



## Submission No 25

### **Inquiry into Australia's relationship with India as an emerging world power**

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Department of Industry and Resources**

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# RESPONSE TO THE JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

INQUIRY INTO AUSTRALIA'S RELATIONSHIP  
WITH INDIA



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**RESPONSE TO THE JOINT STANDING COMMITTEE ON FOREIGN  
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INQUIRY INTO AUSTRALIA'S RELATIONSHIP WITH INDIA**

**1.0 INTRODUCTION**

Western Australia (WA) welcomes the Joint Standing Committee on Foreign Affairs, Defence and Trade reference inquiry into Australia's relationship with India. WA recognises India's growing economic strength on the world stage and believes that it can capitalise on the opportunities that this growth presents delivering benefits for WA and India.

Owing to the importance of Agricultural trade with India and the potential that this sector presents, a separate submission has been prepared and is attached as an appendix (appendix 1).

Globally and regionally India has become a more important country and with the impact of more than a decade of economic reforms, it is one of the world's fastest growing emerging economies. Also, because of the skilful external policies it has pursued in the past few years, in the process, it has attracted both global attention and respect. If India continues this reform process, it will be a major driver and shaper of the global economy in the decades ahead with a growing economy and increasing prosperity. The changes that have taken place and reforms continuing to be implemented have put India on an exciting growth path.

**2.0 TRADE, TOURISM AND INVESTMENT OPPORTUNITIES**

The Indian economy grew at a rate of above 7% during the year 2004-05. Growth in the Indian economy has steadily increased since 1979, averaging 5.7% per year in the twenty five years of growth. The main factors behind this robust performance of the Indian economy are high growth rates in agriculture, industry & service sector. Another positive feature was that the growth was accompanied by continued maintenance of relatively stable prices. This provides WA with opportunities to supply energy, raw materials and services that India will require to sustain this growth.

Australia and India have a lot in common, memberships of the Commonwealth, common law jurisdiction, thriving democracies, the English language, an enduring curiosity about each other attested to by growing tourism and of course, love of cricket. The Indian Ocean joins Australia and India and both the countries were members of the 'The Indian Ocean Rim Association for Regional Cooperation' (IOR-ARC). WA shares this ocean with India.

India has undergone comprehensive economic changes and is in the process of transforming the way in which it does business. This has implications for its bilateral relationship with Australia and in particular WA, as it the leading state in trade with India. Although the two countries have been trading for the best

part of two hundred years, India for many decades pursued policies of trade protectionism. However, this is now changing with India recognising the need for policy readjustment to lift living standards in a globalising world and the country is well on its way to economic reform.

## **2.1 Relations with WA**

The WA Government through the Department of Industry and Resources (DoIR) has operated a Western Australian Trade Office (WATO) in Mumbai since 1996, with a satellite office in Chennai. WA was the first State to open a trade office in India.

Two recent trade developments in the WA – India bilateral relationship include:

- the May 2005 signing of an MoU covering the exchange of environmental and mining management technologies by the DoIR, Department of Conservation and Land Management and the Chamber of Minerals and Energy together with the equivalent Indian agencies the Ministry of Environment and Forests, Department of Mines and the Federation of Indian Mineral Industries; and
- the April 2004 signing of an MoU governing the exchange of sports science and training by the Department of Sport and Recreation and its Indian counterpart.

## **2.2 Important Visits by WA and Indian Government Representatives**

The strength of the bilateral relationship has grown in recent years, based on shared economic interests and growing strategic importance. There have been a number of official visits from WA to India and vice versa to build this relationship.

- In April 2006, Minister for Resources and Assisting the Minister for State Development the Hon John Bowler, met with the Indian Minister of State for Petroleum and Natural Gas, Mr Dinsha Patel and his delegation in Perth.
- In March 2006, The Hon Simon O'Brien MLC and the Hon Mr Ray Halligan MLC from the opposition party, travelled to India on a fact finding mission. They visited Delhi, Chennai and Mumbai and met with government officials, industry associations and private companies in India.
- In Nov / Dec 2005, Dr Jim Limerick, Director General of the Department of Industry and Resources lead a delegation visiting mines in the States of Orissa and Goa to assess India's mine rehabilitation standards and provide recommendations.

- In October 2005, the then Premier Geoff Gallop visited India which was the first official visit to India by a Premier of WA. Dr Gallop visited New Delhi, Bangalore, Mumbai, and Chennai and met with his Indian counterparts and Industry leaders to promote trade relations between the State of WA and India.
- In May 2005, the then Minister for State Development, the Hon Alan Carpenter MLA, met with the Indian Minister for Mines, Mr Sis Ram Ola and his delegation comprising of senior government officials in Perth. The purpose of the visit was to assess opportunities in environmental and mining management technologies.
- Earlier in May 2005, the then Premier Dr Geoff Gallop and then Minister for State Development, the Hon Alan Carpenter met with the Indian Minister for Commerce and Industry, Mr Kamal Nath in Perth. Mr Nath extended an invitation to the Premier to visit India.
- In March 2005, the then Minister for State Development, the Hon Alan Carpenter MLA met with the Secretary of the Ministry of Petroleum and Natural Gas, Mr SC Tripathi. The purpose of the visit was to assess supply capacity in oil and gas and to promote foreign investment in India's energy sector.
- In November 2004, the then Minister for State Development, the Hon Clive Brown and representatives from DoIR met with the Joint Secretary, Ministry of Commerce and Industry, Mr R Gopalan (representing Minister Nath, who was unable to attend) and representatives from India's diamond industry. The WA Government's position on the Argyle diamond mine extension was the key driver for the delegation's visit at that time.
- In March 2004, Dr Jim Limerick, Director General of DoIR, visited India to assess the growing potential for bilateral trade and investment within the resource, oil and gas sectors.
- In November 2002 the then Minister for State Development, the Hon Clive Brown, led a mission to India, visiting New Delhi, Bangalore, Chennai and Mumbai.

### **2.3 Bilateral Trade: WA and India**

Exports from WA have been increasing rapidly, India is now WA's fourth largest export market, and WA accounts for around half of Australia's total merchandise exports to India. However, this growth is attributed to the increase in gold exports to India. WA's major commodity exports to India included non-monetary gold, wool and other animal hair of which 95% of this is non-monetary gold, which is a very volatile commodity. Exports of all other exports have actually been minimal. WA is keen to assess the market to seek out specific opportunities to broaden and diversify its export base.

- In 2004/05, two-way trade between Western Australia and India totalled \$3.12 billion, an increase in bilateral trade from 2003/04, which totalled \$2.90 billion and an increase from the 2002/03, which totalled \$656.3 million. This increase has been in non-monetary gold.
- WA contributed 43.9% of Australia's bilateral trade with India in 2004/05.
- India is ranked as WA's fourth largest export destination (steady from 2003/04 and up from 11<sup>th</sup> in 2002/03), and 21<sup>st</sup> largest import source up from a ranking of 25 in 2003/04.
- In 2004/05 WA's exports to India totalled \$2.96 billion, up from \$2.86 billion in the previous financial year. WA's market share of Australia's exports to India in 2004/05 was 49.1%.
- WA's top five exports to India in 2004/05 were: non-monetary gold (93.6%); wool & other animal hair (1.6%); ores and concentrates of base metals (1.2%); pigments, confidential trade (0.9%) and others (2.7%).
- Western Australia's imports from India totalled \$165.4 million in 2004/05 up from \$94.5 million in 2003/04. WA's market share of Australia's imports in 2003/04 was 13.5%.
- WA's top five imports from India in 2004/05 were: machinery and transport equipment (37.4%); manufactured materials (36.1%); commodities and transactions (8.7%); miscellaneous manufactured articles (6.7%); and chemicals and related products (6.3%).
- Nine out of ten diamonds exported out of WA end up in India. This trade is approximately worth \$400,000 but do not reflect in the trade statistics with India as these are traded through Antwerp in Belgium.
- The Argyle Diamond mine is of significant interest to the Indians as it is estimated that approximately 250,000 jobs in India are dependent on the supply of Diamonds from this mine.
- Western Australian companies are now beginning to establish a presence in India. Companies include Repcol, Clough, Rio Tinto, BHP Billiton, Worley, Deccan Gold, Surpac, Rio Tinto Diamonds to name just a few. Both Rio Tinto and BHP Billiton's operations in India report into their Perth office.



## **2.4 Recent Trends in Trade between WA and India**

### ***Resources***

Entry into India's resources sector is driving trade between India and Australia. Along with BHP Billiton and Rio Tinto, Clough has succeeded in carving a profile in India's offshore sector and picked up several significant contracts including the construction of the ONGC oil refinery terminal in Hazira, Gujarat. Other WA exploration companies operating in India include Deccan Gold and Oropa (diamond mining).

Energy is going to be a significant issue if India is to maintain its current growth rates. India is beginning to look at alternative fuels for power generation and natural gas is India's most important potential alternative to coal.

India is planning to make widespread use of natural gas in power generation and in the industrial and residential sectors. Projected demand will require large volumes of gas pipeline and liquefied natural gas (LNG) imports. In May 2005, the first spot consignment of LNG from Australia's North West Shelf for Shell Australia was shipped to Shell India through the Hazira terminal in Gujarat. There is great potential for the WA service sector to be involved in India's expanding energy sector.

The MOU signed between the WA Government and Indian Government agencies is another avenue to further develop mutual cooperation in the mining sector.

### ***Investments***

The past four years have witnessed a substantial inflow of investment from India to Australia with the largest share going into the development of WA's resources sector. To date, WA has attracted the lion's share of Indian investment into Australia - amounting to approximately \$1 billion - with companies such as Hindalco (Nifty Copper Mines) and Oswal Group (Burrup Fertilisers), ONGC (JV with Canadian company in offshore exploration on the NW Shelf – however, since then ONGC have withdrawn from the JV) and Siva Limited of Chennai who have invested \$1 million into olive oil production with Dandaragan Estate (appendix 1).

There is also a growing interest from Indian companies bidding for acreage in petroleum exploration, investing in iron ore mining and agriculture.

### ***Education***

Indian students coming to Australia do so primarily within the undergraduate and post graduate sectors. As a result of historical factors, Melbourne and Sydney currently have a stranglehold on the Indian education market. Of the 27,661 Indian students who currently study in Australia, 83% do so in either

Sydney or Melbourne. Only 687 Indian students currently study in Perth, so there is clearly work to be done by WA's educational institutions. Of these 687, 81% of students are involved in higher education and 12% in the VET sector.

