



Queensland-India Trade and Investment Strategy 2018–2023

November 2018



Queensland
Government

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Premier's foreword

My Government's Advance Queensland agenda is positioning Queensland for the changing world of the future, and Queensland's future in India's growth story is bright.

Global growth is shifting east and driving strong demand for what Queensland has – safe and high-quality food products, abundant resources, trusted services, unmatched tourism experiences, outstanding skills and knowledge, and a secure environment in which to invest.

Last year the Queensland Government launched the *Advancing Trade and Investment – Queensland Trade and Investment Strategy 2017–2022* to position Queensland as Australia's most innovative and dynamic trading economy.

Now, we are directing our focus towards building stronger ties with India through growing bilateral trade and investment. Our relationship is grounded in our shared Commonwealth heritage, and the Trade and Investment Queensland office in Bengaluru demonstrates Queensland's ongoing commitment to India.

With India already one of the world's largest democracies and set to become the world's second-largest economy, this relationship represents an enormous opportunity for Queensland to engage further with this growing economic powerhouse.

The Queensland Government's objective is to secure jobs and prosperity for Queenslanders, leverage existing capabilities to solve shared challenges, and embrace emerging opportunities.

This strategy is the first step to creating an even greater bond as we make ourselves part of India's amazing growth story.



The Honourable Anastacia Palaszcuk MP
Premier of Queensland
Minister for Trade

Advancing trade and investment

Queensland-India Trade and Investment Strategy 2018–2023

Partnerships work both ways. The *Queensland-India Trade and Investment Strategy 2018–2023* aims to provide new jobs, economic growth, and innovation associated with enhancing Queensland and India's trade and investment relationship.

The *Advancing Trade and Investment – Queensland Trade and Investment Strategy 2017–2022* (the Trade and Investment Strategy) is leveraging Queensland's natural and acquired strengths to tap into the opportunities created by expanding international markets. It responds to eight megatrends affecting the global economy, such as the rise of Asia, ageing population, pressure on natural resources, pressure on the environment, and the opportunities of the digital age.

As the global economic landscape evolves, Queensland needs to ensure its trade and investment policies can respond to these megatrends. We need to target key markets and support risk management by diversifying our export markets and fostering advancement of our established and emerging sectors.

To address this, one of the initiatives from the Trade and Investment Strategy is the development of country-specific trade and investment strategies to ensure Queensland businesses are adequately supported to succeed in key markets with growth potential.

India – one of our key markets

India has long been one of our key economic partners, and now it is set to become one of the world's largest economies.

Even by today's measures, India is a significant economic power that dwarfs not only Queensland, but Australia as a whole. This disparity will become even more pronounced as India continues its growth journey. By 2050 it is expected to have an economy which is almost 60 times the size of Queensland's.

The Indian population is young and expanding rapidly. India will become the world's most populous country in the next decade. As well, more and more people are using mobile devices and moving to urban areas.

India has growing demand for education and training, energy, food, healthcare and infrastructure.

The Indian Government is committed to addressing these needs and moving towards self-sufficiency by training its large workforce and adopting smarter processes and technologies. As part of this commitment, India's regulatory environment is opening, enabling more foreign businesses to provide the services and support India will require.

Queensland's value proposition

As the world's only developed economy that straddles tropical and subtropical climates, Queensland has expertise India needs.

Queensland is well-placed to become an active partner with India. Queensland possesses many natural and acquired strengths such as reliable and efficient infrastructure, abundant natural resources and arable land, a relatively low cost of doing business compared to other states and a strong global office network.

These advantages support our major export industries which form a strong foundation for future growth and provide a starting point from which value-adding opportunities can be identified.

Our key strengths, including education and vocational training, tourism and major events, mining and mining equipment, technology and services (METS), food and agribusiness and healthcare offer world-class opportunities for trade and investment. And with India, we have opportunities to:

- broaden our in-market delivery of education and training to up-skill India's growing workforce, as well as offering top notch education services in Queensland
- provide enhanced tourist linkages and experiences to meet the demands of India's growing and discerning middle class
- grow our resource industries and help India develop its own, and to be a part of India's transition to renewable energy technologies
- expand on our current agricultural trade with increased value-added food and agribusiness products and services including processed foods and AgTech
- assist in the expansion of India's healthcare coverage and service delivery.

Leveraging these strengths and opportunities will pave the way for our emerging industries such as robotics, drones, artificial intelligence, data and computing, renewable energy and clean technology and emerging science.

It will also attract more Indian entrepreneurs and startups to Queensland, promoting collaboration between researchers and businesses and growing innovation networks within our regions.

And advancing our expertise by working with India will benefit us too.

A shared understanding

It is important to understand each other. Although there are strong parallels in our Commonwealth heritage, climate, resource base and agriculture, there are also clear differences between Queensland and India such as our business and cultural expectations, regulatory environments and consumer preferences.

This strategy has been developed following extensive research, consultation and analysis supported by the development of the consultation paper *Towards a Queensland-India trade and investment strategy*. A range of government, business and peak body stakeholders in both Queensland and India were consulted.

Current challenges

Our stakeholders noted a range of challenges and barriers to trade and investment that are common across all Queensland sectors and regional markets in India.

These are:

- **Business culture:** India's businesses typically expect high levels of communication and persistence (it often takes 4–5 interactions before relationships progress), and prefer to meet face-to-face. They are also typically less risk-averse than Queensland businesses.
- **Market opacity:** The regulatory environment in India can be difficult for Queensland businesses to navigate, ie tariffs, fees and import taxes. The differences in our regulatory environments can also make it problematic for Indian investors wishing to enter Queensland. And customer needs across India are vastly different.
- **Competitiveness:** India is highly self-sufficient in comparison to many other countries, with intense competition in the market. India is a resource intensive market, requiring 'boots on the ground' to achieve results. Pricing is critical, as Indian businesses are highly price sensitive, and will often go with the lowest price.
- **Ability to partner:** India is highly dependent on relationships and it can be difficult to identify and engage business partners in India without local insights.

