



THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

(Sponsored By Government of India)

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E-Serve No.: 200 of 2022 | Date: November 28, 2022

Sub : Australian Parliament approves Free Trade Agreement with India

Dear Member,

The India-Australia Economic Cooperation and Trade Agreement (ECTA) is a landmark moment for India, as it is the first such agreement for our country with a developed country in over a decade. The Australian Parliament has ratified the India-Australia ECTA, thereby paving the way for strong bilateral trade between the two countries.

Major highlights of the India and Australia—Economic Cooperation and Trade Agreement (ECTA):

- Duties on 100 percent tariff lines to be eliminated by Australia.
- It is expected that with this agreement, the total bilateral trade will cross US\$ 45-50 bn in 5 years from existing US\$ 31 bn.
- India's Merchandise Exports are likely to increase by 10 billion by 2026-27.
- Give a big boost to several sectors of the economy, especially textiles.
- An estimated 10 lakh jobs to be created.
- Open new opportunities for the service sector in India.
- Immensely benefit students by offering them an opportunity to work in Australia.
- Provide for an institutional mechanism to encourage and improve trade between the two countries.
- Create ample opportunities for investment, promotion of start-ups.
- Around 96% of Australia's exports are raw materials and intermediate products which will allow many Indian industries to get cheaper raw materials and make them competitive.

Key features for T&C sector

- Australia has provided duty free access to India on all the T&C items from HS Chapters 50 to 63. The duty free access has also been given to Shopping Bags (HS 4202) and Quilts/comforters (HS 9404) exported from India.
- India has given restricted market access to Australia on T&C items:

a) In HS Chapter 63 (Madeups), there are a few HS lines in 6302, 6304 and 6309 (worn clothing) which are placed in the Exclusion List (EL) at 10% while items in HS

6310 (Other Rags) are in EL at 20%.

b) As regards import of Raw Cotton from Australia under HS 52010020, (Cotton, other than Indian, of all staple lengths) – there is an Annual Tariff Related Quota (TRQ) of 3 lakh bales approx. 51 mn kgs (1 Bale = 170 kg) for ELS cotton of Minimum 28 mm length at zero duty.

c) Some fabric lines of HS Chapter 54; few staple fibre / fabrics of staple fibre lines in HS Chapter 55; few HS lines in Garments in Chapter 61 and 62; Chapter 58 and Chapter 59 are in Exclusion List (EL).

The Press Release issued by the Ministry of Commerce & Industry in this regard is enclosed ([click here](#)).

For more details on ECTA approval, please contact Shri Shailesh Martis (Tel.: [022-49444000](tel:022-49444000)).

Members may please take a note of the above.

Regards,

**Dr. Siddhartha Rajagopal**  
Executive Director

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