Perth, both as a destination and provider of quality education has suffered from a lack of marketing in India in comparison to Melbourne, Sydney and Adelaide. There are several reasons for this:

- The highly intensive, sustained and collaborative marketing campaigns conducted by Melbourne's educational institutions and the lack of such collaborative marketing effort in India on the part of WA institutions.
- Adelaide's regional city status that grants Indian students a bonus five-points for migration.
- The natural attraction of Indian students to Sydney & Melbourne because of its size, sophistication and ability to obtain part time work as well as professional opportunities upon migrating.
- The relatively large Indian communities in Melbourne and Sydney.

On vocational training, Education Training International (ETI) has long recognised the business potential for the WA publicly funded education and training system which includes the TAFEWA colleges, senior colleges, schools sector, as well other key areas of the WA Department of Education and Training. In May 2004, ETI launched an India strategy focussed on expanding the flow of offshore students to WA with an emphasis on enhancing the existing maritime sector and other identified areas.

### ***Agriculture and Food***

WA's Agrifood exports to India are around \$61 million and comprise mainly grains, field peas, canola, oilseeds, fresh fruits and vegetables, processed food and wool. The Department of Agriculture and Food, WA (DAFWA) has implemented various initiatives in assisting WA companies overcome the many constraints and trade barriers faced by exporters in their attempts to enter and sustain market share in India.

Trade with India has been somewhat static with exports remaining around \$61 million over the last five years. Products which have been the subject of Indian quarantine restrictions have been particularly vulnerable to sharp market downturns as in the case of field peas and chilled/frozen lamb meat. Coupled with these restrictions, India's requirement of fumigation of commodities with methyl bromide is also an issue of concern. WA no longer uses this method because of environmental and product quality reasons, limiting exports of the State's produce to India.

DAFWA has also worked on various research projects listed below:

- The Wool Industry Technology Transfer Initiative (WITTI) 1998-2002 providing capacity building and training of Indian university lecturers in India

- Providing capacity building and training for the Indian apple industry in India in the Ausaid funded Sikkim Horticultural Development Project (2002).
- Supporting the Australian Council for International Agricultural Research (ACIAR) funded research program on traits for yield improvement of chickpea in drought prone environments of India and Australia.
- DAFWA in partnership with the Centre for Legumes in Mediterranean Agriculture (CLIMA), the International Crops Research Institute for the Semi Arid Tropics (ICRISAT) in India and the Council of Organisation of Grain Growers (COGGO), WA has funded research of approx. value \$1 million in accelerated genetic improvement of desi chickpea (2004-2009) which is being conducted in WA and India.

(For further information please refer to appendix 1).

### ***Tourism***

Although Indian tourists to Australia grew 22% to 68,000 between calendar years 2004 to 2005, Tourism WA does not rank India as a priority market in comparison to other priority countries. The reason is primarily because of limited funding and it sees other markets more favourably than India in what WA has to offer in comparison to the eastern states. However, Tourism WA has listed India as one of the future markets to explore in the near future as the Indian standards of living improve in line with the economic growth.

### ***Sports***

The WA Government Department of Sport and Recreation (DSR) developed a network of key sports officials in India and have maintained these relations over the years. In November 2002, the Government of India invited DSR to prepare the National Action Plan for Sport. A team from that department visited India and a report was submitted in January 2003.

In April 2004, the DSR and the Sports Authority of India signed a MOU. The MOU is designed to provide a framework within which detailed programs for sports development and excellence can be considered.

### ***Arts and Culture***

The WA Department of Culture and the Arts makes a financial contribution to projects involving artists and organisations in both WA and India. The Department also makes a regular annual financial contribution to AsiaLink for residencies for artists and arts managers across Asia, including India.

### Recent Cultural Exchange Projects:

- *Textiles Collaborations:* Western Australian textile artist Maggie Baxter has been working in India since 1990 developing a unique practice that amalgamates Indian textile crafts with contemporary art.
- *Deckchair Theatre:* During a three-month AsiaLink residency in New Delhi in 2004, deckchair theatre's director, worked with a team of actors to translate *The Beggar's Opera* into Hindi and set it in contemporary New Delhi with new songs, choreography and music. This became *Delhi Dreaming*.
- *Art Gallery of Western Australia:* In partnership with the Asia Society of New York, the Art Gallery of WA held an exhibition of Indian contemporary art titled the *Edge of Desire*.
- *Western Australian Writer:* In 2003, fiction authors Peter Carey and Kim Scott toured India as part of an Australian Literature Touring Program. As a result of the tour the writer's award winning book *Benang* was published in India and subsequently made the English language best sellers list in India.

### **3.0 BARRIERS AND IMPEDIMENTS TO TRADE FOR WESTERN AUSTRALIAN BUSINESSES**

WA businesses face many of the same barriers to trade as their eastern states counterparts. There are a number of impediments to trade with India.

- WA acknowledges that the liberalisation of the Indian economy, with trade barriers largely removed and the peak tariff down from 350% in 1991 to 25% in 2003. Despite these drastic changes India's tariffs remain as one of the highest in the world.
- Although the Indian Government is very eager to continue its reform process being a coalition government which has parties from the extreme left to the extreme right limits its options and the progress is relatively slow. The state continues to monitor India's advancement to seek emerging opportunities.
- Although India has opened up certain sectors such as Information Technology and automotive industries there are others like mining which is of significant interest to WA, present unique problems to overcome. The time it takes to process applications can be up to 4-7 years in India. The requirement of myriad approvals through different agencies (Central & State Government) makes the process extremely complex and time consuming. Furthermore, there is uncertainty associated with exploration. There is no guarantee that a company making a major discovery will have the right to mine. As a result, the level of exploration is not occurring to the degree it should.

- Concerns have been expressed by WA companies for greater transparency in India's legal and policy framework. There are conflicting views between the Central and State Governments in India. It is not always clear which level of government has responsibility for laws relating to trade and investment. Rules and regulation are not transparent and policies and regulations are difficult to obtain.
- India has major infrastructure issues with poor roads, ports, airports, insufficient water and energy as well as high rates of poverty and illiteracy. This causes the business community in WA to be wary of investing and conducting business in India.
- There are still significant impediments to trade owing to high taxes, burdensome regulation, restrictive labour laws and government bureaucracy. Corruption is rampant particularly in government and public sector companies deterring WA companies to get involved.
- While India has removed some duties, it has introduced other curbs such as adjustment of tariffs and introduced new taxes reducing the actual decrease and in some cases resulting in no deduction. In reality whereas the average duties have reduced considerably, the tariffs are still high in comparison to other developing countries deterring WA companies from India.
- Although most goods can be imported to India, certain import controls still exist. Over the years modifications to the Export Import Policy have removed any quantitative restrictions on imports; it has introduced several other thinly disguised non tariff barriers that put an effective brake on imports, especially of consumer goods making it difficult for WA companies to grow their business.
- India still maintains a negative import list specifying a small number of goods with restrictions on imports on the grounds of security, health, or environmental protection, or because the goods are reserved for production by small-scale industries often limiting WA export potential.
- The Indian Government has identified several specific commodities that the Bureau of Indian Standards must certify prior to the products being allowed into the country. These lists and requirements have been constantly changing but India has been slow to notify these changes causing problems to WA exporters.
- India applies a range of sanitary and phytosanitary measures which pose obstacles to WA agricultural exports. These measures include compulsory detention and laboratory testings for several food products. In 2003, the Indian Government issued new regulations and quarantine requirements restricting imports of agricultural products. Australian meats and dairy products are still banned in India preventing WA meat and dairy exports to India (appendix 1).

- Despite the growing demand for wine in India the exports of WA wine is restricted because of increasing duties on wine imports applied by the Government of India in its efforts to protect and develop the Indian wine industry (appendix 1).
- India is not a signatory to the WTO agreement on Government Procurement resulting in Indian Government practices that are neither transparent nor standardised. Making it very difficult for WA firms to win government contracts.
- Historically Intellectual property (IP) protection in India is weak. However, driven by the IT sector boom the government has been forced to take aggressive steps in strengthening and establishing a structure at all levels - statutory, administrative, and judicial. These include patents, trademarks and IP however, WA companies are still wary of India's poor reputation in protecting IP.
- India needs to substantially reform its justice system in terms of enforcement of its law. Counterfeit and pirated goods continue to thrive in the markets and there are very few reported convictions in relation to trade. In the few cases that there have been any prosecution on legal action, successful adjudication of these has been extremely slow. This negative perception discourages WA companies in actively pursuing opportunities in India.
- There is a lack of awareness and hesitance on the part of Australian companies to look at India more seriously. Australia has failed to market itself resulting in India not knowing what Australia and in particular WA has to offer. Equally, India does not recognise Australia as a major trading partner and has been concentrating in building its relations with the USA, EU and selected EU countries, ASEAN countries and other Middle East countries.

#### **4.0 STRATEGIC OPPORTUNITIES FOR STRENGTHENING AND DEEPENING COMMERCIAL LINKS WITH INDIA**

Over the past 15 years India has been the second fastest growing economy in the world after China averaging over 6% growth per year. The growth last year was 7.5% and is expected to be above 7% again this year. A study by Goldman Sachs projected that over the next 50 years India will be the fastest growing of the world's major economy. It is estimated that in 15 years India's economy will have overtaken Britain and by 2050 it will be five times the size of Japan and its per capita income will have risen 35 times its current level.

WA is well placed to take advantage of the opportunities that India presents in this growth. The development of a Trade and Economic Framework with India provides WA with a further springboard to grow trade and investment with India. From an Australian perspective, we see much of that growth potential

coming from WA the only State in Australia that shares the Indian Ocean with India.

The Indian Ocean joins Australia and India, through WA which makes Perth Australia's gateway to India. The time difference is only two and half hours giving more business hours with India in comparison to the Eastern states. WA and India have enormous potential to develop mutual opportunities in trade and investment. WA has the resources, the technology and the services to partner India's economic expansion particularly in the areas of energy and resources, infrastructure development, agribusiness and services.

#### **4.1 Energy**

WA is a big energy producer and has 80 per cent of Australia's massive gas reserves. The State has numerous multi-billion dollar liquefied natural gas projects looking to go ahead. WA has a good reputation as an internationally competitive supplier of LNG.

India has growing energy needs for both industrial development and domestic electricity supplies presenting tremendous opportunities for WA to develop a long-term partnership with India as a reliable energy supplier.

WA has great potential for gas processing projects such as petrochemicals and is developing a large gas processing precinct to the north of the State. One of the first investments in that precinct was an Indian company, Burrup Fertilisers, part of the Oswal Group, which has invested \$630 million in a fertiliser plant.

#### **4.2 Mining**

The other area of interest is mining. WA is one of the world's great mining states accounting for a sizeable proportion of the global production of gold, alumina, iron ore, nickel, diamonds, mineral sands and many others. The State produces more than 50 different minerals and deserves its reputation as a great minerals state and a growing source of mining technology and services to the global mining industry. WA can assist in developing the mining sector in India.