Key initiatives

The Strategy responds to these issues with five key initiatives that provide direction for our engagement to deliver trade and investment outcomes into the future. The initiatives are:

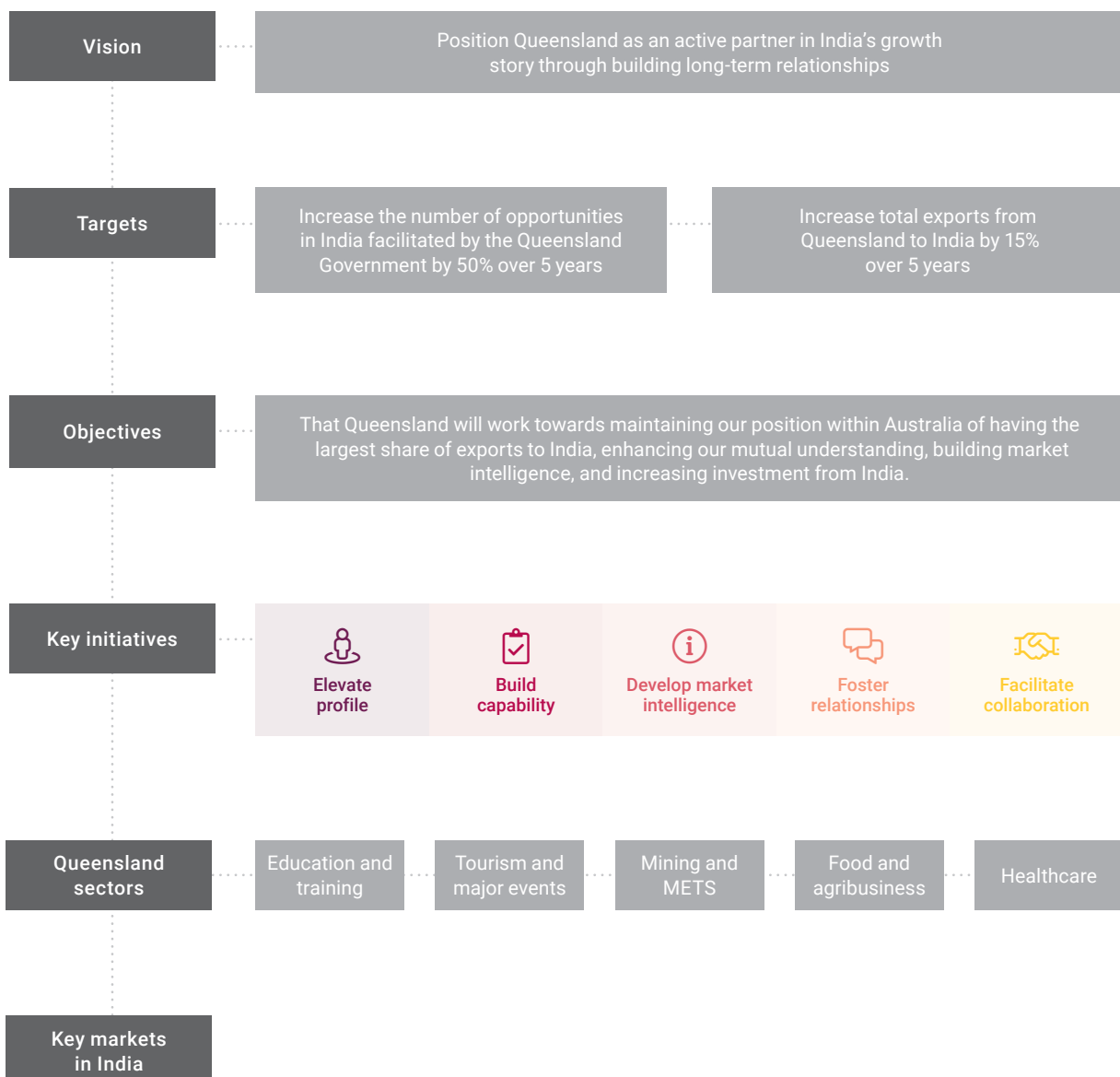
1. Elevate the profile of the Queensland-India trade and investment relationship
2. Build business capability
3. Develop market intelligence
4. Foster relationships
5. Facilitate collaboration.

Because of India's size and regional variation, various Indian markets are identified as key for Queensland, allowing us to focus our efforts and enhance our impact.

As Queensland builds trust in and demonstrates commitment to the Indian market, this strategy will address the challenges that Queensland and India share and further cement our long-term relationship.

Overview

Queensland-India Trade and Investment Strategy 2018–2023



Key initiatives

During consultations in Queensland and India, stakeholders noted a range of issues common across all Queensland sectors and Indian markets. These informed the following five initiatives of the strategy:



Elevate profile

- India's business culture expects a 'boots on the ground' presence in market.
- While many people in India may be aware of Australia, they may not necessarily be aware of Queensland in its own right. Building presence in India demonstrates commitment.
- By elevating the profile of the Queensland-India trade and investment relationship, we will convey to the market Queensland's commitment and play a key role in ongoing engagement and awareness.



Build capability

- Between Queensland and India there are many divergent business and cultural norms, and little shared awareness, which often impedes business.
- India has a reputation of being opaque, meaning many Queensland businesses are not incentivised to navigate this market.
- Boosting mutual cultural understanding creates a clear basis for business and instils the required confidence to pursue the opportunities that exist.



Develop market intelligence

- The rapidly growing number of business prospects across many sectors in India makes it difficult to stay abreast of opportunities.
- Queensland businesses need current information on demand and knowledge of consumer preferences in India. The localisation of products and services, as well as pricing, are critical for servicing the Indian market.
- Raising awareness of opportunities in India will raise the likelihood that businesses will engage in the market in a targeted fashion and have a better chance of succeeding.



Foster relationships

- India is a market that requires patience and perseverance on the part of Queensland businesses. Consistent and regular contact is expected and builds two-way trust.
- Fostering relationships with key stakeholders and influencers in Indian industries will greatly assist in promoting Queensland expertise and will also encourage two-way communication of critical information.



Facilitate collaboration

- Doing business in India generally requires a partner with experience and a demonstrated track record in the market.
- Shared challenges provide Queensland and India with motivation for stronger collaboration and co-investment. By working together to overcome challenges, such as food security and sustainability, Queensland and India can create a mutually beneficial relationship.
- Bolstering collaboration, joint ventures and business-government partnerships opens the door to shared success.

Specific activities under each of the five initiatives are on page 22.

Why India?

Over the next twenty years, there is no other market which will offer more growth opportunities for Queensland businesses than India.

As the global economic landscape evolves, Queensland needs to ensure its trade and investment policies can respond to those changes as they occur.

