



Submission to

**Economic and Industry Standing Committee
Parliament of Western Australia**

22 February 2020

International Business Council of Australia Inc, Perth

www.internationalbusinesscouncil.com.au

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Ms Jessica Shaw
Chair
Economic and Industry Standing Committee
Parliament of Western Australia

Dear Jessica

The International Business Council of Australia (IBC Australia) welcomes the parliamentary inquiry into Western Australia's Economic Relationship with India. We are pleased to submit our suggestions/recommendations to improve the Western Australia's Economic Relationship with India.

Pity Situation

Over the past years Western Australia's trade with India has more than halved even having a strong presence of WA's Trade Office in Mumbai and the Sister Relationship with Andhra Pradesh State of India.

Growing India

India emerged as the world's fifth-largest economy by overtaking the UK and France in 2019. A US-based think tank World Population Review in its report said that India is developing into an open-market economy from its previous autarkic policies. "India's economy is the fifth-largest in the world with a GDP of \$2.94 trillion, overtaking the UK and France in 2019 to take the fifth spot". The size of the UK economy is \$2.83 trillion and that of France is \$ 2.71 trillion.

The report further said that in purchasing power parity (PPP) terms, India's GDP (PPP) is \$10.51 trillion, exceeding that of Japan and Germany.

Over the last decade, India's economy has more than doubled in size and India has targeted to become a US\$ 5 Trillion economy by 2024. Further, within five years India is predicted to contribute more to global economic growth than the US, Indonesia and Japan combined. Recently, India has made consistent improvements in global indicators of economic performance, international accessibility and ease of doing business. India's ranking improvement to 63rd out of 190 in the World Bank's official Ease of Doing Business Report – improving from 130th over the last three years – is indicative of a more reliable investment environment and a more formalised economy

So, what it's mean to Western Australia?

Western Australia needs to re-consider its position in India.

We have the following suggestions/recommendations to be considered by the Committee as well as by the Government without wasting much time:

1. A Task Force to be constituted by the Government to review the potential business opportunities in India. A 9-Member Task Force can have the members from IBC Australia, CCIWA, USAsia Centre, Austrade, JTSI, Dept of Education, Dept of Petroleum & Mines, Representative of the Indian Businesses operating in WA, Representatives of Tourist Industry, Representative of University, etc.
2. The position of the Trade Commissioner in India needs to be abolished and an Agent General to be appointed with Business and Investment background considering the size and importance of the market.
3. The Trade Office of WA Government should be shifted from Mumbai to New Delhi.
4. An Independent Investment Promotion and Facilitation Agency should be established with a Board of Directors mainly from the industry.
5. WA should establish more Sister Relationships with a number of States of India. Rajasthan, Uttar Pradesh, Haryana, Punjab, Delhi, Maharashtra, Karnataka and Gujarat States to be considered for Sister Relationships.

6. There is a large number of Indian Diaspora in Western Australia with business and educational background, their talent should be exploited by offering them positions in various committees, enterprises, Government Agencies, etc.
7. India has created a new Ministry in the name of "Jalshakti" and the Department of Drinking Water and Sanitation has launched the "National Jal Jeevan Mission (Water to Every House)". As none of the City of India has a continuous water supply, Western Australia should explore the possibility to provide consultancy services. Recently, Dr Dilawar Singh, President, IBC Australia and Mr Anoop Bhatnagar, President, Indian Chapter of IBC Australia met Mr Gajendra Singh Shekhawat, Minister for Jalshakti and advised him on the capabilities of WA businesses.
8. WA produces nine of the ten materials require to manufacturer Lithium Ion Batteries. The demand of Lithium Ion Batteries in India is going to be 2,700 GWh per year for Electric Vehicles and 22 GWh per year for power storage application. WA should support the setting up of a large Export Oriented Integrated Lithium Ion Manufacturing facility in Perth especially to cater the demand of India.
9. The recent commissioning of India's first east coast LNG receiver terminal opens the doors for export of LNG to India as India's requirement of gas is going to be tripled in coming years.
10. Regular Business Delegations should be organised from WA to India and vice-versa.

We hope, the International Business Council and its members can play a vital role to bring two countries together especially to boost the trade and investment between Western Australia and India.

Should the committee feels to convene a meeting or would like to have a Hearing or Presentation from the International Business Council to explore the possibilities of cooperation, we would be happy to do so.

Yours sincerely

Dr Dilawar Singh
President