

## **Study the realization of potential Trade & Investment between India and Australia, selected countries in The European Union, Latin & Central American Regions**

### **India and Australia**

Trading links between India and Australia can be traced back to the East India Company. Australia's first commercial export was a shipment of coal to India in 1801.

Bilateral trade between India and Australia was A\$ 4.3 billion during the year 2003. The value of total trade rose by A\$ 895 million or 26.2% when compared with that in the previous year, 2002.

India's exports to Australia in 2003 rose to A\$ 977.7 million or 4.2 % over the 2002 figure of A\$ 937.9 million.

India's exports to Australia are very diverse but their volumes are not very large. The major items of export are made-up articles -textile materials; textile yarn; pearls; precious and semi-precious stones and jewellery; marine products; floor coverings; footwear; travel goods and handbags; manufactures of base metal; engineering goods/ manufactures; chemicals and related products; and plantation and agricultural products.

India's imports from Australia in 2003 were A\$ 3331.1 million. This was a steep rise over the 2002 figure of A\$ 2475.7 million or by 34.6%.

India's main imports from Australia are confined to a smaller range of primary commodities such as non-monetary gold; coal (coking and thermal); wool; copper and concentrates; silver and non ferrous metal scrap; chickpeas and lentils; dried fruits; fruits; and a few manufactured items.

This report contains the following information about Australia

- Country Overview
- Political Overview
- Economic Overview
- Trade and Investments Overview
  - Exports: Existing and Potential
  - Existing Investments
  - Potential investments from India to Australia
  - Government regulations regarding Foreign Investment
  - Trade facilitating bodies in Australia
  - Chambers of Commerce
- Bilateral Trade and Agreements
  - Bilateral Pattern with India
  - Australian Companies / Investments in India
  - Indian Companies / Investments in Australia
  - Bilateral agreements between India and Australia
- General
- References

### **India and European Union (EU):**

The European Union remains India's largest trading partner, accounting for 21.77% of India's exports and 18.33 per cent of total Indian imports in the year 2003-04. As per the latest figures available for the year 2004, total trade between EU and India increased from €28.4 billion in 2003 to €33.2 billion in 2004, registering a growth of 16.9%.

EU exports to India show an impressive growth of 17.2% in 2004 against a growth rate of 1.7% in 2003. Exports increased to €17 billion in 2004 from €14.5 billion in 2003.

EU imports on the other hand increased from €13.9 billion in 2003 to €16.2 billion in 2004, recording a growth of 16.1%.

During the year 2004, EU's major items of exports to India consisted of machinery (29.5%), chemicals (9.7%), transport equipment (5.7%) and primary products (6.1%). During the same period (2004), EU



**Bee Management  
Consultancy Pvt. Ltd.**

Web: [www.beemanagement.com](http://www.beemanagement.com)  
Email: [bee@beemanagement.com](mailto:bee@beemanagement.com)

**Advanced  
Strategies**

Create Value & Accelerate Business  
Web: [www.astrategies.com](http://www.astrategies.com)  
Email: [info@astrategies.com](mailto:info@astrategies.com)

imported from India textiles and clothing (29.2%), chemicals (9.4%), agriculture and allied products (9%), machinery (7.7%) and transport equipment (5.5%).

FDI remains a critical element for the development of all sectors of the Indian economy and they continue to seek both capital as well as technology from the Europe in order to sustain a high rate of growth in the coming years. In terms of FDI investments into India approved in 2002, UK and France rank among the top five investing countries. In terms of actual FDI inflow into India in 2002, UK and Netherlands figure among the top five countries. France ranked fifth among the top five investing countries in terms of FDI approved during 2002 with 51 projects having projected investment to the tune of US\$ 129.8 mn.

The report contains detailed information about the following countries

- Romania
- Czech
- Finland
- Denmark
- Poland

The report contains the following information about each of the above mentioned countries

- Country Overview
- Political Overview
- Economic Overview
  - Economic Conditions
  - Economic Performance
- Trade and Investments Overview
  - Exports: Existing and Potential
  - Existing Investments
  - Potential investments from India to S pecific Country
  - Government regulations regarding Foreign Investment
  - Trade facilitating bodies in Specific Country
  - Chambers of Commerce
- Bilateral Trade and Agreements
  - Bilateral Pattern with India
  - India and Country Specific Companies / Investments tie-ups
  - Bilateral agreements between India and specific Country
- General
- References

### **India and Latin American Countries and Central American Countries**

Traditionally, relations between India and the countries of Latin America have remained close and cordial. However, commercial relations have not grown commensurately. The main reasons affecting our trade with this region are: distance, language barriers, inadequacy in the exchange of information and the absence of direct economic shipping and air links.

- India's exports to Latin America crossed US\$ 1.5 billion in 2003-2004. Exports to Mexico reached US\$ 716 million and that to Brazil US\$ 450 million during the same financial year.
- Total imports of Latin America in 2003 were US\$ 366 billion and their total exports were US \$ 378 billion.
- A Preferential Trade Agreement (PTA) between India and MERCOSUR has been signed on 25<sup>th</sup> January 2004. This would help in increasing our trade with this country.
- Pharmaceuticals, chemicals, textiles and engineering products (such as two wheelers, auto parts, hand tools, equipment and machinery) were the major items of exports to Latin America in 2004.

- Our exports to Brazil, Mexico, Colombia, Venezuela and Argentina included a large part of raw materials and inputs for industries in these countries. In the case of other smaller countries, our exports comprised mainly finished products.
- Indian software companies have made a breakthrough in the markets of Latin American countries.

NRIs have invested \$ 1.6 bn in Mexico in some 55 JVs, though a lion's share is accounted for by Mittal group's steel venture. Mexico and Central America offer good scope for Indian ventures for exports to the markets of USA and Canada. The Rules of Origin should be complied with.

Companies from **Argentina** and **Brazil** have established some joint ventures in India.

Two Indian pharma companies have their warehouses in **Uruguay** for distribution to rest of South America. Under Focus-LAC, a common warehouse for Indian companies is being set up by Central Warehousing Corporation.

The report contains detailed information about the following countries

- Argentina
- Venezuela
- Chile

The report contains the following information about each of the above mentioned countries

- Country Overview
- Political Overview
- Economic Overview
  - Economic Conditions
  - Economic Performance
- Trade and Investments Overview
  - Exports: Existing and Potential
  - Existing Investments
  - Potential investments from India to Specific Country
  - Government regulations regarding Foreign Investment
  - Trade facilitating bodies in Specific Country
  - Chambers of Commerce
- Bilateral Trade and Agreements
  - Bilateral Pattern with India
  - India and Country Specific Companies / Investments tie-ups
  - Bilateral agreements between India and specific Country
- General
- References

Disclaimer: While we have made every attempt to ensure that the information contained in this document has been obtained from reliable sources, our companies, its management or employees are not responsible for any errors or omissions, or for the results obtained from the use of this information. All information in this document is provided "as is", with no guarantee of completeness, accuracy, timeliness or of the results obtained from the use of this information, and without warranty of any kind, express or implied, including, but not limited to warranties of performance, merchantability and fitness for a particular purpose. In no event will our companies, their related partnerships or corporations, or the partners, agents or employees thereof be liable to you or anyone else for any decision made or action taken in reliance on the information in this document or for any consequential, special or similar damages, even if advised of the possibility of such damages.