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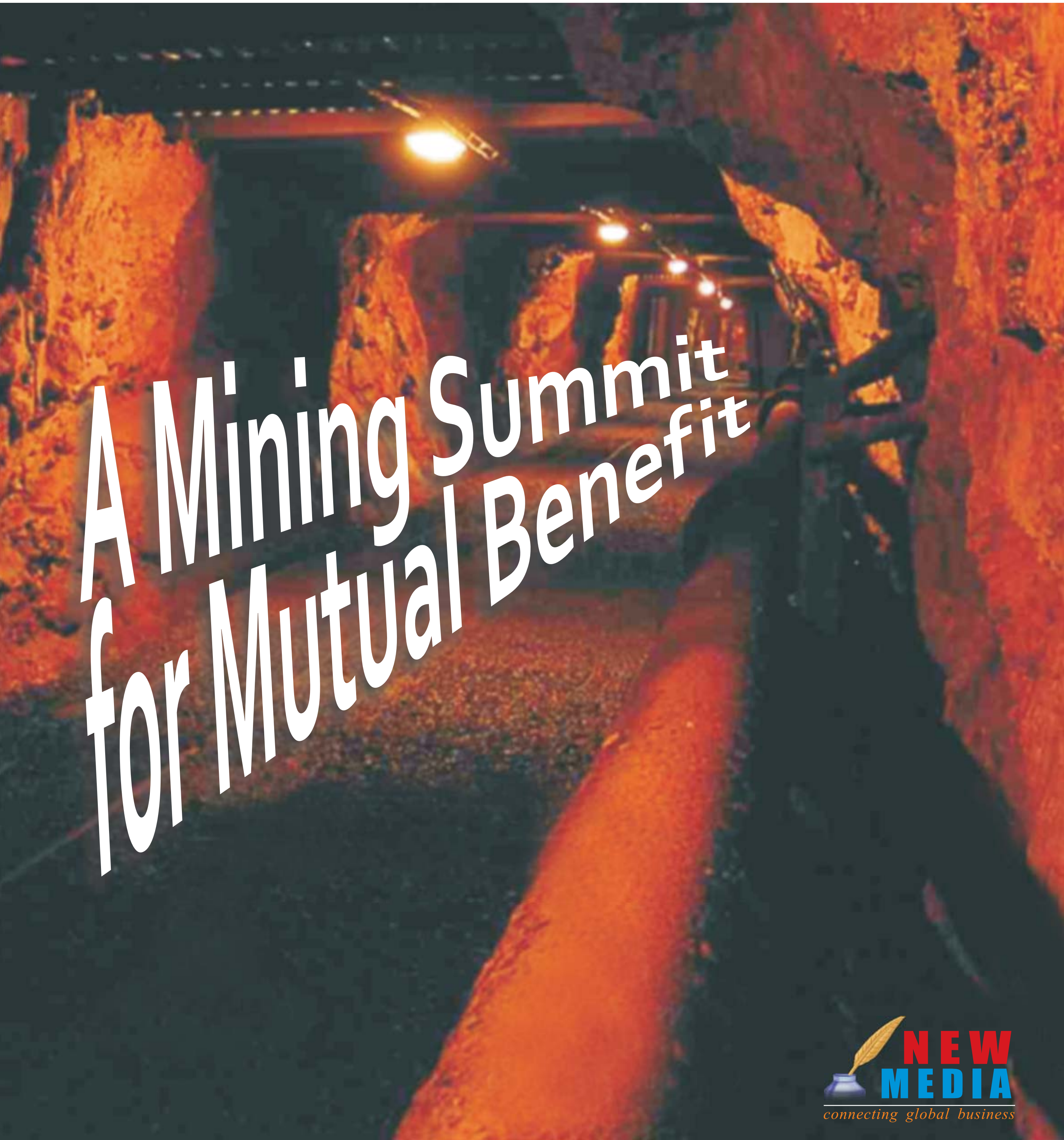

In This Issue

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Editorial

Dear Reader,

Greetings. Mining has emerged as one of the key areas of collaboration between India and Australia in recent years. While India is a country rich in mineral resources, Australia has both resources as well as the state-of-the-art mining technology to take advantage of them commercially. In India, large-scale mining is mainly controlled by the government. In recent years, the government has opened the mining sector to private investment, both domestic and foreign. In fact, it has allowed Foreign Direct Investment up to 100 percent in the mining sector to help the country exploit its vast reserves of coal, iron ore, bauxite, etc. Against this backdrop, the Confederation of Indian Industry (CII) is holding a global mining summit in Kolkata in the first week of November, to show case investment opportunities in the mining sector in this country. The cover story of the current issue of Indo-Australian Business highlights the mining Summit and its objectives. The Mining Council of Australia (MCA) has been strongly supportive of a Free Trade Agreement with India saying that it will further strengthen co-operation between India and Australia in mining, which is a key sector of both their economies. We carry a submission made by MCA in this regard in detail. The State-owned Coal India Ltd (CIL) supplies more than 80 percent of the coal required by the country. In an interview, CIL Chairman Partha Bhattacharya talks about his company's initiatives to improve productivity and efficiency. The Foreign Ministers of both India and Australia have agreed during their recent meeting in New Delhi that a study on the proposed Free Trade Agreement should be made ready by year-end. We carry a report. Australian Prime Minister Kevin Rudd has recently called for an 'Education Revolution' in his country in order to build a world-class, skilled workforce. We carry Rudd's inspiring speech delivered at a newspaper publishers' conference in Australia. India offers a vast market to many Australian products. But the exporters from that country have been advised by Mike Moingard, a senior official of the Austrade, to exercise patience and more patience in dealing with Indian customers in order to reap rich dividends in the long run. We carry it as a view point. An Australian company has patented a wine can to serve the appetizing liquid, which is now getting popular with the Indian hotel industry. We carry the feature. Then there is plenty of news, besides our regular features.

Wish you happy reading,

Satya Swaroop
Managing Editor
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A Mining Summit for Mutual Benefit

A two-day 'Global Mining Summit', which is being be held in Kolkata on 6 and 7 November, 2008, will showcase the mineral-rich India as the ideal destination for investment. This Summit is being held concurrently with the 9th International Mining and Machinery Exhibition 2008.

According to the Confederation of Indian Industry (CII), organizers of the Summit, the country's mining sector is gearing up to play a pivotal role in supporting India's accelerated annual economic growth, averaging at a high of 8-9 percent in recent years. The Summit is supported by the union ministries of Mines and Coal.

With a high economic growth rate, India has emerged as one of the most energy-hungry countries and a much sought -after investment destination for global corporations, CII said. Stimulating investment in public and private sector in exploration and production of minerals has therefore assumed strategic importance for the country, it added.

India is a globally leading mineral producer endowed with a rich resource base of several major minerals like coal, iron ore, bauxite, etc. The country offers an unmatched opportunity to both domestic and global companies to tap its potential. The growth forecasts in the end-use sectors across the country, when combined with the large export market potential, suggest a vast market opportunity for investors in the mining sector.

To support and sustain high economic growth, the country will need investments to the magnitude of $11.5 billion in the mining sector. Against this massive investment requirement, Foreign Direct Investment (FDI) of $ 1 billion has already been approved in the mining sector up to 2006.

Recognizing the pivotal role of the mining sector in supporting the accelerated economic growth, the rapid development of the sector has come into sharp focus. Investment requirements over next five to ten years in some of the key mining sectors are: coal mining $30- 40 billion; metal ore $15 billion, mining equipment $5 billion;

India is the world's largest producer of mica blocks and mica splittings. With the recent spurt in world demand for chromite, India has stepped up its production to reach the third rank among the chromite producers of the world. Besides, India ranks 3rd in production of coal & lignite and barytes, 4th in iron ore, 6th in bauxite and manganese ore, 10 in aluminium and 11th in crude steel in the World. Besides these natural resources, India also hosts significant reserves of copper, zinc, gold and about 26 other metallic and minor minerals. India has 2600 operating mines with 2300 in the private sector.

This will mean opening up of business opportunities on an unprecedented scale, not only for investments in the sector but also for providing technology in exploration, mining and associated activities. As India gets ready to ramp up investments in the mining sector, the world mineral scenario is also fast-witnessing significant changes. Not only have the world markets seen growing global demands for metals & minerals and consequently high prices but policy & regulatory environments in almost all resource rich nations have also seen dynamic changes, making them more investor friendly. India is thus competing with other resource rich countries to attract investments in the mining sector. Government of India is actively engaged in policy debates taking policy liberalization process far beyond allowing 100 percent foreign direct investment in the sector. It needs to address specific challenges in policy; procedures for permits, clearances, licenses and land acquisition; infrastructure; funding; technology and environment.

India's mining industry continues to grow in economic importance. In June 2008, a report from financial services company Edelweiss predicted that the industry should reach a size of almost $30 bn by the end of the 2012 fiscal year a figure equivalent to around 2.5 percent of GDP. The report noted that India has significant amounts of natural resources, which should allow it to develop a world-class mining industry. However, the report also underlined the fact that India would need to bring in a more conducive regulatory framework and attract further investment in exploration, mine development and infrastructure in order to allow the full potential of its mining industry to be realized.

In a positive move for the sector, in March 2008, the Indian cabinet approved the National Mineral Policy (NMP) 2008, which should do much to boost foreign direct investment (FDI) in mining. At the same time, the cabinet also approved the setting-up of an independent dispute resolution tribunal to be known as the Mining Administrative Appellate Tribunal. The approval of a NMP will be a clear boon for the sector.

The Indian mining sector is largely state-dominated, but the government is now seeking a phased withdrawal of its participation from the non-strategic metal sector in order to encourage private players to take the centre stage. India's economic prospects and rich geology have long captured the interest of foreign companies. However, the presence of foreign mining firms whose investments would help upgrade the Indian mining-related technology is low. A new and much anticipated mining policy is on the horizon. It seeks to ease excessive bureaucratic influences while issuing or transferring mining leases and permits.

The policy also aims to encourage domestic and overseas players to invest in the exploration of precious metals. In addition, the government is taking active steps to encourage foreign investment in the mining industry, with the investment target for 2007-2009 pegged at US$22.37bn. Non-uniformity of rules and regulations across the country characterizes Indian mining laws. The states hold the sole licensing authority for most minerals, except for iron ore and uranium, which require prior consent from the central government. States can also create their own qualifying conditions and most of them hold discretionary powers to terminate a mining lease, or to take ownership of a mine on grounds of non-performance, or environmental or labour-related reasons.

The pace of new exploration initiatives in the Indian mining industry has been rather slow often as a result of excessive paperwork and confusing regulations. The new mining policy is expected to address these gaps in the industry and encourage private players to go beyond exploring traditional minerals to fully leverage the richly endowed natural diversity of the country. India's mining industry is forecast to log an average growth rate of 8.1 percent over 2008-2012, to be valued at US$74.6bn by 2012.

In recent years, several corporate initiatives have also been undertaken to integrate with the global mining industry in terms of inflow of technology and best practices.

Against this backdrop CII's Global Mining Summit is being held. The summit will be a unique forum for all the stakeholders - policy makers, investors, lenders, producers, buyers, traders, equipment manufacturers, mining professionals and experts to assemble on a single platform, to interact with each other and to discuss possible business opportunities.

The objectives of the Summit are:

• To showcase the large-scale business opportunity in India's mining sector.

• To discuss next-generation policy, procedural and regulatory initiatives needed to attract investments in India's mining sector.

• To highlight best practices in exploration and investments with a view to making Indian mining sector globally competitive.

• To provide a platform for exchange of views, ideas and business opportunities among the global and domestic industry participants.

• To provide a platform for technology upgrade and joint ventures for equipment manufacturers.

The summit will have several technical sessions on:

• India's Mining Sector-Policy and Regulatory imperatives for accelerating investments

• Making mining infrastructure happen in India

• Making Indian mining industry globally competitive

• Business opportunities in India - Understanding best practices in technology and mine operations. Focus on (a) coal, (b) metallic minerals, (c) non-metallic minerals.

• Parallel sessions on optimizing material handling a) Need for focusing on exploration and b) Bringing Sustainability in mining ore processing.

• Financing options and strategies for supporting large investments in India's mining sector.

