

India and Europe

Topics Covered:

- The European Union: Structure/Achievements
- The EU and India/ FTA negotiations/
- France
- UK-Brexit

Europe



Image Source:
Encyclopedia Britannica

The European Union

Trivia: The European flag symbolises both the European Union and, more broadly, the identity and unity of Europe.

It features a circle of 12 gold stars on a blue background. They stand for the ideals of unity, solidarity and harmony among the peoples of Europe.

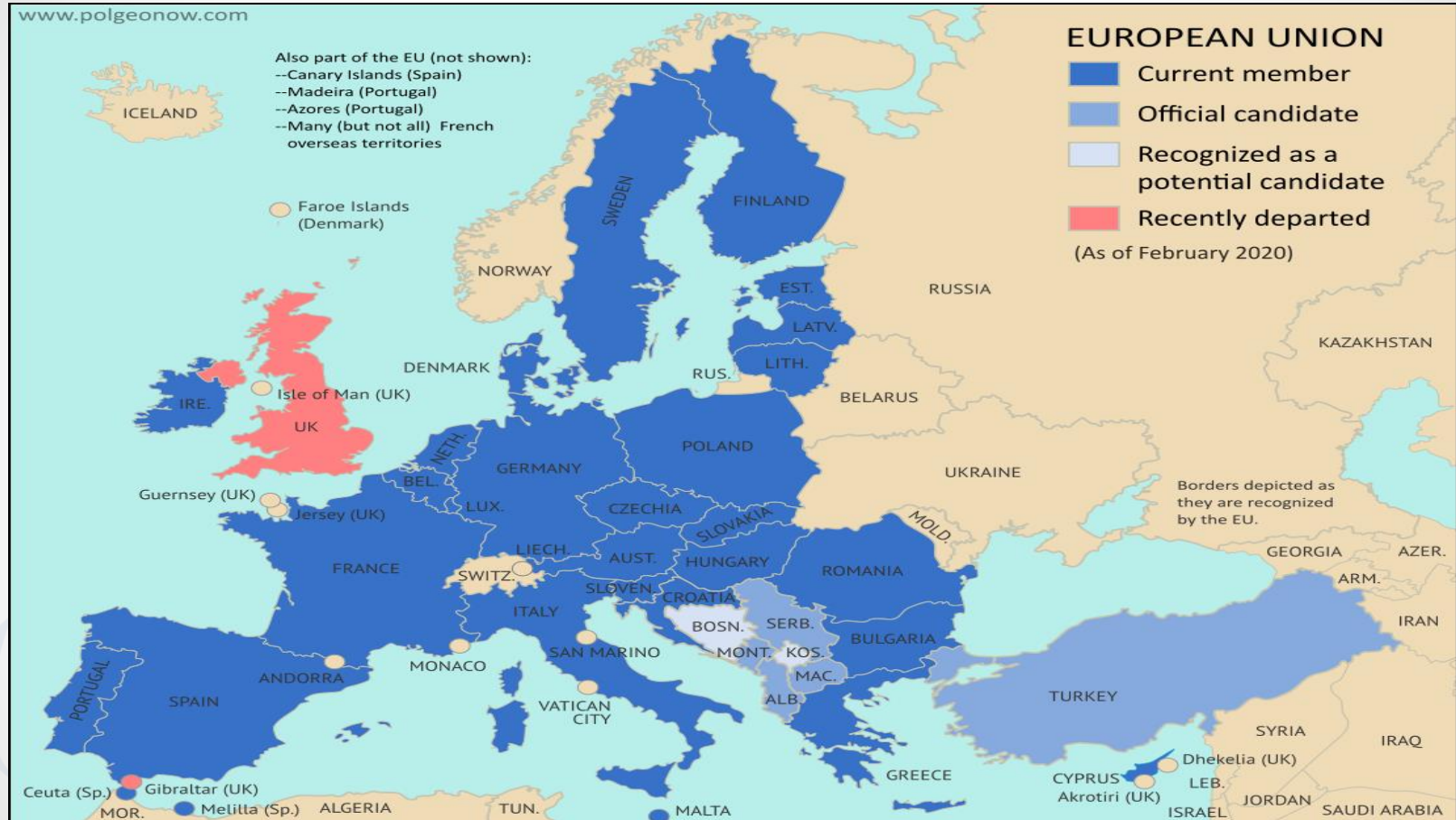
The number of stars has nothing to do with the number of member countries, though the circle is a symbol of unity.



