

GS Paper 2

INTERNATIONAL RELATIONS

India and EU

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About EU

- The European Union is a supranational political and economic union of 27 countries.
- It's genesis lie in the Maastricht treaty of 1993.
- EURO is used as the official currency by 19 of these countries.
- Out of the total, it is 8 EU members (Bulgaria, Croatia, Czech Republic, Denmark, Hungary, Poland, Romania and Sweden) which do not use the euro as currency.
- It has developed an internal single market that is applicable to all member states.

Timeline of EU-India Relations: Key Developments (1962- 2021)



How EU and India are Natural Partners

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India's opportunity in EU

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Recent Developments

- **October 2023**--- India and EU 6th round of FTA talks
- **June 2023**---India and EU concluded 5th round of FTA talks.
- **March 2023**---India and the European Union (EU) concluded the fourth round of talks for a comprehensive free trade agreement in Brussels. The next round of the talks is planned for 12-16 June 2023.
- November 28 to December 9, 2022: The third round of India-EU FTA talks are taking place between India and EU in New Delhi. It will focus on
 - ✓ market access for agricultural goods,
 - ✓ digital trade,
 - ✓ environment & sustainability,
 - ✓ Intellectual Property, among other issues
 - ✓ issues like geographical indicators (GI) as well as
 - ✓ investment protection agreement.

- **October 2022--** the second round of discussions in Brussels.
- **July 2022----**India and the European Union concluded the first round of talks for the proposed free trade agreement (FTA)

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Background of India-EU Trade and Investment Agreements.

About:

- ✓ **2007---**Talks started between India and EU for launching a wide-ranging Free Trade Agreement (FTA), officially called Broad-based Trade and Investment agreement (BTIA), or FTA agreement
- ✓ The BTIA included trade in goods, services and investments.
- ✓ **2013---**The talks got interrupted due to differences over market access and movement of professionals.

Currently, the European Union is India's second-largest trading partner after the US, and the second-largest destination for Indian exports.

Challenges within India and EU

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Types of Services Supply: The GATS divides services into four categories:

Mode 1: Cross Border -- From the territory of one Member into the territory of any other Member. Distance learning, consultancy, and BPO services are examples of services.

Mode 2: Consumption Abroad -- In the territory of one Member to the service consumer of any other Member. Services are made available to foreign consumers within a country, such as tourism, educational students for students, medical treatment, and so on.

Mode 3: Commercial Presence -- By a service supplier of one Member, through commercial presence, in the territory of any other Member. Services provided by a foreign entity that is commercially present in another country, such as banking, hotels, and so on.

Mode 4: Movements of natural persons-- By a service supplier of one Member, through the presence of natural persons of a Member in the territory of any other Member. Example: A foreign national who works as a consultant or employee in another country, delivering services such as a doctor, nurse, IT engineer, and so on.

Way Forward

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