

## European Union

28 members (including UK)

Maastricht Treaty (1993) - created EU

Political & Economic Union

- i) EU citizenship (estd. under Maastricht Treaty)
- ii) Council of European Union
  - European Council
  - European Parliament
  - European Commission
- European Central Bank
- Court of Justice for EU

Lated info.

Eurozone :- Countries which adopted Euro as

their currency from a group called

Eurozone. Total 19 countries have done

it out of 28

Schengen Area :- Group of countries those have abolished passport requirements to the citizens of countries in the group. Total 26 countries

Brexit : Required Article 50 of Treaty of Lisbon (EU) to be executed

for it

in 2016 51.9% votes in favour

22 from EU

4 - European Free Trade Association (EFTA)

members

Switzerland Norway  
Iceland

India - EU

first summit in 2000 (Lisbon)

5th summit in 2004 became strategic partner of India

13th Summit : India - EU Agenda 2020  
(2016) (Brussels)

look for

more info

- i) European Economic Area (EEA) → EU + 3 other countries (Liechtenstein, Norway, Iceland)
- estd. :: 1994
  - economic coop. & agreement b/w EU & L/N countries

- ii) European Free Trade Agreement (EFTA)

- EU + 4 other countries
  - 3 of which is EEA
- Liechtenstein
  - Iceland
  - Norway
  - Switzerland

Others →

- ① Council of Europe (not Council of European Union)

- 47 members; HQ → Strasbourg, France
- Smaller than EU
- to promote Democracy, rule of law, Human Rights, European Culture

It is not a part of EU; but no country has become member of EU unless it becomes a member of Council of Europe.

- ② Common Economic Union

- 5 countries (BTKRA) - Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan

- aim is to expand its trade union by Armenia, Georgia, Montenegro, etc.

European Union

- Recently EU unveiled a Strategic Paper to enhance coop. (★) India (★★★★★)

- 1962 - first developing country to estd. diplomatic relations (EU was India)
- 1994 - EU-India Cooperation Agreement
- 2004 - Strategic Partnership Agreement

EU-India relations

## ① Trade & Investment

→ EU - India's largest trading partner  
source of investments and technologies

(~€ 70 Bn. FDI

from 2000-2017) -  $\frac{1}{4}$ th of all investments

(BTIA to be replaced by a renewed FTA)

Renewed focus on Trade

Strategic Partnership

(military coop; Afghanistan & Central Asian affairs; Counter terrorism)

maritime cooperation (security)

+ IOR  
from India  
Engineering goods,  
(jewellery, chemicals etc)

## ② Comprehensive sectoral cooperation (forums - G20; Bilateral dialogues)

### ① Energy cooperation

EU-India Clean Energy & Climate Partnership

Better commitments for Paris Climate Agreement

### ② R&D

International ITER fusion Project (India participates)  
Horizon 2020 - Programme for getting funds from European Research Council for individual scientists

### ③ Environment & water

Clean Ganga Initiative

### ④ City to city Cooperations - Mumbai, Pune, Chandigarh etc

India-EU Partnership for Smart & Sustainable Urbanization

### ⑤ ICT cooperation

support Digital India mission

start up Europe India Network

EU-India Cybersecurity Dialogue

### ⑥ Migration & mobility - EU-India (Common Agenda for Migration & Mobility) [CAMM]

Better, organized, legal

### ⑦ Development Cooperation - € 150 million projects currently ongoing in India

## Bilateral Trade & Investment Agreement (BTIA)

→ Unable to negotiate since 2007

Contentious issues

India wants

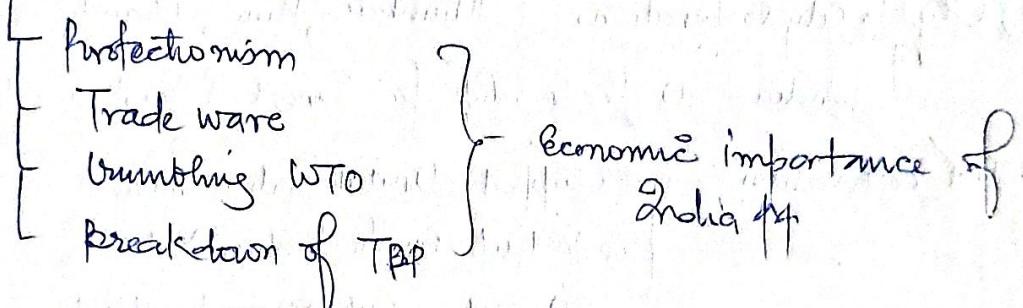
- Data Protection Status for IT companies
- easier norms for temporary movement of
- issues of non-tariff & technical barriers
- liberalizing trade in services

EU wants

- BIT before BTIA (Bilateral Investment T.)
- Indian duty on automobile, spirits to go
- more liberalization in multibrand retail
- open new sectors - insurance, accountancy, legal services
- Dispute Settlement mechanism - first India consultations to be approached by Investors

Why this new threat?

- ① India's growing stature
- ② Concerns with China (for EU) — Security, political & economic concerns
- ③ BREXIT - a new opportunity
- ④ fall of conventional liberal world order



Why India wants better relations  $\odot$  EU?

- In post BREXIT situation → look for new gateways to Europe.
- Better trade
- Investment requirements
- Technology and expertise

Brexit

- Britain joined EEC in 1973
- Treaty of Lisbon (Article 50) [2016 referendum]
- more membership reduced to 27

Need of Brexit (3 main factors)

- ① Economic Insecurity
- ② Populist Nationalism
- ③ British Exceptionalism

In backdrop of Eurozone crisis

⊕  
weak European Institutions

↑ unemployment, inequality  
N-S economic divide  
problems ② Euro currency

\* Britain free to strike new deals and partnership around the world.

India - Britain : ways ahead of Brexit [Exciting times ahead]

- ① Boris Johnson and Modi → strike a good rapport
- ② Need of a favourable Trade Agreement with Britain → B.J's intentions - India as 'priority country' for Britain now
- ③ British companies in India (need of) →
  - ④ major areas of cooperation
    - ↓
    - Trade
    - ↓
    - Immigration
    - ↓
    - Climate Change
    - ↓
    - Investment

## Advantages of Brexit for Britain

- ① Trade Benefits : free to strike deals
- ② Arrest spending £ 350 billion to EU for → scientific research  
better immigration laws → new industries
- ③ National Sovereignty

## Disadvantages for Britain

- ① Trade @ EU - : ~45% of Britain's total trade
  - now - ↑ Tariff and non Tariff Barriers damage export competitiveness of Britain
- ② Benefits outweigh costs
  - As per "British Confederation of Industries"
  - total benefits due to trade, investments and jobs because of EU membership was around £ 3000 m in comparison to £ 340 m. contribution
- ③ Immigration problems & refugee crisis - is a global issue
  - can't be stopped by leaving EU.

## For India

- ① opportunity to renegotiate "trade agreements" [EU  
Britain]
- ② less competition to Indian students (immigration)
- ③ "Hard Brexit" - impact on 800 Indian companies in Britain which used Britain to explore EU market