As India's industrial production capabilities expand and diversify, there will be emerging opportunities for direct investment by Indian companies into Western Australia's mining sector. WA is already witnessing the increase in interest from India in investing into mining particularly iron ore. In the last two years WA has welcomed Hindalco's investment and purchase of the Nifty Copper Mine, an investment of some \$80 million.

There is great potential for joint ventures and partnerships in the mining sector, where India and Australia can both grow together. Services to the mining and petroleum sector is one area where WA excels globally. There is great potential for exports of technology and services to the resources sector

as well as potential for joint ventures, including project management and construction.

India is known for its information technology capabilities but WA has specialist strengths too which may feature in joint ventures particularly in areas such as mining software, wireless technologies, smart cards, graphics and multi-media.

### **4.3 Education**

In the next decades, India will become an increasingly important market for WA international educational providers. The market has the potential to rival China. Given that India is an English-speaking country with a democratic political system, it could even be considered a more lucrative and long term prospect than China. India's rapid growth is creating increasing demands for more skills and more specialist capabilities. It is one of the few markets in the international education industry where demand outstrips supply.

In 2005, the WA government decided to provide funding to Perth Education City (PEC), as the peak industry body for international education in WA. For the first time Perth institutions, in collaboration with PEC, are able to market the Perth brand in a sustainable and effective way.

PEC, in conjunction with its members, has developed a strategy to achieve the following:

- The development of an awareness of Perth, both as a destination and provider of quality education.
- Improving the recognition of Perth as a provider of quality education which rivals that of the US and UK. Changing the marketing focus from affordability to quality.
- Strengthening relationships between Western Australian and Indian education institutions.
- Promoting VET as a viable and lucrative education sector to Indian students. This sector in India, as in many Asian countries, is not held in high regard. Yet, in Perth it is a booming and vital component of WA's efforts to sustain its future.
- Marketing campaigns that recognise India as a country divided into several very distinct and individual regions, each that require a different approach and marketing strategy.

### **4.4 Agriculture and Food**

Agricultural commodities are a major export item from WA and the growing economy presents opportunities to increase these exports.



- *Prepared foods and speciality foods:* The growth and expansion of supermarkets, restaurants and hotel chains in India provides untapped opportunities for the WA Agrifood sector. WA is home to a number of world renowned agri-food businesses which would be more committed to developing a stronger market presence in India if the existing trade distortions and barriers were to be reduced.
- *Dairy food:* WA's dairy sector ranks among the most productive sector in Australia and would no doubt, seek to strategically address the opportunities in India in processed dairy products if the market were more open to trade.
- *Grain:* WA is an important player in wheat and grain exports to India. However, existing quotas are prohibitive and act as a barrier to increasing trade in these sectors. DAFWA is aware of current ongoing negotiations at a Federal level with the Indian Government regarding quarantine issues which if resolved will provide significant opportunities to the state.
- *Lamb meat exports:* Younger and more affluent Indians influenced by western culture and education are showing an increased tendency for lamb meat products which currently remain locked out of the Indian market.
- *Horticulture:* Australia's opposite seasons provide complementarity for horticultural products which make opportunities for these products in India very attractive.
- *Capacity building and training:* The Indian government's initiative to overhaul the Indian agricultural sector provides opportunities in *biosecurity training* and *capacity building programs* for agricultural officers in India. DAFWA along with its stakeholders is well positioned to provide this training.
- *Corporate Governance and institutional strengthening:* DAFWA in association with other stakeholders is capable of providing training in agricultural human resource development covering the broad spectrum of corporate governance and institutional strengthening. This will be of relevance and attractive to India's commitment to agricultural reform.

(For further information please refer to appendix 1)

#### **4.5 Skilled Migration**

The Small Business Development Corporation (SBDC) as the WA Government agency responsible for business and skilled migration to address the issue of skill shortage in the state. SBDC will be looking to strengthen the state's relationships in India. India (13%) is the second biggest market for skilled migrants coming to Australia behind the UK (25%). WA also sees India as an emerging market for business migrants.

The SBDC will be increasing migration visits to India in the 2006/07 financial year and will work in conjunction with the local WATO in Mumbai and Chennai to promote business and skilled migration to Western Australia.

#### **4.6 Tourism**

Despite India not being a priority sector for WA Tourism at this stage, India's growth is recognised and India has been classified as an important emerging market. India and Australia offer some of the world's most extraordinary tourism experiences. Tourism numbers in WA have recently hit record highs, the number of facilities and attractions in WA is growing and there is rising interest in India to experience those attractions.

Significant opportunity exists for increasing the numbers of two way tourists between WA and India. In order to capitalise on this situation, WA would like to see more direct flights between Perth and a number of Indian cities.

#### **4.7 Science and Technology**

India is known for its information technology capabilities and WA has specialist strengths which may feature in joint ventures including areas such as scientific research, wireless technologies, smart cards, graphics and multi-media. India has also developed a significant pharmaceuticals industry and has an emerging biotechnology industry. There are opportunities for partnerships and research in biotechnology and other science fields.

#### **4.8 Shipbuilding**

Prospective area of collaboration is in manufacture and supply of specialist ships such as fast ferries and patrol boats. Western Australia accounts for a large proportion of the world's fast ferries and India's need for transport services is growing.

#### **4.9 Arts and Culture**

There is potential for Western Australia to pursue economic outcomes via arts and cultural activities linked to India.

- The Bollywood Film Industry is bigger than Hollywood and it may be possible to attract greater numbers of Bollywood producers to film productions in WA.
- India is the third largest English language book market in the world and therefore represents potential as an export market for Australian books. The State is well placed to capitalise on an Australian literary push into India. The state is renowned for producing exceptional writers and is home to one of Australia's major independent publishing houses, Fremantle Arts Centre Press.

- Arts activities such as films, books and exhibitions can be used as a medium to generate interest in WA and thereby encourage tourism. New Zealand has done this very successfully by promoting the *The Lord of the Rings* locations.

## **5.0 THE DEFENCE RELATIONSHIP**

WA is well placed to lead the strengthening relationship with India especially in the marine and defence fields, not only through geography but also through the range of services available in WA. The WA Government has committed over \$200 million to create world class infrastructure aimed at supporting the marine and defence industries. The facilities at the Australian Marine Complex at Henderson are well suited to ship repair and maintenance plus large fabrication projects. They are available for any business to use. WA is rapidly becoming a regional hub for large construction projects and support to the offshore oil and gas industry as well as ship building and maintenance. Recent WA projects include the production of ships and petrol boats for the defence forces of USA, Kuwait, Yemen and the Philippines.

WA is also home to half of the Royal Australian Navy's surface combatant ships and all of the Collins class submarines. With the facilities in place to support this large naval presence and WA's proximity to India, there is an opportunity to invite Indian naval vessels to WA to conduct joint and combined exercises with the RAN. As Australia's relationship with India warms, WA is ready to support Federal Government initiatives through hosting Indian Naval ship visits. The infrastructure exists for voyage repairs and any other support which may be required.

## **6.0 RECOMMENDATIONS**

1. Given that India's development is expected to be sustainable the Australian and State Governments need to enter into a dialogue to develop a long term, systematic, bipartisan strategic vision for Australia's trading relation with India.
2. Government to Government relations, both at a Federal and State level, are very important to providing leadership and managing business relations with India at the highest level to secure opportunities arising from India's growth. We are already witnessing this given the Prime Minister's visit in March 2006 and visits by almost all State Premiers to India in the past fifteen months. These visits must continue to nurture our bilateral relations at the highest level.
3. Australia continues work with India to promote Australian capabilities to change the perception of India about Australia being more than a great cricketing nation. A greater focus in promotions needs to be on our world leading industries and technology particularly, energy, mining, agribusiness, science & technology, education and training and others.

4. The Australian Government continues to work closely with the Indian Government to stream line the Indian resource sector introducing private Australian companies to provide technology and services to India. WA appreciates the efforts with the Joint Working Committee in this regard.
5. Australia and India work together to improve transparency of India's legal and policy framework.
6. Australia work with India to lift the ban on Australian Meat and Dairy products to India. These products are renowned around the world for their quality, taste and their popularity.
7. The Australian Government closely work with the Indian Government to regulate quarantine standards. Some exporters believe that Australian produce are limited to India in retaliation to perceived barriers put by Australia on Indian produce such as mangos, grapes and other foodstuffs.
8. Australia works with India to liberalise its import processes related to agricultural products, in particular, their sanitary and phytosanitary measures which are superfluous.
9. WA seeks direct air link connections between Perth and Indian cities to increase visitation and improve access to mutual business opportunities since the State has almost 50% of Australia's export share and a significant share of India's investments.
10. The Australian Government support Australian companies to secure contracts particularly in sectors such as resources and infrastructure.
11. Australia leverage opportunities for downstream processing within Australia with its capacity for world class infrastructure and reliable energy supplies for India.
12. Facilitate joint studies with India in the field of science and technology particularly in the resource sector, agriculture and knowledge based industries.
13. The Australian Government promote a consistent message as to how Australia sees itself in relation to India and to grow the public understanding of the relationship.

# APPENDIX 1



**INQUIRY INTO AUSTRALIA'S RELATIONSHIP WITH INDIA AS AN  
EMERGING WORLD POWER**

**ORGANISATION: DEPARTMENT OF AGRICULTURE AND FOOD,  
WESTERN AUSTRALIA.**

**CONTACT PERSON: VALERIE KELLY  
TRADE POLICY ANALYST  
/BUSINESS DEVELOPMENT MANAGER  
FOOD AND TRADE DEVELOPMENT  
PH: (08) 9 368 3397**

**ADDRESS: 3 BARON HAY COURT  
SOUTH PERTH, WA - 6151**

**SUBMISSION  
FROM THE DEPARTMENT OF AGRICULTURE AND FOOD WESTERN  
AUSTRALIA  
INTO THE INQUIRY ON AUSTRALIA'S RELATIONSHIP WITH INDIA AS  
AN EMERGING POWER**

**MAY 2006**

**KEY POINT SUMMARY:**

Trade with India

1. The Indian Government's commitment to an economic reform agenda which includes liberalisation in its trade and investment policies and its emergence as a global power makes it a potentially important market for the Western Australian agri-food sector.
2. However, exporters report that it is important when commencing trade with India, to recognise that there are two faces to India. For example, despite its reputation for world class expertise in Information Technology, many of India's banks are yet to operate on computerised systems. While internet banking exists with many nationalised and private banks, reluctance by importers to embrace computerised trading practices means that there is still a high reliance on manual Letters of Credit. Manually produced Bank format(s) are reportedly antiquated in their terms and conditions. Letters of Credit need careful scrutiny as discrepancies in documentation can result in long delays both pre- and post shipment with resultant negative impact on cash flow and profitability. Market claims (ie relative to changes or reversal/cancellation of contracts due to prevailing market conditions) are common. Business practices (such as meeting payment obligations on time) have also been found wanting.
3. Despite India's growing middle class, an influx of western style shopping malls and an observation that urban Indians spend as much as 43 percent of their income on food, with food consumption growing at an average rate of 10 percent per annum, (Source: India's Imported Food Market Opportunities, Report commissioned by the Department of Agriculture, Western Australia 2004), Western Australia's agribusiness exports to India has remained static over the last five years.