• During the summit, a buyer-seller meeting and one-to-one meeting with prospective investors will take place concurrently on the first day afternoon.

The CII works to create and sustain an environment conducive to the growth of industry in India, partnering industry and government alike through advisory and consultative processes.

CRISIL Infrastructure Advisory; infrastructure consulting business of CRISIL Limited, a Standard & Poor's company and India's leading ratings, research, risk and policy advisory company is the knowledge partner for the summit.

Australian Firms Keen on Investing in Mineral Exploration in India

- Martin Ferguson, Minister for Resources & Energy

A number of Australian mining companies are interested in investing in mineral exploration in India, Australian Minister for Resources, Energy and Tourism Martin Ferguson said in Kolkata ahead of a Global Mining Summit being held in the city.

"India has huge resources of mining and most of them are still untapped. We're keen to go for partnership with Indian companies and would also like to invest directly in the minerals and resources sector," he told reporters.

Ferguson said many Australian companies are now trying to maximise the resource development with their Indian counterparts, using advanced technologies and their expertise.

According to Tracey Winters, secretary to Ferguson, the minister had a scheduled meeting with West Bengal Chief Minister Buddhadeb Bhattacharjee on enhancing economic cooperation between the countries.

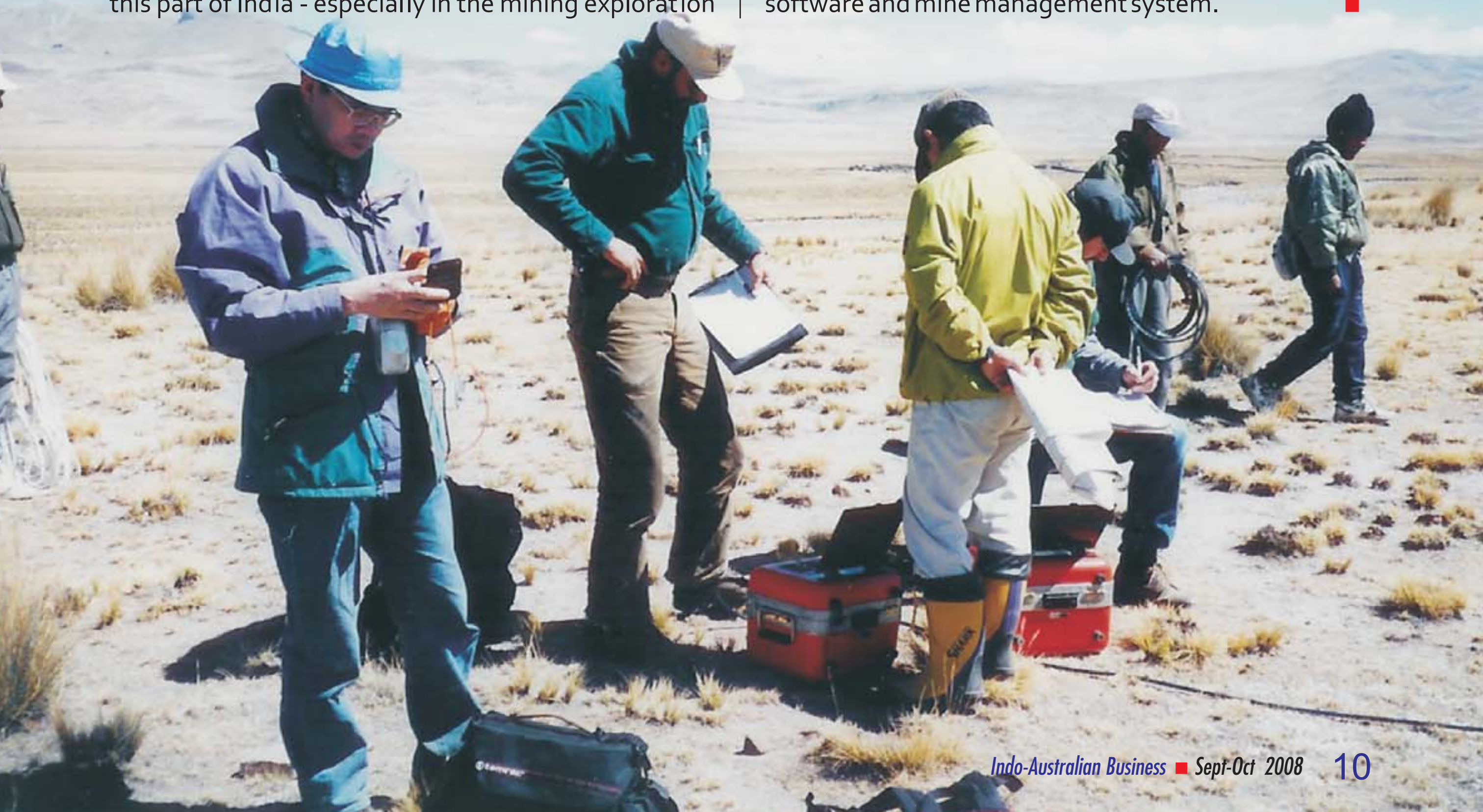
"The minister (Ferguson) will share views about the investment opportunities of Australian companies in this part of India - especially in the mining exploration sector. The minister would also welcome a number of Indian companies to participate in the similar economic activities in Australia too," she said.

Winters said Australia is open to foreign investment in the coking coal sector. She said: "Already a few Indian investors, including Gujrat NRE Coke and the Aditya Birla Group, have invested in Australia and several others are now evaluating the opportunities."

The Aditya Birla Group has acquired a copper mine in Australia, Queensland's Mt Gordon Copper Mine, for a gross consideration of $21 million.

Australia is participating as the Focus Country in the 9th International Mining and Machinery Exhibition (IMME) 2008, to be held here Nov 5-8. A delegation of 50 Australian companies will participate in the trade show. The event will showcase Australia's global leadership positioning in mining technology and services.

According to a rough estimate, over 60 percent of the world's mines operate with Australia-designed mining software and mine management system. ■



MCA Chief Calls for Stability in Taxation to Help Exports

Minerals Council of Australia Chief Executive Officer Mitchell Hooke has called for stability in tax structure to help improve the competitiveness of Australian exports in the global market. In a recent column for Australia's Mining Monthly Hooke has urged the Australian provincial governments not to treat the mining industry as a 'milch cow' for purposes of raising revenue through taxes. Following is the text.

Every year the Fraser Institute a highly-respected global think tank surveys the world's biggest mining companies to determine which governments have the best policies for attracting and winning minerals investment.

The results are recorded in the Institute's Policy Potential Index, a report card that ranks 68 federal and state governments from around the world. Regrettably, the Institute's 2007-2008 index contains little, if any, good news for Australia.

Every State Government has lost ground in the global ranking of attractive investment jurisdictions since 2005-2006 with the exception of Victoria, which improved its position by just one. After every state made the top 20 in 2006-2007 (including three in the top 10), only South Australia managed to rank below 20 in the latest survey.

Botswana now outrates, in the collective view of more than 350 mining companies, every Australian state as a destination for mining company investment.

This decline in sentiment is largely due to growing concerns about the administration, interpretation and enforcement of regulations; regulatory duplication and inconsistency, potential taxation changes, infrastructure constraints and workplace relations uncertainty.

When combined with an increasing focus by Australian governments on the minerals industry as a source of windfall taxation and royalty revenue, the level of sovereign risk or threat that capricious policy-making will undermine business investment is unquestionably increasing in Australia.

The Minerals Council of Australia has consistently advocated the need for stability in taxation and royalty regimes as a key mitigator of sovereign risk. This certainty is critical to investment and business efficiency.

With the taxation system under the microscope in Treasury's Australia's Future Tax System review, it is critical that future tax policy is based on a set of coherent and consistent principles that promote economic activity, certainty, neutrality and equity.

Australia's tax system should balance the need to protect the taxation revenue base with the principles of a good tax system - efficiency, fairness, simplicity, transparency and certainty - with low compliance costs.

It should enhance competitiveness by creating a climate conducive to improved investment in Australia and for Australian-based companies seeking to invest overseas.

The current temptation for opportunistic increases in the tax take is based on the false premise that the public is not already getting an increased return from the improvement in terms of trade. Australia's existing progressive tax system ensures that. Minerals companies pay company taxes, and royalties, both of which are progressive and increase with company revenue.

The Australian mining industry directly employs more than 142,000 people and will pay state and territory governments an expected $7.4 billion in royalties this financial year double what was paid just three years ago.

Access Economics estimates that the minerals industry will have delivered an additional $15 billion in revenue to the Commonwealth this financial year in the form of both direct tax and the tax on the entire sector's contribution to national productivity. The industry is paying its way.

Any attempt to re-engineer the inherent progressiveness in the design of Australia's taxation system and royalty regimes on the basis of a sector's improved economic circumstances would undermine the integrity of the system and businesses confidence. It would increase sovereign risk and disincentives to investment. ■

India-Australia FTA Will Help Boost Mining Ties

- Mining Council of Australia

Minerals Council of Australia (MCA) has made a Submission to the Feasibility Study on the prposed India-Australia Free Trade Agreement. In the Submission made to to the Department of Foreign Affairs and Tradein June 2008, MCA has said the Australian minerals sector strongly supports the negotiation of a free trade agreement with India. MCA welcomes the commitment of both Indian and Australian governments to assess the merits of a bilateral trade and investment agreement between Australian and India. India is both an important export market as well as an attractive destination for foreign investment.

With a combined export value in excess of A$7.4 billion, Australia's mineral and metals exports to India in 2006-07 (mainly metallurgical coal, copper and gold) accounted for approximately 6.0 per cent of Australia's total minerals exports (A$106.5 billion). This represents a substantial increase with India accounting for only 1.0 percent of Australia's minerals trade in 1996/97.

Expectations are that India's future minerals consumption will continue to increase significantly into the future in gross and per capita terms on account of India's:

• Development path coupled with strong future expectations for growth;

• Growing middle class and incomes with accompanying strong domestic demand;

• Institutional reform that is promoting improved competitiveness, greater investment, and greater output on account of efficiency (productivity) improvements; and

• The low base (performance and size) of its domestic industry (mainly manufacturing) coupled with significant growth potential.

Australia is well placed to respond to this burgeoning demand. Economic demonstrated resources remain very high for those commodities of interest to India, and further, multi-billion capex is proposed to expand brown and greenfield minesites, as well the supporting hard and soft infrastructure. Further, domestic exploration has hit record highs, which should also have a positive effect on demonstrated resources. Minerals exports to India are however affected by high tariffs. By 2006, India's average tariff on metals was 7.5%. In the case of minerals, the average tariff varied between 2% and 5%, with the exception of marbles, granites, cement and asbestos. In terms of WTO tariff bindings, India's average bound tariff rates for metals, mineral products and precious stones is over 30%; and the average bound tariff for all non-agricultural goods is 69.8% India remains rich in mineral endowment and its proximity to burgeoning Asian commodity markets offers opportunities for companies to continue to diversify and expand operations.

Companies such as Rio Tinto and BHP Billiton are increasingly active investors in India with substantive interests in iron ore, diamond, coking coal and steel production. A number of other Australian resource companies are also actively assessing opportunities for expansion into India.

Experience demonstrates however that India is not an easy destination to do business. In 2008, the World Bank's Doing Business survey ranked India 120 out of 178 countries for ease of doing business. This is an improvement of 12 ranks compared to 2007. Further, in the 2007/08 Fraser Institute Survey, India scored 63rd out of 68 countries/mining regions surveyed in 2007/08 (63/68) against the Policy Potential Index.

Specifically, further expansion, and new investment in India is tempered by the following 'beyond-the-border' barriers:

• Onerous technical standards on downstream processed products such as steel and cement that shut out exports altogether.

• Regulations frequently require that resources mined in one Indian state should be processed in that state.

• GATS commitments are largely 'unbound' which means no commitments to liberalization have been made. India has made few commitments to open mining services by providing market access or national treatment to foreign providers.

• India's decentralized federal system of government in which the state governments possess broad regulatory powers means regulatory decisions governing important issues such as zoning, land-use and environment can vary from one state to another. As such, establishing a mining project in India currently requires multiple approvals from different layers of government that is cumbersome and slow. The cumbersome rules relating to foreign investors with existing joint-venture partnerships can make foreign investment for miners less attractive.

