

## **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 12<sup>th</sup> 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 Memorandum of Understanding on Statistics and issued Joint Declarations on Research and Innovation Cooperation and Enhanced Cooperation in Energy. The 13<sup>th</sup> 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 at the meeting.

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 dialogues on Cyber-Security and Counter-Piracy. Both sides have recently agreed to the institution of a dialogue on nuclear proliferation and disarmament as well under the umbrella of the Security Dialogue.

An annual India-EU Ad-hoc Dialogue on Human Rights is held in New Delhi and there is also a Delhi-based Joint Working Group on Consular Issues. In addition, a High-Level Dialogue on Migration and Mobility has been instituted at Secretary level between

the Ministry of Overseas Indian Affairs and DG Home Affairs, the third round of which took place in New Delhi on 2 July 2012.

### **Parliamentary Interaction:**

A Delegation for Relations with India (D-IN) was formally constituted in the European Parliament (EP) in 2007. It has 28 regular and 22 substitute members who are drawn from various political groups in accordance with their numerical strength in the EP. The D-IN is currently chaired by Sir Graham Watson, a Liberal Democrat MEP from the UK. The India Delegation follows relations with India and select members also pay an orientation visit to India every year. The last visit of D-IN MEPs to India took place from 29 April to 3 May 2013.

### **Economic & Commercial Relations:**

The EU as a bloc of 28 countries is India's largest trading partner. Bilateral trade between India and the EU was valued at € 75.8 billion during 2012 as compared to € 80.2 billion in 2011, representing a decline of 5.49%. Indian exports to the EU amounted to €37.3 billion during 2012 as compared to € 39.3 billion in 2011, showing a decline 5.1%. India's imports from the EU stood at € 38.5 billion in 2012 as compared to € 40.4 billion in 2011, showing a decline of 4.7%.

Trade in services reached € 22.2 billion in 2011. Indian service exports to the EU grew by 18.68% to €10.8 billion from € 9.1 billion in 2010. Indian service imports which stood at € 11 billion in 2010 remained more or less stable at € 11.4 billion.

The EU is also one of the largest sources of Foreign Direct Investment for India. FDI inflows from the EU into India increased from €3.5 billion in 2009 to €7.5 billion in 2010 and €14.19 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 were the UK (€8.24bn), Germany (€2.66 bn), Italy (€ 0.7 bn), France (€0.6 bn) and Sweden (€0.55 bn), followed by Spain, Finland and Netherlands with €0.22 bn, €0.19 and €0.18 bn respectively.

India and the EU are in the process of negotiating a bilateral Broad-based Trade and Investment Agreement since 2007 which will significantly enhance the commercial relationship once implemented.

The India-EU Joint Commission dealing with economic and commercial issues 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-sanitary 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 6<sup>th</sup> EU-India Macro-Economic Dialogue was held in Brussels on 25 January 2013, and was preceded by the Dialogue on Financial Services Regulations on 24 January 2013.

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

India and the EU 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 held 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 the think-tank 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, followed by a second round in New Delhi on 17 April 2013. The Policy Dialogue on Culture was launched at Secretary level in New Delhi on 18 April 2013.

### **Bilateral Agreements:**

Over the years, India and the EU have signed a number of bilateral agreements and MoUs, notably a Science & Technology Agreement (2001, renewed in 2007), Joint Vision Statement for promoting Cooperation in the field of Information and Communications Technology (2001), Customs Cooperation Agreement (2004), Memorandum of Understanding on Cooperation in Employment and Social Affairs (2006), Horizontal Civil Aviation Agreement (2008), Joint Declaration in the field of Education & Training (2008), Joint Declaration on Multilingualism (2009), Agreement in the field of Nuclear Fusion Energy Research (2009), Joint Declaration on Culture (2010), MoU on Statistics (2012), Joint Declaration on Research and Innovation Cooperation (2012) and Joint Declaration on Enhanced Cooperation in Energy (2012).

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