

Brussels, 29 March 2016 (Updated 30 March 2016)

FACT SHEET

EU-India relations

EU-India relations date back to 1962 when diplomatic relations were established. The 1994 Cooperation Agreement, which remains the legal framework for EU-India relations, boosted political dialogue as well as economic and sectorial cooperation. EU-India relations have evolved through regular Ministerial and expert-level meetings on a range of issues such as security, human rights, trade, economic cooperation, development policy, energy, environment, ICT, research and innovation, as well as high-level Summits.

In recognition of the strengthening of the relationship, the EU-India Strategic Partnership was created in 2004 to enable both sides to better address issues of common concern in the context of ever-increasing globalisation. To underpin that Strategic Partnership, the 2005 Summit adopted the EU-India Joint Action Plan (the 'JAP') which defined common objectives and proposed a wide range of supporting activities in the areas of political, economic, sectorial and development co-operation. This was updated in 2008.

The 13th EU-India Summit will be held on 30 March 2016 in Brussels, bringing together the President of the European Council, Donald Tusk, President of the European Commission, Jean-Claude Juncker, and Prime Minister of India, Narendra Modi. The last EU-India Summit was held in Delhi in February 2012.

FOR FURTHER DETAILS:

Political and security cooperation

The EU and India discuss political and security matters in a number of fora and at various levels, including Summits. **Political cooperation** covers **security issues** (such as non-proliferation/disarmament, counter-terrorism, counter-piracy, cyber-security); and **human rights**. The 11th EU-India Summit held in Brussels in December 2010 adopted a <u>Joint Declaration on International Terrorism</u>.

Human rights are also addressed in the **EU-India Human Rights Dialogue.** The EU is the only partner with which India has a bilateral human rights dialogue, and this provides an opportunity for both sides to discuss a broad range of human rights issues (gender issues, religious and minority rights, decent work, death penalty, etc.) as well as cooperation in multilateral fora.

Trade and Investment

The EU is India's largest trading partner, accounting for 13% of India's overall trade, ahead of China (9.6%) and the United States (8.5%). India is the EU's 9th largest partner, with the value of EU exports to India amounting to €38.1 billion in 2015. The total value of EU-India trade stood at €77.5 billion in 2015. Major EU exports to India include engineering goods, which represents 37% of total export value to India, gems and jewellery (21%) and chemical and allied products (10%). The primary EU imports include textiles and clothing (19.6% of total import value from India), chemical and allied products (14.9%) and engineering goods (14.9%).

Trade in commercial services between the EU and India has quadrupled in the past decade, increasing from €5.2 billion in 2002 to €24.4 billion in 2014. In 2014 the EU exported services worth € 12.3 billion (top three sectors: transport, telecommunication and travel), while it imported € 12.1 billion (top three sectors: telecommunications, computer and information).

The EU is also the largest investor in India, with investment stock valued at €38.5 billion in 2014, and is the primary destination for Indian foreign investment.

Given the significant potential in EU-India trade, the two parties have been negotiating an ambitious **Free Trade Agreement** since 2007, covering effective market access and investment. Substantial progress has been made, however progress is needed in improved market access for some goods and services, government procurement, geographical indications and sustainable development.

Comprehensive sectorial cooperation

The EU and India share a number of interests across a range of policy areas, including energy and climate change; <u>environment</u>; <u>research and innovation</u>; <u>migration and mobility</u>; ICT; <u>competition policy</u>; sustainable <u>development</u>; and education. This is reflected in the breadth and depth of EU-India bilateral contacts in a number of dialogue fora at various levels.

India has rapidly growing energy needs because of a growing GDP and population. It is focussing on domestic production, including renewables and nuclear, and on energy efficiency. The 2012 EU-India Summit boosted cooperation in the field of energy through a Joint Declaration on Enhanced Cooperation on Energy. In addition, an Energy Panel meets annually at senior officials' level, whilst working groups on clean coal and renewable and efficient energy are active. Joint energy projects are ongoing both under development cooperation (offshore wind, solar biomass) and under the Partnership Instrument (offshore wind, energy efficiency and solar parks and grid integration). Cooperation is also ongoing on research and innovation and smart grids. India participates in the ITER nuclear fusion project since 2005 and in 2009 the Euratom-India Agreement on Fusion Energy Research was concluded. India was a key player to achieving a global climate agreement in Paris in December 2015. Climate Action Commissioner Arias Cañete met his Indian counterpart twice in the recent past, following the former Commissioner's visit to India in September 2014. Both sides decided to launch an Indo-European Clean Energy and Climate Partnership aiming to reinforce energy cooperation, particularly on renewable energy sources.

