



Australia
India
Chamber of
Commerce

How Australia



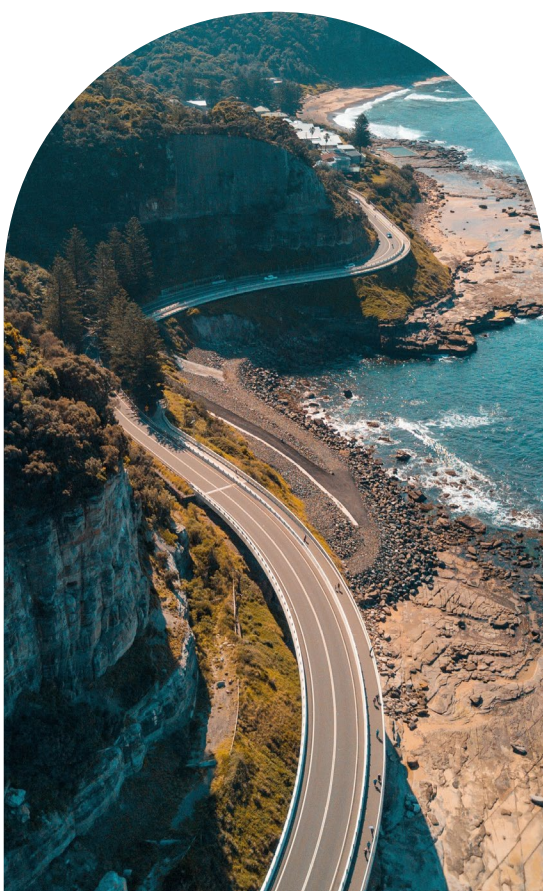
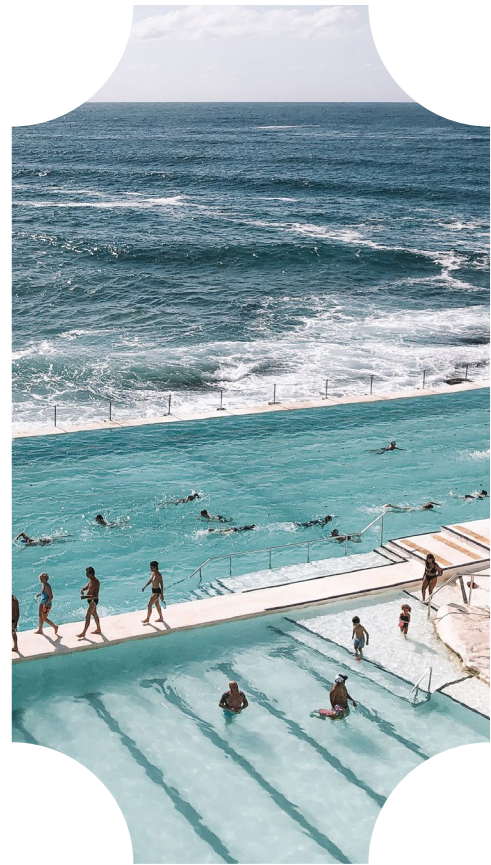


Your Springboard to True Global Success

New India is enjoying rapid economic and strategic growth. India stands as the third largest global economy and is projected to grow by 7.8% in 2022⁽¹⁾. Indian businesses looking to expand their global footprint are eyeing Australia as the springboard to other markets and to operate as a truly global company.

Australia's economy is currently in its 26th year of consecutive economic growth and is the 13th largest economy worldwide^(2a, 2b). Well regarded as the launch pad into other markets, Australia's top ten trading partners are China, the United States, Japan, the Republic of Korea, United Kingdom, Singapore, New Zealand, India, Germany and Malaysia⁽³⁾. This could mean companies that invest in Australia have the opportunity to expand their international footprint. India currently sits 8th in the top 10 bi-lateral trading partners with Australia with a 3% share⁽⁴⁾.

Australia and India share many commonalities such as free media, multi-faceted cultural societal structures, liberal democracies, and natural resources in abundance. While there have been some large Indian companies invest in Australia, bi-lateral trade opportunities are enormously plentiful. India has the potential to increase its exports of goods and services to Australia from \$6.8 billion in 2018 to \$47.8 billion in 2035. India's goods exports to Australia could grow to \$27 billion in 2035 and India's service exports to Australia could grow to \$20.5 billion US dollars in 2035⁽⁵⁾.



