

Red carpet to be rolled out for India PM Narendra Modi

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INDIA'S Prime Minister, Narendra Modi, will deliver a historic address to a joint sitting of federal parliament when he visits Australia for the G20 summit in Brisbane next month.

Tony Abbott has extended an invitation to Mr Modi, who will be the first Indian Prime Minister to visit Australia since Rajiv Gandhi came to see Bob Hawke in 1986.

Among the host of world leaders coming to Australia for the G20, only three will address federal parliament: China's Xi Jinping, Britain's David Cameron and Mr Modi. Chinese president Hu Jintao in 2003 and British prime minister Tony Blair in 2006 addressed the Australian parliament, but never has an Indian Prime Minister done so.

The Abbott government hopes to use Mr Modi's visit, which follows a recent visit to India by Mr Abbott, to provide a major boost to the relationship, which has previously been under-developed. Much of Mr Modi's visit will focus on attracting Australian investment into India.

The two governments will make a big commitment to accelerating negotiations for a virtual free trade agreement, which will be called the Australia India Comprehensive Economic Cooperation Agreement. Negotiations proceeded in a desultory fashion from 2011. But Mr Modi and Mr Abbott, who came to office within a few months of each other, have committed to ramping up their nation's trade performances. Both are also committed to a new era in the Australia-India relationship.

Australian negotiators see massive opportunities in Mr Modi's commitment to vast new infrastructure for India, which is expected to add 1.5 to two percentage points to India's economic growth, putting it at between 7 and 8 per cent. They also believe that as Indian economic growth accelerates under Mr Modi's pro-business policies, the burgeoning Indian middle class will offer excellent opportunities for Australian services providers, led by education but ranging across many fields.

As with many trade agreements involving Australia, negotiators expect there to be serious disagreement over any proposed liberalisation of agricultural trade.

As well as the economic dimension of the visit, the two will pursue greater strategic co-operation, especially in the Indian Ocean. Indian prime ministers in recent decades have made a point of not visiting Australia. Manmohan Singh declined to attend the Commonwealth Heads of Government meeting in Perth hosted by Julia Gillard in 2011.

Many analysts believed this was because the Labor government had reversed John Howard's decision to allow uranium exports to India.

Previously, AB Vajpayee declined to attend the CHOGM meeting hosted by Mr Howard in Coolumberr in 2002. Mr Vajpayee's decision was believed to be related to the view of many senior Indian figures that Canberra overreacted to India's nuclear tests in 1998.

India is already Australia's fifth-largest export market, but two-way trade stands at a relatively modest \$15 billion a year, compared with \$150bn in Australia's two-way trade with China.

Mr Abbott and Mr Modi formed a strong bond in their meetings and telephone calls earlier this year. They are both pro-business, centre-right leaders with strong personal religious beliefs and a history of personal interest in physical exercise.