• The time required to gain approval for a new business (in days) vary across the different Indian states, and are generally considered long by international comparison.

• Security of tenure: the State (and sometimes Central) Governments have discretion to terminate leases for vague reasons. Investors should have the guarantee that if in the course of exploration a deposit is discovered, the exclusive right to mine it would vest with them and that they would not be deprived of this right (except under codified circumstances known to them prior to the granting of the initial licence).

• Reconnaissance permits convert to prospecting licenses (and after that mining leases) after three years if mining has not begun in that time. When the conversion occurs, it reduces the area approved for prospecting quite dramatically. The three year time frame is considered short in global terms. Further this should be a statutory right and not subject to discretion.

• The regulation surrounding gaining environmental approvals (i.e Forestry and environmental clearances from the Ministry of Environment and Forests) necessary for a mining lease is considered by some international investors to be burdensome and unnecessarily bureaucratic.

• Increase in taxes and cesses at state and central level can be unpredictable, making it difficult to forecast the long term return likely from a given investment. Equally, the various rebate system that operates on exports and imports of capital equipment is complicated and only operates selectively.

• Foreign investors face long delays in having investment disputes dealt with in India.

• A very large problem commonly cited by minerals companies is the lack of adequate infrastructure. Specific issues include the railway network is shared with passengers leading to congestion and delays.

• High rail freight tariffs; the lack of availability of rakes; and ports that have insufficient capacity to handle increasing volume of exports.

• State Governments are able to put licenses out to tender under certain circumstances, for example, when the prospecting party seeks to exit. However, because the tendering process is not transparent (and creates an opportunity for the Government to bypass the tender altogether), tendering should be avoided. More transparent and market-based means should be adopted.

Recent developments

The Indian Government in September 2005 formed a high level Committee to review India's 1993 National Mineral Policy and the Mines and Minerals (Development and Regulation) Act 1957 and to suggest changes needed (inter alia) 'for encouraging investment in public and private sector exploration and exploitation of minerals', and 'to prioritize the critical infrastructure needs of the Indian mining sector'.

The Hoda report has been approved by Cabinet and a bill has been drafted. It is unclear when exactly this bill will go to Parliament. It is thought that many of the above concerns may be addressed if the Hoda reports are enacted.

The MCA supports the negotiation of a free trade agreement with India. It is generally accepted that India, with China, will be an emerging superpower in terms of global economies. The general benefits of a comprehensive FTA with India would include:

- a broadening and strengthening of the bilateral relationship with India;
- the removal of restrictions on goods, services and capital and an expansion of two way trade and investment;
- the anchoring of Australia within the emerging Asian/sub-continent community;
- a hedge against further preferential access being granted to global competitors; and
- dissemination of knowledge, technology and

intellectual capital. For example, diffusion of Australia's world-best 'know-how' in relation to Occupational Health & Safety, environmental and general mine;

- management would produce significant environmental, safety and economic benefits.

Main Australian Mineral and Metals Exports to India 2006-07

Metallurgical coal A$2.4 billion Australia's second largest export Market , Gold A$4.1 billion Australia's largest export market Copper A$0.9 billion , Australia's third largest export market.

Uranium exports to India

The MCA supports exports of uranium to India on the proviso that India has met all the necessary regulatory and safeguard requirements.

Future metals and minerals demand in India

The world's two largest emerging economies China and India are having an industrial revolution, with the incomes of almost half the world's population rising substantially in the process. The rapid evolution from farm-to factory-based economies has generated the most sustained burst of global growth since the 1950s, with India and China leading the charge.

In the process, these two economies are becoming integral contributors and drivers of the global growth cycle. Importantly, the sustained and significant growth of emerging nations has thus far offset the impact of the slowdown in the United States, with global output expected to continue recording above average growth into 2008 and beyond.

While India has plentiful supplies of iron ore (another steel making option), domestic supply constraints will see a large on-going dependency on foreign metallurgical coal imports.

In relation to aluminium, very strong demand growth is forecasted on account of growing incomes.

Growing middle class with accompanying strong domestic demand

India currently accounts for some 17 percent of the world's population and will retain a commanding share of the global workforce in the coming decades. A very large proportion of India's demographic will become of 'working age' in the short term, and it won't experience the same ageing population problems anticipated in developed countries and in China (as a result of its one child policy). India appears on track to overtake China as the world's most populous nation before 2030. With this, India's household income distribution is expected to change markedly, as will its goods, and resource consumption.

The percentage of India's 'middle class' (i.e. those earning between $4,000-$18,000 per annum) will increase from 20 per cent in 1995-96, to 38 per cent in 2006-07.

This increase in middle class incomes will be a global trend in the developing world. The numbers of the global population who sit in the 'commodity hungry' portion of the income scale between US $4,000 and US $17,000 per person is expected to triple between now and 2030.

Through institutional reform, improved productivity and global competitiveness is expected, although true potential is unlikely to be reached unless more is done to address the following systemic concerns:

• Foreign investors still have reservations about investing in India;

• Infrastructure (roads, rail, ports and airports) remains inadequate; and

• Rigidities in markets remain (poor regulation, red tape etc) - especially in mining and resources.

India's (energy intensive) manufacturing sector may experience strong growth into the future. This sector is currently 'understated' due to India's:

• bias towards service-based industries (especially technological);

• poor infrastructure provision such as electricity generation (due to high interest rates and a reticence to increase taxes); and

• protectionist trade policies including very high tariffs.

The Indian Government has a number of reform initiatives in place to address all three barriers.

Australia has considerable supplies of those commodity supplies most preferred by India. Of note

is that expectations of continued strong global minerals and metals demand into the future, coupled with prices perhaps at a higher plateau than long-run averages, has seen a renaissance of exploration activity in Australia. In the 12 months ended December 2007, (real) Australian minerals exploration increased by 33 per cent to $A1.1 billion - the highest expenditure in real terms ever recorded. Whilst there are no guarantees of success, discovery rates are directly correlated to the amount of metres that are drilled.

Further, capital expenditure (capex) on mining projects is predicted to remain strong in 2007/08, with an estimated spending of $30 billion on mining. It is also estimated that there are approximately 50 'advanced' minerals mining and processing projects' (i.e. projects that are either committed or under construction) at a cost of $26 billion, and 182 'less advanced projects' (i.e. projects that are either undergoing a feasibility study or no definite decision has been made to proceed) at a cost of $140 billion.

Current levels of Australian mining company investment in India

Given the nature and anticipated strength of the global supply/demand commodities business cycle, MCA member companies with the capacity to become more globally integrated are pursuing vigorous global acquisition strategies to enhance the quality, scale and growth of their portfolios.

India is endowed with significant mineral resources. India produces 89 minerals - of which 4 are fuel minerals, 11 metallic (mainly iron-ore, copper-ore, chromite and/or zinc concentrates, gold, manganese ore, bauxite, lead concentrates), 52 non-metallic (mainly limestone, magnesite, dolomite, barytes, kaolin, gypsum, apatite & phosphorite, steatite and fluorite) and 22 minor minerals.

Current mining in India is small and sub-scale. Due to a lack of economies of scale and scope and high costs, India's mines are prone to environmental degradation and a lack of investment in technology and high productivity initiatives. There has also been poor investment in supporting infrastructure ports, rail and shipping.

MCA member companies are increasingly active in India, for example:

• Rio Tinto's Iron Ore group (RTIO) comprises iron ore operations in Australia, Canada and Brazil and development projects in Guinea (west Africa) and India (Orissa). Orissa is one of the key iron ore regions of the world. RTIO has a joint venture interest in Rio Tinto Orissa Mining with the state owned Orissa Mining Corporation. The joint venture holds rights to iron ore leases in Orissa, which it is seeking to develop. Rio Tinto is keen to participate in the development of the Indian iron ore sector through its joint venture. A project team has been established and is working to expedite the development of operations in India. India's economy is expected to maintain its present growth, so providing support for an expanding domestic steel industry, and discussions have continued with major domestic steel companies;

• Rio Tinto has also advanced a proposed diamond project in India from exploration to project evaluation stage;

BHP Billiton Strategic Alliance has signed a memorandum of Understanding with the Steel Authority of India (SAIL) for potential development of Iron Ore mines in India as well as Coking coal mines in other countries. BHP Billiton is also assessing involvement in a possible Joint Venture with Posco for a proposed 10 mtpa steel plant in Orissa, where BHP Billiton would supply raw materials and infrastructure to the project and the local steel industry. Other opportunities are also being assessed;

• Bluescope Steel and Tata Steel have a JV company that manufactures zinc/aluminium metallic coated steel with the head office situated in Pune;

• BHP Billiton and Rio Tinto (diamonds etc) both have marketing and representative offices in India; and

• Other minerals companies are actively engaged in India and are assessing opportunities.

Australian companies such as Thiess are also active in India in the

area of civil construction.

Indian FDI into the Australian resources industry

There are a number of Australian mining operations fully or partially controlled by Indian investors. Two operations are the Nifty Copper Mine in Western Australia and the Mount Gordon Copper Mine in north-west Queensland both owned by the Aditya Birla Group, a multinational corporation based in Mumbai, India. This corporation has stated publicly that it wishes to expand its interests even further in Australia.

Other Australian mining projects with vested Indian interests include:

• Sterelite (Vedanta) also has a copper mine in Australia. It has invested US $ 40 million for a copper mine in Tasmania from 1999. This mine has a concentrate production capacity of about 120,000;

• tonnes per annum. This group is quite happy with the conditions in Australia for Indian investors. However, they also have felt that there are some minor problems with the man power availability in Australia;

• Pune-based Indian Seamless Metal Tubes has just announced an investment of US$300 million to set up a steel mill in Australia;

• Tata Steel's investment in a greenfield coalmine in New South Wales while another Gujarat-based company, Gujarat NRE Coke limited, has bought two coal mines in QLD; and

• Gujarat NRE Coke Ltd.'s investment in the Hunter coal mining industry in Australia.

India has lifted many barriers to trade and investment since it began reforms in 1991, but fundamental barriers remain. This is evident when India's trade and investment flows are compared with China's, where the latter has a regime designed to attract foreign investors and to encourage them to export. In 2005, China took in 12 times as much in annual foreign direct investment as India (US$60 billion vs. US$5 billion), and exported almost six times as much (US$600 billion vs. US$105 billion).

Further, two recently completed reports demonstrate that India's institutional settings, whilst improving, are subpar when compared globally.

World Bank's Doing Business Survey

In 2008, the World Bank's Doing Business survey ranked India 120 out of 178 countries for ease of doing business. This is an improvement of 12 ranks compared to 2007.

An example of a positive reform includes:

India was the top reformer in trading across borders in 2006/07. It introduced online customs declarations for imports and exports. Arriving ships now submit their cargo manifests electronically, allowing the clearance process to begin even before the ship docks.

These reforms helped cut delays for exporters and importers by 7 days. On average the top 10 reformers each cut the time to export by 5 days.

Other reoccurring problems include:

• India's judicial system. India ranks 177 out of 178 countries on this criterion with a very high number of procedures and high costs being encountered;

• The tax burden. India rank 165 out of 178 countries on this criterion with high marginal rates and inefficient administration requirements being encountered;

• Building licenses. India rank 134 out of 178 countries on this criterion with a very high number of procedures and high costs being encountered; and

• Starting a business. India rank 111 out of 178 countries on this criterion with a very high number of procedures and high costs being encountered.

Fraser Institute study

The Fraser Institute is an independent research and educational organisation based in Canada. Each year since 1997, the Fraser Institute has conducted an annual survey of metal mining and exploration countries. The survey aims to asses 'how mineral endowments and public policy factors such as taxation and regulation affect exploration investment'.

In 2008, the survey covered a total of 68 jurisdictions (countries, states or territories) from every continent except Antarctica.

The Policy Potential Index (PPI) is a composite index that measures the effects on exploration of government policies including uncertainty concerning the administration, interpretation, and enforcement of existing regulations; environmental regulations; regulatory duplication and inconsistencies; taxation; uncertainty concerning native land claims and protected areas; infrastructure; socio-economic agreements; political stability; labour issues; geological database; and security.

