



EUROPEAN UNION

Brussels, 30 January 2013  
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## Background Note: EU-India Relations

### • Introduction

EU-India diplomatic relations were established in the 1960s, and expanded in 1994 with the Cooperation Agreement that opened the door to political dialogue and economic and sectoral exchanges, which have since evolved through annual Summits and regular meetings at ministerial, senior official and expert-level.

The EU-India Strategic Partnership was created in 2004 to enable the partners to better address international issues in the context of ever-increasing globalisation. During the 2005 Summit leaders adopted the EU-India Joint Action Plan (JAP), which defines common objectives and identifies a wide range of supporting activities in the areas of political, economic and development co-operation. The 2006 Summit endorsed a proposal to prepare for the negotiation of a Free Trade Agreement (FTA), negotiations for which started in 2007 and are still ongoing.

### • Political Cooperation

Today the EU is very different from how it was when we entered the Strategic Partnership with India in 2004. The Lisbon Treaty has given the EU the institutions to play a substantially increased political role in the external relations field by creating a permanent President of the European Council and a High Representative for Foreign Affairs who are permanent interlocutors for the EU's partner countries. The EU's voice can now be heard more clearly around the world, thus enabling the EU to add substantial value in addition to bilateral activities carried out by our Member States. The European External Action Service, created on 1st December 2010, is the new EU's diplomatic service, supporting the High Representative to deliver concrete political results in the EU's external relations.

The last two EU-India Summits (Brussels, December 2010, and Delhi, February 2012) have shown the way in which both partners want to rebalance the relationship beyond trade and economic cooperation, by putting more emphasis on its political dimension, including security, foreign policy and Human Rights. Security cooperation includes dialogue on counter-terrorism, cyber-security, and counter-piracy; non-proliferation and disarmament will be the subject of a dedicated dialogue that will start in 2013. On Human Rights, an annual EU-India (local) dialogue has taken place since 2004 in Delhi, to address issues of common interest and cooperation at the UN and other international fora.

**P R E S S**

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FOR FURTHER DETAILS:

Michael Mann +32 498 999 780 - +32 2 299 97 80 - [Michael.Mann@eeas.europa.eu](mailto:Michael.Mann@eeas.europa.eu)  
Maja Kocijancic +32 498 984 425 - +32 2 298 65 70 - [Maja.Kocijancic@ec.europa.eu](mailto:Maja.Kocijancic@ec.europa.eu)  
Sebastien Brabant +32 460 75 09 98 - [Sebastien.Brabant@ec.europa.eu](mailto:Sebastien.Brabant@ec.europa.eu)

[COMM-SPP-HRVP-ASHTON@ec.europa.eu](mailto:COMM-SPP-HRVP-ASHTON@ec.europa.eu)

[www.eeas.europa.eu](http://www.eeas.europa.eu)

[www.twitter.com/eu\\_eeas](http://www.twitter.com/eu_eeas)

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- **Economic and Trade Relations**

The EU is India's largest trading partner. Total two-way trade in goods in 2011 was €79.8 billion, with EU goods exports to India of €40.4 billion and imports from India of €39.4 billion. This represented a year-on-year increase of 17% on 2010. Trade in goods between the partners has more than tripled from €25.6 billion in 2000.

In 2011, EU-India total trade in services amounted to €20.4 billion. The EU has in recent years been the biggest external investor in India, with a cumulative volume of about €33.6 billion between 2000 and 2011. The EU is also the most important destination of outward investment from India.

Since 2007 intense negotiations have been pursued with the aim of concluding an ambitious and comprehensive Free Trade Agreement.

- **Sectoral dialogues, exchanges and cooperation**

Shared sectoral interests are reflected in the working groups, policy dialogues, and exchanges that have been established in recent years. The following descriptions provide a general, though not exhaustive overview of these.

**Clean Development and Climate Change:** The EU-India Summit in Marseilles in September 2008 adopted a Joint Work Programme (JWP) on Energy, Clean Development and Climate Change. At present two policy dialogues with India on the environment and energy are in place including cooperation relevant to climate change.

**Environment:** EU and India have a Joint Working Group on Environment (JWGE), co-chaired by DG ENV and India's Ministry of Environment and Forests. It meets on a yearly basis, develops high level visits, and organises an India-EU Environment Forum (EF) with stakeholders involving business, academia and civil society to exchange views and information.

**Energy Cooperation:** A Joint Declaration on Energy was adopted at the Summit in Delhi on 10<sup>th</sup> February 2012. The dialogue was extended to include energy security and six areas were identified as priorities for bilateral cooperation: clean coal; energy efficiency of products; energy efficiency in buildings; grids (including integration of renewables); cost-effective ways to promote renewable energies; safety (off-shore and nuclear). The EU-India Energy Panel meets annually at senior level.

**Nuclear:** India is becoming an important market for nuclear investment. The country has been participating in ITER project since 2005; 2009 saw the conclusion of the Euratom-India agreement on fusion energy research. Currently, negotiations of an India-Euratom agreement on cooperation in civil nuclear energy research are close to conclusion.

**Migration and Mobility:** Mobility of persons is a key component of the dynamic EU-India partnership, particularly as far as its people-to-people facet is concerned. In the framework of the EU Global Approach to Migration and Mobility (GAMM), EU-India relations are currently driven by a **High Level Dialogue on Migration and Mobility (HLDMM)**. This is an important bilateral comprehensive forum for information exchange on all migration-related and mobility-related issues, two broad fields of action where the EU and India share several areas of common interest. The most recent HLDMM took place in New Delhi on 2 July, 2012. It was very fruitful and led to the identification of four priority areas for future bilateral cooperation: 1) safe and legal migration; 2) combating irregular migration; 3) migration and development and 4) sharing of information and practices regarding international protection of those in need. The next EU-India HLDMM will assess how this cooperation will be further strengthened, within the framework of the GAMM.

**Science and Innovation:** Science and Innovation cooperation is very active through Indian participation in the EC Framework Programmes under the S&T Cooperation Agreement signed in 2001. This cooperation is clearly moving up a gear with the Indo-European partnership agreed at a Ministerial Meeting in 2012 that brings together the research and innovation resources of India and the European Commission as well as of EU Member States.

**Statistical Cooperation:** A Memorandum of Understanding on statistical cooperation between Eurostat and the Indian Central Statistics office was signed at the Summit on 10<sup>th</sup> February 2012. Both sides are currently working on a programme of cooperation.

**Competition** – European Commission's DG Competition and the Indian Competition Commission have been negotiating since 2009 a Memorandum of Understanding inter alia to coordinate enforcement activities, and exchange information on legislation and enforcement. The text is currently being finalised.

**Higher Education:** The Dialogue on Higher Education was launched in May 2011, covering skills development, quality assurance, and the recognition of qualifications. Concrete cooperation takes place through the Erasmus Mundus Programme and under projects on vocational training and skills development.

**Development Cooperation:** As India is now classified as a middle-income country, Development Cooperation to India will be phased out after 2013, though regional and thematic programmes will continue to provide grant support to various activities and organisations in India. The current program funded by the Development Cooperation Instrument aims to contribute towards India's achievement of the Millennium Development Goals and to provide support for the implementation of the EU-India Joint Action Plan (JAP).

**The European Business and Technology Centre (EBTC):** The EBTC in New Delhi serves the interests of the European industry (with a focus on SMEs) and research communities. Branches of the Centre were opened in 2011 in Mumbai, Bangalore, and Kolkata and provide one-stop information on rules, regulations, standards, best practices, key market barriers, and general trade and investment-related matters.