Image Source:

https://europa.eu/european-union/sites/europaeu/files/docs/body/flag_yellow_low.jpg

The European Union



The European Union Basics

- **The European Union (EU)** is a unique economic and political union between 27 European countries.
- **Area and Poulation:** The EU covers over 4 million km² and has 447.7 million inhabitants. By surface area, France is the largest EU country and Malta the smallest.
- **Economy: GDP Curent:** \$16.6 trillion (World Bank 2022)/**GDP Per Capita:** \$37,149.6 (World Bank, 2022)
- **A common currency – the euro –** circulates among 19 of the member states, under the auspices of the European Economic and Monetary Union (EMU).
- **The EU operates as a single market made up of 27 countries.** The EU27 accounts for around 14% of the world's trade in goods. The EU, China and the United States are the three largest global players in international trade. The European Union is among the largest trade block in the world by value. It is the world's biggest exporter of manufactured goods and services, and the biggest import market for over 100 countries.
- **In 2021, the EU accounted for € 4 300 billion in total global trade.** Intra-EU trade was valued at € 6786 billion in 2021.
- **In 2012, the EU was awarded the Nobel Peace Prize** for advancing the causes of peace, reconciliation, democracy and human rights in Europe.

The Eurozone

- The euro is the most tangible proof of European integration: around 341 million people use it every day, making it the second most-used currency worldwide.
- Currently, the euro (€) is the official currency of 20 out of 27 EU member countries which together constitute the Eurozone, officially called the euro area.
- Although all EU countries are part of the Economic and Monetary Union (EMU), 19 of them have replaced their national currencies with the single currency – the euro. These EU countries form the euro area, also known as the eurozone.
- Euro Countries: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, Spain
- Non-Euro Countries: These are countries where the euro has still not been adopted, but who will join once they have met the necessary conditions. Mostly, it consists of countries of member states which acceded to the Union in 2004, 2007 and 2013, after the euro was launched in 2002. Bulgaria, Croatia, Czechia, Hungary, Poland, Romania, Sweden.
- Member countries with an opt-out: Occasionally, member states can negotiate an opt-out from any of the European Union legislation or treaties and agree to not participate in certain policy areas. Concerning the single currency, this is the case for Denmark. It kept its former currency after becoming member of the EU.
- How countries join Euro areas: In order to join the euro area, EU member states are required to fulfil so-called 'convergence criteria'. Binding economic and legal conditions were agreed in the Maastricht Treaty in 1992 and are also known as 'Maastricht criteria'. All EU Member States, except Denmark, are required to adopt the euro and join the euro area, once they are ready to fulfil them.
- On 1 January 2023 Croatia, which had joined the EU in 2013, became the 20th member of the eurozone.
- Seven EU countries don't use the euro: Bulgaria, Czech Republic, Denmark, Hungary, Poland, Romania, and Sweden.

Question

Consider the following in the context of the European Union:

1. the euro (€) is the official currency of 20 out of 27 EU member countries only
2. These countries together constitute the Eurozone also officially called the euro area.
3. Denmark has exercised an optout option in this context
4. In order to join the euro area, EU member states are required to fulfil 'convergence criteria' which were agreed at Maastricht in 1992.