As can be seen, there are many reasons 'Why' India should be investing in Australia, but the real question now is 'How' Do We Engage Australia?

Australia Market Snapshot



Economy

Australia's economy is in its 26th year of consecutive economic growth and is the 13th largest economy worldwide. Australia's GDP is around A\$2 trillion (US\$1.6 trillion), accounting for 1.6% of the global economy. Following a drop in Australia's GDP growth rate as a result of the global pandemic, the International Monetary Fund has upgraded its forecast that Australia's GDP will grow by 4.1% in 2022 ⁽⁶⁾. The improved outlook reaffirms the Australian economy's underlying strength and resilience.

Population

Australia is home to 25.7 million people and growing at a rate of 0.2% annually, yet home to just 0.3% of the world's population. In 2020, 19.29% of Australia's population was aged 0-14 years old, 64.49% was between 15-64 and 16.21% was 65 years and over ⁽⁷⁾. Australia is a federation of six states and two territories. The national level government is known as the Federal, Commonwealth or Australian government and each state and territory have their own constitutions, parliaments, governments and laws. Within the states and territories there are over 500 local councils which make local laws (by-laws) for their region or district.

Culture

While Australia's society is primarily Anglo-Celtic/Western, it is one of the most multicultural and multilingual countries in the world. According to the 2016 census, roughly 26% of Australian residents were born overseas and 49% had at least one parent born overseas ^(8a, 8b). It is free society with good governance and an enterprising spirit. Australia is home to the oldest civilization on earth. Before Australia was colonised by the British in the late 18th century, Aboriginal and Torres Strait Islander people were the custodians of the land and have inhabited the continent for 60,000 years ⁽⁹⁾. Today it is estimated 798,400 Australians identify as Indigenous, roughly 3.3% of the national population ⁽¹⁰⁾. Aboriginal and Torres Strait Islander people share a common philosophy based on spirituality, ecology and consensual-communal organisation. In general as a society, Australians are confident, down to earth, informal, relaxed and to the point. They may have strong opinions and have a tendency to share their views and opinions. They are modest sometimes to the point of self-deprecation. Australians are optimistic, mateship runs through their make up and they are egalitarian, believing everyone deserves a 'fair go'.



According to the 2016 census, roughly 26% of Australian residents were born overseas and 49% had at least one parent born overseas.

Key Industries

The Australia-India bilateral trade partnership is robust and could be forecast for exponential growth. India is the fourth largest export market for Australia, showing the importance for investment in the region. There is no single major market in the world with more growth opportunities for Australian business than India.



India has the potential to increase exports of goods and services to Australia from \$7 billion in 2018 to \$48 billion in 2035. To break it down, this would see India's goods exports to Australia growing from \$5 billion in 2018 to almost \$28 billion in 2035 and service exports to Australia increasing from \$2.4 billion to \$21 billion in 2035⁽¹¹⁾.

Here, we've broken down potential opportunities for bi-lateral partnerships between Australia and India.

Mining Resources

India has a growing demand for critical minerals that Australia holds in abundance such as lithium, coal, iron ore, copper, nickel, potash and phosphate. India could secure supply of resources or enter into agreements, equity participation, or joint ventures with companies engaged in exploration and mining of critical minerals. Other areas of engagement could include India companies engaging with Australia's robust mining-focused research centres and institutions for both knowledge gain and investment growth. Another area could see LNG imports to India from Australia increase with the current and future development of ports on India's eastern coast - meaning less travel to the existing western ports⁽¹²⁾.



Power & Renewables

India's demand for energy is set to outpace domestic supply, providing the largest contribution to growth in global energy demand through to 2035^(13a, 13b). Australia's energy market is shifting its focus to sustainable, renewable sources of energy - something India has been focused on for some time. Indian counterparts could invest in renewable projects and solar farms in Australia. Further, India and Australia could collaborate on renewable research programs.

Education

With the largest tertiary age (18-22) population globally, India hopes to upskill 400 million people by 2022. Australia's tertiary education industry is robust, with a curriculum designed to deliver graduates ready and capable to immediately join the skilled workforce. Australia is well placed to meet India's education needs across secondary, university, and vocational sectors. Australia is a desirable destination for India's growing population of graduates. Ways in which Australia-India relations could collaborate to bolster the education industries of both regions include collaborations between Indian and Australian universities, bolstering degree programs and cross-university exchanges, curriculum development, and research funds could be assembled between Australia and India focusing on key areas of expertise for each country^(14a, 14b).

