INDIA-EU RELATIONS

India-EU relations date to the early 1960s, with India being amongst the first countries to establish diplomatic relations with the European Economic Community. A cooperation agreement signed in 1994 took the bilateral relationship beyond trade and economic cooperation. At the 5th India-EU Summit at The Hague in 2004, the relationship was upgraded to a ‘Strategic Partnership’. The two sides adopted a Joint Action Plan in 2005 (which was reviewed in 2008) that provided for strengthening dialogue and consultation mechanisms in the political and economic spheres, enhancing trade and investment, and bringing peoples and cultures together.

POLITICAL DIALOGUE

The first India-EU Summit took place in Lisbon in June 2000 and marked a watershed in the evolution of the relationship. Since then, twelve annual Summits have been held, the last one in New Delhi on 10 February 2012. The 12th Summit was the first Summit to be held in India after the entry into force of the Lisbon Treaty. Prime Minister Shri Manmohan Singh led the Indian delegation while the EU was represented by Mr. Herman Van Rompuy, President of the European Council and Mr. Jose Manuel Barroso, President of the European Commission. The two sides reviewed bilateral relations as well as exchanged views on regional and global issues. The leaders expressed satisfaction at the intensification of negotiations on the Bilateral Trade and Investment Agreement, welcomed the enhanced cooperation in the field of security, and called for finalization of an agreement on R&D cooperation in the peaceful use of nuclear energy. The two sides also signed a MoU on Statistics and issued Joint Declarations on Research and Innovation Cooperation and Enhanced Cooperation in Energy. The 13th summit is expected to be held in Brussels in 2013.

India and the EU also interact regularly at the Foreign Ministers level. The 23rd India-EU Ministerial Meeting took place in Brussels on 30 January 2013. External Affairs Minister Shri Salman Khurshid led the Indian delegation while the EU side was led by High Representative for Foreign Affairs and Security Policy, Baroness Catherine Ashton. Bilateral relations as well as international and regional issues of mutual interest were discussed.

Both sides have recently instituted Foreign Policy Consultations at the level of Secretaries. The first meeting took place in New Delhi on 15 November 2011, followed by a second round in Brussels on 20 July 2012.

A Security Dialogue envisaged under the Joint Action Plan is held annually since May 2006. The sixth round was held in Brussels on 25 October 2012. A bilateral Joint Working Group on Counter-Terrorism reports to the
Security Dialogue, as do the recently established dialogues on Cyber-Security and Counter-Piracy.

An annual India-EU Ad-hoc Dialogue on Human Rights is held in New Delhi and last took place on 22 March 2011. A Joint Working Group on Consular Issues has also been functioning. In addition, a High Level Dialogue on Migration and Mobility has been instituted, the last meeting of which took place in New Delhi on 2 July 2012.

PARLIAMENTARY INTERACTION

A Delegation for Relations with India was formally constituted in the European Parliament on 30 September 2009. Mr. Graham Watson, British MEP is the current Chair of the group, which comprises 20 members and 20 substitutes. The India Delegation follows relations with India and select members also visit India every year.

ECONOMIC & COMMERCIAL RELATIONS

The EU as a bloc of 27 countries is India’s largest trading partner. In turn, India was the EU’s 8th largest trading partner in 2011. Bilateral trade increased in 2011 by 17.2% to reach € 79.7 billion from a figure of € 68.02 billion in 2010. Indian exports grew by 18% to reach € 39.3 billion and Indian imports grew by 16% to reach € 40.4 billion.

Trade in services reached € 22.2 billion in 2011. Indian service exports to the EU grew from € 8.7 billion in 2010 to € 11.4 billion in 2011 while Indian service imports which stood at € 10.9 billion in 2010 remained more or less stable at € 10.8 billion.

However, during the period January - September 2012, overall bilateral trade has declined by 7.58% to € 56.1bn as compared to € 60.7 bn during the same period the previous year. Indian exports of goods to the EU decreased by 9.54% to € 27.5 bn compared to € 30.4 bn in the same period of 2011. Indian imports from the EU also saw a decline of 5.61% to € 28.6 bn compared to € 30.3 bn over the same period in 2011.

The EU is one of the largest sources of Foreign Direct Investment for India. FDI inflows from the EU to India increased from € 3.4 billion in 2009 to € 4.68 billion in 2010 and € 12 billion in 2011. Indian investment into the EU saw a decline from € 0.945 billion in 2009 to € 0.48 billion in 2010 but rose again in 2011 to nearly € 2 billion. The leading EU member-state investors in India in 2011-12 were the UK, Germany, Cyprus, Netherlands and France.
India and the EU are in the process of negotiating a bilateral Broad-based Trade and Investment Agreement which will significantly enhance the commercial relationship once implemented.

There is an India-EU Joint Commission dealing with economic and commercial issues which meets annually, as do its three sub-commissions on trade, economic cooperation and development cooperation. The last Joint Commission meeting at the level of Secretaries was held in Brussels on 4 February 2013. In addition, there are Joint Workings Groups on Textiles and Clothing, Agriculture and Marine Products, Technical Barriers to Trade and Sanitary and Phyto-santary Issues, Pharmaceuticals and Biotechnology, as well as Food Processing Industries, which meet regularly to enhance sector-specific cooperation.

A Macroeconomic Dialogue at Secretary level along with a Dialogue on Financial Services Regulations has also been instituted and takes place annually.

The India-EU Science and Technology Steering Committee meets annually to discuss S&T cooperation and had its eight meeting in New Delhi on 11 October 2012. A JWG on Information Society has also been established.

India and the EU have also set up an Energy Panel in 2005 for greater cooperation in the critical sector of energy and energy security. The last meeting of the Panel was held in New Delhi on 18 November 2011. Separate sub-groups have been constituted under the panel dealing with coal and clean coal conversion technologies, energy efficiency and renewable energy, etc.

As envisaged in the Joint Action Plan, a Joint Working Group on Environment dealing with prevention of pollution, waste minimization, protection of biological diversity, sustainable forest management, environmental education, etc. has been created and had its seventh meeting in New Delhi on 30 September 2011. An Environmental Forum bringing together academia, business and civil society to have an exchange of views on specific environmental issues also meets annually.

**PEOPLE-TO-PEOPLE CONTACTS**

The India-EU Forum has emerged as an important Track II forum for discussion between policy analysts on both sides. It is led by the European Union Institute for Security Studies and the Indian Council of World Affairs and includes participation from academics and think-tanks. The fourth India-EU Forum was jointly organised by EUISS and ICWA in cooperation with FRIDE in Brussels on 23-24 October 2012.
The framework of India-EU cooperation in the fields of education and culture is provided by three Joint Declarations signed in recent years covering cooperation in the fields of Education and Training, Multilingualism and Culture. The first Senior Officials Meetings on Education and Multilingualism were held at Secretary level in Brussels on 25 May 2011. The Policy Dialogue on Culture is scheduled to be launched in New Delhi in April 2013.

BILATERAL AGREEMENTS


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