



# EU INDIA RELATIONS



The EU-India Strategic Partnership was created in 2004, but EU-India diplomatic relations date back to 1962. The 1994 EU-India Cooperation Agreement, the legal framework for EU-India relations, boosted political, economic and sectorial cooperation. EU-India relations have evolved through regular Summits, Ministerials and expert-level meetings on a broad range of issues. In addition, regular Parliamentary exchanges have taken place.

To underpin that Strategic Partnership, the 2005 Summit adopted the [EU-India Joint Action Plan](#) (the 'JAP'), which was [updated in 2008](#).

EU and Indian Leaders held their [13th Summit](#) on 30 March 2016 in Brussels ([Joint statement](#)). Donald Tusk (President of the European Council), Jean-Claude Juncker (President of the European Commission) and Narendra Modi (Prime Minister of India) gave a new momentum to the Strategic Partnership. Leaders endorsed the [EU-India Agenda for Action 2020](#) - a roadmap with practical actions for the next five years covering political, security, human rights, global issues (climate change, Sustainable Development Agenda-2030), sector policy cooperation (e.g. energy, environment, ICT, Research and Innovation) and people-to-people contacts.

## Political and security cooperation

The EU and India discuss increasingly political and security matters in a number of fora and at various levels, including Summits. **Political cooperation** covers **foreign policy** (for example India participated in the EU hosted [Brussels Conference on Afghanistan](#) in October 2016; and the [Brussels Conference on Supporting the Future of Syria and the Region](#) of April 2017), **security** (counterterrorism, counter-piracy, cyber-security, non-proliferation/disarmament); and **human rights**. The 2016 EU-India Summit adopted a [Joint Declaration on the fight against Terrorism](#).

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 13.5% of India's overall trade, ahead of China (10.8%) and the United States (9.3%). India is the EU's 9th largest partner, with the value of EU exports to India amounting to €37.8 billion in 2016. The total value of [EU-India trade](#) stood at €77.1 billion in 2016. Major EU exports to India include machinery and appliances (30.5%), gems and jewellery (19%) and chemical and allied products (10.7%). The primary EU imports include textiles and clothing (19.8%), chemical and allied products (15%) and machinery and appliances (12.1%).

Bilateral trade in commercial services has almost tripled over the past decade, increasing from €10.5 billion in 2005 to €28.1 billion in 2015. In 2015 the EU exported services worth €14.4 billion (top three sectors: ICT, transport and travel), while it imported €13.7 billion (top three sectors: business services, ICT and travel).



The EU is the second largest investor in India (after Mauritius), with an investment stock valued at €51.2 billion in 2015, and is the primary destination for Indian foreign investment.

Given the significant untapped potential in EU-India trade, the two parties have been negotiating an ambitious **Free Trade Agreement since 2007**, covering, inter alia, effective market access in goods, services and public procurement, framework for investment including investment protection and rules that frame trade, such as intellectual property and competition. Substantial progress has been made during a number of negotiation rounds, whilst further discussions are needed on key outstanding issues that include improved market access for some goods and services, government procurement, geographical indications, sound investment protection rules and sustainable development.

### **Comprehensive sectoral cooperation and people to people contacts**

The EU and India share a number of interests across a range of policy areas, including energy and climate change; [environment](#); [research and innovation](#); pharmaceuticals, biotechnologies, [migration and mobility](#); ICT; [competition policy](#); macroeconomic issues, [sustainable development](#);

and education. This is reflected in the breadth and depth of EU-India bilateral contacts in a number of dialogue fora at various levels.

The EU supports sectoral cooperation through an ever-increasing number of loans of the European Investment Bank (EIB), which on 31 March 2017 [opened a regional office](#) in New Delhi. EIB loans support, for example, urban development projects (Lucknow Metro) or clean energy projects (solar power plants). Policy cooperation and dialogue is furthermore supported through the EU's [Partnership Instrument](#).

The EU and India remain close partners in the G20 context and have developed a regular **macroeconomic dialogue** to exchange experience on economic policies and structural reforms.

India has rapidly growing **energy** needs due to a growing GDP and population and a huge energy infrastructure deficit. India is focussing on domestic production, including renewables and nuclear, and on energy efficiency. [EU-India energy cooperation](#) was considerably strengthened over the past years, which led to the launch, at the 2016 Summit, of an [Indo-European Clean Energy and Climate Partnership](#). The partnership brings together, in a joined-up approach, the EU and its Member States, EU and Indian institutions, businesses and civil society. The aim is to jointly implement concrete projects, to promote access to and disseminate clean energy and climate friendly technologies and encourage research and development.

Energy Panel meets annually at senior officials' level and an energy security working group was launched in 2016. Working groups on clean coal and renewable and

efficient energy are also active. Energy cooperation is thus ongoing on a broad range of energy issues, like smart grids, energy efficiency, offshore wind and solar, infrastructure and research and innovation (cooling).

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. The first joint climate related events took place in Delhi and at the COP22 in Marrakesh.