Against the PPI, India scored 63rd out of 68 countries/mining regions surveyed in 2007/08 (63/68). Against this measure, India has languished in the bottom quarter for four years straight.

Reforms Sought BY MCA to Raise Exports & Investment in India

The MCA believes there are a number of tariff, non-tariff and beyond the border barriers that can be addressed in an Australian-India FTA. The MCA is confident that reforms that address these issues will lead to:

• greater interest in India as a destination for exploration and mining activity. A number of MCA member companies are already highly committed to India and many more are showing interest with feasibility studies being completed. An effective FTA would provide a stimulus to these current and proposed investments; and

• greater market access for Australian produced metal and minerals commodities into the burgeoning Indian market.

Benefits from FTA

The MCA supports the negotiation of a free trade agreement with India. It is generally accepted that India, with China, will be an emerging superpower in terms of global economies. The Australian minerals industry enjoys an increasingly significant trading relationship with India with metallurgical coal, gold and copper Australia's main exports. Further, Australian metal and minerals companies are increasingly interested in India as a preferred destination for exploration and mining activity despite perceived institutional and public policy shortcomings. The general benefits of a comprehensive FTA would include:

• a broadening and strengthening of the bilateral relationship with India;

• the removal of restrictions on goods, services and capital and an expansion of two way trade and investment;

• the anchoring of Australia within the emerging Asian/sub-continent community;

• a hedge against further preferential access being granted to global competitors; and

• dissemination of knowledge, technology and intellectual capital. For example, diffusion of Australia's world-best 'know-how' in relation to Occupational Health & Safety, environmental and general mine management would produce significant environmental, safety and economic benefits.

From the perspective of the Australian minerals industry, the completion of a comprehensive FTA would:

• reduce or eliminate tariff and non-tariff barriers on products, thus increasing the access and competitiveness of Australian mineral and metals imports into India;

• provide a stimulus to further 'beyond-the-border' economic reform that may enhance and reinvigorate both Australia's and India's attractiveness as a preferred FDI destination, as well as maximise;

• opportunities for those companies already operating;

• internal reforms (especially in India) may also stimulate greater domestic investment which is critical if the industry is to develop scale and scope that encourages the provision of world class infrastructure;

• against the background of expected continued strong international demand for metals and minerals, further expansion via greater domestic and foreign direct investment in brown and greenfield sites will intuitively boost economic growth and social outcomes; and improve the potential for Australian mining technology and service industries to enter the Indian mining market and/or build partnerships with Indian technology firms. ■

India-Australia FTA to benefit Labour-intensive exports

The proposed free trade agreement (FTA) between India and Australia could result in better market access for labour-intensive Indian exports including textiles, clothing and footwear where existing tariffs are high in Australia. While the sectors are perceived as "sensitive" in Australia, the country believes in elimination of tariffs on all sectors in its FTAs, Australian trade officials say.

"We believe in eliminating all tariffs on all goods in our FTAs," said Todd Mercer, Director, WTO, Regional and FTAs section of the Department of Foreign Affairs and Trade (DFAT). For sensitive products, the time frame could be longer. The catch, however, is that Australia also expects the same of its FTA partners. In its recent FTA with the US, the only product which it allowed the US to keep out of tariff elimination was sugar.

Australia wants the proposed FTA with India to give it more market access in agriculture, mining and financial services sectors. The two sides are hopeful of concluding the FTA by the end of the year. "We were very excited when India proposed a feasibility study on an FTA with India in August this year," said Michael Wood, Director, Australia-India FTA study, DFAT. He added that models showed that both the countries could have GDP gains and trade growth through the FTA, but some adjustments had to be made by the two sides.

Wood pointed out that while average tariffs in Australia were relatively low at about 3.9 percent, tariff elimination would definitely help India. "A 4.0 percent tariff advantage over other competitors will give Indian exporters an edge," he said. For products like textiles, clothing and footwear, where the tariffs are higher at about 15 percent, the gains would be much bigger.

Top-end farm products, especially in the dairy sector, is an area where Australia is keen to get market access. While India allows imports of dairy products from European countries like Switzerland and Italy, it disallows Australian farm products. "India has to understand that we are not seeking to replace its staple products," said Judy Barfield from the Department of Agriculture, Fisheries and Forestry. Australia is seeking removal of quarantine restrictions on dairy and other farm products, which India has in place, probably in answer to strict sanitary and phytosanitary norms observed by Australia. According to Wood, the proposed FTA could help easing the situation by helping exporters from both sides in meeting the standards.

Australia also wants India to ease regulations in financial services including banking and insurance. "Our insurance companies are in talks for tie-ups with Indian companies including IAG which is tying up with SBI," Wood said adding that more liberal investment norms will help these countries. It is also looking forward to more opportunities in the banking sector as Australia has already proved its "credentials" in the sector, he said.

A major exporter of minerals including coal, diamond and bauxite, Australia is looking forward to a more liberalised mining regime. "It is a shame that India does not allow green-field mining. Australia can carry out new mining in the country which will be more efficient and productive than what has happened so far," Wood said. Australia's exports to India has risen sharply over the last few years to $6.46 billion in 2007 while India's exports to the country stood at $1.01 billion in the same year. ■

The Challenges of Energizing India

Partha S. Bhattacharya, Chairman, CIL, is responsible for introducing the most crucial state-of-the art technology to accomplish the three key objectives - boost productivity, reach and engage customers more effectively and improve operating efficiency. He speaks to **Amrita Chatterjee** on the future challenges and how the low cost production will help the Indian Coal Industry take off from the position of domestic leader to global player in the energy sector. Excerpts.

Statistics can sometimes be mind-blowing - 473 mines, 78 areas, 424,000 employees, operations in eight states across the country. The single largest coal producing company in the world, Coal India Ltd. (CIL), continues to grow at a compound rate of 5.0 percent every year. CIL supplies as much as 84 percent of the country's total coal requirement at the utmost competitive price. A wholly-owned Government of India Enterprise, under Ministry of Coal with its headquarters in Kolkata, CIL is an apex body with seven subsidiary companies. Of the total 473 mines that CIL operates, 283 are underground, 155 opencast and 35 mixed. It also operates 19 Coal Beneficiation Plants. In short, CIL encompasses the whole gamut of identification of coal reserves, mining, processing and production.

Is it the low cost of production that is helping CIL to make greater profits and contribute a significant share to the revenue of India?

In India, CIL offers coal at one-third of international prices. We supply huge amount of coal at a discounted price, which is 50-60 percent less than international prices. It is the most competitive price in the matter of global context, adding tremendous boost to the financial viability of the company. During the fiscal 2007-08, CIL made a profit of Rs. 87.38 billion, paying Rs 43.80 billion to Government exchequer by way of corporate tax and dividend tax. Further, by way of royalty, cess and other taxes CIL paid Rs. 59.99 billion during the year.

I take great pride in saying that CIL produced 379.46 million tonnes (MTs) of raw coal in 2007-08. Coal take to consumers was the highest-ever at 375.33 MTs in the same year, its all because of the low cost coal supply in India that we provide.

There is still a substantial gap between indigenous availability and demand...

To gear up to meet the demand on indigenous coal, CIL is making all out efforts to augment coal production so as to minimize the gap between indigenous availability and demand. In this direction, CIL has decided to mine large volumes of coal lying in few of its abandoned mines. Well, they are called abandoned because they remain unutilized mainly because of inadequate technology.

CIL has achieved not only the highest ever coal off-take of 375.32 million tonnes, but also the highest ever coal off-take growth over the previous year by 24.18 million tonnes. In percentage terms, it is 6.9 percent. However, despite such strong favourable growth, 22 power stations continue to remain critical as stocks at power house-end have actually reduced from 14 million tonnes to 10.5 million tonnes i.e. by about 3.5 million tonnes. The poor coal stock position at powerhouse-end continues to remain a cause of concern.

As a leader in the energy sector, CIL is expected to fulfill multi-dimensional challenges in the years to come. How CIL plans to meet the future challenges?

For this purpose, CIL has identified 122 coal projects with a capacity of about 295 MTs to be taken during next five years till 2011-12. About 97 projects, 31 projects with a capacity of 95.37 MT's are in different stages of implementation. Currently, the total coal demand of the country is likely to reach 731 MT's by 2011-12 from 379 MT's in 2007-08. Looking further at the future perspective, CIL envisages reaching a production of 664 MT's in 2016-17.

CIL is on the lookout for joint venture partners with technical competence to mine these reserves. A global expression of interest has been floated recently.

Also I would like to mention that CIL has taken on an ambitious programme - Power for all by 2012 - thus tremendous efforts are being made in increasing the production capacity.

Is this the reason behind the company primarily focusing on underground mining?

Earlier, the focus was not given to underground (UG) mining, till now; only 14 percent of CIL coal is produced through underground mining while the rest 86 percent comes through open cast means. At present production rate there is a danger that open cast reserves may not last longer than 30 years. This, eventually, brings the complete focus on underground production.

To sustain the reserves that India needs for longer period of time CIL is refocusing on UG production for tapping large reserves below 300 metres depth. Of late, CIL has set its eyes on developing UG mines in a big way by adopting state-of-the-art mass production technology. CIL is on the lookout for internationally reputed and proven mine developers and operators for building the infrastructure of UG mining blocks on a long-term contract basis.

How you would like to define the Indian coal industry as compared to countries like the US, China and Australia?

Coal continues to be the mainstay of India's energy needs. As much as 78 percent of total coal produced by Coal India is catered to power utilities in India. The demand is very high and we are still lagging behind in terms of technology. Countries like the US, China, and Australia are much more productive due to the advanced technology and well mechanized infrastructure. Indian coal is largely thermal and the operations are manually done or are semi-mechanized at some places. Though I feel there is not much difference in the cost of production, but the advanced technology enables them to utilize their coal reserve potential to the fullest.

Thus occasions like 9th International Mining and Machinery Exhibition (IMME) to be held in Kolkata from 5th November onwards is a one-stop opportunity to get clarification on technological issues. It's a platform where our experts can meet the professionals coming from countries outside India, and lot of scope is created for knowledge sharing and networking.

What are the other major challenges for CIL?

Well, the competitiveness of a generic product like coal primarily centers on quality and price. Our price is good but quality not consistent. To make the product globally competitive it is necessary to bring qualitative international standard consistency which is currently the major thrust area of CIL. Thus, organizations with requisite core competence are being engaged for creating coal beneficiation facilities. CIL has decided to set up coal washeries, in all its prospective open cast mines of capacity 2.5

million tonnes and above. In order to be quality consistent washing coal is required.

In first phase CIL is going to set up 28 washeries at a cost of US $ 374 Million. This will be done associating private enterprises with core competence in coal washing practices.

The emphasis given on price and quality is mainly to attract more investors in a developing country like India?

Well, not just to attract investors but the emphasis is given on price and quality to ensure the development of our indigenous allied industries as well. Yes, it is a fact we need to attract more investors for the development of the country and for that CIL is has a comprehensive plan in order to make sure that we give the best price without compromising with the quality. Already a lot many investors have chosen India as their destination for establishing cement plants and power plants.

What is CIL's take on assigning IT a position in the functioning of an enterprise?

Application of IT is extremely important in functioning of operations in the field. We have introduced an operator independent truck dispatch system, it's a GPS based system. About eight mines have been identified for introducing this system. It will guide the dumper on the status of the dumping zones. This will ensure optimal usage of manpower and equipment.

Coal mining activity is accompanied by a lot of environmental hazards like degradation of land, deforestation, habitat destruction etc.

This is an extremely important issue. To promote transparency in environmental sustainability, CIL will be undertaking satellite surveillance of all opencast coal projects of five million tonnes capacity and more to track reclamation and renovation activities and to monitor the restoration made to the original habitat. The satellite images will be regularly updated in the website.

Also CIL has intensified tree plantation work since 1993-94 and the total population done so far is over 68.95 million trees covering an area of approximately 26,605 hectares. Currently, we are laying great stress on the Environmental Impact Assessment (EIA), which is thoroughly practiced by CIL.

What about the rehabilitation and resettlement policies, some serious modifications has been demanded for a long time.