By targeting new key market opportunities we will support economic resilience by diversifying our export markets and fostering advancement of our established and emerging sectors.

India's growth story

India's gross domestic product (GDP) is currently upwards of A\$3.5 trillion. Its economy is forecast to be the fastest growing through to 2050, by which time it will surpass the United States and the European Union to be the world's second-largest economy behind China. In 2060, India's economy is forecast to be nearly eight times larger than it was in 2017.

It is worth noting that when compared to other growing economies, India's growth is largely based on domestic consumption, with limited participation in global exports, and the Indian Government is focused on enhancing domestic production.

A democratic and diverse nation

Like Australia, India is a federal union, comprising 29 states and seven union territories. Each region has unique elements which define its business environment. These include differing key development initiatives and reforms, key industries and new sector-specific hubs, consumer demands and preferences, business regulations and official languages.

As one of the world's largest democracies, India is likely to overtake China to become the world's most populous country in the next decade. This growth is forecast to continue until it peaks around 2060 with over two billion people. This will contribute to both production capacity and overall domestic consumption.

A large, youthful population with a burgeoning middle class

India has a comparatively young population, and a large working-age population. Between 2010 and 2030 this population is expected to grow by a further 241 million people, meaning more and more people will require training to join the workforce.

And as India becomes a wealthier country; its burgeoning middle class will have higher levels of disposable income to spend on goods and services not previously accessible.

Demographic changes are driving demand for infrastructure, goods and expertise

Nearly 30% of India's population now has access to the internet and there are expected to be nearly two billion connected devices in India by 2020.

Increased connectivity, across both urban centres and rural areas, allows consumers to access new products and services. At the same time, enterprises have greater reach and new digital channels to conduct business both domestically and internationally.

More people in India are moving to urban areas. The delivery of new, high-capacity infrastructure and services provides opportunities for domestic and international businesses to partner with the Indian Government throughout the design, implementation and management stages.

The increasing population of India, and the world in general, is heightening the need for sustainable approaches to food production and energy production. As well, the associated growth in demand for health services and disease remediation and the Indian Government's drive towards universal coverage is providing opportunities to invest in healthcare infrastructure and training.

Our shared challenges

Some of the challenges India faces also reflect our own. These include the need to:

- limit our reliance on carbon intensive resources and finding cleaner and renewable ways to meet our energy needs
- feed a growing population in a way that is efficient and sustainable in the long term
- respond to increasing demand for health services
- overcome health challenges and diseases specific to tropical and sub-tropical climates
- manage the impact of new technologies on future employment and the economy
- ensure that our people have the right skills and training to succeed.

India's rapid growth will have implications and create opportunities for mature economies around the world, including Queensland.

We have the opportunity to provide expertise that India needs and it makes sense to approach these issues together, so we can benefit from sharing resources and expertise.

The opening of India's regulatory environment

India is becoming a more competitive and desirable place to do business.

Since 2014, the Indian Government has introduced a range of structural reforms to further improve the ease of doing business in areas including protecting minority interests, starting a business, obtaining credit, taxation, trading across state borders, enforcing contracts and resolving insolvency. This overhaul to regulation is providing benefits to government, citizens and businesses.

The Indian Government is looking to implement additional reforms to further improve its economy and is planning significant investment to develop the sustainable cities and infrastructure to meet the needs of its growing population.

The flagship government programs underpinning the economic development and reform agenda in India (including Make in India, Digital India, Financial Inclusion, Smart Cities, Skill India, Clean India, and Startup India) provide a useful foundation for trade and investment efforts between Queensland and India.

Our long trade and investment relationship

Our relationship with India already supports significant economic development and investment in infrastructure in Queensland and supports employment in numerous sectors throughout the state.

The growth of goods and services trade between Queensland and India has been strong over recent years. India is currently Queensland's third largest export market, and Queensland has a biggest share of Australian overseas exports to India than other states, making up 62% of total Australian exports in 2017.

Queensland's exports to India are predominately metallurgical coal, which makes up 67% of total Indian exports in 2017 (around 71% of Australia's total exports to India are in this category). The second largest export category to India is agricultural products, with Queensland exporting around 57% of Australia's total exports to India.

While these will probably remain the dominant exports in the short term as Indian demand continues to rise due to shortfalls in domestic supply, in the long term we need to diversify and take advantage of demand in other industries and sectors.

Queensland's Indian diaspora

Queensland is home to a large and diverse Indian diaspora – 49,000 Queenslanders were born in India, which supports strong community-based relationships.

Queensland is home to more than 10% of Australia's growing total Indian-born population.

As well as permanent migration, there is also significant temporary movement of people between India and Queensland in the form of tourism and education.

The estimated remittance from Queensland to India has increased by more than 17% per annum from 2010 to 2016. A consistent share of skilled migration to Queensland is Indian. Hospitality and ICT occupations represent 39% and 20%, respectively, of all Indian primary visa holders in Queensland in 2017.

Queensland's diaspora is an active part of Queensland society and maintains links with India.

Results of consultations






In August 2018, the Queensland Government released the *Towards a Queensland-India trade and investment strategy* paper as the basis of consultation, to learn from key stakeholders about how to grow trade and investment between Queensland and India.

Stakeholders in both Queensland and India assisted in identifying further the current challenges and opportunities for Queensland businesses.

Consultation revealed that despite its evolving regulatory landscape and multitude of opportunities, India continues to be perceived by many as a challenging market to do business.

Success in the Indian market requires patience and perseverance. Although it has many similarities with Queensland, many Queensland businesses get caught out by different business and cultural norms.

