

PRESENTATION ON INDIA – EU TRADE AND INVESTMENT AGREEMENT NEGOTIATIONS

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INDIA-EU ECONOMIC RELATIONSHIP

- EU is India's largest trading partner.
- The bilateral relationship is reviewed annually by India –EU Summit at the level of our PM and the Presidency of the EU.
- Announcement of Strategic Partnership was made at 5th India-EU Summit held in Hague in November 2004.
- To strengthen the strategic partnership a High Level Trade Group (HLTG) was established.

HLTG REPORT

- The HLTG has recommended that an expanded trade partnership be developed through the negotiation of a broad-based Bilateral Trade and Investment Agreement between India & EU covering:
 - FTA in Goods
 - FTA in Services
 - Investment Agreement
 - Agreements on other areas: Trade Facilitation, IPR, GI, Government Procurement, Competition Policy, SPS, TBT etc.

EU comprises 27 countries and is India's largest trading partner. The countries are :

Austria	Germany	Netherlands
Belgium	Greece	Poland
Bulgaria	Hungary	Portugal
Cyprus	Ireland	Romania
Czech Republic	Italy	Slovakia
Denmark	Latvia	Slovenia
Estonia	Lithuania	Spain
Finland	Luxembourg	Sweden
France	Malta	United Kingdom

Bilateral Trade

India's exports

- During 2006-07 - US\$ 26.78 billion as against US\$ 23.23 billion in 2005-06.
- This was 21.21% of India's total global exports.
- Export growth to EU – 15.31% as against 22.48% of its global export growth.

India's imports

- During 2006-07 - US\$ 29.81 billion as against US\$ 26 billion in 2005-06.
- This was 16.06% of India's total global imports.
- Import growth from EU 14.66% as against 24.43% of its global import growth.

Major items traded

■ Major items exported

- Apparel & Clothing
- Mineral fuel etc.
- Pearls, precious & semi-precious metal etc.
- Organic Chemical
- Machinery or Mechanical appliances
- Electrical machinery and equipment
- Footwear and other products
- Iron & steel products

■ Major items imported

- Machinery or Mechanical appliances
- Pearls, precious or semi-precious stones, metals, etc.
- Electrical Machinery etc.
- Aircrafts
- Iron & Steel products
- Organic Chemicals

Date of events

- The First Round of negotiations took place in June 2007 in Brussels, Belgium. The delegation was led by Commerce Secretary, Government of India.
- Broader objectives for negotiations were agreed.
- Working Groups established for negotiating various issues.
- 2nd Round negotiations – 1 to 6 October 2007 in New Delhi.
- 3rd Round negotiations – 6 to 12 December 2007 in Brussels.
- Meeting between Commerce & Industry Minister of India and Trade Commissioner, EC – 7 March 2008, London.
- 4th Round – April 2008.

Areas of discussions

- Trade in Goods
- Services and Investment agreement
- SPS & TBT
- Trade facilitation and customs
- Trade defense
- IPR
- Dispute settlement
- Transparency
- Competition
- Trade and sustainable development
- Government Procurement

Present Status

Trade in Goods:

- Draft text of Agreement exchanged, some text cleared.
- Tariffs to be liberalised on 90% tariff lines as well as 90% of trade value (imports) within 7 years from the starting date.
- Both sides exchanged their initial offers. India gave a grey list of 15%.
- Non-Tariff Measures – Objectives being finalised.
- Rules of Origin – initial exchange of views, texts exchanged.

Present Status (2)

Services and investment:

- Initial texts have been exchanged, actual negotiations to start.
- Architecture – to be discussed.

Other issues:

- Initial discussions held.
- Scope and objectives being finalised.
- Texts to be exchanged.

THANK YOU