Good question! CIL has adopted a modified Rehabilitation and Resettlement (R&R) policy in March 2008 in consonance with R&R policy. It will be more project-affected people friendly. CIL will be pursuing an inclusive model of growth by ensuring that affected people are included in the decision making process. The aim is to pursue best practice CSR around coal mining areas and improve the quality of life' with community consensus and active participation of people involved.

As a corporate Citizen of India, to what extent CIL is conscious of its responsibility towards the well being of community.

CIL seriously pursues social responsibility and recognizes it as core to taking its business forward. Unless the quality of the lives is not improved, the very purpose of our efforts will be meaningless. We invest in a holistic way in creating infrastructure like provision for drinking water, construction of school buildings, check dams, village roads, health centres, market places etc. At the same time skill developments capacity building like vocational training, income generation programs, and entrepreneurship development programs are largely conducted. ■

BEML A Trusted Name in Mining & Construction Equipment

Bharat Earth Movers Limited (BEML), established in 1964, is a 'Mini-Ratna' (Category - 1) multi-locational, multi-product company under the Ministry of Defence. The company is engaged in the design, manufacturing, marketing and after sales support of a wide range of mining & construction equipment, defence products and railway and metro products. The company serves the core sectors of the economy such as mining, steel, cement, power, irrigation, construction, road building, defence, railway and metro transportation systems. BEML also provides e-engineering solutions through its Technology Division and deals in non-company products, and bulk commodities for domestic and international markets through its Trading Division.

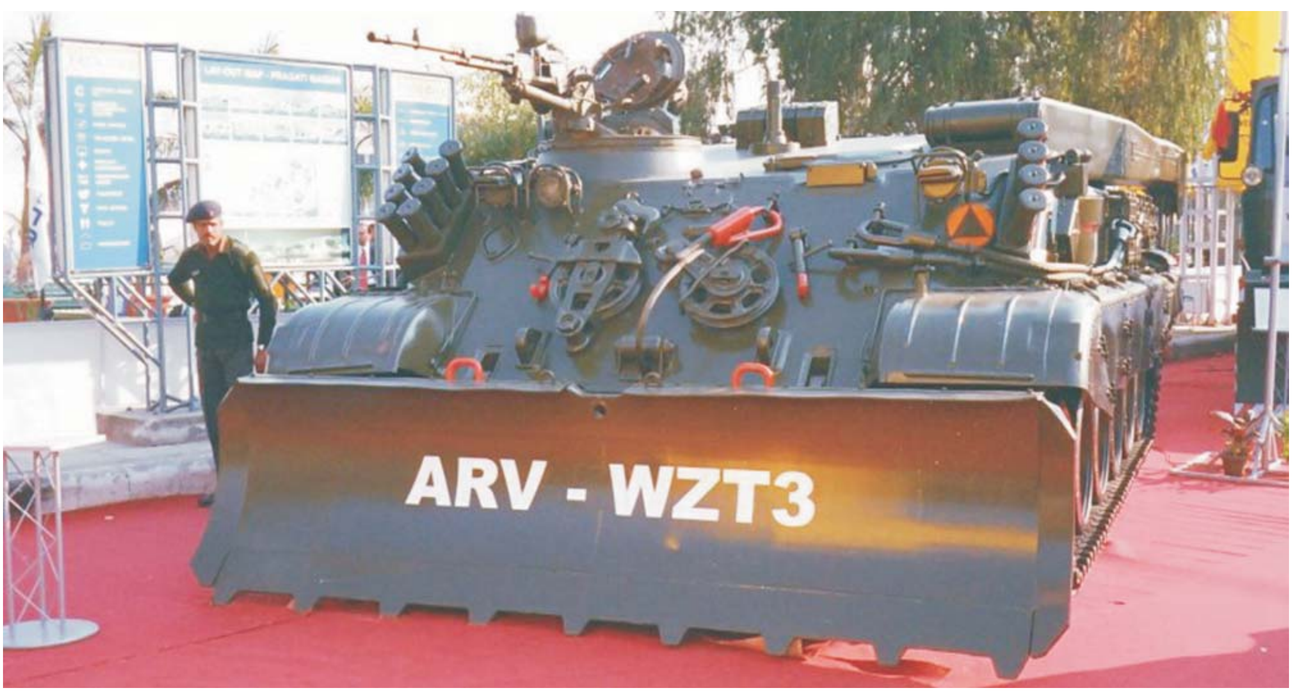
BEML has its corporate headquarters and Central Marketing Division at Bangalore and three manufacturing complexes with eight production divisions located in Bangalore, Mysore and Kolar Gold Fields in Karnataka. The company also owns a subsidiary Vignyan Industries located at Tarikere, Karnataka, which manufactures steel castings for in-house consumption

Mining & Construction Business

The company has been engaged in the manufacturing and marketing of mining and construction equipment for more than 40 years and is currently the market leader in manufacture and supply of mining equipment in India. Total active population of BEML's mining & construction equipment in India is around 12,000 nos. BEML produces both opencast and underground equipment required for the mining sector. BEML's product portfolio for the mining industry includes bull dozers, hydraulic excavators, rear dump trucks, rope shovels, walking draglines, C-cranes, water sprinklers, motor graders wheel loaders, wheel dozers, pipe layers, tyre handlers, etc.

Range of Mining & Construction Equipment :

- Bull Dozers : 66 - 770 FHP
- Walking Dragline : 24 Cum / 32 Cu.m
- Electric Rope Shovels : 10 Cu.M, 20 Cu.m & 42 Cu.m



• Rear Dump Trucks	:	Mechanical 35T to 100T Electrical 120T to 360T
• Excavators	:	0.3 Cu.m - 13 Cu.m
• Motor Graders	:	145 & 280 HP
• Wheeled Loaders	:	0.8 6.3 Cu.m
• Wheeled Dozers	:	130 HP 460 HP
• Side Discharge Loaders	:	1 Cu.m
• Load Haul Dumpers	:	1.5 Cu.m
• Back Hoe Loaders	:	0.9 Cu.m
• Water Sprinklers	:	28,000 ltrs, 70,000 ltrs
• Pipe Layers	:	40T, 70 T & 100 T
• Tyre Handler	:	130 FHP

BEML products are known for their high quality, reliability and performance.

Marketing: BEML's products are sold and serviced through its large marketing network and its sales & service centers covering the entire country through 10 regional offices, 16 district offices and four zonal offices in addition to activity centers and spare parts depots and network of 21 dealers. The Marketing Division, in addition to sales and after-sale activities, provides support services like application engineering, rehabilitation of equipment, training facilities to customers' operation and maintenance staff.

International Business: BEML's products are exported to more than 52 countries including Indonesia, Morocco, Syria, Tunisia, UAE, Saudi Arabia, Jordan, Suriname, South Africa, UK, Nepal, Sri Lanka, Bangladesh etc. BEML has secured repeat orders from countries like Indonesia, Syria and Tunisia for its products in view of their commendable performance. BEML is providing total solution to the customers including product life cycle support package.

The company has opened its international ware-house in Malaysia and sales office cum stockyard in Brazil and outsourcing office in China. BEML has Distributors/ Dealers operating from Indonesia, Syria, Tunisia, Sri Lanka, & UAE. and representatives in Morocco and Suriname. The company has bagged one of its largest export orders valuing Rs 20.7 Million from Indonesia for supply of BEML equipment to one of the world's large coal mines. BEML is planning to establish sales-cum-service facility at Balikpapan in Indonesia for catering to sales and service requirements of Indonesia and the Asia-Pacific market.

Quality: All the manufacturing divisions of BEML have been accredited with ISO 9001 2000 certification.

Research & Development Division: The company has a strong base of in-house design and development setup. The company's R&D division at KGF has designed, developed and successfully commercialized a number of new products. The activities of R&D include New Product Development, technology absorption, import substitution, cost reduction and product development for domestic and export markets. ■

Indo-Australian FTA Study to be Ready by Year-end

The Indian External Affairs Minister Pranab Mukherjee, and Australian Minister for Foreign Affairs Stephen Smith met in New Delhi recently and discussed bilateral, regional and international issues of mutual interest and importance. The discussions covered a wide range of subjects, reflecting the increasingly close ties between India and Australia.

Indo-Australian relations have significantly grown in the recent years encompassing greater political, economic, defence and scientific fields, and people-to-people cooperation. Recognizing the importance of close and mutually beneficial relations between the two important countries in their respective regions, both Ministers agreed to take the level of relations to a strategic partnership and work towards the objective.

The two Ministers welcomed the increasing dynamism of the economic partnership, and noted in particular the growing diversification of trade and investment linkages. The complementarity of the two economies pointed to further scope for creating business opportunities in both countries. They noted the progress on the feasibility study on Free Trade Agreement (FTA) and reaffirmed the importance of concluding the study on schedule by the end of the year so that both the Governments could consider recommendations and determine next steps. They also reaffirmed their strong commitment to the successful conclusion of the WTO Doha Round.

The Ministers noted the importance of two-way resources engagement between India and Australia. The Ministers welcomed the ongoing work to develop strategy papers under the Joint Working Group on Energy and Resources, to further enhance Australia-India cooperation. The Ministers also welcomed the Chief Executive Officers Forum initiative, which is being established. The Ministers noted that the Australia-India Roundtable would be held in November in Sydney with the Lowy Institute and the Indian Council of World Affairs as the conveners.

Building on the initiatives announced at the Foreign Ministers Framework Dialogue in Canberra on 23 June, 2008, the Ministers expressed satisfaction at the conclusion of Memorandum of Understanding on Cooperation in the Field of Water Management, and establishment of Joint Working Group on Passports, Visas and Consular Matters.

The Ministers welcomed the continuing strong relationship between India and Australia in science and technology. In particular they noted the success of the Australia-India Strategic Research Fund in attracting high-tech projects, including in innovative fields such as biotechnology, which could have significant commercial spin-offs. The Ministers also welcomed the recent signing of an MOU between CSIR, India and CSIRO, Australia to carry out joint research activities through exchange of scientists/researchers. The Ministers noted that important people-to-people links were being underpinned by education. In the first seven months of 2008, over

77,000 Indian students have enrolled in Australian institutions - making Australia the second most popular destination for Indian students seeking education overseas.

Welcoming the increase in cooperation between the Armed Forces of India and Australia across an expanding front, the Ministers took note of the scheduling of the inaugural bilateral talks between Chairman, COSC and CNS of India and Chief of Defence Forces of Australia to be held in November 2008.

The Ministers highlighted their respective Governments long-standing commitment to strengthening regional and multilateral fora. They noted that India and Australia were cooperating in regional and multilateral fora at a significantly higher level than ever before. India and Australia accorded high priority to the East Asia Summit and the ASEAN Regional Forum, and were committed to working closely together in both fora.

Mukherjee noted Australia's initiative on Asia Pacific Community (APC). Smith mentioned that Australian Prime Ministers Envoy, Woolcott, would visit India later in 2008 as part of his regional consultations on APC.

Mukherjee welcomed the South Asian Association Regional Cooperations decision to accord Observer Status to Australia. Smith thanked India for its support, and noted that Australias interest in Observer Status reflected Australias enhanced commitment to South Asia.

Smith reiterated Australia's support for India's membership of APEC.

Smith reiterated Australias support for India's inclusion as a permanent member of the United Nations Security Council (UNSC) in keeping with the current political and economic realities of the century.

The Ministers noted that Australia and India both had proud histories of positive engagement in the United Nations and, if successful in their current bids for non-permanent seats on the UNSC, each country would bring significant benefits to the deliberations of that body. They agreed to continue to work together closely in the United Nations.

The Ministers stated their respective Governments' longstanding commitment to nuclear non-proliferation. Mukherjee noted the establishment at the initiative of the Governments of Australia and Japan of the International Commission on Nuclear Non-proliferation and Disarmament and the recent visit to India by Gareth Evans, Australias Co-chair of the Commission. The Ministers agreed to advance efforts to strengthen the global non-proliferation and disarmament system. Mukherjee appreciated the constructive and positive role played by Australia in the recent meetings of the Nuclear Suppliers Group.

The Ministers noted the close cooperation between India and Australia in the areas of environment, water and climate change issues. They stressed the need for an effective global response to climate change and reaffirmed their commitment to the UN Framework Convention on Climate Change. The Ministers noted the ongoing cooperation between India and Australia in the Asia-Pacific Partnership on Clean Development and Climate (APP).