Some of the challenges identified during consultations include the following:

Challenge	Corresponding initiative
<ul style="list-style-type: none"> ➤ India is a resource intensive market, requiring 'boots on the ground' to achieve clear results. ➤ The Indian business environment requires more communication and persistence than in Australia. 	 Elevate profile
<ul style="list-style-type: none"> ➤ There is a different risk appetite between Indian and Australian firms, with Australians perceived as risk-averse. 	 Build capability
<ul style="list-style-type: none"> ➤ The regulatory differences between Queensland and India can be difficult to navigate, including tariffs, fees and import taxes. ➤ India is highly self-sufficient in comparison to other East Asian countries, with intense competition in the market. ➤ Localisation of product and services is typically required, as the customer needs are vastly different. ➤ Pricing is critical, as Indian businesses are highly price sensitive, and will usually negotiate for the lowest price. ➤ India is vastly different to China, and the strategy of 'premium product, premium price' is not as applicable. 	 Develop market intelligence
<ul style="list-style-type: none"> ➤ India is highly dependent on relationships. It often takes 4-5 interactions before business relationships can progress. ➤ Indian businesses typically prefer to meet face-to-face rather than through communication via emails or telephone. 	 Foster relationships
<ul style="list-style-type: none"> ➤ Indian business is strongly relationship-based, preferencing businesses that have an established local presence and network. ➤ Partnering (through consortia or joint ventures) is often the recommended option for foreign businesses entering the Indian market because partnerships can provide invaluable knowledge and access to existing relationships. ➤ It can be difficult to identify and engage appropriate business partners in India without local insights. 	 Facilitate collaboration








Noida, India

Queensland's strengths

Key sectors for collaboration with India

Our major export industries form a strong foundation for future growth and provide a starting point from which value-adding opportunities can be identified.

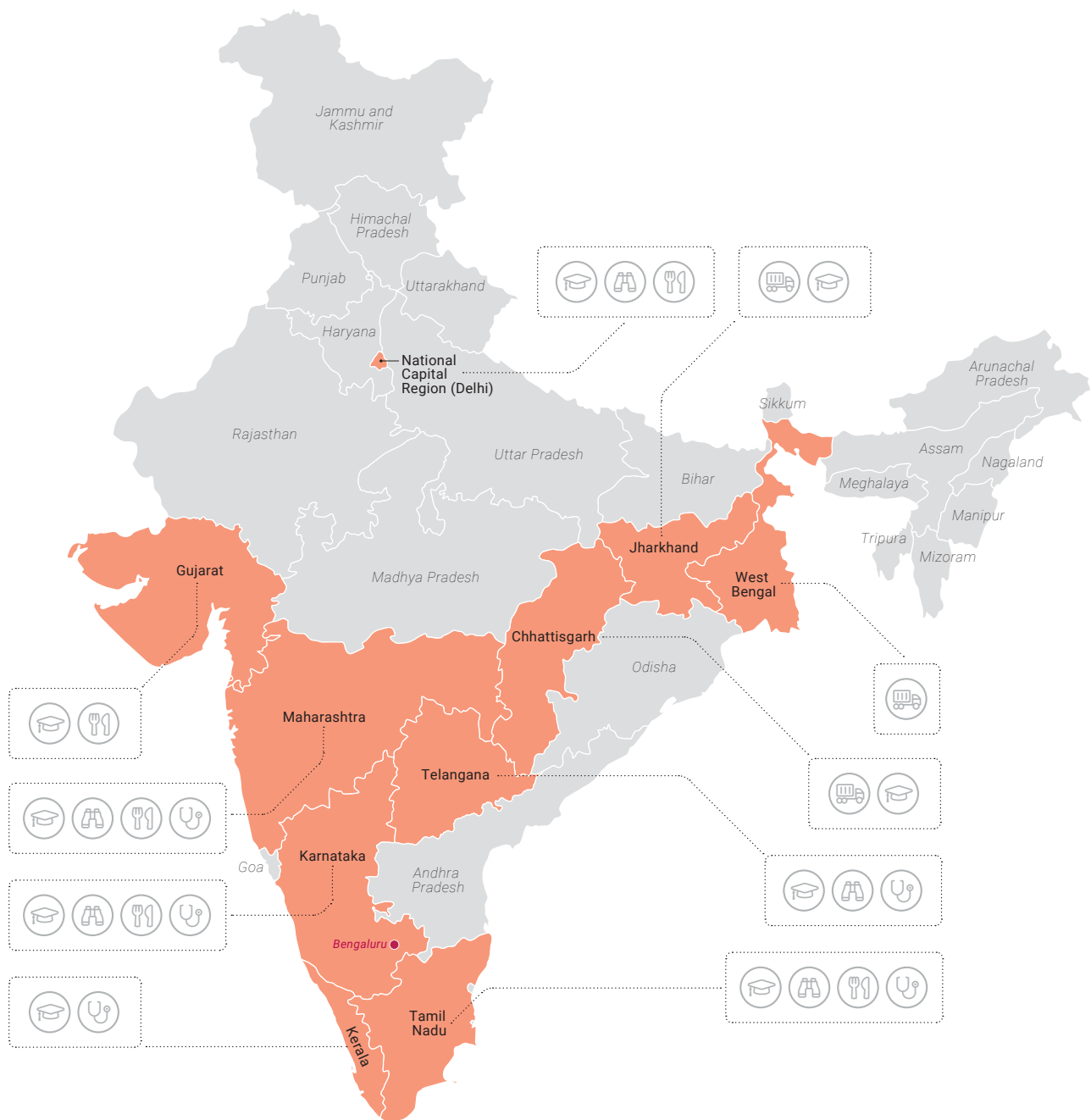
	Queensland's sustainable, competitive advantages	Our future with India	Corresponding key regional markets in India
International education and training 	<p>With world-class education and training, Queensland is an attractive destination for international students.</p> <p>Queensland also has the vocational training expertise that India needs to train its young and expanding workforce.</p>	<p>As well as serving the growing the number of inbound Indian students, there are opportunities to deliver training in India and foster industry partnerships.</p> <p>Queensland can partner with India to deliver scalable education solutions and assist in training 400 million people by 2022.</p>	<ul style="list-style-type: none"> > Chhattisgarh > Gujarat > Jharkhand > Karnataka > Kerala > Maharashtra > National Capital Region (Delhi) > Tamil Nadu > Telangana
Tourism and major events 	<p>Queensland is home to many world-class tourism attractions and experiences and is one of Australia's top tourist destinations.</p> <p>Queensland also has world-class screen industry and major events facilities.</p>	<p>Queensland can develop experiences and links that cater to the rapidly increasing number of high-spending Indian international tourists.</p> <p>Increased tourism from India can result organically in increases to bilateral tourism – better tourist experiences will enhance inter-personal relationships.</p>	<ul style="list-style-type: none"> > Karnataka > Maharashtra > National Capital Region (Delhi) > Tamil Nadu > Telangana
Mining and mining equipment, technology and services (METS) 	<p>Queensland has a productive and established mining sector, and proven, world-class METS expertise, including the safe operation of large mines.</p>	<p>Queensland METS companies can capitalise on their mining expertise by helping India to develop its resource industry further for domestic consumption and export.</p>	<ul style="list-style-type: none"> > Chhattisgarh > Jharkhand > West Bengal
Food and agribusiness 	<p>Queensland is Australia's leading agricultural state – 83% of our land mass is dedicated to producing high-quality products.</p> <p>The state is also home to sophisticated farming processes and AgTech.</p>	<p>Adopting Queensland's innovative technologies and processes can improve the productivity of India's agricultural sector and ease food security and sustainability challenges.</p> <p>Queensland's premium food products and brands can cater to India's shifting consumer demands.</p>	<ul style="list-style-type: none"> > Gujarat > Karnataka > Maharashtra > National Capital Region (Delhi) > Tamil Nadu
Healthcare 	<p>Queensland is recognised globally for its medical research, particularly in tropical and infectious diseases, vaccine development and telemedicine.</p>	<p>Investment and support from Queensland can help India address healthcare challenges relating to access, cost and quality of care and health products, as well as development and management of facilities and training of staff.</p>	<ul style="list-style-type: none"> > Karnataka > Kerala > Maharashtra > Tamil Nadu > Telangana