Which of the given statements is/are NOT correct:

- a) 1, 2, 3, 4
- b) 1 and 2 only
- c) 1 and 4 only
- d) None

UPSC 2016

'European Stability Mechanism', sometimes seen in the news, is an

- (a) agency created by EU to deal with the impact of millions of refugees arriving from Middle East
- (b) agency of EU that provides financial assistance to eurozone countries
- (c) agency of EU to deal with all the bilateral and multilateral agreements on trade
- (d) agency of EU to deal with the conflicts arising among the member countries

The European Union Basics

- **1. European Council:** brings together heads of state and government, along with the president of the European Commission. In 2019 Charles Michel was selected to hold the post of President of the European Council
- **2. Council of the European Union:** consists of ministers of each EU member state and meets regularly in 10 different configurations depending on the subject matter; it conducts policymaking and coordinating functions as well as legislative function
- **3. the European Commission:** headed by a College of Commissioners comprised of 27 members (one from each member country) including the president; each commissioner is responsible for one or more policy areas;
- The Commission's main responsibilities include the sole right to initiate EU legislation (except for foreign and security/defense policy), promoting the general interest of the EU, acting as "guardian of the Treaties" by monitoring the application of EU law, implementing/executing the EU budget, managing programs, negotiating on the EU's behalf in core policy areas such as trade, and ensuring the Union's external representation in some policy areas;
- **In 2019 Ursula von der Leyen has been confirmed as the European commission's first female president**

The European Union Basics

- **European Parliament: 705 seats; seats allocated among member states roughly in proportion to population size; members elected by proportional representation to serve 5-year terms. Parliament has three places of work - Strasbourg (its official seat), Brussels and Luxembourg.**
- In 1952 the Common Assembly of the European Community of Coal and Steel – the European Parliament's predecessor – was established.
- In 1960 the Parliamentary Assembly was established.
- Appointed Parliament came into existence in 1964.
- **An elected European Parliament came into existence in 1979**
- **European Court of Justice or ECJ (consists of 27 judges - 1 from each member state); located in Luxembourg.**

Council of Europe: Older and different than EU



- Founded in 1949, The Council of Europe is a Human Rights Organization based in Europe.
- It includes 47 members 27 of which are members of the EU.
- The Council of Europe has its headquarters in Strasbourg, France.
- All members have signed the European Convention on Human Rights, a treaty designed to protect human rights, democracy and rule of law.
- European Court of Human Rights, located in Strasbourg as well, Oversees the implementation of the Convention.

The European Union: Evolution

- **European Coal and Steel Community (ECSC)** was set up when in 1951 six members - Belgium, France, West Germany, Italy, Luxembourg, and the Netherlands - signed the Treaty of Paris
- In 1957, envisioning an "ever closer union," the Treaties of Rome created the European Economic Community (EEC) and the European Atomic Energy Community (Euratom), and the six member states undertook to eliminate trade barriers among themselves by forming a common market.
- In 1967, the institutions of all three communities were formally merged into the European Community (EC), creating a single Commission, a single Council of Ministers, and the body known today as the European Parliament.
- Members of the European Parliament were initially selected by national parliaments, but in 1979 the first direct elections were undertaken and have been held every five years since.

The European Union: Evolution

- **The 1992 Treaty of Maastricht laid the basis for further forms of cooperation in foreign and defense policy, in judicial and internal affairs, and in the creation of an economic and monetary union - including a common currency. This further integration created the European Union (EU),**
- **A new currency, the euro, was launched in world money markets on 1 January 1999; it became the unit of exchange for all EU member states except Denmark, Sweden, and the UK.**
- **The Lisbon Treaty came into force on 1 December 2009 and the EU officially replaced and succeeded the European Community (EC).**
- **Thus, The EU was not always as big as it is today. When European countries started to cooperate economically in 1951, only Belgium, Germany, France, Italy, Luxembourg and the Netherlands participated.**
- **Over time, more and more countries decided to join. The Union currently counts 27 EU countries. The United Kingdom withdrew from the European Union on 31 January 2020.**

The European Union: an assessment

- The evolution of what is today the European Union (EU) from a regional economic agreement among six neighboring states in 1951 to today's hybrid intergovernmental and supranational organization of 27 countries across the European continent stands as an unprecedented phenomenon in the annals of history.
- Although the EU is not a federation in the strict sense, it is far more than a free-trade association such as ASEAN, NAFTA, or Mercosur,
- it has certain attributes associated with independent nations: its own flag, currency (for some members), and law-making abilities, as well as diplomatic representation and a common foreign and security policy in its dealings with external partners.
- The regional integration process led by the EU and its predecessors helped Europe emerge out of the destruction of the second world war and achieve prosperity over the years.
- The prospects of members leaving the EU is always an important question, given the internal differences on some issues like refugees and national politics. Frustrated by a remote bureaucracy in Brussels and massive migration into the country, UK citizens on 23 June 2016 narrowly voted to leave the EU. UK formally left the EU in 2020 in what was termed as the “Brexit”.

