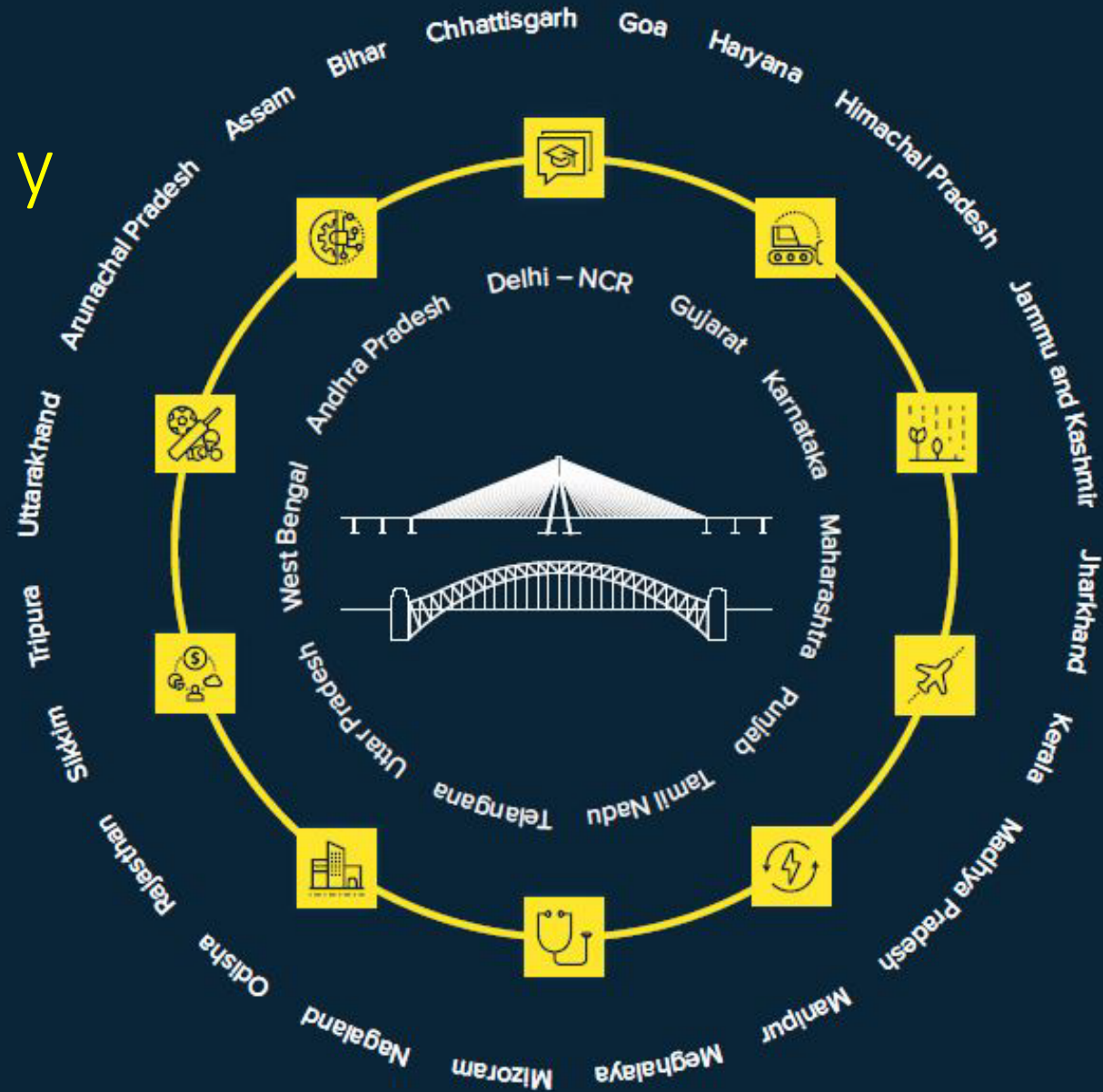
Transformative targets

- The Strategy recommends Australia strive by 2035 to lift India into its top three export markets and make India the third largest destination in Asia for Australian outward investment.
- This would see Australian exports to India triple to \$45 billion and outward Australian investment to India grow to over the \$100 billion mark.



Sectors and states – the core of the Strategy

- The key message of the Strategy is that Australia needs to make a strategic investment in India.
- It identifies opportunities in India across 10 sectors and 10 states.
- It matches Australian competitive advantages with India's economic and reform priorities, outlining the greatest prospects for Australian trade and investment.