Our key markets in India

India's size and complexity mean we need to focus our efforts on key regional markets to maximise shared benefits.

Just like Australia, India is a federation made up of states and territories. India's size and geography have resulted in the development of multiple regional markets, each with specific characteristics, opportunities, demand and consumer preferences.

The Indian states highlighted below are the corresponding key regional markets for Queensland's sectors.







International education and training

Our strengths and current standing

India is a critical market for Queensland, bringing in the second-highest number of international student enrolments in higher education and third-highest number of VET enrolments.

Queensland also has a strong track record of partnering with India to deliver in-market education, training and research outcomes.

Queensland is the location of choice for many international students. With more than 123,000 international student enrolments in Queensland each year from over 160 countries, the international education and training sector is one of Queensland's most valuable industries.

Queensland has world-class education and training institutions, safe and multicultural communities, idyllic locations, proximity to Asia and an enviable lifestyle.

The high performance and growth of Queensland's international education and training sector are underpinned by internationally regarded academic staff and research capabilities, a well-regulated system and unrivalled education and research infrastructure.

Since 2017, the Queensland Government has been promoting the offshore and onshore capabilities of Queensland's state school education system in Gujarat, Karnataka, Maharashtra, the National Capital Region (Delhi) and Telangana. School enrolments are growing.

Key factors in our future with India

- Education will play an important role in India's growth story, with the nation set to have the world's largest millennial population and second largest graduate talent pipeline by 2020.
- The National Skill Development Mission is to train 400 million Indians by 2022.
- The Indian Government is looking to develop world class higher education institutions by conferring on 20 universities the status of 'Institution of Eminence' (IoE). These institutions will have complete financial autonomy and be exempt from all norms regarding admissions, curriculum, recruitment, and collaborations.
- Current Indian regulation prohibits foreign universities from establishing campuses in India, although the Indian Government is currently considering potential amendments, and there are ongoing challenges in relation to mutual recognition of qualifications.
- Vocational education and training are often perceived in India as less prestigious than tertiary education. The provision of international qualifications increases prestige.
- Queensland's world-class institutions offer a vibrant multicultural experience.

Case study: Queensland-Skills and Education Consortium

The Queensland Skills and Education Consortium (QSEC) is delivering high-quality industry-focused skills programs in India to foster employment. Its partners include Griffith University, Australian Retail College, Intech Institute of Technology and FoodCoach Institute.

Since its establishment in 2016, QSEC has signed training delivery agreements with several Indian states and organisations, including Kerala, Chhattisgarh and Jharkhand and the Skills Council for Mining Sector.

The success of QSEC in India has been facilitated by the Australia India Business Council (AIBC) and Study Queensland.



Key markets in India for Queensland international education and training

Chhattisgarh, Gujarat, Jharkhand, Karnataka, Kerala, Maharashtra, National Capital Region (Delhi), Tamil Nadu, Telangana.



Tourism and major events

Our strengths and current standing

With world-class tourism assets and infrastructure, there is potential for Queensland to attract greater numbers of high-value Indian visitors.

Queensland is home to many world-class tourist attractions and experiences and welcomes millions of domestic and international tourists each year. The state has five World Heritage areas, including the iconic Great Barrier Reef and Wet Tropics, and is one of the most naturally diverse regions in the world, with corresponding expertise in outdoor and adventure tourism.

Tourism is a major sector for Queensland, contributing \$25 billion to the economy and representing more than 9% of the state's total employment.

Already, travel represents the biggest category of services trade between India and Australia in both directions. In 2017, Queensland attracted 76,000 international visitors from India, of a total around 2.7 million international visitors. The number of Indians visiting Queensland is growing rapidly, with a 33.6% increase from 2016 to 2017.

Queensland is well represented within the top list of destinations for total Indian visitors, with Brisbane, Gold Coast, and Tropical North Queensland ranked 3rd to 5th; however, there is a significant gap between those and the top

destinations of Sydney and Melbourne which attract more than four times the number of visitors from India (when looking specifically at holiday visitors from India, in 2017 30,000 went to the Gold Coast, 30,000 visited Tropical North Queensland, 43,000 visited Melbourne and 58,000 visited Sydney).

Key factors in our future with India

- As India flourishes, there is a growing middle class (increasingly from smaller cities) who can now afford to travel. Demand for experiences and services which cater specifically to Indian tourists' requirements (eg destination weddings), as well as adventure tourism, is growing.
- Indian tourists are among the world's highest-spending travellers, with an estimated spending power that is four times larger than that of tourists from Japan and China, and double that of travellers from the United Kingdom.
- Bollywood prefers shooting films abroad, due to government approvals, public interference and security issues for celebrities compared to shooting in India. Last year, Bollywood shot in 60 countries, but not Australia.
- Bollywood's international shoot locations are one of the key influencers of Indian tourists' destination choices.
- There is an opportunity for Queensland to build on the legacy of the Gold Coast 2018 Commonwealth Games to ensure benefits are achieved.

Case study: Gold Coast 2018 Commonwealth Games (GC2018) and Village Roadshow Studios

Held from 4 to 15 April 2018 and attracting over 6,000 competitors and officials from 70 nations and territories with an estimated 1.5 billion people watching from home, GC2018 was the biggest event held in Australia this decade. And with 26 gold medals and 66 medals in total, India achieved its best result since the Delhi 2010 Commonwealth Games.

