

Australia- India Insights

EXPLORING OPPORTUNITIES, DEMYSTIFYING COMPLEXITIES &
CONSOLIDATING PARTNERSHIPS

SIMPLIFYING AI-ECTA

SIMPLIFYING the Australia-India Economic Cooperation and Trade Agreement (AI ECTA)

CONTEXT

Australia has embarked on writing a new economic engagement narrative with India. In 2022, Australia and India broke 10 years of endless trade deal negotiations by signing the Australia-India Economic Cooperation and Trade Agreement (AI-ECTA). This is India’s first trade deal with a developed economy in a decade and its second trade deal in a span of eleven years. The signing of the AI-ECTA promises to push bilateral trade of goods and services from the current \$27.5 billion to \$45 billion by 2030.

Australia’s goal is to lift India into its top three export markets by 2035 and make India the third-largest destination in Asia for outward Australian investment. AI-ECTA is both the dawn of a new trade orientation for Australia and an example of New India’s willingness to engage with countries on trade deals that it views as reciprocal, equitable, and non-discriminatory.

AI ECTA aims to align Australia’s competitive advantages across diverse sectors with the five pillars of India’s economic development that are focussing on structural and economic reforms, investments in infrastructure, technology-driven services, leveraging the demographic dividend and reforming supply chains – to achieve its goal of becoming the US\$5 trillion economy by 2028.

AI-ECTA is an ‘early harvest’ agreement in advance of a Comprehensive Economic Cooperation Agreement (CECA). AI-ECTA has established a framework through which Australia and India can pursue future liberalization market access and investment opportunities.

In this report, we endeavor to SIMPLIFY the AI-ECTA aspirations for Australian and Indian businesses.

CURRENT BILATERAL TRADE

<i>Trade (US \$ Billion)</i>	<i>Goods</i>	<i>Services</i>	<i>Total</i>
<i>India’s Exports to Australia</i>	<i>6.9</i>	<i>3.6</i>	<i>10.5</i>
<i>India’s Imports from Australia</i>	<i>15.1</i>	<i>1.9</i>	<i>17.0</i>
<i>Total</i>	<i>22.0</i>	<i>5.5</i>	<i>27.5</i>
<i>Deficit (-)/Surplus (+)</i>	<i>-8.2</i>	<i>+1.7</i>	<i>-6.5</i>

(Source: Government of India)

- Australia is India’s 17th largest trading partner
- India is Australia’s 9th largest trading partner
- Australia India trade for goods and services trade was US\$27.5 billion in 2021
- India’s exports consist of finished products such as petroleum products, textiles, and apparel, engineering products, leather products, chemicals, gems & jewellery etc.
- Australia’s merchandise exports to India consist of raw materials, minerals, and intermediate goods

Australian Goods Export Opportunities (for new tariffs, check the detailed excel sheet attached)

From 29 December 2022, 85% of Australian goods exports to India by value will be tariff free, rising to 90% in six years, while 96% of imports from India will be tariff free, rising to 100% in four years.

The first AI ECTA tariff cut will occur on 29 December 2022 and the second on 1 January 2023.

Key Australian goods that will enter duty free as soon as the Agreement enters into force include:

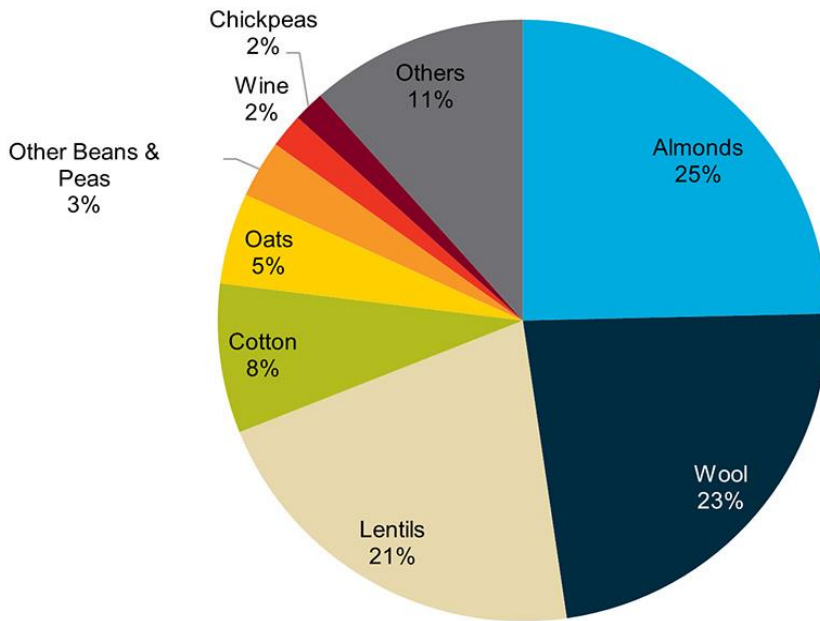
- sheep meat
- wool
- barley
- oats
- hides and skins
- fresh rock lobsters
- LNG
- metallic ores, such as vanadium, copper, and zirconium
- coal
- alumina
- titanium dioxide
- certain critical minerals
- certain non-ferrous metals
- cosmetics and
- railway equipment.

Australia will have elimination or reduction of tariffs over 2, 4, or 6 years for:

- nuts such as macadamias, cashews in-shell, shelled pistachios, and hazelnuts
- fruit and vegetables such as avocados, onions, garlic, cherries, blueberries, strawberries, raspberries, and blackberries
- sandalwood chips
- infant formula
- certain peas and beans
- wine
- certain oilseeds and oils
- seafood
- certain food preparation such as malt, pasta, and breakfast cereals
- petroleum oils
- certain non-ferrous metals
- wood and paper products
- pharmaceutical products
- cosmetics and
- cochlear implants

Australia will also have immediate access to a duty-free quota for cotton; immediate access to a 50% tariff reduction in quota for almonds, lentils, oranges, mandarins, and pears.

Share of Australian agricultural export value to India in 2020/21



(Source: Global Trade Atlas)

State-by-State Opportunities

In 31 sectors and subsectors, including banking and insurance, higher and adult education, hospital, medical and dental services, agriculture-related services, and key business services including architecture, urban planning, and engineering, services firms are guaranteed the best access India offers in the future to any other country.

Skilled professionals will also benefit from a framework to support mutual recognition of professional qualifications, alongside enhanced opportunities to live and work temporarily in India. Australia will permit 1,000 Indians per year to participate in the Work and Holiday Maker program, commencing within two years.

New South Wales

New South Wales exports that will benefit include:

Sheep meat tariffs will be eliminated at entry into force:

- New South Wales exported 128K tons of sheep meat in 2021, 27% of the national total, worth \$1.2 billion
- Improved market access will allow sheep meat to be more competitive with the 30% elimination in duties

Wine tariffs will be reduced over 10 years for bottles over a price of US\$5 and US\$15 dollars:

- New South Wales is Australia's second largest exporter of wine at \$476 million, 22% of the total

Wool tariffs will be eliminated on entry into force:

- Australia represents 57% of wool imports in India

- New South Wales is Australia's second largest exporter to the world with \$646 million in 2021, 21% of the total

Coal tariffs will be eliminated on entry into force:

- Coal represents approx. 70% of total Australian exports to India, worth around \$10 billion
- New South Wales is Australia's second largest exporter to the world with \$23 billion in 2021, 36% of the total
- Around a quarter of total Indian imports of coal come from Australia
- India is Australia's third largest market, representing around 16% of total exports of coal behind Japan (27%) and China (21%)

Petroleum oils tariffs will be eliminated over 5 years:

- New South Wales is Australia's largest exporter to the world with \$1.8 billion, 59% of total

Copper ores and concentrates tariffs will be eliminated on entry into force:

- Australia represents around 10% of total Indian imports
- New South Wales is Australia's largest exporter to the world over 2018-20 with \$2.7 billion, 42% of the total

Pharmaceutical products tariffs will be eliminated over 5 years:

- New South Wales is Australia's second largest exporter to the world with \$800 million, 32% of total

VICTORIA

Victorian exports that will benefit include:

Sheep meat tariffs will be eliminated at entry into force:

- Victoria exported 211K tons of sheep meat in 2021, 45% of the national total, worth \$1.8 billion

Wine tariffs will be reduced over 10 years for bottles over a price of US\$5 and US\$15 dollars:

- Victoria is Australia's third largest exporter of wine at \$249 million

Hides and skin tariffs will be eliminated on entry into force with raw hides and skin tariffs.