The two Ministers concluded that the relationship was being fostered and transformed by the constructive efforts by governments, business, and the communities of both India and Australia. They reiterated their resolve to continue to drive a renewed relationship based on economic, political and strategic convergence, a similar legal, political and multicultural heritage, and a strong commitment to regional and multilateral fora.

More Indian Firms Looking at Australia to Set Up Shop

Indian firms are scoping Australian shores for new business opportunities, a sign of India's emerging strength as an outward investor. Group Chairman Kapil Wadhawan from the Wadhawan Group and senior business associates were in Australia (Perth & Melbourne) recently to scope future investment plans.

Austrade has scheduled a full itinerary of business and government meetings during the Group's four- day visit. The Group will also use sport as a medium to do business with an AFL match on one night as well as meeting with representatives from Cricket Australia.

The Wadhawan Group consists three entities HDIL; Dheeraj & East Coast LLC; and Wadhawan Holdings: HDIL is one of the largest real estate developers in Mumbai. Dheeraj & East Coast LLC is the largest Indian real estate developer in Middle East and Australia.

Wadhawan Holdings has a presence in diverse sectors like Housing Finance, Food & Grocery, Hospitality, Food & Beverage, Lifestyle, Real Estate and Education.

Austrade's Senior Investment Manager India, Mahesh Rathod, says the Australia-India economic relationship has grown steadily in recent years and has the potential to increase considerably as India's economic expansion continues.

"For Indian companies, Australia is not only an attractive market in its own right but a springboard for doing business in the Asia Pacific region the fastest growing in the world," Rathod said.

"In recent years India has been seen to increasingly engage in the Asia-Pacific region and there is tremendous potential for Australian and Indian companies to work together in further developing this exciting market."

Australia's appeal as an investment destination continues with total stock of foreign direct investment (FDI) from India amounting to A$608 million (over US$500 million) at the end of 2006, representing an increase of 89 percent from the previous year.

"This growth clearly signals India's keen interest in Australia as an investment destination," Rathod said. "What we are experiencing is interest in Australia, not only in its resources sector, but from a range of Indian companies as a location for providing significant value add especially in the advanced manufacturing and Information and Communications Technology supply chain and in Australia's biotechnologies capabilities.

Indian investors active in Australia include Bhushan Steel; TAP Oil; Reliance Industries Ltd; Mindtree Consulting; Rolta India Ltd; Dr Reddys Laboratories Ltd; and Ranbaxy Laboratories. Top Indian firms currently doing business in Australia include the Oswal Group; Aditya Birla Group; Sterlite Industries; Assam Company; Gujarat NRE Coke; Tata Consultancy Services; Birlasoft Australia; Infosys Technologies; Satyam Computer Services; Polaris Software; Asian Paints; Mahindra; and VISA International. ■

AUSTRADE
AUSTRALIAN TRADE COMMISSION

Austrade Official's Advice to Exporters

Patience & More Patience Pays in the Long Run

Mike Moingard talks about his experience as Austrade's Senior Trade Commissioner for South Asia - an ideal vantage point to witness the rapid transformation of India's economy. Excerpts.

When I first came to India 10 years ago I could never have predicted the staggering growth that has since occurred. Returning in 2004, it was obvious that the economy was growing well.

It was not known, however, whether or not that growth was sustainable. There were many challenges to the economy at the time. Some still exist. Infrastructure development was one of the biggest challenges. Although this problem is being addressed, it is fair to say that construction is not proceeding fast enough. By the time a new road is opened it is already overflowing.

But processes are improving. Many regulations which hindered property and industrial development have disappeared. The opening up of sectors such as in commercial aviation, telecommunications and IT has helped India's economic growth become more sustainable.

Remember that India had to build broadband, airports and roads from scratch issues that have been high on the agendas of successive governments. Yet one is constantly reminded that India is still a developing country.

I once slept in a hotel room with the light on all night because I could not find the switch. It was there all right, as I discovered in the morning but in the hallway outside!

What is driving the growth?

Around 80 percent of economic growth in India has traditionally been driven by internal factors. More recently, pressure from external forces has begun to influence the economy. Components of India's GDP reveal that the biggest sectors showing growth are in services, followed by manufacturing and agriculture.

Development of services is not only driven by international business, such as IT, but also necessities for the economy as a whole, including financial services and telecommunications. The manufacturing sector has traditionally been focused on the local economy and has only recently begun to expand.

Over 75 percent of Australia's exports into India are commodities, including industrial inputs for manufacturing such as steel and aluminium. The downside of a stronger $A has added to the cost of our products. However, this assists export of services from India to Australia as it costs less to do so.

Certainly positive perceptions of Australia have increased in South Asia in recent years. Apart from just being seen as a cricketing country, Australia has increased its profile as a source of education. More Indian companies are looking to invest in Australia and tourism to Australia is on the increase.

What is Austrade doing?

Our 'Doing Business with Australia' seminars have been very effective in sending positive messages about Australia to India's second-tier cities. We are succeeding more than most embassies or trade commissions in getting the face of Australia to be appreciated out there.

Austrade is spreading out from the big five or six cities such as Mumbai, Delhi and Chennai, and moving into places like Coimbatore places which people locate only on maps. Many of these smaller cities have populations of four or five million, with a strong regional emphasis in diverse sectors such as education and manufacturing.

What are the challenges for exporters?

Two big issues for exporters to India are commitment and patience. A third is still more patience. When we present India to Australian investors and exporters, we are selling a long-term proposition. The Indian market is not one to provide short-term results. Companies must be aware they are there for the long haul and do their research well. Efforts we have made in the retail sector, including creating franchising opportunities, are now beginning to show results. The market is ready for franchise operations, a future growth area.

A number of other sectors offer big opportunities and will continue to do so over the next few years, notably: industries involving climate change from clean coal to renewable energy energy-efficient buildings and building materials, and many services relating to these technologies. There is a growing consciousness in India of the need for new 'green' technology and the services around them that Australia can offer. Good examples of this are Australia's internationally recognised expertise in advanced solar energy production and wind power generation.

India is a great place in which to work and live

We have a fantastic staff here, and I have made many friends that I will miss when I leave. The Austrade team in South Asia, including Sri Lanka, Bangladesh and Pakistan, is equal to any in the world.

Their commitment, passion and enthusiasm have helped build a sustainable business model suited to the market and, as a result, they are achieving outstanding results. It has been a great pleasure working with them; sharing with them the warmth and hospitality of an amazing country: India. ■

Reforms Must to Boost Australia's Productivity & Global Competitiveness

- Mortimer Report

Australia's Minister for Trade Simon Crean has released the report of the independent Review of Export Policies and Programs undertaken by David Mortimer and John Edwards.

This is the most comprehensive review of Australia's approach to trade and international investment in more than a decade. It also includes an assessment of free trade agreements and the Export Market Development Grants scheme.

"I would like to record my appreciation to David Mortimer and John Edwards for their excellent work in reviewing Australia's trade policies and programs and for providing recommendations to the Government to bring about an improvement in Australia's trade performance," Crean said.

"The Mortimer Review highlights the deterioration in Australia's trade performance, despite the resources boom, as nearly two-thirds of Australia's cumulative trade deficit over the last 20 years has been incurred in the last five years.

"Much of the deterioration in Australia's trade performance can be attributed to the decline in productivity growth in the second half of the 1990s as the Howard Government failed to build on the economic reforms of Hawke and Keating Governments," said Crean.

"The Government is committed to turning our productivity performance around as it is the key to our future economic growth and prosperity. The nature of international trade and investment is also changing. To remain competitive in this new environment, Australian companies will increasingly need to become part of global and regional supply chains.

"To achieve this, Mortimer recommends a coordinated economic reform agenda across Government to boost our international competitiveness. This is essential to restart productivity growth, to improve our trade performance and to ensure that net exports once again make a positive contribution to economic growth," said Crean.

The Government has already made a significant down payment on improving our trade performance. The Mortimer report's recommendations provide direction to build on the steps we have already taken including: a recalibration of our trade negotiating policy so that conclusion of the WTO Doha Round is central to our efforts; completing negotiations on two free trade agreements with Chile and ASEAN; unfreezing the FTA negotiations with China; advancing FTA negotiations with Japan; bringing forward the FTA study with India; establishing new coordination structures at the whole-of-government and whole-of-governments level via COAG; modernizing and strengthening the EMDG scheme with an additional $50 million for 2009-10; and consolidating trade and investment responsibilities within Austrade.

"At a time of global financial uncertainty improving our trade performance becomes even more important. It is critical that the Government provide Australian business and the broader community with certainty and confidence for the future. This report is an important building block in our plan for achieving this.

"The reforms of the last Labor Government prepared Australia well to weather the East Asian financial crisis in 1997. The new reform agenda of the Rudd Labor Government will build on those earlier reforms which also ensure that Australia is well placed to deal with the current global financial instability.

The Review team received over 160 written submissions and held consultations with over 170 organizations and individuals in all state and territory capitals.

The Government will consider the Review's recommendations and responds in detail later in the year.

Crean has also tabled In Parliament Minister an assessment of the Export Market Development Grants (EMDG) scheme undertaken concurrently with the Review. He noted that the Review had found that the EMDG scheme had provided significant benefit to exporters and the economy as a whole and that the Government should continue to invest in the scheme.

Rudd Calls for Education Revolution to Build the World's Best Workforce

Australian Prime Minister Kevin Rudd has called for an education revolution to make Australia economically stronger through better and highly skilled workforce. In an address to the 39th annual conference of Pacific Area Newspaper Publishers' Association recently, Rudd also talked about his government's commitment to the 'nation building' through $ 76 billion infrastructure development and various financial reforms to make the Australian economy strong. Excerpts.

Today I want to discuss the core objectives of the Government and the policy agenda we have embarked upon to achieve them - including our agenda for a revolution in Australian education.

Australia, like other nations, faces tough times ahead because of the state of the global economy and the challenges of a rapidly changing world. That is why the Government has a plan to build a more secure Australia, a stronger Australia and a fairer Australia - to see Australia through the challenging times that lie ahead.

That means tackling long term challenges not just putting them off into the never never. That also means doing what can practically be done to help working families, pensioners and careers in the here and now.

We are re-engaging with the international community by deploying Australia's potential for creative middle power diplomacy - to enhance our long term security and that of our wider region.

Our second core priority as a Government is to build a stronger Australian economy. Australia, like other nations, faces tough economic times because of the state of the global economy. That is why the Government is committed to responsible economic management anchored in a strong budget surplus.

That is also why the Government has a plan to boost long-term productivity growth through a comprehensive economic reform program. That reform plan starts with an education revolution with the long-term objective of building in this country the best educated, best trained, best skilled workforce anywhere in the world. That must be our ambition as a nation.

Our reform plan also includes a $76 billion nation-building plan to tackle the nation's infrastructure bottlenecks, the single biggest nation-building plan in our country's history. The Government came to office at a time when Australia was facing some of the most challenging global economic conditions in almost a quarter century.

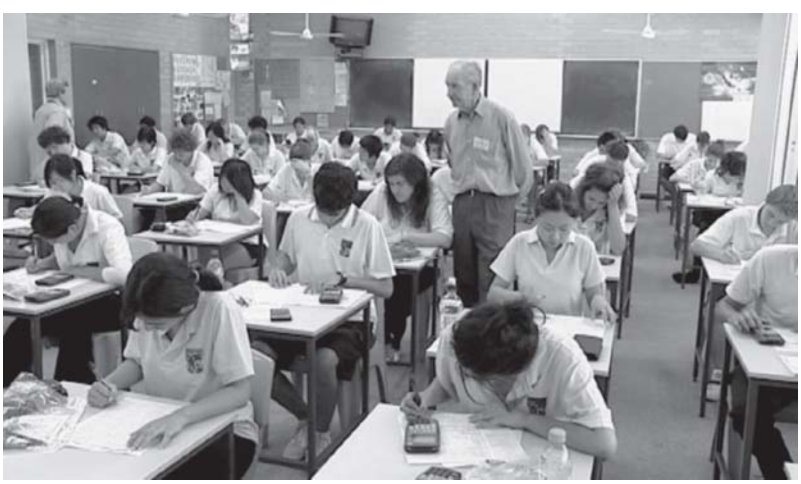
In the past year, a global financial crisis has been triggered by a wave of defaults in the US housing market, with the most recent manifestation of the crisis being the takeover by federal regulators of Fannie Mae and Freddie Mac which together hold about $5.4 trillion of debt, around half of the United States' entire mortgage debt. The global economy has seen the greatest oil price shock in more than 30 years. Industrialized nations have seen inflation almost double. Five out of the seven largest industrialized economies have experienced zero or negative growth in recent months.