The Structure of European Union

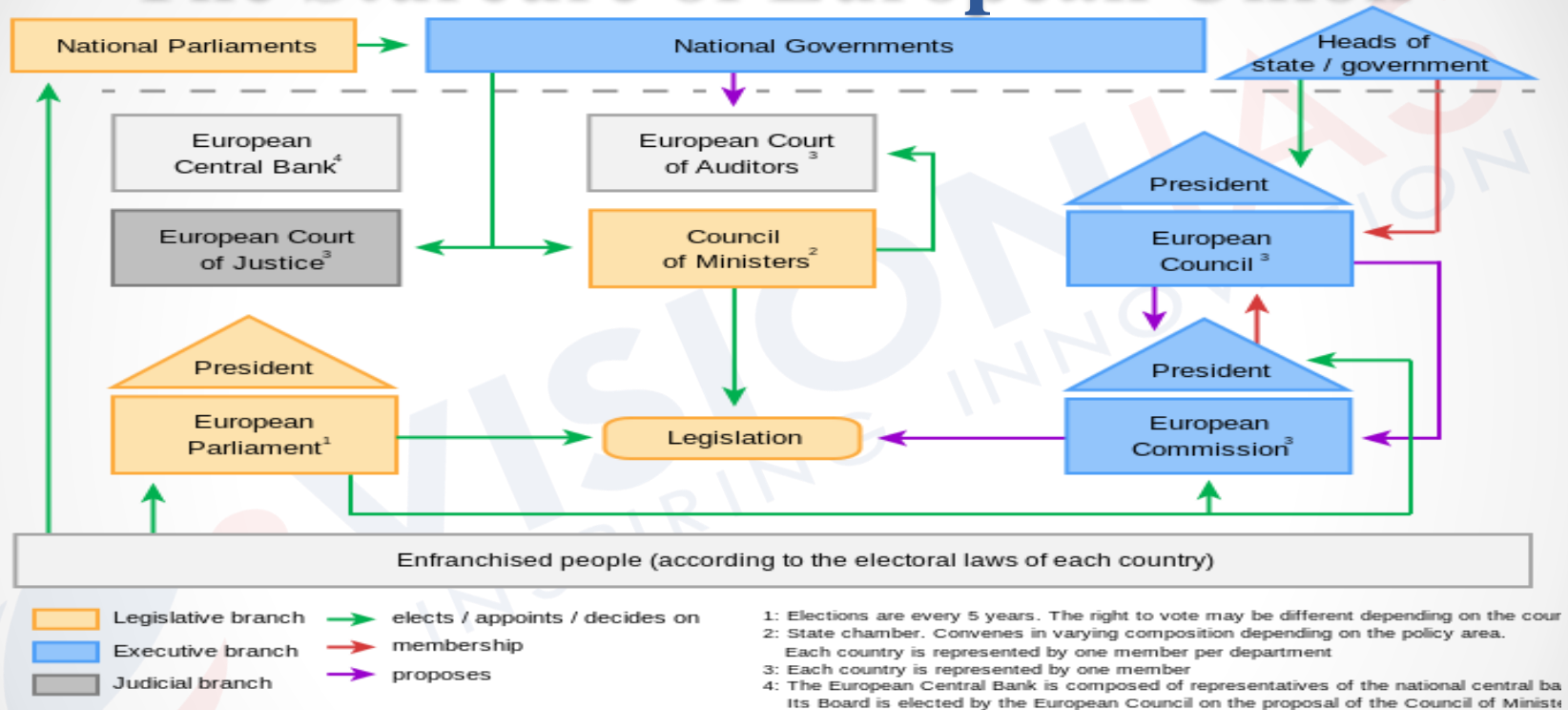


Image Source:

https://en.wikipedia.org/wiki/Institutions_of_the_European_Union#/media/File:Political_System_of_the_European_Union.svg