- Australia exported \$648 million worth of hides and skin globally in 2021
- Victoria is Australia's largest exporter to the world at \$336 million in 2021, 52% of the total

Wool tariffs will be eliminated on entry into force:

- Australia represents 57% of wool imports in India
- Victoria is Australia's largest exporter to the world at \$1.6 billion in 2021, 53% of the total

Petroleum oils tariffs will be eliminated over 5 years:

- Victoria is Australia's second largest exporter to the world at \$760 million, 25% of total

Pharmaceutical products tariffs will be eliminated over 5 years:

- Victoria is Australia's largest exporter to the world at \$1.3 billion, 52% of total

Lentils

- 50% tariff reduction for in-quota exports of lentils with a permanent quota of 150K tons per year
- Out of quota tariffs Australia will remain the most favoured nation
- Victoria is Australia's second largest exporter to the world at \$278 million, 42% of total

Almonds are the largest nut export, worth \$600 million in 2021. Outcome is:

- 50% tariff reduction for in-quota exports of almonds with a permanent quota of 34K tons per year
- Out of quota tariffs Australia will remain the most favoured nation
- Victoria is Australia's largest exporter to the world with \$427 million, 71% of the total.

Western Australia

Western Australian exports that will benefit include:

Sheep meat tariffs will be eliminated at entry into force:

- Western Australia exported 64K tons of sheep meat in 2021, 14% of the national total, worth \$575 million

Wine tariffs will be reduced over 10 years for bottles over a price of US\$5 and US\$15 dollars:

- Western Australia is Australia's fourth largest exporter at \$34 million

Wool tariffs will be eliminated on entry into force:

- Western Australia is Australia's third largest exporter to the world at \$634 million in 2021, 21% of the total

Barley and oats tariffs will be bound to 0% on entry into force:

- Australia exported \$2.7 billion worth of barley and \$156 million of oats in 2021
- Western Australia is Australia's largest exporter of barley with \$1.2 billion (44% of the total) and oats with \$130 million (83% of the total) in 2021
- Australia represents 82% of oats imports in India

Rock lobster tariffs will be eliminated on entry into force:

- Australia exported \$344 million worth of rock lobsters in 2021
- Western Australia is Australia's largest exporter to the world with \$212 million in 2021, 63% of the total

Titanium dioxide tariffs will be eliminated on entry into force.

- Australia exported \$784 million worth of titanium dioxide in 2021 and Western Australia was the largest exporter with 99.8%

Metallic ores tariffs will be eliminated on entry into force for copper, vanadium, alumina, titanium, zirconium and manganese.

South Australia

South Australian exports that will benefit include:

Sheep meat tariffs will be eliminated at entry into force:

- SA exported 56K tons of sheep meat in 2021, 12% of the national total, worth \$574 million

Wine tariffs will be reduced over 10 years for bottles over a price of US\$5 and US\$15 dollars:

- Australia exported \$2.1 billion worth of wine in 2021
- SA is Australia's largest exporter with \$1.3 billion, 60% of the total

Lentils

- 50% tariff reduction for in-quota exports for lentils with a permanent quota of 150K tons per year.
- Out of quota tariffs Australia will remain the most favoured nation
- South Australia is Australia's largest exporter to the world with \$385 million, 58% of total

Almonds are the largest nut exports, worth \$600 million in 2021:

- 50% tariff reduction for in-quota exports of almonds with a permanent quota of 34K tons per year
- Out of quota tariffs Australia will remain the most favoured nation
- South Australia is Australia's second largest exporter to the world with \$164 million, 27% of total

Queensland

Queensland exports that will benefit include:

Coal tariffs will be eliminated on entry into force and over 5 years for bituminous coal:

- Queensland is Australia's largest exporter to the world with \$34 billion in 2021, 55% of the total

Aluminum ores (bauxite) tariffs will be eliminated on entry into force:

- Australia exported \$1.3 billion worth of bauxite in 2021
- Queensland is Australia's largest exporter to the world with \$862 million in 2021, 69% of the total

Macadamia nuts tariffs will be eliminated over 7 years:

- Australia exported \$317 million worth of macadamia nuts in 2021
- Queensland is Australia's largest exporter to the world with \$147 million in 2021, 47% of the total

Hides and skin tariffs will be eliminated on entry into force with raw hides and skin:

- Australia exported \$648 million worth of hides and skin in 2021
- Queensland is Australia's third largest exporter to the world with \$118 million in 2021, 18% of the total

Tasmania

Tasmanian exports that will benefit include:

Sheep meat tariffs will be eliminated at entry into force:

- Tasmania exported 2,800 tons of sheep meat in 2021, worth \$23.5 million

Wine tariffs will be reduced over 10 years for bottles over a price of US\$5 and US\$15 dollars:

- Tasmania exported \$6 million worth of wine in 2021

Fresh cherries (excluding sour cherries) tariffs will be eliminated over 7 years:

- Australia exported \$69 million worth of cherries in 2021
- Tasmania is Australia's largest exporter to the world with \$43 million in 2021, 61% of the total

Wool tariffs will be eliminated on entry into force:

- Australia represents 57% of wool imports in India and Tasmania exported \$20.5 million globally in 2021

Tin ores tariffs will be eliminated on entry into force:

- Australia exported \$329 million worth of tin ores in 2021, Tasmania representing almost all Australian exports to the world

Australian Services Export Opportunities

Details on cross border supply and commercial presence available [click here](#) -

- Business Services
- Computer and Related Services
- Other Business Services
- Communication Services
- Construction and Related Engineering Services
- Educational Services
- Environmental Services
- Financial Services
- Health Related and Social Services
- Tourism and Travel Related Services

Indian Goods Export Opportunities (for new tariffs, check the excel sheet attached)

1. Pharma Sector

- Market size of Australia Pharma products is currently estimated at US\$12 billion
- Current Indian exports are ~ US\$345 million, with scope for significant growth
- Australia has agreed to Annex pharmaceutical products. The following are the significant gains:
 - I. Fast track approval for patented, generic, and biosimilar medicines using the Comparable Overseas Regulator pathway
 - II. Fast track quality assessment/inspections of manufacturing facilities similarly
- This will benefit all Indian units/medicines which have EU/ Canada/US FDA approvals

2. Textiles

- The Australian market presents good potential for Indian exports in:
 - (a) Home textiles like bed & bath linen, toilet & kitchen linen, curtains, pillow covers, quilts & comforters, cotton bags
 - (b) Readymade garments
 - (c) Carpets & floorings
- India's textile and apparel exports to Australia were US\$392 million in 2020- 21, which is likely to touch US\$508 million in 2021-22, showing a growth of 29%

- With the elimination of duty, India's exports of textiles and apparels are expected to rise from US\$392 million to US\$1.1 billion in the next 3 years

3. Engineering Products

- India's engineering exports to Australia were US\$801 million in 2020-21, which is likely to be US\$1.2 billion in 2021-22
- With the elimination of tariffs, engineering product exports may grow by around 15% per year, products include flat and value-added iron and steel products, scientific and medical instruments, parts, transport equipment, non-electrical and electrical machinery etc.

4. Gems and Jewellery

- India's gems and jewellery export to Australia was US\$275 million in 2020-21, which is likely to be US\$347 million in 2021-22

5. Leather & Footwear

- India's leather and footwear exports to Australia were US\$62.2 million in 2020-21, which is likely to be US\$71.6 million in 2021-22

Indian Services Export Opportunities

Australia has acknowledged the important contribution made by Science, Technology, Engineering or Mathematics (STEM) specialists and Information and Communications Technology (ICT) professionals from India. To enhance mobility in these fields, Australia shall extend possible stays from two to three years for Indian students graduating in Australia with bachelor's degrees in the STEM fields with First Class Honours, including ICT fields.