4. India's commitment to trade reform at the policy level has yet to translate into liberalisation of trade barriers which include high tariffs and non-tariff barriers as these relate to India's translation of Sanitary Certification and Phytosanitary requirements imposed by Indian Government authorities on grains, fresh fruits (eg stonefruit, apples, table grapes, citrus, pears), dairy and lamb meat imports from Australia.
5. WA Food Exports to India (Appendix A), illustrates that market share declined substantially following the Indian Government's application of new quality controls on field pea imports to India between 2004-2005.
6. Despite a plethora of inquiries for chilled lamb and mutton products from Indian importers, WA exporters have been unable to respond to these inquiries because of Sanitary Certification requirements nominated by Indian Government authorities for Australian lamb/mutton in 2002. (Appendix B).
7. Australian dairy products have also been banned from being imported into India because of an alleged problem with oestrogen.
8. More recently, lupin exports were banned from India.
9. As of writing this Submission, there is an Australian Wheat Board (AWB) consignment of wheat still awaiting clearance by Indian Government authorities.
10. A major constraint to the export of wines to India is the increasing duties on wine imports applied by the Government of India in its efforts to protect the Indian wine industry.
11. Negotiations for lifting of all of the above restrictions (applied globally) are still being pursued through the joint efforts of the Department of Agriculture and Fisheries Agricultural Counsellor and the Western Australian Trade Representative both of whom are based in India.
12. However, no real progress appears to be taking place on any of the above issues despite the combined efforts of Australian representatives on the ground in India.
13. There is a general feeling among the exporting community that many of these restrictions are of a retaliatory nature and in response to Australia's perceived trade barriers (eg. Indian mangoes, grapes, etc not being allowed into Australia).

The current limited development and utilisation of the cold chain and rate of expansion of the modern distribution and retail sector in India continues to hinder the growth in both imported and domestically produced fresh, perishable horticultural products.



14. India is a high volume, low cost, price sensitive market with major imports coming in from Italy, Malaysia, Thailand and Indonesia.
15. Western Australia's Agrifood products are priced at the higher end of the overseas market(s) and India's import tariffs, regulations and trade restrictions coupled with the high Australian dollar make it difficult for WA food imports to be price-competitive.
16. Discussions with exporters reflect that Australian food exports are entering India through the "grey market" largely through re-exports from Dubai and other Middle Eastern countries.

### Agricultural Research

1. The WA Department of Agriculture and Food funded and implemented the Wool Industry Technology Transfer Initiative (WITTI) 1998-2002. The WITTI provided capacity building and training of Indian university lecturers in India for the transfer of technology training for Indian wool manufacturers.
2. The WA Department of Agriculture and Food provided capacity building and training for the Indian apple industry in India in the Ausaid funded Sikkim Horticultural Development Project (2002).
3. The Australian Council for International Agricultural Research (ACIAR) funded a \$1.6m research program on Traits for yield improvement of chickpea in drought prone environments of India and Australia conducted by the Centre for Legumes in Mediterranean Agriculture (CLIMA\*), Faculty of Natural & Agricultural Sciences, University of Western Australia (1998-2005).
4. An international partnership between Department of Agriculture and Food, W.A, (DAFWA), The Centre for Legumes in Mediterranean Agriculture (CLIMA) , The International Crops Research Institute for the Semi Arid Tropics (ICRISAT) based in Andhra Pradesh, India) and the Council of Organisation of Grain Growers (COGGO), funded research (approx. value \$1m) in Accelerated Genetic Improvement of Desi chickpea (2004-2009). Research is carried out in Western Australia and India.

5. The Council of Organisation of Grain Growers (COGGO) funded a research program valued in excess of \$150,000 conducted by the Centre for Legumes in Mediterranean Agriculture (CLIMA) on Improvement of salinity and boron tolerance in chickpea (2006-2007). Ongoing research is conducted both in Australia and India.

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\*Centre for Legumes in Mediterranean Agriculture (CLIMA). The WA Department of Agriculture & Food (DAFWA) sits on the Board of CLIMA. Collaborative research is conducted between DAFWA and CLIMA scientists; DAFWA commercialises all Intellectual Property for CLIMA research outcomes.

#### Inwards Indian investment in Western Australia

7. Siva Limited of Chennai, India has invested \$1million (AUD) into olive oil production with Dandaragan Estate, Western Australia.
8. The Department of Agriculture and Food in Western Australia continues to receive enquiries from Indian companies wishing to invest in the horticultural sector in Western Australia.

#### Federal/State initiatives

9. From a political viewpoint and for the purposes of Federal negotiations on trade barriers, it is recommended as a strategy, that Federal and State government agencies recognise and harness the importance of linkages and research into India's agricultural reform particularly as this could translate among other trade benefits, into reciprocity by India in reducing tariff and non-tariff trade barriers for Australian agribusiness exports to India.
10. It is important that any initiative to develop closer ties with India leads to a merging and integration of cultural/social insights which enrich and strengthen both the Indian and Australian communities to the mutual growth of both nations; the importance of India as an emerging trading nation must equally mirror the importance of Australia as a small, progressive and developed global economy, so that both countries together contribute positively to the integrating global environment.
11. The Western Australian agricultural sector supports any initiatives designed to build a positive and mutually beneficial relationship with India.

## RECOMMENDATIONS

### RESEARCH & DEVELOPMENT

Current indications are that there is very little or no collaboration between Commonwealth or State governments on research & development initiatives undertaken across industry sectors in India. This intelligence on a national basis would be useful to assessing the value of trade outcomes, if any, which arise out of research and development assistance provided to India.

1. It is recommended that the Commonwealth & State governments work in collaboration on research and trade initiatives undertaken in India so that opportunities in India are not fragmented by a lack of communication and intelligence between government agencies.

## Background:

This submission has been prepared by the WA Department of Agriculture and Food (DAFWA) in response to a Senate Inquiry on Australia's relationship with India as an emerging power.

Western Australia's Agrifood exports to India are around \$61million and comprise mainly grains, field peas, canola, oilseeds, fresh fruits and vegetables, processed food and wool. Information provided in the following section is a collation of the Department's attempts, over the last twelve months to assist exporters overcome the many constraints and trade barriers faced by exporters in their attempts to enter and sustain market share in India.

The Submission addresses the Terms of Reference outlined in the Senate Inquiry as follows:

### (a) Australia's relationship with India as an emerging world power with particular reference to:

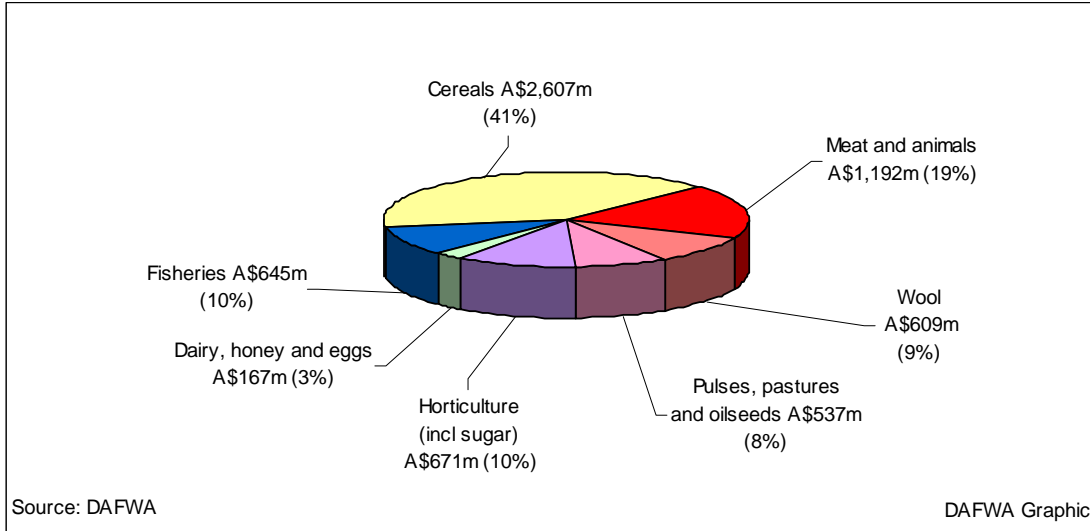
- i). Trade and tourism including investment opportunities

### Background into the Western Australian agribusiness sector.

The Western Australian agribusiness sector (including value added processed foods) was responsible for producing AUD \$12.4billion worth of products in 2004-2005. Agrifood exports valued at AUD\$4.8billion in 2004-05 is the State's second largest export sector after mining. It is anticipated that the value of Agrifood exports for 2005-06 will be approximately \$5.1billion.

Western Australia is a large and internationally important producer and supplier of high-quality grains, beef, dairy products, wool, live sheep and cattle. Approximately 70 per cent of all exports are minimal processed bulk exports. In recent years, however, the food processing industry (consisting of nearly 1,000 businesses) has expanded to supply a number of high value, niche export markets, particularly for wine, condiments and dairy products.

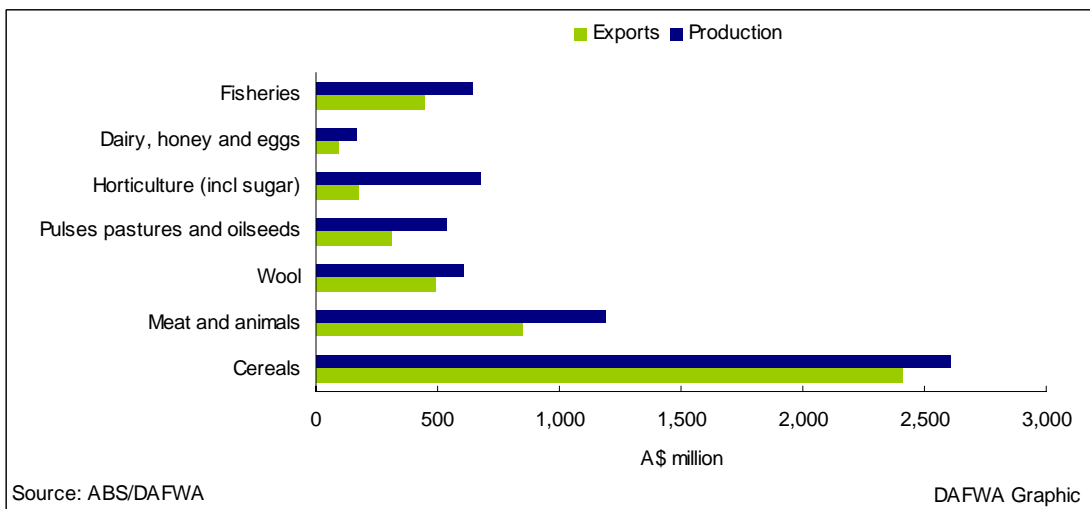
Graph 1. Western Australian agriculture and fisheries exports 2004/05 – Total \$4,770 million



Trade in Agrifood products

Western Australia’s agriculture and fisheries exports account for 12 per cent of the state’s total exports. In terms of value to the state, wheat is Western Australia’s second most valuable export commodity, followed by meat and animals.