Global share markets have fallen by an average of 20 percent. Global consumer confidence levels have fallen to their lowest levels since the early 1990s. We must face these global economic facts. These are tough global economic times. And Australia is not immune.

But the Government is committed absolutely to steering Australia through these tough economic times to ensure our economy emerges in strong shape for the future. We have delivered responsible economic management, with a conservative Budget grounded in a $22 billion surplus.

The surplus was designed to put maximum downward pressure on inflation and interest rates to give the RBA maximum room to make interest rate cuts. The Government has also embarked upon the most comprehensive microeconomic reform program that Australia has seen since the early 1990s.

We are committed to building long term prosperity by investing in five key platforms for future productivity growth: an Education Revolution to which I have referred; a nation-building infrastructure plan including roads, rail, ports and most critically, a national high-speed broadband network; investing also in innovation; creating a seamless national economy through an ambitious program of business deregulation, and long term tax reform.



We have laid out an Education Revolution for Australia's future - ranging through early childhood education, school education, vocational education and training, universities and research.

The Education Revolution isn't a slogan, it is a driving vision for the Government. It's at the heart of building a 21st century economy. Australia can't compete against the rest of the world by driving down wages and conditions. The low-cost economies of our region can always beat us at that game. And we can't expect our resources sector alone to shoulder the burden of building our future prosperity.

We must invest in knowledge and the knowledge-based industries for the future. In our first Budget we allocated nearly $20 billion to the Education Revolution over the next four years.

We have begun allocating funding from our $2.5 billion Trades Training Centres program for Australian secondary schools, our $1.2 billion digital education revolution for Australian secondary schools as well. And we are working for the first time in the country's history on a national school curriculum covering English, maths, the sciences and history.

We are funding 630,000 training places for the Skilling Australia for the future programme. And investing an additional half a billion dollars from our first Budget to begin rebuilding our university infrastructure.

The Government's commitment to the Education Revolution is matched by our commitment to nation-building infrastructure. The Government's nation-building program is now in motion. In just nine months, we have committed $76 billion in these critical areas of infrastructure bottleneck. These long-term investments will help build the foundations of the nation's future prosperity.

On the deregulation agenda, through the Council of Australian Governments which has come back to life, we are working on 27 areas of regulatory reform with the single objective of building a seamless national economy. It's time for the Federation to enter the 21st century. I will work with every State and Territory Government towards that goal and I don't intend to allow politics to get in the way.

Finally, we have established the Henry Commission as the starting point for long-term reform of the tax, welfare and retirement income system - another crucial element in building a stronger Australian economy for the future.

We're delivering on our commitment to tax relief for working families, with a $46.7 billion tax package, a $4.4 billion Education Tax Refund, the first in the country's history, to help with the kids' education and an increase in the Child Care Tax Rebate from 30 to 50 percent.

We've also provided $7.5 billion in additional payments to pensioners and careers in the Budget and begun a detailed review of retirement incomes with a view to placing pensioners on a more secure footing for the future.

As well as meeting the challenges of building a more secure, stronger and fairer Australia today, the Government also recognises that Australia must prepare now for the challenges of the future.

What will be the shape of China, what will be the shape of India, what will be the shape of the Asia Pacific region. And how does Australia carve intelligently its future in the midst of this ocean of change.

Like other nations, Australia faces long-term challenges, including climate change and water, the ageing of our population and long-term food and water supply. That is why the Government has a plan to act on climate change, to tackle the long-term needs of the hospital system as well as a plan of action on the future of the Murray-Darling Basin.

We are acting on these challenges.

After a long period of inaction, we have drawn a line in the sand on climate change. We recognise it as the greatest economic, environmental and moral challenge of our time. That's why the Government ratified Kyoto on the day we came to power. It's why we will be implementing a Carbon Pollution Reduction Scheme to achieve the lowest cost reduction in carbon emissions for Australia.

It's why we are supporting an energy efficiency strategy for the nation. It's why we will introduce a new national renewable energy strategy for the nation.

And we applaud the leadership being shown by many media organisations and other organisations on reducing carbon emissions and embracing sustainable business practices.

What we do as nations must be matched by what we do as households, what we do as corporations. The planet, at the end, is at stake. We have begun on a long-term strategy to reform also the health and hospital system and end the blame game between different levels of government.

We have established the National Health and

Hospitals Reform Commission and the National Preventative Health Taskforce, and we have invested in our public hospital system and in the reduction of elective surgery waiting lists. This task has just begun. And through COAG we are negotiating now a new Australian Health Care Agreement, a major step in our long-term program of health reform, to take effect mid-2009.

For me, a first-class education is both a matter of basic fairness as well as being a national economic imperative. We have committed as a Government to lifting school retention rates from 75% to 90% by 2020. We are doing this so that nine out of every ten children have the choice of a job, learning a trade or completing a university degree.

We know completing schooling to Year 12 level is important not just as a pathway to further education, but because without it Australians are significantly more likely to be unemployed. Each additional year of schooling is associated with around a 10 percent increase in earnings. Children who receive a better education are less likely to commit crimes in later life.

Low educational attainment is also associated with inter-generational poverty and social exclusion. The individual, social and economic benefits of high quality schooling are inseparable from each other.

Education is critical to people's life chances, to our future economic growth and to our community life. The Government's revolution must be both quantitative and qualitative. In our first Budget we allocated $19.3 billion to education initiatives over the next four years. But we are also implementing a set of qualitative reforms.

We have invested $20 million and are developing a national curriculum in English, maths, the sciences and history for all school students by the end of 2010. From 1 January 2009 we will be investing $625 million to encourage more students to study maths and science and pursue related careers including teaching. We need to act on the crisis of maths and science teaching in our schools. We are investing also $62.4 million to re-establish a National Asian Languages and Studies Program so that more students have the opportunity to learn the language and civilisations of our closest neighbours. And again a mission of the Government is this: to make Australia over time into the most Asia-literate country across the collective West.

The most China literate country across the collective west, as this region of ours - the Asia Pacific region - becomes the geo-political, geo-strategic and geo-economic centre of the world in the 21st Century.

Two weeks ago at the National Press Club I set out our quality education agenda for Australian schools. I announced the three central pillars of reform that the Commonwealth will be seeking to achieve in partnership with State and Territory Governments through COAG.

Firstly, improving the quality of teaching; Secondly making school reporting more transparent, and thirdly lifting achievement in the most disadvantaged schools in our communities.

As I said when I released my outline of the Education Revolution in January of last year, that is, the month after I became leader of the Parliamentary Labor Party, this revolution requires a substantial and sustained increase in the quantity of our investment, and the quality of our education outcomes. This is required at every level of education from early childhood to advanced research.

We need to set for ourselves a new national vision for Australia to become the most educated country, the most skilled economy and the best trained workforce in the world. In our reform agenda and collaboration with the States, we are proposing two distinct pools of reform funding.

To support reforms that advance quality teaching within schools, we will introduce new National Policy Partnerships with the States. These partnerships payments are up-front payments that help drive reform and payments that are made on outcomes achieved.

In the case of disadvantaged schools we have proposed a separate policy partnership with the States to provide more resources to achieve better and measurable outcomes.

Our goal is to see an average sized school in a disadvantaged area receive in the order of an additional $500,000 per year to use flexibly to lift student outcomes. This might enable a school to employ additional teacher aides, pay high performing teachers who help lift student outcomes to top up on their regular salary - or fund after-school homework or reading classes.

Over time, reward funding would also be available for the schools that make real progress in these difficult challenges. We are prepared to support those reforms up front that can make a difference. And we are ready to reward schools that go the extra mile to make sure they continue to improve.

While the priorities and the payments are distinct, their delivery needs to be integrated together so that it has the maximum impact on student learning.

We will judge each element on the evidence of its effectiveness. But in reality, none of the reforms we propose - school transparency, teacher quality and lifting attainment in disadvantaged school communities - can be undertaken without the other. In short, reform is required to identify the weaknesses and then to target additional investment and to measure improvement.

In a few weeks' time I will mark the tenth anniversary of my own election to the national Parliament. In my first speech in Parliament, I called for an education revolution. That was ten years ago. Within weeks of becoming leader of the Federal leader of the Parliamentary Labor Party, I set out a detailed case for the Education Revolution.

Now, in government, I am determined to implement that Education Revolution. It will require tough choices, tough decisions, tough reforms.

But without significant change and significant new investment we will not achieve the best we can in the future. Therefore, this Education Revolution is necessary in 21st century economy, necessary to give our kids the best possible start in life, and necessary also for overcoming entrenched disadvantage.

The Education Revolution is central to building a stronger, fairer Australia and one that delivers a better future for all Australians. ■

NSW Software to Help Improve Fuel Efficiency In Indian Railways

A New South Wales rail company, TTG Transportation Technology, is conducting trials of its Freightmiser technology with Indian Railways.

An energy optimization software technology, Freightmiser not only lessens the amount of fuel needed on rail routes but also reduces attendant carbon emissions. Freightmiser has been developed over the past 10 years by TTG Transportation Technology and the University of South Australia, supported by Australian government grants.

A computer-based system which sits inside the railway driver's cab, it displays track profile information and calculates optimal speed and power applications to achieve best performance.

"Freightmiser can save between 8-16 per cent on fuel," said TTG Transportation Technology's Managing Director, Dale Coleman. "That's a huge amount."

Coleman said that India spends about US$2 billion a year on energy for freight and passenger rail. "The cost savings possibilities are enormous and so are the possible reductions in carbon emissions."

Indian Railways, a state monopoly run by the Indian government, is one of the largest and busiest networks in the world, transporting 16 million passengers and one million tonnes of freight every day. Routes traverse the length and breadth of the country and cover more than 63,000 km.

Coleman said that preliminary work is now underway to run significant trials of Freightmiser on diesel electric trains on two routes, both over 400km, to the south and northeast of Mumbai.

"We expect the trials to be completed before the end of the year."

He said that the trials are the first step towards adopting these types of energy saving and train pacing technologies in India.

Tried & Trusted Technology

Freightmiser technology has already been successfully implemented in Australia by Pacific National, one of the largest private freight operators in the country.

"On the strength of the Pacific National experience we are now taking this technology into a number of other countries as well as India," said Coleman. "We are currently targeting the United Kingdom and China."

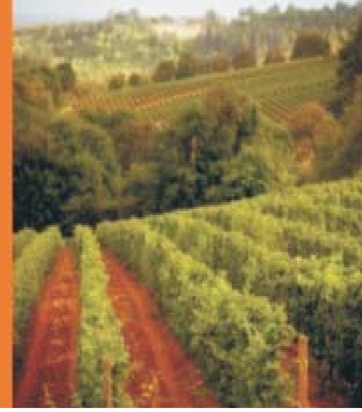
In July this year, TTG Transportation Technology was a winner of the Australian Railway Industry Corporation (ARIC) 2008 Export Awards, which recognized the significant contract for Freightmiser in India.

The company has also received an Austrade-administered Export Market Development Grant (EMDG) to assist with the marketing of its products.

The ARIC is a member-based industry body, formed and supported by engineers, manufacturers and suppliers to the Australian railway industry. It provides members with industry information and international market opportunities and promotes Australia's diverse range of railway industry products, services and technology internationally.

Coleman said that TTG Transportation Technology has recently opened an office in Beijing. "We have just signed two Joint Venture agreements with important Chinese companies to jointly manufacture a number of our products for the China and international markets." ■

Australian Wine in a Can Arrives at Indian Hotels



A unique Australian invention wine in a can is taking off in India where it has been requested by the hotel sector. Melbourne-based Barokes Wines spent a decade researching and developing this product. Globally patented as Vinsafe™, this technology is the only recognized can packaging system anywhere in the world for premium wines.