1. Mutual Recognition Agreement (MRAs)

- Detailed provisions to pursue mutual recognition of professional services and other licensed/regulated occupations have been agreed to
- Coverage of all licenses and regulated occupations, allow for temporary/project specific license where feasible and establish a mechanism of Working Group to pursue on obligations related to this
- This will pave the way for initiating dialogues on MRAs in nursing, architecture, and other professional services between the professional bodies of India and Australia which in turn will facilitate the movement of professionals

2. Double Taxation Avoidance Agreement (DTAA)

- Australia has agreed to amend Australian domestic taxation law to stop the taxation of offshore income of Indian firms providing technical services to Australia
- Indian Tech Companies would no longer be required to pay taxes on offshore revenues in Australia

3. Sectoral gains

- Commercially meaningful market access, national treatment, local presence, most favoured nation commitments by Australia in almost all important sub sectors such as computer related services, professional services including; legal services, accounting, taxation, architectural services, engineering, integrated engineering, urban planning and landscape architectural services, medical, dental and veterinary services, services provided by midwives, nurses etc., computer related services, audio visual services, research & development services, other business services, telecommunication, construction, distribution, education, environmental, financial, tourism & travel related, recreational, transport services etc. with few non-conforming measures

4. Mobility gains

- High quality temporary entry and temporary stay commitments (up to 4 years) for intra-corporate transferees, contractual service suppliers, and independent executives. Besides commitments to business visitors and installers and servicers have also been undertaken.
- Both countries have undertaken commitments in 11 broad categories of services. these include; IT and communication services, business services, construction, and related engineering services, distribution services, educational services, environmental services, financial services, health related and social services, tourism and travel related services, recreational cultural and sporting services, and transport services

Key gains for India and Australia in Services;

Key Gains for India	Key Gains for Australia
Australia has made commitments in around 135 sub-sectors (GATS-104) with MFN in most sub-sectors	India is making commitments in around 103 sub-sectors (GATS-36) with MFN in 31 sub-sectors
Key areas of India's interest like IT, ITES, Business, Professional Services, Health, Education, Audio visual being committed by Australia	Key areas of Australia's interest like Business Services, Financial Services, and Education are being committed by India. Avenues for investment in many areas
Australia has taken commitments not to impose local presence requirements for cross border delivery of services in most of the sectors	India will transition to a negative schedule approach in 6 years
Commitment to pursue Mutual Recognition Agreements (MRAs)	GATS-plus commitments in domestic regulations to provide certainty on ease of doing business measures related to services sectors

- Maximum duration of stay allowed in Australia for the various categories of service suppliers offered to India
 - Business visitors (BV) - ranging from 3 months to 12 months
 - Installers and Servicers - 3 months
 - Intra- Corporate Transferees (ICT) - 4 years, with the possibility of further stay
 - Independent Executives - 4 years
 - Contractual Service Suppliers (CSS) - 4 years, with the possibility of further stay
- Work & Holiday visa with multiple entries has been offered by Australia to 1000 young Indians, in the age group of 18-30 years, for a period of one year wherein they can undertake study or training for up to four months (17 weeks) or undertake paid or unpaid employment for the entire duration of their stay in Australia, generally for up to six (6) months with any one employer
- Australia has offered an annual quota of 1800 for qualified, professional Indian traditional chefs and yoga instructors entering as Contractual Service Suppliers. Under this, temporary entry and stay are permissible for a period of up to 4 years with a possibility of further stay. A quota for chefs and Yoga instructors will facilitate the movement of these professionals in Australia subject to meeting relevant eligibility conditions
- Australia has agreed to maintain the following opportunities for former students to live, study and work in Australia temporarily after finishing their studies:
 - upon completion of diploma or trade qualifications, stays of up to 18 months
 - upon completion of bachelor's degree (including honours), stays of up to 2 years
 - upon completion of master by research and master by coursework, stays of up to 3 years
 - upon completion of doctoral degrees, stays of up to 4 years
 - Post study work visa will provide extended options for working in Australia to eligible Indian graduates, postgraduates, and STEM specialists.