Graph 2. Western Australian agriculture and fisheries production and Exports. Total Production: \$6,428m. Total Exports: \$4,770m.



Trade with India has been somewhat static with exports remaining around \$61million over the last five years. (See Appendix A).

Products which have been the subject of Indian quarantine restrictions have been particularly vulnerable to sharp market downturns as in the case of field peas and chilled/frozen lamb meat.

### Field Peas

The imposition of new quarantine restrictions imposed by the Indian Government on field pea exports in 2003 has resulted in exports being reduced by more than 50 per cent. The primary areas of concern initially were the extensive list of prohibited weed seeds and a nil tolerance to stones and soil. Biosecurity Australia 's intervention in dealing with the issue of the list of prohibited weed seeds has reduced the list to a manageable point.

However, the requirement of nil tolerance on stones and soil is still of great concern and has been raised as an issue by an exporter of field peas from Western Australia. The exporter has traditionally been delivering farmer dressed peas (which are prepared on farm) into the Indian market, as this is the quality of product required by buyers in the market. The new restrictions has meant the exporter can now only deliver machine dressed product (the machine dressing removes soil and stones and other foreign material) which increases the price to the Indian buyer and therefore the exporter is no longer competitive in the market. As illustrated in Appendix A, this has had a significant effect on the field pea trade with India.

Coupled with these restrictions, India's requirement of fumigation of pulses with methyl bromide at 28 degrees is also an issue of concern.

### Stonefruit

Stonefruit is a new high value product to the Indian market which Indian consumers are growing to love. India requires stonefruit(s) to be fumigated with methyl bromide but for environmental and product quality reasons, this method is no longer used. Preference is for cold sterilisation techniques in transit but India wants it done pre-shipment so that the Australian Quarantine and Inspection Service (AQIS) can sign off before the consignment leaves Australia. Due to the perishability factor, this is not feasible.

## Apples

There is a high demand for Western Australian apples in India. A Western Australian Apple Growers Co-operative inaugurated exports of apples in bulk bins from Australia in 2004 with orders quickly rising to over \$2million in 2006. However, India's high import tariff rates, restrictive Phytosanitary requirements and complex trading operations have limited exports to one tenth of the market potential for apples in India. This is despite Australia's complementary apple season with no direct competition to Indian domestic production. Apples exported in bulk bins are also value added in India thereby generating employment in the fruit packing and packaging industries in India.

## Lupin exports

There is also a ban on the importation of lupins for human consumption. This was brought about by a mixture of dun (field) peas and lupins being shipped into the market some years ago. (Lupins when cooked do not soften hence when they were placed in the market and people cooked them they remained hard and as such was banned as not suitable for human consumption).

The Grain Pool and Bio Security Australia and Lupin Australia are still working to get these matters resolved and the ban on lupins lifted.

## Chilled lamb/goat meat exports

India's emerging middle class has also seen a parallel interest by India's five star hotels in importing quality frozen/chilled lamb and goat meat into India. Responding to a trade inquiry by the Asian Hotels (Hyatt) chain in 1998, a major W A company commenced lamb exports to India which by 2002-03 reflected significant potential to grow into a very lucrative niche market with projections for anticipated sales building up to in excess of \$1m. However, in April 2002-03, Health/Sanitary Certificate requirements introduced by the Government of India caused cancellation of all orders and trade with India ceased completely. Despite continued enquiries by Indian importers, lamb meat exports to India are currently non-existent because of the inability of the company to meet India's specific sanitary certification requirements which are not incorporated into AQIS specifications (Appendix B).

## Dairy exports to India

As signatory to the World Trade Organisation (WTO), it becomes mandatory for India to open the dairy sector to world markets. However, in February 2006, Indian Government authorities placed a ban on the importation of all dairy products from Australia due to an alleged problem with oestrogen. It

was anticipated that this ban would be resolved within two to three weeks. However, as at the time of writing this submission, the ban on Australian dairy products to India is yet to be lifted.

### Extraneous Operational Barriers impacting trade with India.

Despite India's English speaking background, trade with India is not without its complexities. In addition to government administrative controls, high tariffs (Appendix C) and trade barriers, business dealings with India have to be flexible enough to respond to business practices and management and operational environments which rely on manual systems. Many businesses in India are yet to embrace the application of information technology and computerised systems and manual Letters of Credit are still widely used. Non payment of dues is an issue and efforts to capture non payment of monies owing through the legal system is also protracted and very expensive.

### Investment Opportunities

Siva Limited\* invested approximately one and a half million dollars into Dandaragan Estate's olive oil production in Western Australia to expand infrastructure and operating capacity to meet increasing levels of olive oil production.

Additional investments opportunities in the WA agri-food sector are now been negotiated and it is estimated that it could reach up to sixty million dollars.

(Siva Limited is part of the Sterling Group of Companies of India with interests in Telecommunications, Internet services, Agri exports, broadcasting and coffee vending).

### Agricultural Research in India

The WA Department of Agriculture has a strong policy of working with WA exporters, and recognising India's looming emergence as a major economic power, has over the years, worked strategically towards forging long term ties with India through research initiatives in agriculture

The Department of Agriculture and its associated links with WA tertiary and research institutions, has established technical and professional links with India on the following research programs in key export sectors through the following initiatives:

1. The WA Department of Agriculture and Food funded and implemented the Wool Industry Technology Transfer Initiative (WITTI) 1998-2002. The WITTI provided capacity building and training of Indian university



lecturers in India for the transfer of technology training for Indian wool manufacturers.

2. The W A Department of Agriculture and Food provided capacity building and training for the Indian apple industry in India in the Ausaid funded Sikkim Horticultural Development Project (2002).
3. The Australian Council for International Agricultural Research (ACIAR) funded a \$1.6m research program on Traits for yield improvement of chickpea in drought prone environments of India and Australia conducted by the Centre for Legumes in Mediterranean Agriculture (CLIMA\*), Faculty of Natural & Agricultural Sciences, University of Western Australia (1998-2005).
4. An international partnership between Department of Agriculture and Food, W.A, (DAFWA), The Centre for Legumes in Mediterranean Agriculture (CLIMA) , The International Crops Research Institute for the Semi Arid Tropics (ICRISAT) based in Andhra Pradesh, India) and the Council of Organisation of Grain Growers (COGGO), funded research (approx. value \$1m) in Accelerated Genetic Improvement of Desi chickpea (2004-2009). Research is carried out in Western Australia and India.
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## **2. Strategic possibilities for both nations resulting from increasing globalisation and regional imperatives**

### **OPPORTUNITIES**

#### **Prepared foods and speciality foods**

The growth and expansion of supermarkets, restaurants and hotel chains in India provides as yet untapped opportunities for the WA Agrifood sector. Western Australia is home to a number of world renowned agri-food businesses in the food service, speciality foods and convenience foods that

would be more committed to developing a stronger market presence in India if the existing trade distortions and barriers were to be reduced.

### Dairy food

India's dairy sector has reportedly achieved a level of self sufficiency and is well placed to service the demand for dairy products in India. Western Australia's dairy sector ranks among the most productive sector in Australia and would no doubt, seek to more strategically address the opportunities in India in processed dairy products, particularly in hard and soft cheese varieties and high energy yogurts if the market were more open to trade.

### Grain

Western Australia is an important player in wheat and grain exports to India. However, existing quotas are prohibitive and act as a barrier to increasing trade in these sectors.

The Department of Agriculture and Food, WA is aware of current issues relating to the Australian Wheat Board's (AWB) ongoing negotiations with the Indian Government regarding quarantine issues on a consignment of wheat to India. No doubt the Senate Inquiry will receive a full briefing on these matters from the AWB.

### Lamb meat exports

Younger and more affluent Indians influenced by western culture and education are showing an increased tendency for lamb meat products which currently remain locked out of the Indian market.

### Horticulture

Australia's opposite seasons provide complementarity for horticultural products which make opportunities for horticultural products in India very attractive. However, India's quarantine restrictions, delays in granting entry status for horticultural products and high import tariffs have meant that these opportunities have not been able to be addressed and utilised fully. The limited development and utilisation of the cold chain and slow expansion of the modern distribution and retail sector in India is hindering the growth in both imported and domestically produced fresh, perishable horticultural products. The Department of Agriculture and Food in WA is keen to identify whether there is a market for the newer, high value varieties in apples (eg Pink Lady<sup>TM</sup>), stonefruits and grapes (seedless varieties). However with tariffs around 50%, this is currently not feasible.

## CAPACITY BUILDING AND TRAINING:

### Bio-Security

The Indian government's initiatives to overhaul the Indian agricultural sector in the early 1990's also reflected strong interest in the Australian Quarantine and Inspection System (AQIS) and processes. The Department of Agriculture and Food in Western Australia (DAFWA) has worked in conjunction with other stakeholders (AQIS, Murdoch University School of Veterinary Services) to provide Biosecurity Training and Capacity Building programs for agricultural officers from Thailand, Botswana and Iraq and is well placed to service the Indian agricultural sector in Bio-Security capacity building and training.

### Corporate Governance and institutional strengthening

The Department of Agriculture and Food WA (DAFWA) in association with Muresk Institute of Agriculture and Curtin University under the auspices of Ausaid has also provided training in Agricultural Human Resource Development which covered the broad spectrum of Corporate Governance and institutional strengthening for more than 100 Iraqi Agricultural Officers. This program may be of relevance and attractive to India's commitment to agricultural reform.