Agribusiness

Australia's agriculture sector is sophisticated and robust, using around 50% of its arable land for cultivating crops and livestock, with almost half of its overall yield exported globally. India's agriculture output is large and employs a considerable portion of the population. India has an appetite for commodities (especially pulses, grains, horticulture, oilseeds of which India has a shortfall), premium products, and services and technology. India has a demand for agri-services, consulting and technology where Australia has expertise, such as soil health, food waste and water management. Relationships and collaborations could be fruitful in knowledge transfers whereby India could participate in existing and future Australian research projects⁽¹⁵⁾.



Technology & Innovation

Australian expertise in agri-tech, health, water management, energy efficiency, and renewables is highly valued in India's growth plan, and Indian expertise in data analytics, biotech, and mobile applications will prove to be invaluable to Australian innovation as technology advances further into the information age over the next two decades.

Defence & Security

India and Australia agreed to arrangements on defence and maritime cooperation, under the Comprehensive Strategic Partnership (CSP), including a Mutual Logistics Support Arrangement and a Defence Science and Technology Arrangement. The key areas for opportunistic collaboration between India and Australia would be participation in global supply chains, technology sharing and research and development⁽¹⁶⁾.

Financial Services

Digital finance is expected to add \$950 billion and 21 million jobs in India by 2025^(17a, 17b). India's fintech industry is estimated to be valued at over \$200 billion by 2025^(18a, 18b) and digital payments could surpass \$1 trillion by 2030^(19a, 19b). There is boundless opportunity for Australian businesses to partner with India's financial sector including in the general insurance and infrastructure segments as well as within niche markets that aren't dominated by state ownership. Telecommunications, the high uptake of mobile phone use, digital payment systems and mutual funds are markets anticipated to escalate.

Infrastructure

Partnerships exist for Indian businesses to collaborate with Australian municipal bodies and companies to leverage off of Australia's city planning expertise. Joint ventures could be increased between Indian infrastructure companies and their Australian counterparts⁽²⁰⁾.

Healthcare

As India's population grows, the demand for healthcare will also increase. In response, India's healthcare sector will grow rapidly with increased medical infrastructure and government spending expected. Australia's highly advanced and refined healthcare system is built on historical background and analysis of data while focusing on preventative care. While India's healthcare is well developed in cities, there is room for improvement in terms of scope and reach across India. Australia could utilise India's skilled IT workforce for medical coding and analytics. In reverse, Australian programs could be used to upskill India's nurses and allied healthcare staff and expert consultants from India could offer opinions, advice and consultation on medical report for Australian patients⁽²¹⁾.

Pharma & Biotech

India is one of the world's largest exporters of reliable and cost effective pharmaceutical products in the world – yet only 1.6% of Australia's pharmas are imported from India. India could look to increase exports to Australia by engaging relevant agencies and chambers of commerce to assist with registration for the Australian market. Further collaboration could occur in areas such as vaccine development – the recent COVID-19 pandemic highlighting the importance of international scientific collaboration. In addition to the move to increase Indian pharmaceutical exports to Australia, traditional India health practices such as yoga and Ayurvedic medicine could be further promoted to Australians and Indian Diaspora who place importance on alternate medicine ⁽²²⁾.