The Gold Coast possesses a wide range of natural attractions, a strong local tourism industry, world-class infrastructure, and a year-round mild, sub-tropical climate, making it the ideal location to host this major international event.

As well, Australia's screen industry has a strong presence on the Gold Coast. The region boasts diverse shooting locations, high-calibre film and production personnel, and the Village Roadshow Studios which include a new world-class sound stage – used as the GC2018 Squash, Table Tennis and Boxing venue – and the southern hemisphere's largest water tank used for filming. These assets attract production companies from across the world.

Recent large-scale movie productions include *Pirates of the Caribbean*, *San Andreas*, *Unbroken* and *Railway Men*, representing a combined budget of US\$1.7 billion.



Key markets in India for Queensland tourism and major events

Karnataka, Maharashtra, National Capital Region (Delhi), Tamil Nadu, Telangana.



Mining and mining equipment, technology and services (METS)

Our strengths and current standing

Queensland has long had access to abundant coal deposits, minerals and petroleum.

It is one of the world's largest seaborne exporters of coal, and one of the world's top-five regions for the production of lead, zinc and bauxite, and Australia's top region for silver.

Queensland's coal exports to India are dominantly metallurgical coal, rather than thermal. Queensland exported 207.5 Mt of coal, for which India was the third-largest market accounting for 15.6% of total coal exported, comprising 16.8% of India's total imports.

Queensland has also developed considerable METS capacity. With over 800 METS companies in Queensland, METS employs more people than mining. Queensland's technical expertise, professional services and leading-edge equipment contributes to safe, efficient and profitable mining operations.

Key factors in our future with India

- > With increasing urbanisation and a growing middle class, India's demand for energy commodities will accelerate.
- > India's metallurgical coal imports are expected to grow as domestic supplies fall.
- > India's international thermal coal imports have decreased at 6.4% pa over the last three years, due to enhanced domestic production following the Indian government's plans to more than double thermal coal production to around 1 billion tonnes between 2014–15 and 2019–20.
- > In 2018, the Indian Government approved commercial non-captive thermal coal mining by private firms, which will increase supply in the market.
- > These two factors will be the foundation for further METS opportunities.
- > The Australian Government is establishing a Consulate-General post in Kolkata, the mining hub of north-eastern India to leverage these opportunities.
- > Queensland is able to use its expertise, technology and innovation to support India's increase in commodity production and move to renewable energy generation.

Case study: Queensland's role as key influencer in Indian mining regulation and innovation

The Queensland Government established Simtars more than 30 years ago and today it is a world-leading centre for mining safety and health research, which provides scientific, engineering and training services nationally and internationally.

Simtars has been involved with the Indian mining sector since 1998, when it began delivering a training program with India's Director General of Mines Safety. The new Indian Coal Mines Regulations 2017 are based on similar legislation in Queensland and are a direct outcome of Simtars' involvement with India. Its relationship with India has continued to build, to the point that India is now a significant global market for the organisation.

Simtars delivers a range of professional and technical services to various mining safety and health related partners for the benefit of both the Indian and Queensland resources sectors.



Key markets in India for Queensland mining and METS

Chhattisgarh, Jharkhand, West Bengal.



Food and agribusiness

Our strengths and current standing

Queensland is a leading agricultural state with the expertise and technology to help India overcome challenges relating to food processing, security and sustainability.

Queensland is Australia's leading agricultural state, with more than 83% of its landmass dedicated to agriculture.

Its environment and climatic diversity allows for the production and export of high quality and sustainably produced grains, meat, seafood, fruit, vegetables, nuts and gourmet food.

In recent years, India's agricultural production has been impacted by unfavourable monsoon seasons, resulting in high exports of Queensland's high-quality pulses, particularly chickpeas. A return to more favourable conditions however, prompted the Indian Government to introduce tariffs on chickpeas to protect local producers.

India imported 17.4% (A\$904.7 million) of Queensland's food and agricultural exports in 2016–17. Following the introduction of tariffs, this dropped to 8.4% (A\$434.3 million) in 2017–18.

India remains a growing export market for food products, including processed food.

Key factors in our future with India

- Specific market data and intelligence regarding Indian seasonal production and demand is generally not available, however rapid and ongoing shifts in India's demographics are resulting in growing demand for high quality fresh and processed food products with a focus on health and gourmet foods.
- The Indian Government is committed to increasing agricultural productivity, with a commitment to double farm income by 2022. Provisions include soil health cards, new crop insurance scheme, irrigation programme and the e-NAM online market platform.
- India's agriculture sector is largely made up of small, unincorporated producers (with average farm sizes of 2.87 acres) using unsophisticated farming processes, infrastructure and supply chains. India's agricultural sector needs to become more productive and efficient to meet the demands of its growing population.
- India is looking to increase its share of global exports of agricultural produce. This will require significant investment in infrastructure to develop efficient supply chains and export capability.
- Queensland holds considerable expertise in sustainable farming practices, AgTech, infrastructure and supply chain logistics – for example storage, handling and distribution innovation.

Case study: Frosty Boy Australia

Gold Coast-based dessert and beverage manufacturer, Frosty Boy Australia, first began manufacturing soft serve powder in Queensland in 1976, when they identified an increasing demand in the market for a better quality and a more affordable range of soft serve ice cream.

Now exporting to 57 countries on five continents (including Antarctica!), Frosty Boy has significantly boosted its exports to India by signing a deal with one of India's largest coffee chains, Café Coffee Day, in June 2018. The chain will now serve milkshakes using Frosty Boy's formulated milkshake blend. According to Frosty Boy's Managing Director Dirk Pretorius, India was the most difficult country that they've entered yet.

"One challenge was the import duties, which can be up to 50%. Plus, India has a very different business culture to us and, understandably, they are very protective of their own industry."

One tactic Frosty Boy used has been to establish manufacturing channels in India to bypass India's import duties, while maintaining control of product quality and intellectual property.

"This deal has come after a four-year campaign of intensive knowledge building to make sure the venture would work."

While traditionally a tea drinking nation, India's huge population of millennials is fast acquiring a taste for coffee and café culture. "The decision has paid off for Frosty Boy" said Mr Pretorius.



Key markets in India for Queensland food and agribusiness

Gujarat, Karnataka, Maharashtra, National Capital Region (Delhi), Tamil Nadu.



