



# EU INDIA RELATIONS



This year, the European Union and India are celebrating 55 years of diplomatic relations. The 14th EU-India Summit, which will take place in New Delhi on 6 October 2017, will be an opportunity to review progress in many aspects of the bilateral relationship and to discuss international and regional challenges. EU-India cooperation now spans many areas, including foreign policy and security issues, trade and economics, sustainable development and modernisation, research and innovation as well as people-to-people contacts.

The 1994 EU-India Cooperation Agreement provides the legal framework for EU-India relations and has boosted political, economic and sectorial cooperation. Since 2000, EU-India relations have evolved significantly, with the formation of the EU-India Strategic Partnership in 2004. To underpin that Strategic Partnership, the [EU-India Joint Action Plan](#) was adopted at the 2005 Summit and subsequently [updated in 2008](#). Summits, ministerial-level, expert-level and sectoral meetings have further extended cooperation between the European Union and India on a broad range of issues. In addition, regular parliamentary exchanges have taken place, the

last one being a triple visit of three committees from the European Parliament to India in February 2017.

EU and Indian Leaders held their [13<sup>th</sup> Summit](#) on 30 March 2016 in Brussels ([Joint statement](#)). Decisions taken at the Summit by the President of the European Council, Donald Tusk, the President of the European Commission, Jean-Claude Juncker and the Prime Minister of India, Narendra Modi, 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, such as climate change and the Sustainable Development Agenda-2030, sector policy cooperation, for example vis-à-vis energy, environment, ICT, research and innovation, and people-to-people contacts.

## Foreign Policy and security cooperation

The EU and India discuss foreign policy and security matters in a number of fora and at various levels, including at the Summits. The EU High Representative/Vice-President, Federica Mogherini, [last visited New Delhi on 21 April 2017](#) and reviewed

the progress made since the 13th Summit, including in the areas of counter-terrorism, migration and mobility, the water partnership, clean energy and climate change action. Regular **foreign policy and security consultations**, last held on 25 August 2017 in New Delhi, represent a useful platform to exchange views on the full spectrum of bilateral, regional and global foreign policy issues. Enhanced **foreign policy cooperation** has resulted, for example, in India's participation 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 dialogues** are regularly held on counterterrorism, counter-piracy, cyber-security, and non-proliferation/disarmament. The 2016 EU-India Summit adopted a Joint Declaration on the fight against Terrorism.

The EU also values the regular Human Rights Dialogue human rights dialogue with India which provides an opportunity for both sides to discuss a broad range of human rights issues, for example gender issues, religious and minority rights, decent work, and the death penalty, as well as cooperation in multilateral fora.