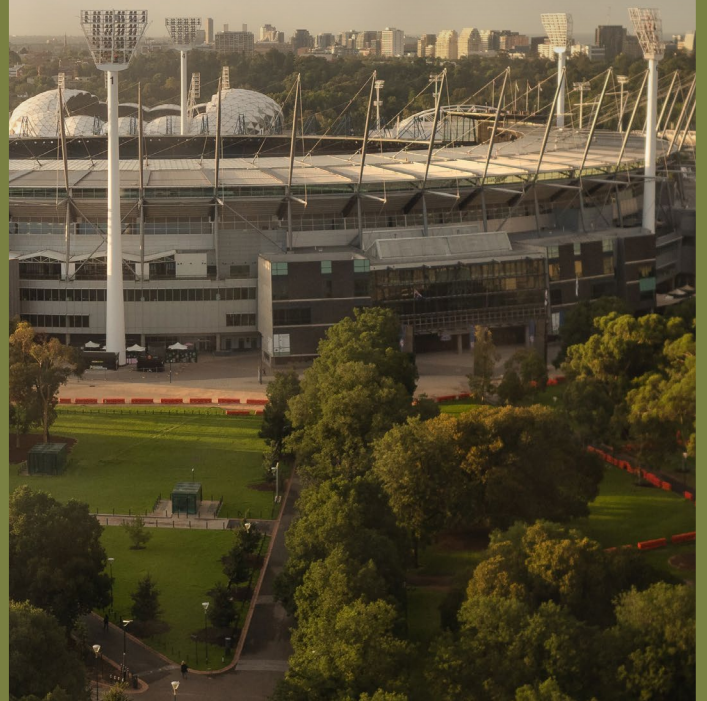
Sport

India looks to Australia as a model in sports for achieving results so Australia's support and partnership into India's sport agenda could help to maintain further positive bilateral relationships with the two nations. Sports has become a priority for the Indian Government where demand now exists for better systems including performance at an elite level, sport management, training and governance – all of which Australia holds expertise. The sports industry in India reached \$2.7 billion US dollars in 2018 and with the growing consumer class in India, the demand for sports training, goods and sponsorship is developing. Partnerships could be sought within the sport technology field across multiple levels including Governments, training academies, private players and information and communication companies ⁽²³⁾.

Creative Industries

Globally, the creative sector has a share of 5.5% of total output, in terms of value added. Like many other industries, the creative and arts sectors have taken a huge hit following the effects of the global pandemic. It's significant output, however, shows this industry is one that requires both government support and policy as well as investment. Australia needs to take a deliberate approach and build on the existing successes of the cultural and creative economy in order to revive it's creative industries following the significant blows they have taken in the wake of the pandemic. India has strategies in place, strategically combining industries that rely on individual creativity, and that have the potential for wealth and job creation through the generation of intellectual property. This alone presents ample opportunities within the creative sectors across both nations for partnership and collaboration ⁽²⁴⁾.

Sport has become a
priority for the Indian
Government where
demand now exists for
better systems.



Resilient Economy

Australia's economy is the world's 13th largest and in 2022 will enjoy its 26th year of consecutive economic growth - even through a global pandemic. Australia's debt is also low by global standards. This proves the nation has an incredibly resilient, globally-outperforming economy which accounts for 1.6% of the global economy ⁽²⁵⁾. In 2020 Australia was ravaged by devastating bushfires, followed closely by the onset of the global pandemic. The government were quick to act, minimising the decline in Australia's GDP as much as possible. Australia is a diverse, services-based economy, and has long been characterised by a stable growth trajectory arising from a robust financial services sector, macroeconomic policy, structural reforms and a prolonged commodity boom. Geographically, Australia is in close proximity to Asia's powerhouse economies. Further, Australia also holds exceptional ties to the US and Europe - potentially expanding the international footprint of companies that invest in Australia.

Dynamic Industries

Australia is made up of a diverse and dynamic mix of competitive industries across finance, resources, energy, agriculture, tourism, and education – each industry playing its part in real gross value added (GVA). Australia possesses a monolithic services industry, which accounts for 81% of the country's GVA. The goods industry sits second at 19% GVA. Technology-driven sectors – including professional, scientific and technical services, education and IT – are worth over 15% of total economic production. The mining sector generates 11.0% of GVA, financial services 9.4%, ownership of dwellings 9.1%; and healthcare and social assistance 8% ⁽²⁶⁾. Australia is a top exporter of agricultural products to Asian markets including but not limited to beef and other meat, wheat, wine and other alcoholic beverages, vegetables and barley – to name a handful. The country produces clean, green sources of food and natural fibers that are immensely attractive to the global market. Australia is a leading destination for education and skills training with a globally enviable tertiary education system.