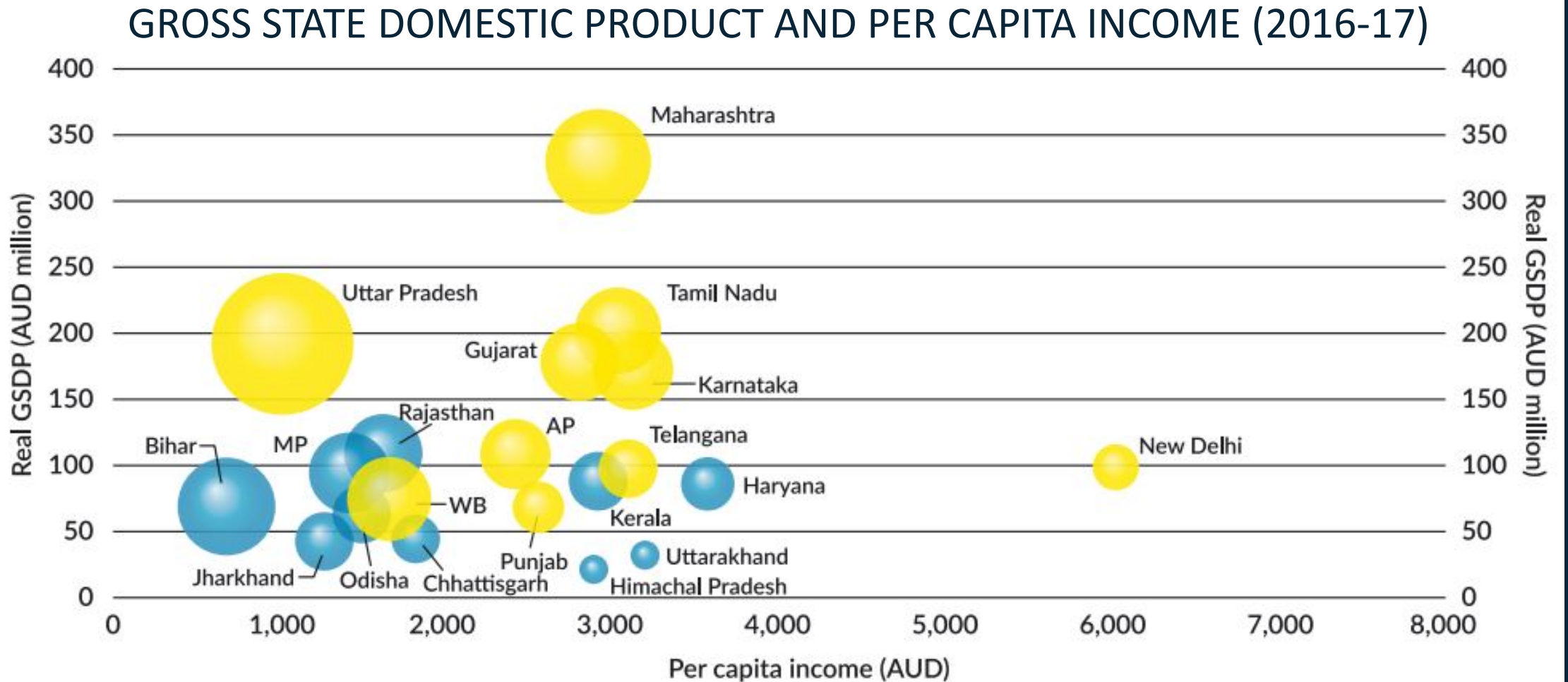


10 sectors

- Education – the flagship of the future economic partnership
- Agribusiness, resources and tourism – lead sectors
- Energy, health, financial services, sport, science and innovation, infrastructure – promising sectors



10 states



Bubble size represents state population.

People-to-people links will be pivotal

- The Indian diaspora in Australia – now 700,000 strong or almost 3 per cent of the total population – is the fastest growing of any large diaspora in Australia.
- The Strategy recommends Australia deploy the Indian diaspora as a national economic asset to drive growth and economic integration with India.



Agribusiness sector at a glance



Agribusiness

- India's food demand will grow at 2-3 per cent, outpacing supply.
- India is a major agricultural producer, but the sector is highly inefficient and output is volatile.
- The sector's political sensitivity, protectionist sentiment and susceptibility to fluctuating import demand and sharp policy changes are unlikely to fade.





Agribusiness

- India has an appetite for Australian commodities (pulses, grains, oilseeds and horticulture), premium products, and services and technology to boost its productivity, including cold-chain supply and processing.
- The Strategy envisions Australia capturing a greater share of Indian commodity and premium imports, leading in professional services and securing greater predictability of Indian market interventions.
- There will be sustained demand in India for agri-services, consulting and technology where Australia has expertise, such as soil health, food waste and water management.



Almonds

- VIDEO: <https://youtu.be/BDsSpiXHUjc>
- The expansion of Australian almond exports to India over the last decade is commended by the Varghese report, particularly the approach to leveraging 'Brand Australia'.
- Nuts are promising as a non-competing commodity that ticks nutritional and cultural preferences in India. The demand for in-shell almonds helps Australia meet peak demand during the festive season.
- Almond exporters will benefit from mechanisms to provide greater visibility of fluctuations in Indian demand, and greater policy dialogue to discuss market access, both recommended in the report.

Agribusiness

Agribusiness export opportunities to India out to 2035

		Near term	Medium/Long term
Goods	Raw commodities	Export commodities Investment in import pathways	Export commodities Investment in different links in the supply chain (food processing, packaging, cold chain)
	Processed products	Export processed value-added products Investment in import pathways	Exports Invest in food processing in India
Services	On-farm	Precision farming Seed treatment and soil health solutions Plant and animal genomics	Supply full range of agri-services Collaborate with Indian scientists and start-ups working on plant and animal genomics
	Post-farm	Logistics and bulk storage solutions Food processing	Logistics and bulk storage solutions Food processing
	Safety and quality	Safety and quality consultancy to government and large export oriented businesses	Provision of food safety management systems
	Water	Policy engagement Research and development projects Water information systems Water use efficiency Water governance Irrigation projects	Policy engagement Research and development projects Water information systems Water use efficiency Water governance Irrigation projects

Next steps

- Government is considering the Strategy and its extensive recommendations and consulting widely.
- Work by government on the Strategy's broad themes is already underway. Government announced through the Budget, the establishment of a Consulate-General in Kolkata, India's resources hub, and an extension of the Australia India Strategic Research Fund for an additional four years.