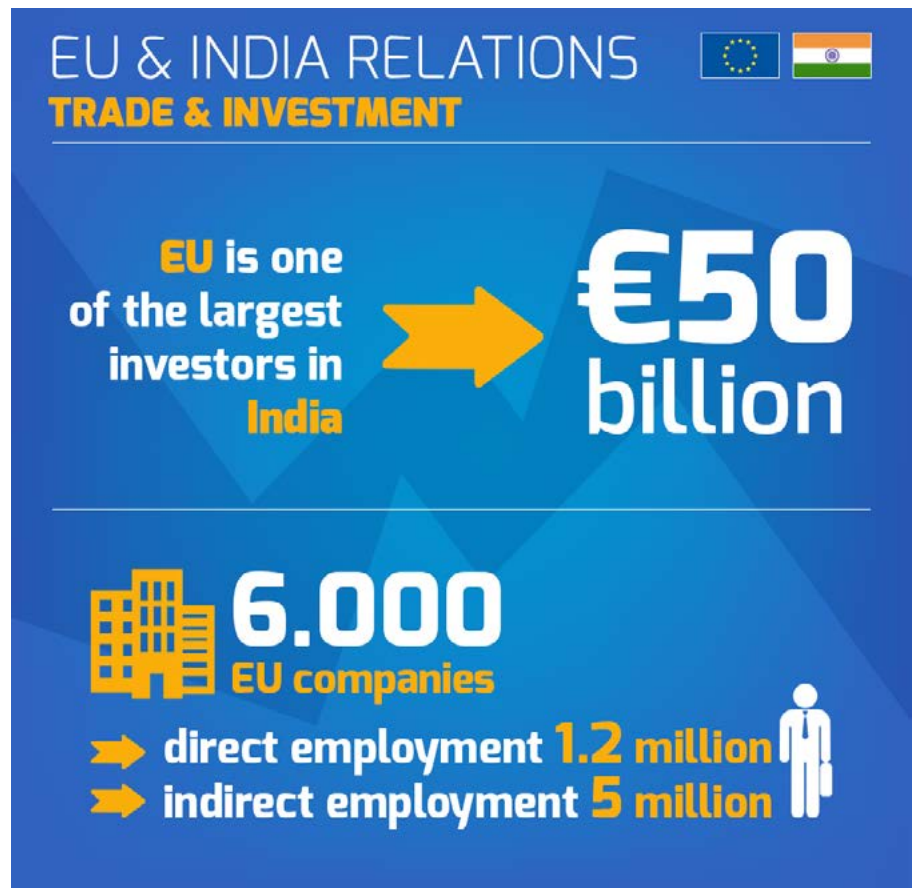
## Trade and Investment

The EU is India's largest trading partner, accounting for 13.7% of India's overall trade, ahead of China (11%) and the United States (9.6%). India is the EU's 9th largest partner, with the value of EU exports of goods to India amounting to €37.8 billion in 2016. The total value of [EU-India trade](#) in goods stood at €77 billion in 2016. Major EU exports to India include engineering goods (37.3%), 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 engineering goods (15%).

Bilateral trade in commercial services has almost tripled over the past decade, increasing from €10.5 billion in 2005 to €28.4 billion in 2016. In 2016 the EU exported services worth €13.8 billion (top three sectors: ICT, transport and travel), while it imported €14.6 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, as well as a framework for investment including investment protection and rules that frame trade, such as intellectual property and competition. Progress has been made during a number of negotiation rounds, though 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 contacts between people

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; agriculture, Digital economy and Society; [competition policy](#); macroeconomic issues, [sustainable urban development](#); [migration and mobility](#); and higher education. This is reflected in the breadth and depth of EU-India bilateral contacts, which take place in a number of fora and at various levels, including decentralised cooperation between EU and Indian cities. Policy cooperation and dialogue between EU and India in these areas are further enriched and translated into operational cooperation with the help of EU's [Partnership Instrument](#).

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) and clean energy projects (renewable energy - solar power plants).

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



5.300

Indian students received  
**Erasmus scholarships**

1.800

Indian researchers received  
**Marie Skłodowska-Curie  
scholarships**

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 EU - [India 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.

An Energy Panel meets annually at senior officials' level and an energy security working group was launched in 2016. Working groups on various energy sectors are active, including on renewable and energy efficiency. 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.

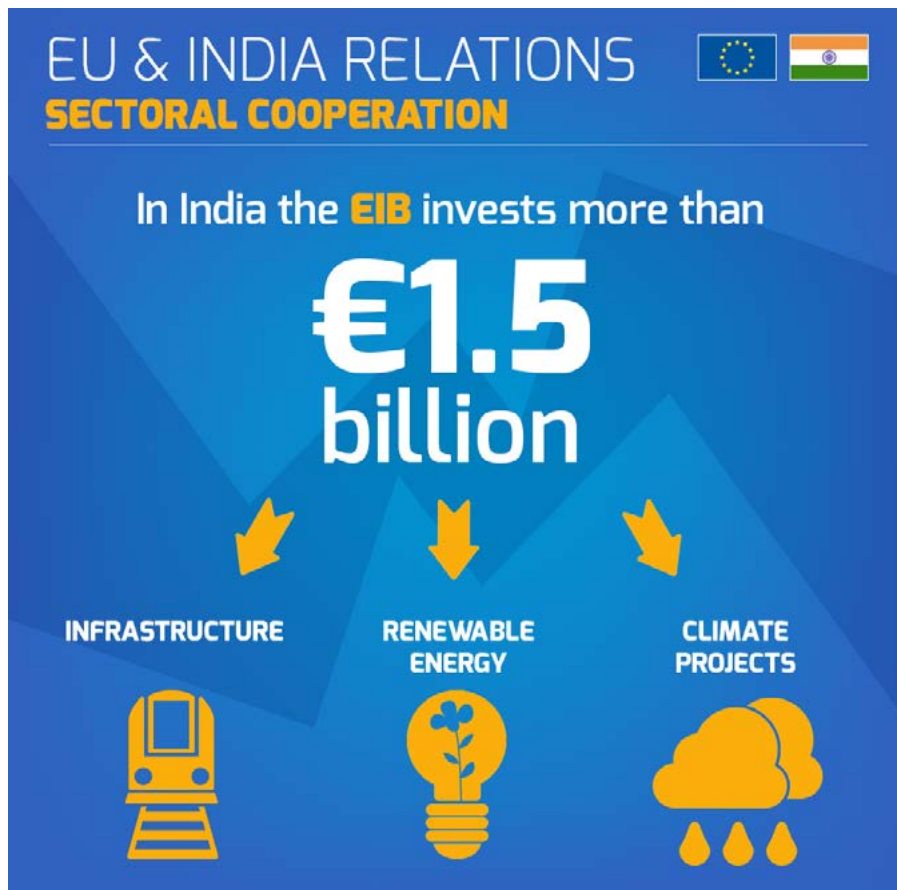
India was a key player in achieving a **global climate agreement** in Paris in December 2015. Joint climate related events took place in Delhi and at the COP22 in Marrakesh.