## THREATS

Exporters surveyed by the Department of Agriculture report key obstacles to trade with India being:

- Lack of transparency in commercial processes and business practices;
- Overlapping of state and central government agencies in relation to government laws and regulations relating to commercial processes;
- Differences in interpretation of laws and jurisdiction;
- High import duties and other non-tariff trade barriers;
- Uncertainty relating to protection of Intellectual property;

## Conclusion:

Aside from India's growing economic and global power, the existence of the current "grey market" for Australian food products entering the Indian market through Middle Eastern channels makes India a potentially sound market for Western Australian agri-food companies. However, in terms of global markets, India's current market entry and operating challenges make it an expensive market to penetrate and/or address.

The challenge ahead is to promote Australia's inherent strengths as a regionally based and well resourced developed nation strategically placed to add to India's global ambitions as a major trading partner and to win trade-offs for Australian exports in any emerging partnership between the two countries.

APPENDIX A – WA FOOD EXPORTS TO INDIA – 2001-2005

Total Export Value (A\$) - 3. Commodity by Country

	Western Australia 2002/2003	Western Australia 2003/2004	Western Australia 2004/2005
India Animal fat, other	0	0	42,700
India Apple juice	0	7,887	2,331
India Apples	333,454	109,988	219,000
India Beef	112,096	0	0
India Biscuits	0	320	0
India Blackcurrant juice	19,430	0	0
India Bread	0	500	0
India Broccoli	450	0	0
India Canola	1,795,055	1,590,387	980,041
India Cauliflowers	0	23	0
India Cereal flour	0	440,076	0
India Cheese	0	4,086	0
India Cherries	0	1,232	1,563
India Chick peas	203,968	80,628	254,478
India Condiments	0	208	0
India Crop products, Other	0	9,476	0
India Crustaceans, other	3,417	0	0
India Dried plants	55,337	0	0
India Essential oils	56,195	189,824	952,850
India Field peas	1,017,508	4,715,550	6,830,657
India Flowers other	16,750	0	0
India Foliage	0	4,199	0
India Food preps of cereals	0	90	0
India Food preps of veg	2,500	505	0
India Food preps other	0	70,135	362,627
India Fruit juice	11,039	33,807	10,726
India Grapefruit	7,460	7,338	0
India Grapes	34,732	8,488	22,896
India Honey	14,164	0	8,832
India Kiwi fruit	32,608	1,912	0
India Lamb	42,262	0	0
India Legumes, other	0	0	31,259
India Lettuce	3,073	80	0
India Live plants, other	4,851	0	0
India Mandarins	2,466	1,656	0
India Mangoes	11,965	6,829	0
India Melons	14,444	225	0
India Nectarines	1,626	10,972	14,517

India	Oats	5,359	153,278	1,369,961
India	Oilseed meal other	45,154	0	0
India	Orange juice	8,547	15,685	5,284
India	Oranges	18,867	9,742	1,280
India	Pasta	535	0	0
India	Peaches	8,230	32,824	23,744
India	Pears	10,663	49,889	104,910
India	Peas	0	0	68,000
India	Plums	35,541	38,525	65,420
India	Processed oats	0	3,006	116,501
India	Scallops	0	0	546,729
India	Skins, sheep	0	15,500	91,848
India	Strawberries	77,626	64,627	0
	Sugar			
India	Confectionary	0	0	5,668
India	Vegetables, other	35,297	15,033	88,469
India	Wine	46,097	104,346	43,805
India	Wool grease	0	0	188,408
India	Wool, Carbonised	0	314,815	0
India	Wool, Degreased	4,248,639	9,875,714	4,744,960
India	Wool, Greasy	51,703,887	42,777,978	42,896,828
India	Wool, Processed	0	146,926	599,478
India		60,041,292	60,914,309	60,695,770
Grand				
Total		60,041,292	60,914,309	60,695,770

**APPENDIX B – WAMMCO DOCUMENTS AND INDIA’S SANITARY CERTIFICATION REQUIREMENT.**



**WAMMCO** *International*

A DIVISION OF THE WESTERN AUSTRALIAN MEAT MARKETING CORPORATION  
1<sup>ST</sup> FLOOR, 11 KITCHENER AVENUE BURSWOOD 6100 WESTERN AUSTRALIA  
TELEPHONE: (08) 9262 0917 FACSIMILE: (08) 9355 0962  
Email: [alby@wammco.com.au](mailto:alby@wammco.com.au)

**FACSIMILE MESSAGE**

ATTENTION	<b>SONIA GRINCERI</b>	DATE	29.07.03
BUSINESS NAME	<b>WA TRADE OFFICE INDIA</b>	FAX No.	93223361
SENT BY	<b>ALBERT BAKER</b>	NO. OF PAGES (INC)	11

IF YOU DID NOT RECEIVE ALL PAGES, OR IF YOU RECEIVED THIS IN ERROR, TELEPHONE (08) 92620999

Good Morning Sonia,

Thankyou for your telecon.

Please find attached:

1. A 1&2. Sanitary Certificate supplied by the Indian Authorities. This has been forwarded to AQIS who are working on it but have stated that they cannot place Blackleg & Leptospirosis on the form. They also say there needs to be changes to ©.
2. B&C. Letters from the Indian Authorities to Companies who were purchasing product from WAMMCO.
3. D. Copy of Australian Health Certificate.
4. E 1&2. The only additional Declarations supplied by AQIS at this stage.
5. F. Letter from Asian Hotels Limited (The Hyatt) requesting that WAMMCO forward a Sanitary Certificate.
6. G. WAMMCO's response to Asia Hotels.
7. H. Most recent response in regard canceled order.

Hope this assists to inform you in on what has happened to business into India.

The loss of any business is disappointing but most disappointing was the loss of the business we were completing with The Hyatt.

Any assistance you can provide would be appreciated.

Best regards

**Albert Baker**



# WAMMCO *International*

A DIVISION OF THE WESTERN AUSTRALIAN MEAT MARKETING CORPORATION  
1<sup>ST</sup> FLOOR, 11 KITCHENER AVENUE BURSWOOD 6100 WESTERN AUSTRALIA  
TELEPHONE: (08) 9262 0917 FACSIMILE: (08) 9355 0962  
Email: [alby@wammco.com.au](mailto:alby@wammco.com.au)

## FACSIMILE MESSAGE

ATTENTION	<b>MICHAEL CARTER</b>	DATE	18/5/04
BUSINESS NAME	<b>AUSTRADE</b>	FAX No.	92617955
SENT BY	<b>ALBERT BAKER</b>	NO. OF PAGES (INC)	11

IF YOU DID NOT RECEIVE ALL PAGES, OR IF YOU RECEIVED THIS IN ERROR, TELEPHONE (08) 92620999

Good Morning Mike,

Thankyou for your assistance with FHA and discussion on the enclosed matter in Singapore.

As discussed we enclose copies of correspondence in regard to exporting meat to India. The letter to Sonia outlines what had happened to that date and regrettably we have not been able to conclude any business since, due to being unable to supply a Sanitary Certificate as required by the Indian Government.

We had some extremely good business going direct into the Hyatt Hotel in Mumbai and also supplying product to two other distributors. We must point out that the products going into India at the time were not low value products but high value Chilled and Frozen Lamb Racks, Loins and Legs.

In the last telephone call we had with AQIS was just prior to leaving for FHA and they advised us that they did not see it as a problem as they had not received any inquiries to export to India of recent times. AQIS advised WAMMCO to obtain an Import Permit from a potential client and they would see what they could do.

As we have been informed that the Indian Government continue to require a Sanitary Certificate this would be a pointless and embarrassing exercise.

At FHA we were approached by 4 Indian companies (one being the Hyatt Hotel) expressing interest to purchase our product.

We hope you could assist to enable us to recommence and grow this business.

Regards

**Albert Baker**



INTERNATIONAL SANITARY CERTIFICATE FOR IMPORT OF LAMB MEAT INTO INDIA FROM NEW ZEALAND / AUSTRALIA

Exporting country : .....  
Ministry of : .....  
Department : .....  
Province or District, etc. : .....

I Identification of the meat

Type of portions of meat: .....  
Type of package: .....  
Number of objects or packages : .....  
Net weight : .....

II Origin of the meat

Address/es and number/s of veterinary approval of the abattoir/s: .....  
Address/es and number/s of veterinary approval of the cutting-up establishment/s: .....

III Destination of the meat

The meat is being sent from .....  
(place of dispatch)  
to .....  
(country and place of destination)  
Nature and identification of means of transport : .....  
(specify the number of wagon, truck, flight number, name of the ship)  
Name and address of exporter : .....  
Name and address of the consignee : .....

Ah

A1

22

IV Attestation of wholesomeness

The undersigned Official Veterinarian certifies that the meat:

- comes from animals slaughtered in abattoirs/processing plant accredited for export by the exporting country;
- is hygienically produced and fit for human consumption;
- The animals from which the product has been produced originate from the country of export, and
- satisfies the following requirements :

(a) Country is free from Transmissible Spongiform Encephalopathy ( i.e. Bovine Spongiform Encephalopathy, Scrapie ), Foot and Mouth Disease (SAT 1, 2 & 3), Vesicular Stomatitis, Rift Valley fever, Nairobi Sheep disease, Border's disease & Lumpy skin disease.

(b) The consignment comes from animals which were kept in an establishment free from Tuberculosis, blue tongue, peste des petits ruminants, Ovine epididymitis, Caprine and Ovine brucellosis, Anthrax, Black-Jeg, Leptospirosis, Contagious agalactia, Caprine arthritis/encephalitis, Maedi-visna and Ovine Chlamydiosis during last 2 years;

(c) The source animals were not fed with feeds produced from internal organs, blood meal and tissues of ruminant origin;

(d) Fresh packing material is used and satisfies the necessary sanitary-hygienic requirements.

Official stamp:

Issued at ..... on .....

Name and address of Veterinarian.....

.....

Signature : .....

Exception milk or tallow or gelatin

A<sup>2</sup>

REF: 1

FAV NO. 1

Su1. 23 2003 05:01PM P1

No. 111-03/2003-Trade  
Government of India  
Ministry of Agriculture  
(Deptt. of Animal Husbandry & Dairying)  
\*\*\*\*\*

Krishsi Bhavan, New Delhi  
Dated: 23<sup>rd</sup> July, 2003

To

M/s M.M. Fisheries Pvt. Ltd.,  
30/28 East Patel Nagar,  
New Delhi - 110008.

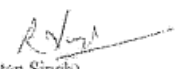
Subject:- Sanitary Import permission for import of Livestock products  
(Lamb meat items) - Regarding.

Sir

Please refer to your letter No. 'Nil' dated the 6<sup>th</sup> May, 2003, submitting Sanitary certificate for issuance of Sanitary permit to import livestock products (Lamb meat items) from Australia.

You are requested to submit the Sanitary Certificate, in advance, in the enclosed format, for taking further action in the matter.

