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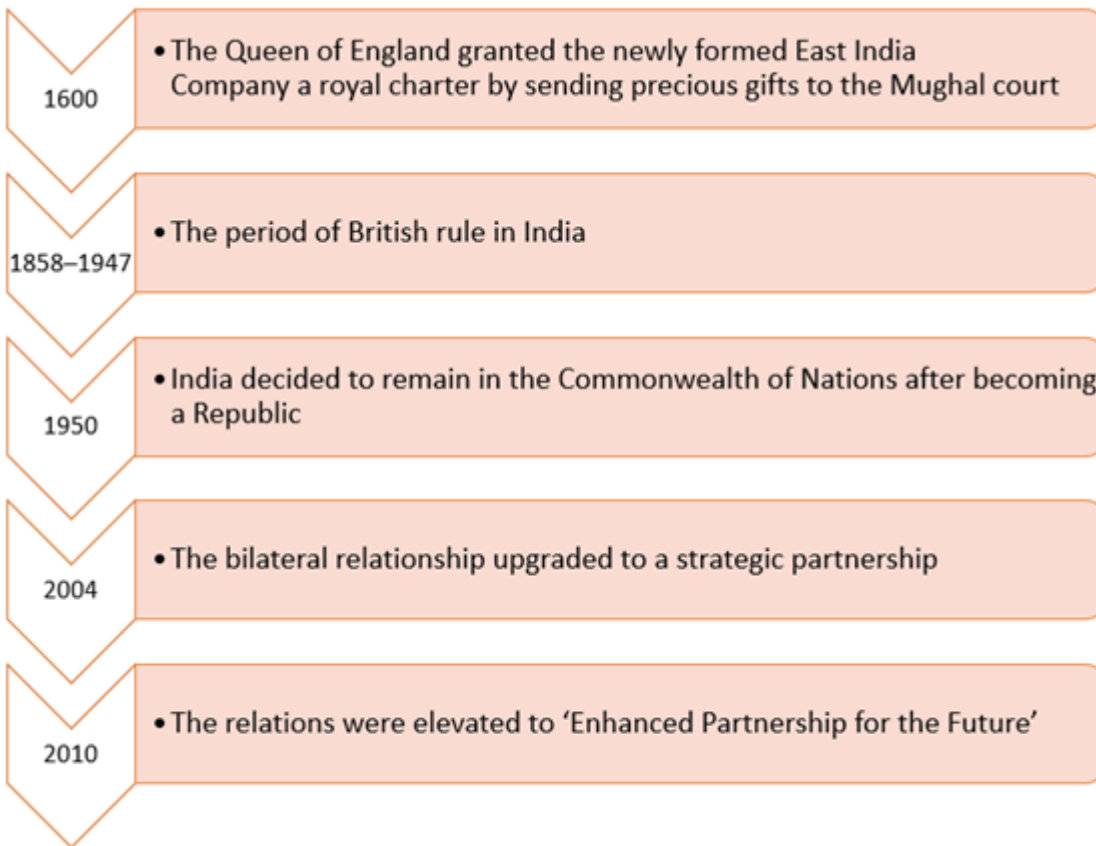
India-EU relations

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India and the EU have a long and multifaceted relationship. This can be concluded from the fact that the **EU is India's largest trading partner.**

Evolution of the relationship:

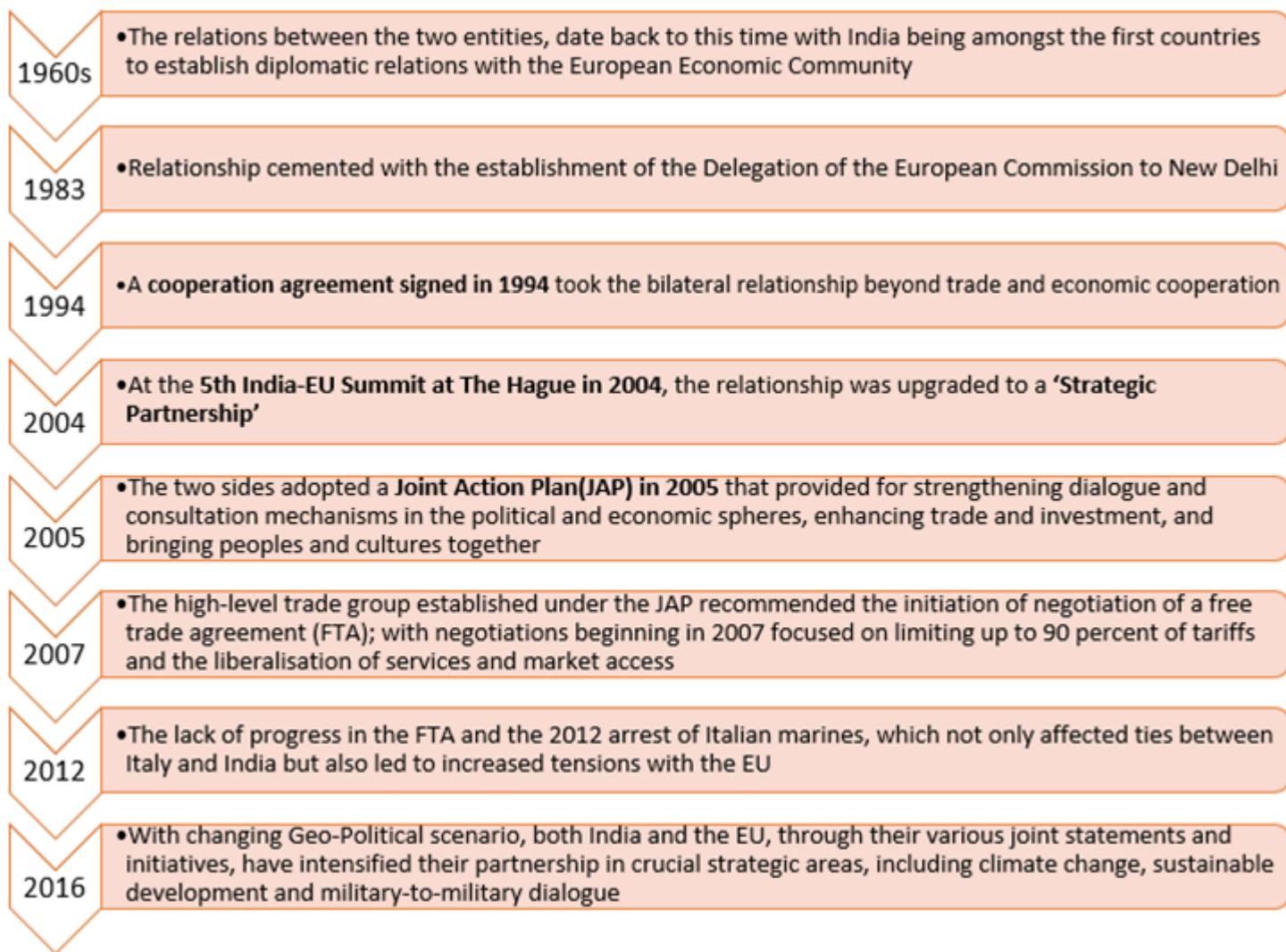
The bilateral relationship between India and the EU **dates back to the early 1960s**, with India **being one of the first countries to establish diplomatic relations** with the European Economic Community.



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Early 1990s: Relations between India and the EU began to **strengthen in the 1990s** when India began its process of economic liberalization, and the EU began to expand its membership.

Cooperation Agreement, 1994: In 1994, the two sides established a Cooperation Agreement, which served as the basis for their strategic partnership.

Annual summit-level discussions have formed the **bedrock** of India-EU ties.

First India-EU Summit, 2000: The first India-EU Summit marked a watershed in the evolution of the relationship.

At the **5th India-EU Summit** at The Hague in 2004, the relationship was **upgraded to a ‘Strategic Partnership’**.

Joint Action Plan, 2005: In 2005, the EU and India signed a Joint Action Plan, which further strengthened their cooperation in a range of areas, including trade, investment, education, and research.

Renewed Dialogue between India and the EU, 2017: In 2017, the two sides launched a new dialogue on foreign policy, defence, and security, which has helped to further deepen their cooperation.

Present times: In recent years, the EU and India have also worked together on issues related to **international peace and security, climate change, and sustainable development**.

An **ambitious Roadmap to 2025 paper** was established at the 15th India EU Summit, which was held virtually in 2020.

Areas of cooperation:

Trade: The EU is **India's 2nd-largest trading partner** (after the US) and India's **2nd-largest export market**. India is the EU's **10th largest trading partner**, accounting for **2% of EU total trade** in goods. Trade in services between the EU and India reached 40 billion Euro in 2021.

Investment: The EU is also a major source of investment for India, with the EU's share in foreign investment stock in India **increasing from €63.7 billion in 2017 to €87.3 billion in 2020**. On the other hand, Tata Group, an Indian multinational conglomerate, has a significant presence in the EU (France, Italy, etc.)

Infrastructure development: The EU has supported India's efforts to **modernize its infrastructure**, including through the financing of projects in sectors such as energy and transport.

Strategic partnership: The EU and India have a strategic partnership, which includes **regular high-level political dialogue and cooperation on issues** such as counter-terrorism and non-proliferation.

India has a potential to **collaborate with France and other European countries** on modernising its defence industrial base, enhancing its maritime surveillance capabilities, and promoting renewable energy and climate action.

Development assistance: The EU has provided development assistance to India, including support for programs in areas such as **health, education, and agriculture**.

Cooperation on terrorism, cyber security, and climate change: The two sides have jointly held a number of conferences and workshops on cyber security and have cooperated on efforts to combat terrorism.

