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# Australia to Eliminate Tariffs on 100% of Indian Exports

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Why in news: Under the **India–Australia Economic Cooperation and Trade Agreement (Ind-Aus ECTA)**, **Australia will eliminate tariffs on 100% of Indian exports from 1 January 2026**, marking a significant step in strengthening bilateral trade relations.

## **India–Australia ECTA**

**1Operational since:** December 2022

**2Nature:** Early-harvest trade agreement

**3Objective:**

oImprove market access

oPromote trade diversification

oStrengthen supply-chain resilience

**4Future roadmap:**

oNegotiations underway for a comprehensive **India–Australia CECA (Comprehensive Economic Cooperation Agreement)**

## **Key Provisions**

**Duty-free access:** Australia to provide **zero-tariff access on 100% of Indian exports**

**Coverage:**

oManufacturing and agriculture sectors

oServices and professional mobility (select areas)

## **Impact of ECTA (So far)**

**Kamaraj IAS Academy**

Plot A P.127, AF block, 6 th street, 11th Main Rd, Shanthi Colony, Anna Nagar, Chennai, Tamil Nadu 600040

Phone: **044 4353 9988 / 98403 94477 / Whatsapp : 09710729833**

**1Export growth:** India's exports to Australia increased by **8% in 2024–25**

**2Improved trade balance** with Australia

**3Key beneficiary sectors:** Manufacturing, Chemicals, Textiles, Plastics, Pharmaceuticals, Petroleum products, Gems and jewellery

### **Boost to Agriculture**

1Strong growth in: **Fruits and vegetables, Marine products, Spices, Coffee exports** (exceptional rise)

2Enhances income opportunities for **farmers and agri-exporters**

**Support to Labour-Intensive Sectors:** Full tariff elimination expected to:

1Benefit **MSMEs**

2Promote **employment generation**

3Increase incomes in labour-intensive industries such as textiles and gems & jewellery

### **Strategic Significance**

1Strengthens **India–Australia economic partnership**

2Enhances **supply-chain resilience**

3Supports **market diversification** for Indian exports

4Reinforces India's **Indo-Pacific economic integration**