Yours faithfully,

  
(Ratan Singh)  
Asstt. Commissioner





भारत सरकार  
GOVERNMENT OF INDIA

कृषि मंत्रालय  
MINISTRY OF AGRICULTURE

पशु पालन एवं डेअरी विभाग  
DEPARTMENT OF ANIMAL HUSBANDRY & DAIRYING

QUARANTINE OFFICER

Ref: 5-1/03-AR(B)/201.

पशु रोगरोध एवं प्रमाणीकरण सेवा  
ANIMAL QUARANTINE AND CERTIFICATION SERVICE

MAIN OFFICE:

Kopar Khanane, Sector - 11,  
Navi Mumbai - 400 709  
Tel.: 27630021  
Fax: (022) 27630021

AIRPORT OFFICE:

Cargo Terminal Building, Phase I, 1<sup>st</sup> Floor  
Chhatrapati Shivaji International Airport,  
Sahar, Mumbai - 400 099  
Tel.: 28367050

E-mail: [quarantineofficer@vsnl.net](mailto:quarantineofficer@vsnl.net)

दिनांक / Date: 16/7/2003

Mr. Ramesh Thakur,  
SKR International,  
14 St. James Court Marine Drive,  
Mumbai - 400 020.

Sir,

In reference to your letter dated 15.7.03 regarding certification procedure for import of lamb meat from Australia, I am submitting the following information below:

Health certificate from the Govt. authority of the exporting country issued by the authorized officer has to be obtained. The health certificate should fulfill the requirement of Govt. of India as mentioned in the permit. I am enclosing herewith a copy of the format including the health requirements. However, the enclosed requirements were issued in 2002. Therefore, the requirements of the specific permit for import of lamb meat in to India should be fulfilled.

Thanking you.

Yours faithfully,

(DR.D.BISWAS)

Quarantine Officer

Animal Quarantine & Certification Services of  
Government of India Mumbai-400

Encl. As above.



Exporter  
 TRADE INTERNATIONAL  
 1ST FLOOR,  
 1 KITCHENER AVENUE  
 GURWOOD WA 6100  
 AUSTRALIA

Section 23

No. **3793151**



Export Control Act 1982

Department of Agriculture, Fisheries and Forestry

**OFFICIAL CERTIFICATE  
 WITH RESPECT TO MEAT, MEAT PRODUCTS  
 AND EDIBLE OFFAL**

Consignee

NEW DELHI  
 INDIA



Country of origin of goods

AUSTRALIA

Export estab. no(s) where packed

572

Port of loading PERTH
Vessel/Aircraft G/996
Date of departure ...-2002
Port of discharge DELHI
Final destination (if on carriage) NEW DELHI

Marks, numbers and container no.	No. and kind of	Description of goods	Quantity KG
	4 CARTONS	CHILLED BONE IN LAMB SHORTLOINS	95.300
	11 CARTONS	CHILLED BONE IN LAMB RACKS	199.300
	2 CARTONS	CHILLED BONELESS LAMB CHUMPS	30.300
<b>TOTALS</b>	<b>17 CARTONS</b>		<b>324.900</b>

I hereby certify that the meat specified above has been examined and found, by ante-mortem and post-mortem veterinary inspection, to be free from disease and suitable in every way for human consumption and that no injurious ingredient has been used in its preparation.

Dated at PERTH in the State of WEST AUSTRALIA  
 this ... DAY OF ... 2002

*Ann McDonald*

Ann McDonald BVSc

Signature of Veterinary Officer of the Department  
 of Agriculture, Fisheries and Forestry

Printed Name

Seal



Department of  
AGRICULTURE  
FISHERIES &  
FORESTRY -  
AUSTRALIA



To Whom It May Concern

3 May 2002

Attachment to Health Certificate No. 3793151

This is to confirm that Australia is free of Bovine Spongiform  
Encephalopathy (BSE) and Scrapie.



*RS* BARRY SAVAGE BVMS(HONS)

Veterinary Officer  
Australian Quarantine and Inspection Service



**AQIS**  
AUSTRALIAN QUARANTINE  
INSPECTION SERVICE

Level 1  
Market Square  
280 Bannister Road  
Manning Vale WA 6155  
PO Box 1410  
Manning Vale WA 6970

ph +61 8 9311 5333  
fax +61 8 9455 4044  
www.affa.gov.au

ABN 24 113 085 699

AGRICULTURE, FISHERIES AND FORESTRY - AUSTRALIA

# AQIS

AUSTRALIAN QUARANTINE AND INSPECTION SERVICE  
DEPARTMENT OF PRIMARY INDUSTRIES AND ENERGY

## FACT SHEET

### AUSTRALIAN MEAT - A SAFE FOOD



Australia is a major meat producer and the world's largest beef exporter supplying over 100 countries world-wide. The Australian Government meat inspection system is internationally recognised at attaining the strictest standards of food safety.

AQIS operates modern meat inspection systems designed to address the risks of food-borne illness. Each animal processed for meat is subject to detailed veterinary inspections prior to and following slaughter to ensure that only healthy animals are slaughtered and disease conditions are detected and removed from the food chain.

Strict sanitation provisions apply to the operation of establishments used in meat preparation. Every precaution is taken to limit incidental contamination by micro-organisms during slaughtering and meat handling procedures.

Detailed temperature controls apply during the preparation, transport and storage of meat and meat products to strictly limit the growth of micro-organisms of public health concern.

Official certificates supplied by AQIS attesting to the veterinary ante- and post-mortem inspection of meat enjoy international recognition and confirm that product has been rigorously inspected, hygienically prepared and safely handled in Australia.

Australia is at the forefront of introducing improved approaches to ensure that its meat inspection systems reflect world best practice. New measures being introduced include HACCP-based quality assurance systems which aim at ensuring process controls are uniformly and rigorously applied. These new approaches also include on-farm measures which contribute to attaining meat safety objectives.

The operation of meat inspection programs in Australia is supported by laboratory testing programs which serve to confirm, from the residue and microbiological perspective, that Australian meat attains all relevant safety standards, including those specified by the Codex Alimentarius Commission.

Meat is a perishable commodity for which hygienic handling and preparation procedures must be maintained from initial processing until final consumption. The Australian meat industry and government authorities ensure that meat is of the highest practicable standard when it leaves Australia. Appropriate product handling and preparation practices must be followed after export to ensure the greatest possible protection of consumers.

REGISTERED OFFICE :  
BHIKAJI CAMA PLACE, M.G. MARG,  
NEW DELHI-110066  
TELEPHONE : 6791234  
FAX : 6791017

## ASIAN HOTELS LIMITED

DATE : January 21, 2003  
TO : Wammco International  
ATTN : Albert Baker  
FAX : 006189 355 0962  
FROM : V.K. Asthana  
SUB : Consignment of lamb meat  
REF : Proforma Invoice No. 23613 dated 05/12/02

Greetings from New Delhi!

This has reference to the proforma invoice mentioned above pertaining to the consignment of Lamb meat.

We had applied for import permit in our Ministry of Agriculture but now they have asked us to provide the international sanitary certificate signed by an official veterinarian of the exporting country (i.e. Australia) in the enclosed format.

You are requested to arrange the aforesaid certificate and fax it as soon as possible and also send us the original certificate by courier.

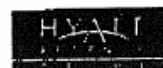
Our direct fax No is 91 11 26791017.

Regards,

  
V.K. ASTHANA  
GENERAL MANAGER-PUBLIC RELATIONS



OWNERS OF :







**WAMMCO** *International*

A DIVISION OF THE WESTERN AUSTRALIAN MEAT MARKETING CO-OPERATIVE  
11 Kitchener Avenue Burswood WA 6100  
TELEPHONE: +61 8 92620999 FACSIMILE: +61 8 93550962  
WEB SITE: [www.wammco.com.au](http://www.wammco.com.au)

## FACSIMILE COVER PAGE

Date: 21/1/03  
Time: 16:49:44  
Page: 1

To: V.K. Asthana  
Company: The Hyatt Hotel  
Fax #: 0011911126791017

From: Albert Baker  
Company: WAMMCO  
Address: GPO Box X2309  
Perth 6000

Message:

Good Afternoon Mr. Asthana,

Thankyou for your fax.

Regret to advise that Australian Government do not issue a Sanitary Certificate.

All this is covered by the Australian Health Certificate.

We wish to continue business with Asia Hotels Limited but are unable to supply the Sanitary Certificate.

Wait your response.

Best regards  
Albert

**From:** <mmfisheries@hotmail.com>  
**To:** "Alby Baker" <ALBY@wammco.com.au>  
**Date:** 23/07/2003 3:34:30 pm  
**Subject:** Re: Consignment

Respected Mr. Alby,

It is sad to report to you that though we had been trying hard, but are not able to get the permit for the import of Lamb from Australia. The Ministry wants the Sanitary certificate, which AQIS is unable to provide. The Ministry in India is strict because grapes had been exported to Australia from India but had been rejected by AQIS, so the ministry is upset with this.

We don't think that for near future we would be able to do business with your country. But we would surely find out some way soon. Even you had been patient enough and supported us all through the way. Further we would request you to kindly remit our money transferred through Bank. Kindly do the needful and oblige.

Thanks with regards,

M.P SINGH

M.M. FISHERIES (P) LTD.

Regd.Off.: 30/28, East Patel Nagar, New Delhi-08.  
Phones : 2578-8513, 2574-6923  
Outlets : A-79, Gazipur, New Delhi.  
Phone : 2277-6461  
Outlets : 200-201, INA Market, New Delhi-23.  
Phones : 2462-4780, 2463-5986  
Outlets : 1/83, Club Road, West Punjabi Bagh, ND-25.  
Phones : 2542-8011, 2511-9135

Fax No. : 91-11-25716610  
E- mail : fishing@mmfisheries.com  
E- portal: www.mmfisheries.com  
----- Original Message -----  
From: Alby Baker <ALBY@wammco.com.au>  
To: <mmfisheries@hotmail.com>  
Sent: Wednesday, July 23, 2003 9:19 AM  
Subject: Re: Consignment



Good Morning  
We have not heard from you as promised in regard to your consignment

Appreciate information on present status

Wait your response

Best regards  
Albert Baker  
alby@wammco.com.au  
Phone: 92620917  
Fax: 93550962  
Mobile: 0417953699

>>> <mmfisheries@hotmail.com> 10/07/2003 8:27:31 pm >>>



ATTENTION  
JON ARMAN  
3/11/03

18 November 2003

### **INDUSTRY ADVICE – MEAT EXPORTS TO INDIA**

Most exporters will be aware of the difficulties encountered with market access for Australian meat to India during the past two years despite continued representations made to the Indian authorities at all levels including Ministerial level. More recently, these difficulties have also extended to pet food.