Innovation and Skills

Australia contributes significantly to global innovation – particularly across science and research. Seven Australian universities rank in the top 100 in the world ⁽²⁷⁾. Furthermore, Australian academics and researchers are global leaders in 20 fields including space science, physics, computer science and clinical medicine ⁽²⁸⁾. Australian graduates, like its cultural make-up, come from all over the world – the country's institutions a magnet for foreign-born talent. Australia also ranks eighth for the proportion of immigrants in its labour force ⁽²⁹⁾. The country is a talented and highly educated nation with 47% of its workforce with a tertiary qualification. In terms of credentials, Australia ranks first for technological readiness, sixth in global entrepreneurship and the CSIRO (The Commonwealth Scientific and Industrial Research Organisation – an Australian Government agency responsible for scientific research – is considered to be the best of its kind in the world ⁽³⁰⁾.



Australia has joined the world's largest free trade agreement, comprising 2.3 billion people and accounting for 30% of global GDP.



Global Ties

Australia's economy is open and is integrated with global trade. Currently, 15 trade agreements are in place between Australia and Asia, and the North and South of America - granting preferential access on exports. Australia has joined the world's largest free trade agreement, comprising 2.3 billion people and accounting for 30% of global GDP. Around three-quarters of Australia's two-way trade occurs within the Asia-Pacific region (around \$326 billion Australian dollars worth), the EU and the UK together account for 13.2% of Australian trade and the US another 9.3%. Australia currently has \$4 trillion worth of foreign investment - and rising. Australia's top three global investors are the US (19% of total FDI), Japan (13%) and the UK (12%). The past 10 years have seen investment from Korea grow by 15% per year, China by 13%, Canada by 12% and Hong Kong SAR by 10% ⁽³¹⁾.

Strong Foundations

Australia is a free society with good governance and an enterprising spirit. The country sits in the top 10 globally for high-income households. Australia possesses a stable and efficient business environment and is one of the world's most business-friendly countries. It is made up of metropolitan, coastal-lying lifestyle cities that are major global drawcards. Australian cities support a simple lifestyle that appeals to immigrant families and global professional talent. It is one of the best places in the world to start a business and gain financial backing; in 2021 there were 2,402,254 actively trading businesses in the Australian economy. The country is a secure digital nation - sitting in 5th place globally for digital government services. Fair and effective governance is seen as the foundation for economic growth and a free society within Australia.

The Australian Indian Chamber of Commerce (The AICC) is the launchpad to a New India that drives and delivers definitive growth as the world prepares for the India Century.

We connect our members to an established and trusted network of like-minded industry professionals and government partners, leading to tangible commercial outcomes.



Essential Tips for Doing Business In Australia



Relationships Matter

Similarly, to India, it is beneficial having on ground connections and strong relationships in Australia. Australians are straightforward and open, appreciating modesty, honesty and authenticity. They are receptive to new ideas so may not need huge amounts of time for relationship building to make decisions. They build relationships based on camaraderie and respect. A transparent and trusting relationship from the beginning will be fruitful. Australians are also confident, down to earth, informal and relaxed. They are egalitarian - meaning they believe in a 'fair go' for all.

Australia is Diverse

Australia is as diverse, culturally as it is vast, geographically. There are notable differences between life in capital cities and life in regional centres. Extreme differences in cultural identity, the way people dress, speech and colloquialisms exist from city to country. Australia's capital cities are cosmopolitan hubs of activity while regional centres can be quiet and cater to small populations. It is important to consider where and to whom you want to penetrate, and adjust your product or service accordingly.

Research is Important

Because Australia is so diverse, geographically, it is imperative to take the time to know your market. A market study would be beneficial to better understand the local market you're trying to penetrate, and the competitors you're up against, so you can adapt your product if necessary.





How AICC Can Help You

AICC National Office is situated in Melbourne, Victoria. We have recently established divisions in ACT, New South Wales, South Australia, and Queensland with further divisions to be rolled out in 2022.

With our strong market insights, and business and government connections within Australia and India, The AICC can provide you with a clear pathway that leads to tangible commercial outcomes.

We exist as the premium business network launchpad to introduce, service and expand on the symbiotic Australian-India relationship. We provide every member with access keys to How India and How Australia - essentially taking out the guesswork to ensure members are armed with the knowledge and competency to navigate and thrive in a new territory.

The AICC is an enterprise-led organisation consisting of high-calibre professionals from Australia and India who are fueled by shared values and mutual commercial interests. Legitimate impact is created when we, as the conduit between the two markets, connect our members to an established and trusted network of like-minded businesses, professionals, industry, and government partners.