Regarding **environment and water**, the 2016 Summit launched an [EU-India Water Partnership](#). As a follow-up, during his visit to India in October 2016, the Environment Commissioner Karmenu Vella and his Indian counterpart signed a [Memorandum of Understanding](#) on this partnership. The EU and India also cooperate closely on the Indian Clean Ganga initiative and deal with other water-related challenges in coordinated manner. The EU works in a 'joined-up' approach, involving Member States, water authorities, business and NGO's. Dialogue takes also place in a **Joint Working Group on Environment** and an **India-EU Environment Forum**, along with business, academia and civil society. The dialogue focuses increasingly on global environmental issues including the transition to a green economy. The Forum, last held in October 2016 in Delhi, addressed water, 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 for Research and Innovation. [A Joint Declaration](#) signed at the 2012 EU-India Summit started an ambitious Indo-European Partnership on Research and Innovation. India participates in the EU's [Horizon 2020](#) Framework Programme for Research & Innovation. A co-funding mechanism has been agreed with the Indian Department of Science and Technology (DST) and the Department of Biotechnology (DBT), thus facilitating Indian participation in several Horizon 2020 calls for proposals. Within the Horizon 2020 framework, [individual Indian researchers](#) can receive grants from the European Research Council (ERC) or Marie Skłodowska-Curie fellowship (MSCA). The India-EU Joint Steering Committee (November 2015, New Delhi) paved the way for a further strengthening of cooperation in research and innovation, and for developing concrete solutions to common "societal challenges" such as water, health, energy, ICT, and climate change. The next meeting, planned for 6 June 2017 in Brussels, will be focused on launching an EU-India flagship initiative on water and extending the scope of the co-funding mechanism to additional topics.

India, recognising the importance of fusion energy research in its long-term energy security, participates, with the EU, US, China, Russia, Japan and South Korea, in the international [ITER fusion project](#). ITER is a pioneering project to build and operate an experimental facility to demonstrate the scientific viability of fusion as a future sustainable energy source. Bilaterally the EU and India cooperate under a **Euratom Cooperation Agreement on Fusion Energy Research**, focussing on projects (20 are ongoing) supporting the success of ITER and the future construction of a fusion electricity demonstration facility (DEMO).

The EU and India aim to link the ‘**Digital Single Market**’ with the ‘**Digital India**’. Regular dialogue on economic and regulatory matters is held in the **Joint ICT Working Group** and **ICT Business Dialogue**. Cooperation covers ICT market access issues, standardisation, Internet governance and research and innovation. A **Partnership Instrument** project supports cooperation on ICT standardisation, and a new “**Startup Europe India Network**” initiative has been launched in 2016.

Further, an **EU - India Cyber Security Dialogue** has been set up that focusses on exchange of best practices on addressing cybercrime and strengthening cyber resilience.

The EU and India hold regular dialogues at the **Joint Working Group on Pharmaceuticals, Biotechnology and Medical Devices**, covering economic and regulatory matters. India and the EU are very important partners in these areas. Around 30% of active pharmaceutical ingredients sold in the EU are manufactured in India, while 75% of India’s total demand for medical devices is currently met by imports, with nearly 30% of it being supplied by the EU alone. Strengthening cooperation serves patient’s safety, addresses non-tariff trade barriers and facilitates access of innovative EU industry to the growing Indian market.

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 **EU-India Memorandum of Understanding on Competition Policy** (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. EU-India cooperation supports the Indian ‘Smart cities’ initiative and mutually benefits business. Cooperation can build on an initiative to twin cities on clean technology and energy efficiency, an EU-Mumbai partnership (with a major event in November 2013) and a Partnership Instrument project.

The EU and India strengthened cooperation on **migration and mobility** through the endorsement, at the 2016 Summit of the EU-India Common Agenda on Migration and Mobility (CAMM). The CAMM addresses four priority areas in a balanced manner: better organised regular migration and the fostering of well-managed mobility; prevention of irregular migration and trafficking in human beings; maximising the development impact of migration and mobility; and the promotion of international protection. The CAMM, as a framework for cooperation, is the start of a longer-term process which will lead to deeper cooperation and solid mutual engagement on migration, a key global policy area. **An EU-India High Level Dialogue on Migration and Mobility** was held on 4 April 2017.

The **EU-India 2008 Joint Declaration on Education** 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. There have been increases in numbers of Indians participating in these programmes over the past year, thanks to a wide EU publicity programme.

**EU-India Strategic Partnership**  
Joining forces on the global scene

- Fight against terrorism, cybercrime & piracy**
- Address Migration & Mobility**
- Achieve Sustainable Development Goals**
- Foster Peace and Disarmament**
- Tackle Climate Change**
- Promote Human Rights, including Gender Equality**

The European Union's **development cooperation** with India has a successful track record, spanning several decades. Major focus areas included education, health, water and sanitation. Since 2014, the EU has categorised India as a "graduated" country and thus bilateral development aid is being phased out. India remains eligible for EU thematic and regional co-operation aid programmes. Some 130 projects worth €400 million are currently ongoing in India under these programmes. At the 2016 EU-India Summit, leaders decided to strengthen cooperation on the implementation of the Agenda 2030 for Sustainable Development. Under the Partnership Instrument projects are ongoing to support the implementation of the EU-India Agenda for Action-2020 in areas such as ICT, energy, water, climate change, urban development and resource efficiency.