At a recent technical meeting India has agreed to modify their certification requirements for the products listed below, however, these requirements are still not in compliance with OIE, CODEX or WTO rules. The requirements are also difficult to meet and may only be utilized by a small section of the industry.

Industry should be aware that although negotiations are continuing, India has been unwilling to change their requirements for country and farm freedom from a large number of diseases such that Australia is unable to truthfully certify for export of fresh beef, sheep and poultry meat. For example, officially, India require certification that Australia is free from Border disease which is endemic in Australia, they also require certification that the farm of origin of the animals was free from leptospirosis and blackleg for 2 years. India also require certification that "the source animals were not fed with feeds produced from internal organs, blood meal and tissues of ruminant origin," which will be difficult for a large part of industry to comply with.

*Whilst negotiations are continuing, India is unlikely to make extensive changes to their requirements in the near future. Therefore, AQIS could provide the certification below for those products that could prove compliance with the requirements via an auditable and verifiable program.*

*Exporters would be advised to carefully check to ensure that they fully comply with these requirements.*

*Elmer II will be updated with the relevant information. For access to Elmer II please see the following web site: (<http://www.affa.gov.au/content/elmer2/disclaimer.cfm>). Passwords to access this site can be requested from [mid.opscoord@aqis.gov.au](mailto:mid.opscoord@aqis.gov.au)*

#### **Exporters should note:**

Exporters wishing to send product to India using the conditions below should note that the following endorsement will need particular attention and may be impossible to verify in some circumstances:

*The source animals were not fed with feeds produced from internal organs, blood meal and tissues of ruminant origin*

This means that exporters should ensure that the source animals have never been fed meat and bone meal (in the case of pig/poultry), tallow, gelatin or other such animal products that could be used in animal feed.

Exporters should also note that **import permits are required for each shipment**. If the import conditions of the permits vary significantly from those appearing below, exporters are advised to present these to the AQIS Market Maintenance Group for clarification of certification requirements.



Australian Government

Australian Quarantine and Inspection Service

**For fresh pork meat, fresh pork meat products and edible pork offal use an E171 with the following endorsement:**

I further certify that:

1. The meat comes from abattoirs/processing plant accredited for export by Australia;
2. The animals from which the product has been produced originate from Australia;
3. The meat comes from animals slaughtered in abattoirs where no ruminant tissue/protein has been used in the production of meat or added to the meat at any stage;
4. Based on the Australian National Residue survey I can confirm that the meat does not have residues of pesticides, drugs and chemicals above the maximum residue limits prescribed internationally;
5. Australia is free from swine vesicular disease, African swine fever, Rinderpest, Enterovirus encephalomyelitis, Aujeszky's disease, Porcine Reproductive/Respiratory syndrome, foot and mouth disease, Transmissible gastro enteritis, trichinellosis and vesicular stomatitis;
6. The consignment comes from animals which were kept in an establishment where the following diseases have not been reported during the last two years – Tuberculosis, Porcine Brucellosis, Anthrax, Atrophic Rhinitis and Leptospirosis;
7. The source pigs have never been fed with feeds produced from internal organs, blood meal and tissues of ruminant origin;
8. Genetically modified ingredients or irradiated ingredients have not been added to the meat.
9. The meat has never come in contact with beef or beef product;
10. Fresh packing material was used and satisfies the necessary sanitary hygienic requirements.

**For processed meat – pork meat product, use E171 with the following endorsement:**

I further certify that:

1. The product has been processed at a temperature to attain internal temperature of not less than 68°C;
2. No ingredients of ruminant/poultry origin has been incorporated during processing;
3. The source animals were not fed with feeds produced from internal organs, blood meal and tissues of ruminant origin;
4. Based on the Australian National Residue survey I can confirm that the meat does not have residues of pesticides, drugs and chemicals above the maximum residue limits prescribed internationally;
5. Genetically modified ingredients or irradiated ingredients have not been incorporated during processing;
6. The product has never been in contact with beef product during processing/storage and not manufactured using the same facilities of beef or other ruminant/poultry product.

**For processed meat – poultry meat product, use EX174 with the following endorsement:**

I further certify that:

1. The product has been processed at a temperature to attain internal temperature of not less than 68°C;
2. No ingredients of ruminant/porcine origin has been incorporated during processing;
3. The source animals were not fed with feeds produced from internal organs, blood meal and tissues of ruminant origin;
4. Based on the Australian National Residue survey I can confirm that the meat does not have residues of pesticides, drugs and chemicals above the maximum residue limits prescribed internationally;
5. Genetically modified ingredients or irradiated ingredients have not been incorporated during processing;
6. The product has never been in contact with beef product during processing/storage and not manufactured using the same facilities of beef /pork product.



**Australian Government**

**Australian Quarantine and Inspection Service**

**For processed meat – lamb/sheep/goat meat product use E171 with the following endorsement:**

I further certify that:

1. Australia is free from TSE group of diseases including bovine spongiform encephalopathy and scrapie;
2. The product has been processed at a temperature to attain internal temperature of not less than 68°C;
3. No ingredients of bovine/porcine/poultry origin has been incorporated during processing;
4. The source animals were not fed with feeds produced from internal organs, blood meal and tissues of ruminant origin;
5. Based on the Australian National Residue survey I can confirm that the meat does not have residues of pesticides, drugs and chemicals above the maximum residue limits prescribed internationally;
6. Genetically modified ingredients or irradiated ingredients have not been incorporated during processing;
7. The product has never been in contact with bovine/pork/poultry product during processing/storage and not manufactured using the same facilities of bovine/pork/poultry product.

**For processed pet food (animal and non-animal origin) use E242 with the following endorsement:**

I further declare that:

1. The ingredients in the pet food do not contain any item of ruminant origin;
2. Australia is free from Highly Pathogenic Avian Influenza;
3. The product has been processed at a temperature to attain an internal temperature of not less than 70°C for 30 minutes;
4. The source animals have never been fed with feeds produced from internal organs, blood meal and tissues of ruminant origin.

## APPENDIX C

### Import Duty structures of food products as on 1<sup>st</sup> March 2006

<i>Hs Code</i>	<i>Unit</i>	<i>Product</i>	<i>Basic Import Duty</i>	<i>CVD</i>	<i>Cess of basic</i>
0206:90 90	Kg	Meat	30 %	4%	2%
0207:13 00	Kg	Cuts and offal, fresh or chilled	100 %	4%	2%
0302	Kg	Fish, fresh or chilled, excluding fish fillets and other fish	30 %	4%	2%
0402	Litre	Milk and cream, concentrated or containing added sugar or other sweetening matter	60 %	4%	2%
0403:10 00	Kg	Yogurt	30 %	4%	2%
0405		Butter and other fats and oils derived from milk; dairy spreads		4%	2%
0405:90 90	Kg	Other...	40 %	4%	2%
0406				4%	2%
0406:10 00	Kg	Fresh (unripened or uncured cheese, including whey cheese and curd	30 %	4%	2%
0409 00 00		Natural Honey	60 %	4%	2%
0711:20 00	Kg	Olives	30 %	4%	2%
0804 50 20	Kg	Mangoes, fresh	30 %	4%	2%
0805:10 00	Kg	Oranges fresh	40 %	4%	2%
0805:20 00	Kg	Mandarins fresh	30 %	4%	2%
0806:10 00	Kg	Grapes fresh	40 %	4%	2%
0808:10 00	Kg	Apples Fresh	50 %	4%	2%
0808:20 00	Kg	Pears and quinces	35 %	4%	2%
0809 10 00	Kg	Apricots	30 %	4%	2%
0809:20 00	Kg	Cherries, fresh	30 %	4%	2%
0809:20 00	Kg	Raspberries, blackberries fresh	30 %	4%	2%
0809:30 00	Kg	Peaches, including nectarine fresh	30 %	4%	2%
0809:40 00	Kg	Plums and sloes, fresh	25 %	4%	2%
0810:10 00	Kg	Strawberries, fresh	30 %	4%	2%
0810:50 00	Kg	Kiwi fruit	30 %	4%	2%
0810:90 10	Kg	Pomegranates	30 %	4%	2%

0810:90 60	Kg	<i>Lichi</i>	30 %	4%	2%
1509:90 10	Kg	<i>Edible grade</i>	40 %	4%	2%
1601 00 00	Kg	<i>Sausages and similar products, of meat, meat offal or blood; food preparations based on these products</i>	100%	4%	2%
1602:32 00	Kg	<i>Of fowls of the species Gallus domesticus</i>	100%	4%	2%
1604:20 00	Kg	<i>Other prepared or preserved fish</i>	30 %	4%	2%
1702		<i>Honey mixed with artificial honey/sugar syrup etc</i>	30 %	4%	2%
1704:10 00	Kg	<i>Chewing gum, whether or not sugar coated</i>	45 %	4%	2%
1704:90 10	Kg	<i>Jelly Confectionery</i>	30 %	4%	2%
1806	Kg	<i>Chocolate and other food preparations containing cocoa</i>	30 %	4%	2%
1902:20 00	Kg	<i>Stuffed pasta, whether or not cooked or otherwise prepared</i>	30 %	4%	2%
2002:90 00	Kg	<i>Other (Chutney)</i>	30 %	4%	2%
2005:70 00	Kg	<i>Olives and Olive preparations</i>	30 %	4%	2%
2007		<i>Jams, fruit jellies, marmalades..</i>	30 %	4%	2%
2008:99 91	Kg	<i>Fruit cocktail</i>	30 %	4%	2%
2103		<i>Sauces</i>		4%	2%
2103:10 00	Kg	<i>Soya Sauces</i>	30%	4%	2%
2103:20 00	Kg	<i>Tomatoe ketchup and other Tomato sauces</i>	30%	4%	2%
2103:30 00	Kg	<i>Mustard flour and meal and prepared mustard</i>	30%	4%	2%
2103:90		<i>Others...</i>		4%	2%
2103:90 10	Kg	<i>Curry paste</i>	30%	4%	2%
2103:90 20	Kg	<i>Chilli sauce</i>	30%	4%	2%
2103:90 30	Kg	<i>Majonnaise and salad dressing</i>	30 %	4%	2%
2103:90 30	Kg	<i>Majonnaise and salad dressing</i>	30%	4%	2%
2103:90 40	Kg	<i>Mixed, condiments and mixed Seasoning</i>	30%	4%	2%
2103:90 90	Kg	<i>Other.....</i>	30%	4%	2%
2106:90 91	Kg	<i>Diabetic foods (Sugar free)</i>	160%	4%	2%
2202:90 10	Litre	<i>Soya Milk drinks, whether or not sweetended or flavoured</i>	30%	4%	2%
2202:90 30	Litre	<i>Beverages containing milk</i>	30 %	4%	2%