Key Terms to Know

Rules of Origin

- Rules of Origin (ROO) determine the nationality of the product exported from a country or imported into a country
- Rules of Origin serve a very important purpose of ensuring that only goods of the FTA partner country are given preferential tariff treatment
- Imports into Australia or India that do not comply with the ROO and PSR (Product Specific Rules of Origin) may be subject to the MFN duty rate instead of the preferential rates available under ECTA
- CIF value or cost, insurance, and freight value mean the price actually paid or payable to the exporter for a good when the good is loaded out of the carrier, at the port of importation, including the cost of the good, insurance, and freight necessary to deliver the good to the named port of destination

- FOB value or Free-On-Board value means the price actually paid or payable to the exporter for good when the good is loaded onto the carrier at the named port of exportation, including the cost of the good and all costs necessary to bring the good onto the carrier

QVC is the Qualifying Value Content of a Good, Expressed as a Percentage

The qualifying value content shall be calculated using one of the following methods:

(a) Build-down Formula based on the value of non-originating materials

$$[QVC = \frac{FOB\ Value - Value\ of\ Non\ Originating\ materials}{FOB\ Value} \times 100]$$

(b) Build-up Formula: based on the value of originating materials

$$[QVC = \frac{Value\ of\ Originating\ materials}{FOB\ Value} \times 100]$$

Definition for "Originating Goods" Under the AI ECTA

Good shall be regarded as originating in a party if it is wholly obtained in the territory of the FTA partner country. Moreover, if the good is not wholly produced then it has to satisfy the following conditions:

1. The good has a qualifying value content (QVC) of not less than 35 per cent of the FOB value of export as per the Build-up Formula or 45% of the FOB value as per the Build-down Formula, and
2. All the non-originating materials used for production have undergone a change in tariff classification at the six-digit level i.e., CTSH (details attached in Product Specific Rules)
3. For the gems and jewellery sector the qualifying value content criteria have been kept lower i.e., 1.5%
4. A good, which is produced using imported materials from a third party shall qualify for a preferential tariff under AI ECTA only when it satisfies the Product Specific Rules (PSR)
5. If the good does not have a PSR, then it should satisfy the twin conditions i.e., CTSH+35% QVC if the Build-up formula is used or CTSH +45% QVC if Build-down Formula is used.
6. To protect the Indian Steel industry, the condition of "melt and pour" has been incorporated as Product Specific Rule for Steel goods. This means that raw steel would need to be melted into the liquid state and then poured into the first solid state in Australia in order to be eligible for import into India at preferential tariff.

Trade Remedies

- Provisional measures in place to arrest the surge in imports and protect the domestic industry.
- This safeguard mechanism will be available for 14 years from the date of completion of elimination or reduction in tariff.

Dispute Settlement

- Any dispute under the Agreement shall be resolved through consultations and negotiations, failing which they may resort to an arbitral panel, which shall consist of three members.
- Each party to the dispute shall appoint a member and the third member who would be the Chair of the panel, shall be appointed by mutual agreement.

Review Provision

- Apart from general review clause, for the first time, a new clause introduced for a special review mechanism for compulsory review after 15 years for certain aspects of the Agreement in a time-bound manner.
- The Review, if requested, is compulsory and must be completed in 6 months.

Key Resources to Assist in Navigating the AI ECTA

Provide all details of AI ECTA.

<https://www.dfat.gov.au/trade/agreements/negotiations/aifta/australia-india-ecta-official-text>

How to use AI ECTA as an exporter/importer?

<https://www.dfat.gov.au/trade/agreements/negotiations/aifta/using-ecta-do-business-india>

How to check the new tariffs under AI ECTA?

To find the HS code applicable to your good, type in the product and choose the eight-digit HS code that matches the description of the good. Use the [FTA Portal](#), DFAT's online tool ftaportal.dfat.gov.au

<https://www.dfat.gov.au/trade/agreements/negotiations/aifta/australia-india-ecta-outcomes>

How to check India's and Australia's tariff commitments separately?