Security cooperation: The EU and India have worked together on regional and global security issues, including through the United Nations and other multilateral organizations.

Cultural and educational exchange: The EU and India have a number of cultural and educational exchange programs, including the **Erasmus+ program**, which allows Indian students to study in the EU and vice versa.

Multilateral cooperation: The EU and India cooperate on a range of global issues, including climate change, development, and security. The EU has supported India's efforts to gain greater access to the global trade system, including WTO.

Employment: The European Union (EU) works closely with India to promote peace, create jobs, boost economic growth and enhance sustainable development across the country.

INDIA-EU Bilateral Trade and Investment Agreement (BTIA):

It is a Free Trade Agreement between India and EU, which was **initiated in 2007**. Even after a decade of negotiations, India and EU have failed to resolve certain issues which have led to a deadlock.

Challenges in India-EU relations:

Trade: There have been some issues in the trade relationship between the two despite strong economic ties. Example: EU has criticized India's high tariffs on certain products, such as automobiles and pharmaceuticals, and has sought greater access to the Indian market for its products in these sectors.

Trade imbalance: India accounts for only 1.9% of EU total trade in goods in 2019, well behind China (13.8%). Trade imbalance is expected to further increase with ratification of the **European Union Vietnam Free Trade Agreement (EVFTA)** and the **EU-Vietnam Investment Protection Agreement**, which will make Indian exports less competitive.

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Global security: There have also been some differences in their approaches to security, particularly with regard to issues such as Afghanistan and the Middle East.

Intellectual property: The EU has raised concerns about India's intellectual property regime, particularly with regard to issues such as patent protection and the enforcement of intellectual property rights. Example: It has criticized India's decision to issue a compulsory license for a cancer drug, which it argued undermined the intellectual property rights of the company that held the patent for the drug.

Human rights and governance: The EU has raised concerns about human rights and governance issues in India, including issues such as religious freedom, the treatment of minorities, and the rule of law. Example: EU has expressed concern about the Citizenship Amendment Act 2019.

Climate change: The EU and India have different perspectives on issues related to climate change, and this has sometimes led to differences in their approaches to addressing this global challenge.

Differences in foreign policy: The EU and India have sometimes had differences in their foreign policy approaches, particularly with regard to issues such as the Balkans, Iran, and the Israeli-Palestinian conflict.

Brexit: It is unclear how U.K.'s withdrawal from EU will affect India's relation with EU as whole.

Stalled EU-India BTIA:

It is being negotiated since 2007. Major reasons for deadlock:

EU's demands:

Duty cuts in automobiles

Strong intellectual property regime

Tax reduction on wines, spirits etc

Relaxation in India's data localisation norms

Protection to all its items with Geographical Indication

India's demands:

Ease norms on temporary movement of skilled workers

Relaxation of Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) norms

Data secure' status

Opportunities for India's Engagement with Europe:

Strategic Convergence: India's growing strategic convergence with France on various issues such as counter-terrorism, maritime security, space cooperation, defence technology, and multilateralism.

Cultural Collaboration: India's participation in the **Indo-French Year of Culture 2023-2024**, which will showcase the cultural diversity and creativity of both countries and foster people-to-people ties.

Regional Vision: India's alignment with the EU's vision of a free, open, inclusive, and rules-based Indo-Pacific region, which was articulated in a strategy document released in 2021.

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Flagship Projects: India's involvement in some of the flagship projects with France such as the Scorpene submarines, the Rafale jets, and the ISRO-CNES satellite constellation.

Green Cooperation: India's support for the European Green Deal, which aims to make the **EU carbon-neutral by 2050**, and its collaboration with France on the International Solar Alliance and the One Planet Summit.

G20:

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

Energy Cooperation: EU – India Clean Energy and Climate Partnership.

Research and Development: India, participates in international ITER fusion project which aims to build and operate an experimental facility to demonstrate the scientific viability of fusion as a future sustainable energy source. India also participates in research and innovation funding programme '**Horizon 2020**' wherein individual scientists can receive grants from the European Research Council (ERC) or the Marie Skłodowska-Curie Actions (MSCA)

Environment and Water: The EU and India also cooperate closely on the **Indian Clean Ganga initiative** and deal with other water-related challenges in a coordinated manner.

City to City Cooperation: There is 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. Now it is being formalized in an **India-EU Partnership for Smart and Sustainable urbanization**, which will support the Indian 'Smart cities' and 'AMRUT' initiatives to boost joint research and

ICT Cooperation: The EU and India aim to **link the 'Digital Single Market' with the 'Digital India'**. Apart from these "**Start-up Europe India Network**" initiative and EU-India Cyber Security Dialogue deserves special mention.

Migration and mobility: The **EU-India Common Agenda on Migration and Mobility (CAMM)** is a fundamental cooperation agreement between India and EU. 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;

Maximizing the development impact of migration and mobility; and

The promotion of international protection.

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