By sharing knowledge, insights, connections and bilateral business opportunities, AICC provides a pathway to definitive growth that leads to tangible, measurable commercial outcomes. We enjoy a unique position in the Australian business community through our established relationships with key businesses and industry bodies as well as state and federal governments where an open dialogue promotes two-way trade and countless economic opportunities.

FOLLOW US ON SOCIAL MEDIA



FOR FURTHER INFORMATION, PLEASE CONTACT US ON

aicc@aicc.com.au
Australia Phone: 1300 275 751
India Phone: 1800 446 342

References:

1. a. [Economic Times - India to be fastest growing economy in 2022, TRIPS waiver necessary for vax: UNCTAD](#)
b. [Times of India](#)
2. [Aus Trade - Benchmark Report - Resilient Economy](#)
3. [Trade and Investment at a glance 2021](#)<https://www.dfat.gov.au/publications/trade-and-investment>
4. [India country brief - Department of Foreign Affairs and Trade](#)<https://www.dfat.gov.au/geo/india-country-brief>
5. [DFAT Publications Trade & Investment Overview](#)
6. [Why Australia - Benchmark Report - Resilient economy](#)<https://www.austrade.gov.au/benchmark-report/resilie...>
7. [Australia - age distribution 2010-2020 | Statista](#)<https://www.statista.com/.../International>
8. a. [2071.0 - Census of Population and Housing: Reflecting Australia](#)<https://www.abs.gov.au/ausstats/Lookup/2071.0-2...>
b. [Barely half of population born in Australia to Australian-born...](#)<https://www.theguardian.com/australia-news/jun/aust...>
9. [History Of When Australia Was Colonised - Australians Together](#)<https://australianstogether.org.au/discover/colonisation>
10. [Profile of Indigenous Australians](#)<https://www.aihw.gov.au/reports/australias-health>
11. [DFAT Publications Trade & Investment Overview](#)
12. [Australian Economic Strategy Report - Executive Summary - Key Opportunity Areas](#)
13. a. [DFAT Trade & Investment - An India Economic Strategy to 2035 - Navigating From Potential To Delivery](#)
b. [IAE - India Energy Outlook 2021](#)
14. a. [The Conversation - India soon to have the largest tertiary-age population in the world](#)
b. [DFAT - An India Economic Strategy To 2035 - Navigating From Potential to Delivery - Snapshot Education](#)
15. [DFAT Trade & Investment - India Economic Strategy - IES Chapter 5](#)
16. [Australian Government DFAT Joint Statement on a Comprehensive Strategic Partnership between Republic of India and Australia](#)
17. a. [Indian Express - 'Digital finance is \\$700 billion opportunity for India'](#)
b. [DFAT Trade & Investment - Economic Strategies - Chapter 10](#)
18. a. [The Economic Times - India's fintech industry valuation estimated at \\$150-160 billion by 2025: Report](#)
b. [Inventia - India's Fintech Market: Prospects for Growth and Investment](#)
19. a. [The Economic Times - Digital Payments in India to Reach 1 Trillion by 2023](#)
b. [The Drum - The digital economy in South East Asia will propel to \\$1 trillion by 2030](#)
20. [DFAT Trade & Investment - AIC - IES - Snapshot Infrastructure](#)
21. [DFAT Trade & Investment - AIC - IES - Snapshot Health](#)
22. [Australian Economic Strategy Report - Pharmaceutical and Biotech Sector](#)
23. [Australian Economic Strategy Report - Sports & Sport Technology](#)
24. [Mint - Just how big is India's creative economy?](#)
25. [Why Australia - Benchmark Report - Resilient economy](#)<https://www.austrade.gov.au/benchmark-report/resilie...>
26. [Australia: share of real gross value added by industry 2020](#)<https://www.statista.com/.../Economy>
27. [Seven Australian universities ranked among the top 100 globally](#)<https://www.sbs.com.au/news/video/seven-australi...>
28. [Why Australia - Benchmark Report - Innovation and skills](#)<https://www.austrade.gov.au/benchmark-report/inno...>
29. [Why Australia - Benchmark Report - Innovation and skills](#)<https://www.austrade.gov.au/benchmark-report/inno...>
30. <https://www.austrade.gov.au/benchmark-report/innovation-skills>
31. [Why Australia - Benchmark Report - Global ties - Austrade](#)<https://www.austrade.gov.au/benchmark-report/glob>