You can manually check the full ECTA Schedules of Tariff Commitments available on the DFAT website:

[dfat.gov.au/trade/agreements/negotiations/aifta/australia-india-ecta-official-text/annex-2a-tariff-commitments-section-2a-tariff-schedule-australia](https://www.dfat.gov.au/trade/agreements/negotiations/aifta/australia-india-ecta-official-text/annex-2a-tariff-commitments-section-2a-tariff-schedule-australia)

[dfat.gov.au/trade/agreements/negotiations/aifta/australia-india-ecta-official-text/annex-2a-tariff-commitments-section-2a-tariff-schedule-india](https://www.dfat.gov.au/trade/agreements/negotiations/aifta/australia-india-ecta-official-text/annex-2a-tariff-commitments-section-2a-tariff-schedule-india)

Product specific rules of origin

https://commerce.gov.in/wp-content/uploads/2022/06/04B-AN_1.pdf

Australia's India agricultural market outcomes

<https://www.agriculture.gov.au/sites/default/files/documents/aus-india-factsheet-agriculture-market-access-outcomes.pdf>

For **exports to India**, use the Central Board of Indirect Taxes & Customs Tariff Database to search for the product by name: cbic.gov.in.

For **imports to Australia**, use the working tariff provided by the Australian Border Force (ABF) which lists all tariff classifications under Schedule 3 of the *Customs Tariff Act 1995*: abf.gov.au/importing-exporting-and-manufacturing/tariff-classification

India Economic Strategy 2035

<https://www.dfat.gov.au/publications/trade-and-investment/india-economic-strategy/ies/index.html>

Australia Economic Strategy

<https://aes2020.in/>

Update to India Economic Strategy Report 2022

<https://www.dfat.gov.au/sites/default/files/india-economic-strategy-update-report.pdf>

Economic modelling (awaited) – Available data from 2010

https://commerce.gov.in/wpcontent/uploads/2020/05/Final_JSG_Report_as_printed_and_released_4thMay_2010.pdf

If you are an Exporter or Importer, ask Yourself.

- **WHAT goods** are you exporting/importing?
- **HOW** are **tariffs** changed under AI ECTA?
- Have you **CHECKED the origin** of goods?
- Have you **OBTAINED certification** for goods?

If exporting to India, Check India's Tariff Schedule

- India's tariff elimination staging categories range from 'EIF', indicating immediate elimination on entry into force of ECTA, to '10', coupled with 'E', indicating elimination of the tariff over 10 equal annual stages, beginning on the date of ECTA's entry into force.
- The categories 'R' and 'C' relate to tariffs that will not be fully eliminated but will be reduced ('R') and to tariff elimination or reduction outcomes subject to other conditions ('C')
- India's staging category 'T' allows a certain volume of some goods to be imported duty free or at a tariff rate lower than would otherwise apply, referred to as a Tariff Rate Quote or TRQ

- When this quantity is exceeded, the rate will revert to the full duty rate until the next calendar year begins and the quota restarts at zero again. Tariffs that will not be eliminated or reduced, and remain at the base rate, are denoted by category 'EL.'
- To access a TRQ, exporters will need a TRQ certificate.
- Australia will issue TRQ certificates to exporters or producers and share them with Indian Customs authorities. The importer in India will lodge a request letter, along with the reference for the certificate, to Indian Customs authorities. The authorities will in turn issue a No Objection Certificate to the Indian importer for each TRQ certificate received from Australia.
- TRQ certificates are issued by Australia's Department of Agriculture, Fisheries and Forestry available on its website: <https://www.agriculture.gov.au/biosecurity-trade/export/from-australia/quota>

If Importing from India, Check Australia's Tariff Schedule -

Australia's tariff schedule has two staging categories:

- 'A', indicating immediate elimination on entry into force, and 'B5', indicating elimination of the base duty rate over 5 equal annual installments.
- Goods subject to staging category B5 receive the first annual reduction on entry into force and become tariff free from 1 January of year 5, 2026.

Separate from ECTA, India, and Australia are also able to reduce tariffs unilaterally at any time.