



Booming Indo-Australian Trade

Consumer Goods to get The Next Big Push



Don Cairns

It was Australian Prime Minister John Howard, who aptly described what he thought about India and its potential as a trading partner during his visit to this country in March 2006. He said: "The centre of gravity of economic activity is shifting to India." This tribute, coming from the man, whose drive has catapulted Australia into the big league of developed nations in the last decade, reflects the pride of place that India occupies in his country's esteem.

With the two-way trade estimated at \$ 9.4 billion in 2004-05, India had emerged as Australia's sixth largest export market. The role played by Don Cairns, Trade Commissioner at Australian Consulate in Mumbai, India's commercial capital, in facilitating and promoting two-way trade is crucial. Cairns talks about collaboration between corporates of the two countries in such high investment areas as oil and natural gas as well as the emerging retail consumer goods markets with their huge untapped potential for Australian products. He refers to the booming supermarket culture across the country and the big push that Australian exporters will be giving their products to earn a fair share in the Indian market.

Being a member country of TCF, which are the areas you think Australia and India can look forward to collaborate in the forthcoming years?

In these years the areas have not changed much. We are still chasing the same things as the last year. The processed food, beverages and wine sector, which we started tapping last year has the scope to get double next year with the booming super market culture here.

Since we did the Shoppers Stop Festival all around India, we found a lot of interest in our cosmetics, jewellery, clothing, fashion wear, sunglasses and sporting goods. So now we have a big push on those sectors too.

We are also accelerating on the entertainment field. The film 'Salaam Namaste' was shot in Australia and was very successful. It has created interest among a lot of producers

in India to make movies in Australia. A lot of commercials, music videos and TV shows have been shot there recently. So, we are focusing on entertainment as well.

Another sector is oil and gas. A number of our big contractors have offices in Mumbai now and one of them have already got contracts on offshore gas and pipeline. We are also looking at construction projects for roads and bridges. So there is a wide range of sectors from food and wine to bridges and roads. The wine sector is growing faster. Western Australian premier's visit on a wine mission to India this year had emphasis on the wine sector. We expect the wine business to be tripled next year.

What role does Australia play in the TCF and what are the issues that you want to put across the forum?

The forum is not much about just one's own country. It is for



general information. We had some issues with customs so last week we had a meeting with the Customs Secretariat Commissioner and discussed those issues with them at once. We go together on missions to various cities like Pune, Baroda, Goa and others. When there is a big group, it is easier to get a big audience. Each member spends ten minutes discussing about the country he represents. So, it's not so much about individual countries putting up any issue but more for everyone taking advantage of the number. One can get more work done if the number is big. If we want to see the Governor or the Chief Minister on some trade issues and we are 20 in number than the meeting is more effective than just one member visiting them.

What is the history of Indo-Australian trade relations?

Our trade with India goes back to 1850 when we first sent coal to India for the first steel mills. It is a long history but for many years, it was only commodities like wheat cotton, wool, copper and zinc. Only in last 20 years the trade has started in the higher technical products segment. And in last five years, services, food, IT and communication equipment have taken up.

BHP was the first company that started trading with India 150 years ago. They are now present in Pune, Delhi, Kolkata, Bangalore and many other cities across India.

Could you name few Australian companies, which are successful in India?

They are purely commodity companies like in gold, it is EGR, the Perth-based company which sends gold worth \$2 billion every year to India. We also have Rio Tinto sending diamonds and coal to India. In first of July, our financial year, we have received a list of 49 Australian companies trading with India. And there is a potential to support 100 companies to establish their base in India.

Anything you would like to add:

Australia is happy to be a part of the TCF. We think it is a useful mechanism to show ideas and particularly to resolve common issues. I was a member of such a forum in China and now I am happy to be a part of this forum in Mumbai. ■