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. Discussions also take 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 as well as emerging issues such as air quality.

The EU has provided longstanding support to Indian cities to develop plans for sustainable development, transport, industry, water and waste management, and more recently established **city-to-city cooperation** between European and Indian cities such as Mumbai, Pune and Chandigarh in a first phase and twelve more cities involved in the current phase. The EU is also providing support to Indian cities to join the Global Covenant of Mayors on climate and clean energy. This cooperation is being formalised in an **India-EU Partnership for Smart and Sustainable urbanisation**, which will support the Indian 'Smart cities' and 'AMRUT' initiatives and will involve EU Member States for policy cooperation, business solutions and joint research & innovation.

The EU and India enjoy strong cooperation in the areas of [research and innovation](#). 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** (June 2017, Brussels) further strengthened the cooperation in research and innovation by launching a major flagship initiative in the area of water of €30 million, and by extending the co-funding mechanism across all areas of Horizon 2020, in order to foster the development of concrete solutions to common “societal challenges” such as health, ICT, climate change, and energy, the latter in the framework of Mission Innovation initiative. It was also agreed to pave the way for a deeper cooperation in the area of Innovation, and to conclude and sign an Implementing Arrangement between the European Research Council (ERC) and the Indian Science and Engineering Research Board (SERB) to promote mobility of researchers from India to Europe.

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 on crucial topics of mutual interest (5G, machine-to-machine communications/Intelligent Transport Systems, software defined and virtualised networks, and security), 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 practice on addressing cybercrime and strengthening cyber security and resilience, as well as an open cyber space.

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 contributes to patients’ 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).

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.

Each year, there are almost 50,000 Indian students in over 4,000 universities across Europe. The **EU-India 2008 Joint Declaration on Education** launched a Senior Officials' policy dialogue covering skills, quality assurance and the recognition of qualifications. Since the opening of the [Erasmus programmes on higher education](#) to third countries, [India has been its largest beneficiary](#), with more than 5,300 Indian students having received European scholarships to study in Europe. In the last 3 years alone, since Erasmus mundus transformed into Erasmus+, about 1,300 students have received full scholarships, 120 Indian universities have been involved in active exchange programmes, and around 100 in joint master programmes or capacity-building projects. Eight



eminent Indian professors are now teaching EU studies under the Jean Monnet programme.

The European Union's **development cooperation** with India has a successful track record, spanning several decades. Major focus areas include education, health, water and sanitation. Since India's Official Development Assistance (ODA) graduation in 2014, we are progressively moving beyond a traditional assistance-type agenda towards a partnership approach, including blending initiatives combining grants with loans from international financial institutions to leverage additional funding for specific development needs. In addition the EU supports institutional capacity building in key strategic areas such as renewable energies, trade and environment. India remains eligible for EU thematic and regional co-operation aid programmes. Some **80 contracts worth over €240 million are currently ongoing in India**. At the 2016 EU-India Summit, leaders decided to strengthen cooperation on the implementation of the 2030 Agenda for Sustainable Development. In this context, new ways of engaging in areas of mutual interest between the EU and India are being developed. The EU's Partnership Instrument is already playing an important role in providing new avenues for continued EU-India engagement. Projects involving civil society 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.