Healthcare

Our strengths and current standing

Queensland's health sector boasts specialist capabilities in many areas including immunology and vaccine development, infectious and tropical diseases, precision medicine and genomics and data.

Queensland is recognised globally for its world-class research base, translational research facilities and hospitals. The convergence of state-of-the-art infrastructure, technology and a highly skilled workforce create an environment which is fuelling innovation in the healthcare sector.

This places Queensland in a strong position to take advantage of global opportunities in healthcare such as the rising demand for digital health solutions and personalised healthcare, and the management of chronic diseases.

Key factors in our future with India

- India's healthcare expenditure is 3.8% of GDP, compared to the global average of 8.6%. This is attributed to the lack of investment from the private sector, inefficiencies in the public system, and a lack of appropriately qualified human resources.
- India's healthcare expenditure is 3.8% of GDP, whereas the global average is 8.6%.
- India's healthcare market is expected to grow to US\$280 billion by 2020, driven by population growth, improving socio-economic conditions and the increasing burden of lifestyle-related diseases.
- The Indian Government announced a National Health Protection Scheme in 2018, which plans to extend health insurance to 500 million people, providing families with up to around A\$10,000 in annual cover.
- India has a shortfall in the supply of skilled workers in its healthcare industry, particularly for geriatric care, aged care and emergency medicine.
- India's National Rural Health Mission has put aside US\$10 billion for capacity enhancement of healthcare by allowing foreign players to enter the market.
- There is demand for consulting services in relation to aged care facility design and development, and ongoing facility management services
- Targeted outbound FDI opportunities are available in the design and construction of healthcare facilities, including digital hospitals and multipurpose health and knowledge precincts.

Case study: QIMR Berghofer Medical Research Institute

Queensland's QIMR Berghofer Medical Research Institute has a number of connections with India.

For instance, since receiving an Australia India Strategic Research Grant in 2012, the institute's immunology and infection laboratory head, Professor Christian Engwerda, has an ongoing collaboration with clinicians and researchers from Banaras Hindu University in Varanasi, India. Their research is focused on understanding clinical responses in patients with visceral leishmaniasis. This parasitic disease, spread by sand flies, is endemic to the north east of India.

In the city of Muzaffarpur in one of the poorer areas in India's north, patients are examined at a specialist clinic established by Professor Shyam Sundar. The team works on patient immune responses to this parasitic disease to improve treatment options.

The collaboration involves annual student and scientist exchanges to share research techniques, data and knowledge. This year will be the third time Indian researchers and students will visit QIMR Berghofer, and the exchange program will continue to at least 2022.

And one of the institute's senior scientists, Professor Rajiv Khanna is also a member of the Australia-India Business Council. After growing up and conducting his doctoral studies in India's Punjab province, he has contributed to the development of stronger relations between Australia and India and was last year appointed an Officer of the Order of Australia in the Queen's Birthday Honours List. His research is in four world-first clinical trials of new immunotherapy treatments for cancer and auto-immune conditions.








Key markets in India for Queensland healthcare

Karnataka, Kerala, Maharashtra, Tamil Nadu, Telangana.

Where to from here

To achieve its ambitions, Queensland must elevate its profile in India, enhance trust through building business and cultural relationships and develop high-quality market intelligence.

The following activities that underpin each initiative are key to engaging and building enduring relationships over the next five years:

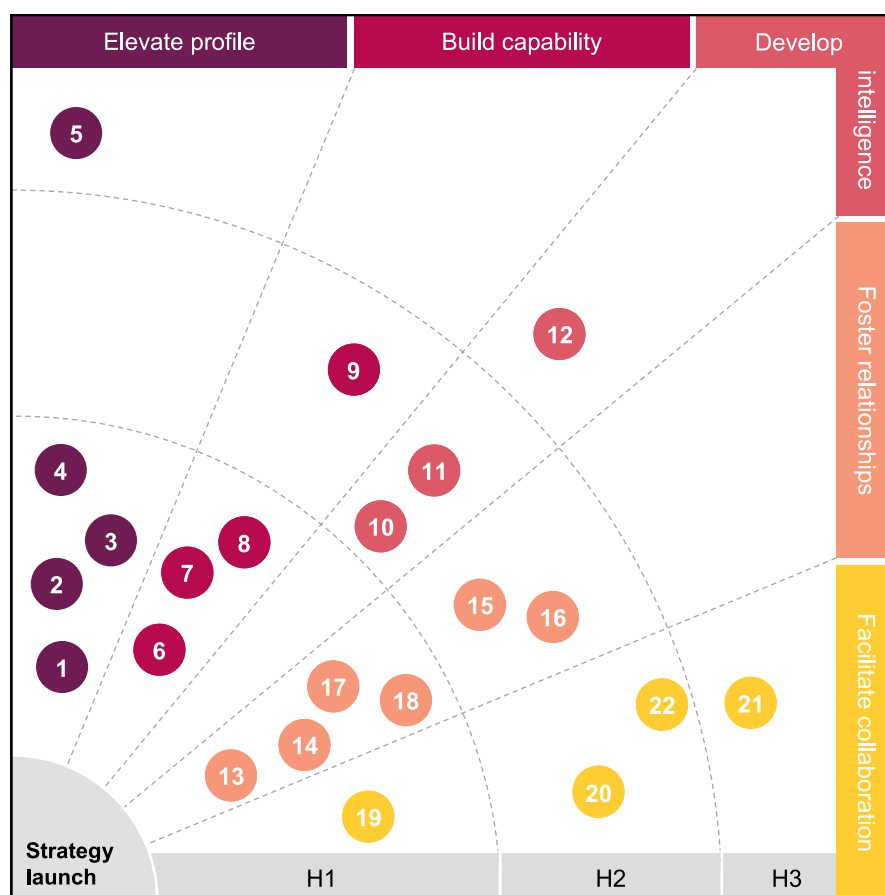
 <p>Elevate profile</p>	<ol style="list-style-type: none"> 1 Strengthen our capacity in India to ensure alignment of local markets to Queensland's priority sectors. 2 Appoint a Ministerial representative for India to build presence and act as 'source of truth' about India and Queensland. 3 Identify and monitor relevant forums and events taking place in India and distribute this information through an online events calendar. 4 Increase Queensland's presence at major conferences and events for target sectors based in India to build the state's profile, by extending invites to relevant businesses and Government agencies. 5 Strengthen Queensland's reputation in India as an expert in priority sectors, while supporting the Commonwealth Government's efforts to build 'Brand Australia'.
 <p>Build capability</p>	<ol style="list-style-type: none"> 6 Provide shared office accommodation in India for Queensland companies to utilise as temporary base. 7 Identify and communicate success stories of Queensland businesses in India. 8 Develop a 'playbook' that assists Queensland businesses on how to enter the Indian market. 9 Enhance pre- and post- trade mission support to help businesses maximise the value captured.
 <p>Develop market intelligence</p>	<ol style="list-style-type: none"> 10 Leverage third party relationships to monitor and advice on the regulatory environment in India regarding impacts of any upcoming or changing legislation on Queensland businesses operating in India. 11 Generate market reports in target sectors that identify trends around demand and consumption, aimed at helping businesses develop informed decisions regarding India market entry. 12 Leverage digital channels to build a profile of customer preferences in target B2C sectors to enable more targeted on-ground effort to build presence and build relationships.
 <p>Foster relationships</p>	<ol style="list-style-type: none"> 13 Facilitate relevant industry bodies in Queensland and India to meet and discuss shared challenges and provide opportunities for members in those associations to meet and build relationships. 14 Establish an annual Queensland-India trade and investment summit. 15 Establish an innovation program for Queensland start-ups that helps to facilitate collaboration and exposure with relevant industries in India. 16 Identify and contact Indian companies with interest in Australia and encourage them to set up an office in Queensland. 17 Establish a mentoring program that connects people who are looking to enter the Indian market with people have been successful in market entry in India, particularly with executive talent that have strong and deep connections in India. 18 Prioritise trade missions to India to ensure alignment with target sectors.
 <p>Facilitate collaboration</p>	<ol style="list-style-type: none"> 19 Work with government agencies and industry to co-develop business cases aimed at enhancing trade and investment in Queensland with emphasis on connectivity and increasing supply chain investment. 20 Support Queensland business consortia made up of businesses and industry peak bodies with the aim of developing research capability that will help businesses to predict and monitor market demand in India. 21 Partner with institutions in India to establish or leverage joint R&D programs and centres of excellence utilising Indian knowledge and skills and Queensland's research excellence to bring down costs and drive innovation. 22 Review partnership opportunities with key Indian states, including possible MOUs with states where Queensland has a strong market presence.