Under the EU-India Joint Action Plan, it was agreed to hold annual meetings of the **Joint**Working Group on Environment (JWGE) and to regularly organise an India-EU Environment

Forum with stakeholders involving business, academia and civil society. The JWGE focuses increasingly on global environmental issues including the transition to a green economy. The

Forum, last held in February 2015 in Delhi addressed resource efficiency/business opportunities, biodiversity, forests, chemicals and waste.

EU-India Research and Innovation cooperation has been strong in recent years. Regarding academic collaboration in particular, the EU is India's leading partner in terms of joint publications. Following the conclusion of the EU-India Science & Technology Cooperation Agreement in 2001 India became very active participant in the EC Framework Programmes. A Joint Declaration signed at the 2012 EU-India Summit started an ambitious Indo-European Partnership on Research and Innovation. India participates in the Horizon 2020 Framework Programme for Research & Innovation. A co-funding mechanism was recently agreed with the Indian Department of Biotechnology (DBT), thus facilitating Indian participation in several Horizon 2020 calls for proposals. A similar mechanism is currently being negotiated with the Department of Science and Technology (DST). Within the Horizon 2020 framework, individual Indian researchers can receive grants of the European Research Council (ERC) or a Marie Skłodowska-Curie fellowship (MSCA). The India-EU Joint Steering Committee meeting held in November 2015 in Delhi paved the way for a further strengthening of cooperation in research and innovation, and developing concrete solutions to common "societal challenges" such as water, health, energy, ICT, and climate change.

Mobility of persons is an important component of EU-India dynamic partnership, particularly as far as its people-to-people facet is concerned. The last **EU-India High Level Dialogue on Migration and Mobility** was held in July 2012 identified four priority areas for 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 EU and India hold regular meetings of the **Joint ICT Working Group** and **ICT Business Dialogue**, covering cooperation on economic and regulatory matters, for example ICT market access issues, ICT standardisation, Internet governance and ICT research and innovation. A **Partnership Instrument project** supports EU-India cooperation on ICT standardisation, and a new "**Startup Europe India Network**" initiative has been <u>launched in</u> 2016.

There is scope and interest on both the EU and Indian sides to strengthen cooperation on **competition policy**, in particular following the signature, in the margins of a visit of former European Commission Vice-President Almunia, of the <u>EU-India Memorandum of Understanding on Competition Policy</u> (November 2013, New Delhi).

India's rapid urbanisation and the associated challenges related to the environment, water, transport, and energy make **urban development** a clear area for enhanced cooperation. Building on existing cooperation that includes twinning of cities on clean technology and energy efficiency and a EU Mumbai partnership (with a major event in November 2013). Under the Partnership Instrument a project on urban development is in preparation, which will work to foster an urban dialogue as well as specific actions on the ground with twinning of different EU and Indian cities with a focus on climate action.

The <u>EU-India 2008 Joint Declaration on Education</u> launched a Senior Officials' policy dialogue covering skills, quality assurance and the recognition of qualifications. The dialogue, was last held in 2013. India was a top ranked country under the **Erasmus Mundus** (2007-2013) mobility scheme, and also participates in its successor programme **Erasmus+** (2014-2020) as well as under the Jean Monnet and Marie Skłodowska-Curie actions supporting teachers and researchers' mobility.

The European Union's **development cooperation** with India has a successful track record, spanning over several decades. The relationship has evolved from providing traditional development assistance to a mutually beneficial partnership. For the current EU budgetary period 2014-2020, India has been categorised as a "graduated" country and thus EU bilateral development aid (DCI) is being finalised; however the thematic and regional co-operation continue. A major focus of social sector funding for the EU in India has been Education, Health, Water and Sanitation.