

# UPSC Mains Content Builder Series

Video 6



# INDIA AUSTRALIA VIRTUAL SUMMIT



# Our Interests

- ▶ Diplomatic & Foreign relations.
- ▶ Security & Trade.
- ▶ GS II - India and its neighborhood- relations.



# Context

- ▶ The **virtual bilateral summit** between Prime Minister Narendra Modi and his Australian counterpart Scott Morrison Wednesday is a big deal at a time when both countries find themselves under attack from the **belligerent dragon — China**.
- ▶ For India, the 'Wuhan spirit' or the bonhomie after the informal summit between President Xi Jinping and PM Modi in 2018 has been wiped out by the **virus from Wuhan**, along with **China's ongoing aggression in Ladakh**.
- ▶ For Australia, its thriving economic relationship with China has been hit by sanctions on beef and barley exports — ostensibly a retaliation to Canberra having had the temerity **to ask for an independent inquiry into the origins of the novel coronavirus**.
- ▶ Morrison responded to Chinese bluster and bullying by replying firmly that **Australia won't trade away its values**.



# Scott Morrison, standing up to China

- ▶ In 2015 (as treasury), strengthen his country's foreign investment review process after the Northern Territories government signed a 99-year lease agreement for the strategic port of Darwin with a Chinese company that has links with the People's Liberation Army.
- ▶ In 2016 block the sale of Australia's largest cattle business, to a Chinese consortium.
- ▶ Prevent a state-owned Chinese company from buying a controlling stake in power distribution company **Ausgrid also managing Critical Communication Infra (CCI)**.
- ▶ Later, as the home minister, he had to invoke national security provisions to keep Huawei out of Australia's 5G infrastructure.



# The Response

- ▶ Australia has had to shore up its defences by crafting a series of administrative and legislative provisions aimed at protecting its political system, its university campuses, its critical infrastructure.
- ▶ These hold important lessons for other countries that seek to protect their open economy and democratic polity against the predatory attacks of a power that plays by a different set of rules.



# India-Australia bilateral agenda – (Security)

- ▶ **Mutual Logistics Support Agreement (MLSA)** that adds some muscle to the US-India-Japan-Australia Quad.
  - ▶ MLSA will allow access to military bases for logistics support
  - ▶ The agreement will facilitate reciprocal access to military logistics facilities, allow more complex joint military exercise and improve interoperability between the security forces of the two nations
- ▶ The **AusIndex** naval exercises and the annual 2+2 meetings bringing together the Defence and Foreign Secretaries also contribute to the growing security dimension of the relationship between the two countries.



# Economic dimension

- ▶ Economic dimension continues to lag.
- ▶ Bilateral trade is barely **\$30 billion** and even though Australia is a world leader in **niche technologies**, investment in India is relatively limited.
- ▶ The report 'An India Economic Strategy to 2035' by **Peter Varghese**, former Australian Foreign Secretary and High Commissioner to India, provides an excellent blueprint.
- ▶ It identifies **10 states and 10 sectors** of the economy that can be of particular focus, and underscores the important role of investment in driving the economic relationship.
- ▶ Private business groups have been shy to grab it:
  - ▶ exception of the Macquarie Group and a couple of others,
  - ▶ Australia's large financial institutions, pension funds and even the sovereign Future Fund have shown reluctance to invest in India.
  - ▶ From India, the Adani group's multi-billion dollar investment into the **Carmichael coal fields** in Queensland also ran into a series of hurdles and dampened some of the initial ardour to invest in Australia.



# Chinese Catalyst & Convergences

- ▶ There are also a number sectors where Australia has proven expertise.
  - ▶ Some projects are already underway in agriculture, animal husbandry, water conservation, mining technology and equipment and sports infrastructure,
  - ▶ Cyber security is of critical interest to both, as is the need to work together in tapping Australia's huge deposits of lithium and rare earths.
- ▶ However, none of this is new and much of this has been discussed in previous high-level engagements. China might just be the catalyst that was needed to infuse new energy into a relationship that has always basked in its potential, but never managed to realise it.



# Courtesy

- ▶ *The Hindu*
- ▶ ORF
- ▶ *Swarajyamag*



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