Barokes Managing Director Greg Stokes said that the idea of putting quality wines into cans came about when a glass bottle of wine accidentally fell into a Jacuzzi at his home, almost breaking. "I could see that there was a market for wine packaged into containers that would not break," he said.

So, in 1996, research commenced on alternative packaging which included technical research, wine construction, and test packaging of the wine. The resulting Vinesafe™ technology, which took five years to develop, has now been granted patents all over the world.

"A number of market sectors are adopting the Barokes range because it presents a solution, rather than being just another wine product," said Stokes.

"Hotels and airlines, in particular, are finding that the packaging for 'wine in a can' has many advantages. The weight of a can is much less than that of a bottle, which is certainly an important consideration on an aircraft.

"Storage is also easier because the cans are stackable and take less room. Then, of course, with a can you've instantly solved the problem of glass breakage."

Barokes Wines have won a slew of medals around the world at recent wine shows and competitions, including the 2008 International Wine Challenge in London, the 2008 San Francisco Wine Competition, and the 2008 Wine & Spirits Asia in Singapore.

Barokes' wine is sourced from a number of wine growing regions around Australia, with the grapes grown to specification. The wine is then carefully matured to achieve its peak then hermetically sealed in specifically-crated, internally lined 250ml cans.

Sales into India

Barokes Wines are breaking down doors all over the world at the moment. Stokes said he is particularly pleased to get sales of 'wine in a can' up and running in India. "It's an interesting market with a lot of potential in the hospitality sector," he said.

Stokes said that doing business in India means that Australian exporters need to have patience. "You need to allow for long lead times and, at the moment, India is flooded with companies trying open markets, so you also have to be sure that you choose the right partner who is able to make your product work for both companies the Indian and the Australian."

In India, Austrade assisted Barokes in finding an appropriate importer/distributor for 'wine in a can'.

"Ramakrishna Dastrala, Austrade's Hyderabad Business Development Manager, has been a great help in getting this export off the ground," said Stokes.

"Ramakrishna was instrumental in putting us in touch with Bommidala Enterprises, who are now selling Barokes in India, and he also assisted us enormously in helping to finalise the first shipment of our product to the Marriot Hotel, our first Indian customer." ■

Indians 2nd on List of Australian Citizenship

Minister for Immigration & Citizenship Senator Chris Evans has said Citizenship Day was a chance for all Australians to celebrate the value and meaning of Australian citizenship. The Minister was conferring 17 people with Australian citizenship at a special ceremony at the National Museum of Australia in Canberra recently.

More than four million people have become Australian citizens since citizenship was introduced in 1949 and 1600 others will join the Australian family today in celebrations around the nation.

'In 2007-08, my department approved 107,647 people as new Australian citizens from more than 200 countries around the globe,' Senator Evans said.

Of the new citizens in 2007-08, the top 10 countries of nationality or citizenship of people who were conferred were: the United Kingdom (27,369), India (9,053), China (8,402), New Zealand (6,806), South Africa (5,490), Iraq (4,216), Philippines (3,827), Afghanistan (3,174), Sudan (3,017), and Sri Lanka (2,921).

'Australia has been enriched by the diverse cultures and traditions of people who have come here from all over the world,' Senator Evans said.

'Becoming an Australian citizen shows commitment and loyalty to this country and a desire to share in our common future,' Senator Evans said. 'Australian Citizenship Day is an opportunity for all Australians to think about the changes that shaped our nation, and to reflect on the role we play in building Australia and our future.

'The common bond that unites us all is citizenship. I encourage anyone who is eligible to join them and formally become a part of our community as Australian citizens,' Evans added. ■

Minister Visits Australia-Funded ICRISAT's Sorghum Project


Stephen Smith

Stephen Smith, Australian Minister for Foreign Affairs during his recent trip to India, has found time to visit an Australian-funded agricultural research project in the southern city of Hyderabad. He talks about the need to protect the world's food crops from the adverse impact of climate change. Excerpts.

Australia and India have several joint research programs that are applying the latest advances in biotechnology and plant breeding to develop improved crop varieties able to sustain high yields under dry conditions. Indian and Australian farmers share similar agro-climate conditions in their grain growing regions.

I visited a new sorghum research project being funded by the Australian Government at the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) near Hyderabad.

The sorghum project improving post-rainy sorghum varieties to meet the growing grain and fodder demand in India is funded through the Australian Centre for International Agricultural Research (ACIAR), which commissions agriculture research programs between Australian and developing-country scientists.

The Australian Government has committed $1 million to the sorghum project through ACIAR. The aim of this project is to speed up the development of advanced, more robust sorghum crops through the use of advanced biotechnology in particular a plant-breeding process known as marker-assisted selection (MAS). The objective is to develop crops that are better able to cope with water stress during drought.

MAS technology allows scientists to identify individual plants whose genetic make-up gives them an ability to use water more efficiently when growing. The accurate identification of such plants provides breeders with reliable stock from which new 'drought tolerant' varieties can be bred.

I visited the ICRISAT research facility and spoke to international researchers using MAS technology to breed drought-tolerant sorghum.

Australia's involvement in collaborative agricultural research and development programs demonstrates the Australian Government's international commitment to achieving more productive and sustainable agriculture. ■

Doing Business through Sport, the Australian Way

The Australian government through its trade promotion arm Austrade is working with the Australian Football League (AFL) to use Aussie Rules to do business with India.

A record 15 countries participated in the Australian Footy International Cup in Warnambool, Melbourne between August 27 and September 6, including for the first time an Indian team.

Austrade and the AFL promoted a footy match in Abu Dhabi earlier this year, which brought Australian and local companies together in a business networking function. Austrade and the AFL hope to take this model to other countries, including India and South Africa.

Simon Crean, Minister for Trade and a passionate supporter of the North Melbourne Football Club, welcomed the arrival of international teams to Australia.

“The International Cup is an excellent platform to build sport and business links with India. I would like to congratulate the AFL for this initiative. The Government will continue to work with them to assist in promoting our great game overseas.”

“I would like to wish all the teams competing in the footy competition all the very best of luck over the next two weeks.”

AFL General Manager National and International Development David Matthews said he was delighted an Indian team would compete in the International Cup later this month.

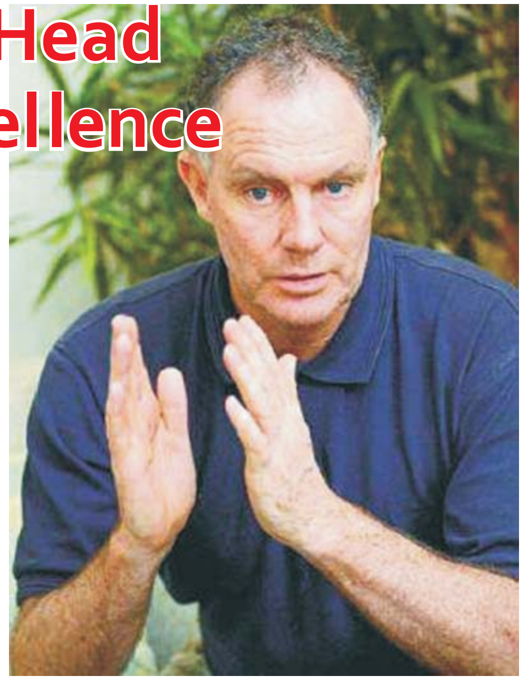
"AFL India was formed 18 months ago in Calcutta. With cricket ovals vacant in winter months, there is a great opportunity for Australian Football to become a sporting option for young Indian boys and girls throughout the country. We look forward to the game's growth in the years ahead," Matthews said.

Balraj Singh, former AFL Crows player and mentor to the Indian team, said he was excited to be sharing his passion for AFL football with the Indian team.

"I have been working with the Indian team to hone their skills on the football field. The side shows great promise and as the sport gains popularity in India, more people will want to be involved and this will lift the standard of play," Singh said.

Austrade has a track record of using high profile sporting events as a platform to develop Australian business. The Business Club Australia program was first run at the 2000 Sydney Olympics. Since then, Austrade has run Business Club Australia at a range of international events and the biggest effort outside of Australia has been in Beijing for the 2008 Beijing Olympic Games. Business Club Australia is a proven success story of how sport and business can mix to deliver trade and investment results for Australian business. ■

Greg Chappell Named Head Coach at Centre of Excellence



Cricket Australia has appointed former Australian captain Greg Chappell as the new Head Coach of the Cricket Australia Centre of Excellence (COE).

Chappell, who has previously coached India and South Australia, will be based full-time at the COE in Brisbane where he will oversee the development of Australia's brightest cricketing talent in an initial three-year term.

Cricket Australia Chief Executive Officer James Sutherland said Chappell's appointment as Head Coach would provide many benefits to Australian cricket.

"Greg brings to the role a great deal of experience as player, captain and coach. His recent coaching experiences in India add to the key lessons and insights he will offer Australia's emerging talent," Sutherland said.

"He will play an important role in further developing the strong links between the Centre of Excellence and Australian men's and women's teams. This is a key appointment for Australian Cricket. Greg is renown for his ability to identify and develop cricketing talent and we are very pleased to have secured his services."

"We are particularly pleased that Brian McFadyen has agreed to continue in his current role as COE Program Manager. Brian will continue to provide support to the Head Coach from a coaching, administrative and program management perspective. Belinda Clark will continue in her role as Manager of the COE," Sutherland added.

Chappell's role as Head Coach will include overseeing the implementation of all COE programs, providing leadership to the Australian Institute of Sport (AIS) men's and women's program and the continued development of COE coaching staff. He will also act as an Australian men's team consultant, as the Australia A coach for all future tournaments and play a role in the development of Australia's youth cricketers.

"I am looking forward to the challenge this position will offer in what is an exciting time, not just for Australian cricket but world cricket as a whole," Chappell said.

"Working with other coaches in the Australian cricketing system and deciding how to make the best possible use of the wonderful facilities we have available to us is something that excites me greatly.

"I believe I have a lot to offer the younger players, especially in the mental area of the game from both a personal and coaching point of view and have a lot of knowledge when it comes to individual and team preparations for cricketing tours.

"In some ways, it is quite reminiscent of the mid 1980s when I was involved. Australian cricket is again going through a period of rebuilding after what has been a very successful era. We need to ensure we continue this momentum and prepare the right kind of players who can continue our excellent performances of the past.

"Through my experience not only as a player and captain but also as a selector, in administration, the media and my time in India, I hope to pass on some of my learnings as we strive for excellence in Australian cricket.

AIS Director Professor Peter Fricker said he was delighted that someone of Chappell's outstanding cricketing knowledge and ability was joining the COE.

"Greg Chappell brings a wealth of experience as both a former top class cricketer and as a high quality coach," Professor Fricker said.

"He will prove a tremendous asset to the Centre and will bring vast international experience and build on our attitude of excellence in the program."

The COE was launched in 2004 and replaced the Commonwealth Bank Cricket Academy that had been based in Adelaide for 15 years. The COE operates with a broad vision which includes the established player development and sport science and sport medicine units and future plans to develop an information and resource centre.

The 2008 intake of COE scholars successfully defeated Bangladesh 3-1 in a Top End Series last month while Peter Forrest was named in the Australian A squad to tour India and Moises Henriques was named as a shadow player for the Australian squad in its Commonwealth Bank Series against Bangladesh. ■

Infosys to Invest in Australian Research Centre

Infosys has announced its plans to invest up to 1.9 million Australian dollars in the newly formed Smart Services Cooperative Research Centre (CRC) of Australia.

Gary Ebeyan, Chief Executive Officer of Infosys Australia said: "Innovation is imperative for growth and with Australia an emerging market on the global IT stage, we're pleased to be contributing to the development of the industry in such a significant way."

Infosys' participation in the R&D program, which is a joint venture between the company's Australian subsidiary, Infosys Australia and SETLabs, the company's research group headquartered in India, will initially concentrate on three research projects in the areas of business process innovation and service oriented architecture (SOA).

"The CRC program will extend on the research currently being undertaken by SETLabs and provide valuable insights into the needs of the Australian market," Ebeyan said.

The program, which will initially be focussed on finance, media and government sectors, will commence operations in the second half of 2008. ■

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