Implementation roadmap

Not all initiatives can be executed in the short term.

The initiatives and activities have been mapped against three time horizons – up to 12 months, one to three years, and three to five years.

Each horizon has increasing levels of ambition and innovation against the aim of increasing bilateral trade and investment with India.



Horizon 1: Developing a presence (12 months)

This horizon is focused on creating an environment that will help to enhance trade and investment and includes building our presence in India and ensuring Queensland's regulatory environment is suitable to attract Indian investment.

Horizon 2: Building trust and demonstrating commitment (1–3 years)

This horizon is focused on building the Government's capability and knowledge to better support Queensland businesses engaging with India. This involves facilitating relationship building between businesses and will help to build trust and demonstrate commitment to India. The timeframe is important given stakeholder consultation indicated that building trust and strong business relationships in India can take many years.

Horizon 3: Bringing big ideas to life (3–5 years)

This horizon is focused on leveraging the relationships and trust built between Queensland and India to embark upon larger and more strategic collaboration projects that will address some of the shared challenges between both places.



Brisbane – Queensland, Australia

Trade and Investment Queensland

Trade and Investment Queensland (TIQ) is the Queensland Government's dedicated global business agency.

Through TIQ, the Queensland Government has one of Australia's largest international networks of 15 trade and investment offices in 12 markets.

Our international presence promotes Queensland products and services and facilitates investment attraction to Queensland. Led by Trade and Investment Commissioners, the offices are a vital connection between international investors and business opportunities in Queensland. They provide local expertise in foreign markets, facilitate business introductions and assist inbound and outbound delegations, helping our businesses expand their international footprint.

TIQ also has a regional Queensland presence across eight locations to assist firms with export advisory services and investment facilitation. In partnership with the Australian Trade Commission (Austrade), TIQ deliver export advisory services to companies seeking to access international markets.

Brisbane-based staff support the international and regional offices, provide market intelligence on industry sectors and key markets, and coordinate targeted trade missions.

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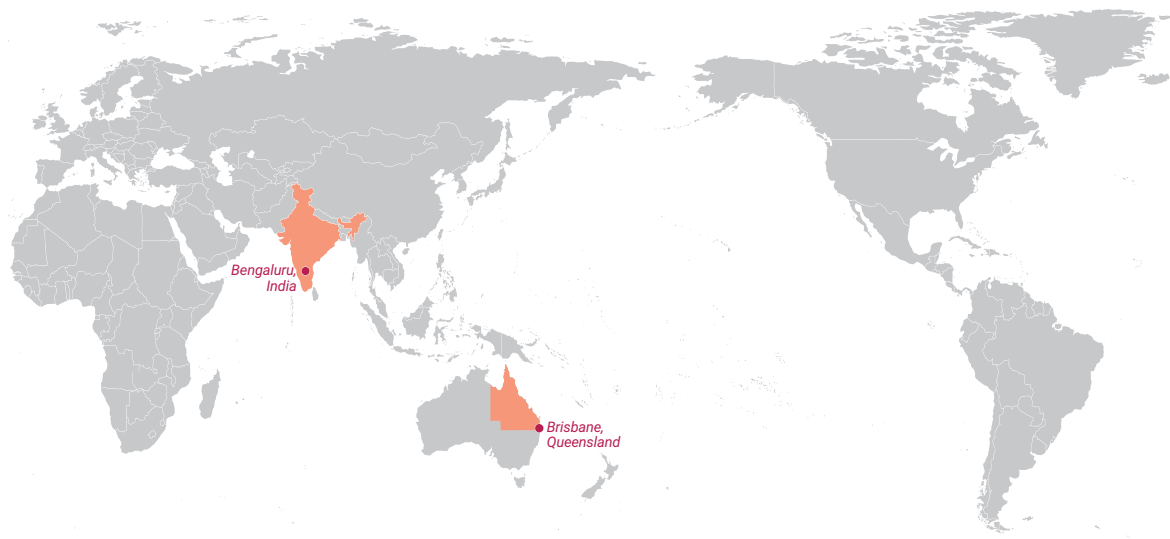
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