

India - Luxembourg Relations

India enjoys friendly and warm relations with Luxembourg. Relations are further strengthened through regular exchange of high-level visits between the two countries.

Bilateral Visits:

Recent high-level visits from India to Luxembourg include a visit by Minister of State for External Affairs, Smt. Preneet Kaur from 18 April, 2012, Parliamentary delegation led by Hon'ble Speaker of the Lok Sabha, Smt. Meira Kumar, from 10-13 June 2010; and by the then President Shri KR Narayanan from 4-16 September 1998. From the Luxembourg side, Prime Minister Jean Claude Juncker visited India in January 1999. Ministerial level visits from India include those of Minister of Overseas Indian Affairs Shri Vayalar Ravi on 29-30 September 2009, during which an Agreement on Social Security was signed; and by Minister of Steel, Chemicals and Fertilisers, Shri Ram Vilas Paswan, in September 2006. Ministerial level visits from Luxembourg to India include those of an Economic Mission led by the Minister of Economy and Foreign Trade, Mr. Jeannot Krecke, from 9-14 January 2010; Deputy Prime Minister and Foreign Minister, Mr. Jean Asselborn in February 2007; and Minister of Budget and Treasury, Mr. Luc Frieden in January 2007.

Bilateral Treaties and Agreements:

Important bilateral agreements/MoUs include: Memorandum on Cooperation in the field of health, signed in New Delhi on 8 May 1996; Cultural Agreement, signed in New Delhi on 10 September 1996; Agreement on cooperation for supply of equipment for cold chain system for blood and blood products, signed in New Delhi on 15 April 1997; Bilateral Investment Protection Agreement (BIPA) signed in November, 1997 with BLEU; Air Services Agreement, signed in New Delhi on 8 January 2001; Agreement by exchange of letters on steel technology, signed in New Delhi in February 2003; Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and on capital, signed in New Delhi on 2 June 2008; and Social Security Agreement, signed on 30 September 2009 and entered into force on 1 June 2011.

Political issues:

Luxembourg had extended its support to India's quest for a permanent seat in the UNSC during the visit of President KR Narayanan in 1998, and had also co-sponsored the G-4 resolution in 2005. It supported India's candidature to the UNSC for the period 2011-12 on a reciprocal basis. Luxembourg had opposed embargoes against India in the aftermath of the nuclear tests of 1998. It is a member of the NSG and supported the India-US Nuclear Agreement for peaceful purposes in 2008.

Economic and Trade Relations:

The full range of bilateral economic relations is discussed under the framework of India-Belgium-Luxembourg Economic Union (BLEU) Economic Joint Commission. The 12th JCM took place in New Delhi on 15 April 2011. Both sides discussed market access issues and cooperation in a wide range of sectors between India and Luxembourg. Luxembourg companies, particularly in sectors such as steel, automotive equipment and IT, are exploring opportunities in India to diversify their markets. In its efforts to strengthen relations with India, Luxembourg opened its Embassy in Delhi in 2002. India and Luxembourg have longstanding cooperation in the steel sector, and a bilateral agreement to cooperate in steel technology was signed in February 2003. India and Luxembourg also cooperate in the field of civil aviation, with Chennai serving as the Indian hub for Luxembourg's all-cargo airline Cargolux. An aviation agreement was signed in 2004 to formalise this relationship. More than 150 Indian companies are listed on the Luxembourg Stock Exchange through global depository receipts. Luxembourg also places special emphasis on cooperation in the automotive sector, and Luxembourg companies participated in the Auto Expo in New Delhi.

Bilateral Trade:

Luxembourg is the twenty sixth largest trading partner of India in the European Union, with an annual bilateral trade of € 66 million in 2011. India was the 27th largest exporter to Luxembourg and 24th largest importer from Luxembourg in the year 2011. In 2012, the bilateral trade from January-August, 2012 stood at € 111.39 million which is 9% decline from the figures of the corresponding period of 2011. The major items of India's exports to Luxembourg were: textiles and garments; engineering products and chemicals. The major items of India's imports from Luxembourg were: engineering goods, metals, plastics, textiles and garments etc.

Bilateral Investment:

FDI flows from Luxembourg to India since 2000 are about US\$ 320 million, making it the 26th most important investor in India. The sectors that attracted maximum investments from Luxembourg include trading, computer software & hardware, services sector, agricultural machinery and chemicals. Indian direct investment in joint ventures and wholly owned subsidiaries in Luxembourg amounted to US\$ 18.25 million from April 1996 to February 2006.

Indian community:

There are around 700 Indians in Luxembourg, of whom 300 are PIOs and the remaining are Indian passport holders. There is an Indian Association which coordinates cultural and other activities of the Indian community in Luxembourg. In March 2009, an Indian Business Chamber of Luxembourg was constituted to promote commercial relations between India and Luxembourg. The Chamber expects to facilitate business activities and assist in the setting up of business ventures.

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