Schengen Agreement

- The Schengen Agreement is a treaty which led to the creation of Europe's Schengen Area, in which internal border checks have largely been abolished. It was signed on 14 June 1985, near the town of Schengen, Luxembourg
- The area mostly functions as a single jurisdiction for international travel purposes, with a common visa policy.
- 26 European countries are part of this agreement, Including 22 EU Member States.

India and the European Union

- India was amongst the first countries to establish diplomatic relations with the European Economic Community in 1962. A cooperation agreement signed in 1994 took the bilateral relationship beyond trade and economic cooperation.
- The first India-EU Summit took place in Lisbon on 28 June 2000 and marked a watershed in the evolution of the relationship. At the 5th India-EU Summit held at The Hague in 2004, the relationship was upgraded to a 'Strategic Partnership'.
- The two sides adopted a Joint Action Plan in 2005 (which was reviewed in 2008) that provided for strengthening dialogue and consultation mechanisms in the political and economic spheres, enhancing trade and investment, and bringing peoples and cultures together.

India and the European Union

- India-EU relations received another boost with the 13th India-EU Summit at Brussels, held after a gap of four years, in March 2016 adopting the India-EU Agenda 2020, which lays down a road map for cooperation on a wide range of issues including nuclear cooperation, investments, Internet Governance, climate change, 5G communications.
- In 2017, the European Union and India celebrated 55 years of diplomatic relations.
- The 14th EU-India Summit, took place in New Delhi on 6 October 2017.

India and the European Union

- **15th India EU Summit** was held virtually on **15 July 2020**
- The leaders adopted the "**India-EU Strategic Partnership: A Roadmap to 2025**" to guide cooperation between India and the EU over the next five years.
- In continuation of the highly successful 15th India-EU Summit, the **first ever India-EU Leaders' Meeting** was held on **08 May 2021** in hybrid mode in Porto, Portugal with the participation of Prime Minister, leaders of all the 27 EU Member States as well as the President of the European Council and President of the European Commission.

Key Issues: Summarise and Focus

- **Political and diplomatic cooperation: Dialogues etc.**
- **Economic Cooperation and Trade: Pattern/Potential/ BTIA (Free Trade Agreement) negotiations/**
- **Other areas: Science, Technology, Energy and Environment, Migration and Mobility**
- **TTC/ Carbon Borders Adjustment Mechanism**

Political and diplomatic Cooperation

- The European Union hosted a ministerial level Indo-Pacific Forum on 22 February 2022. Minister for External Affairs S Jaishankar is attended the meeting. 27 EU Foreign Ministers and around 30 from the Indo-Pacific region, as well as Representatives of the regional organisations from both Indian ocean and Pacific ocean participated in the forum.
- The India-European Union (EU) 27 Leaders' meeting was held virtually on 8 May 2021
- India and EU also interact at the ASIA Europe Meeting (ASEM). Established in 1996, its has 53 Partners. India joined in 2008.
- India and the EU interact regularly at the Foreign Minister level.
- A Security Dialogue envisaged under the Joint Action Plan has been held annually since May 2006.
- Both sides have also instituted Foreign Policy Consultations at the level of Secretaries since 2011.
- The Security Dialogue was merged with the Foreign Policy Consultations in 2016.
- The 2016 EU-India Summit adopted a Joint Declaration on the fight against Terrorism.

Cooperation on Security/ Migration/ Regional issues

- A bilateral Joint Working Group on Counter-Terrorism reports to the Security Dialogue, as do dialogues on Cyber-Security and Counter-Piracy.
- An annual India-EU Ad-hoc Dialogue on Human Rights is also held in New Delhi, the eighth meeting of which took place on 27 November 2013.
- In addition, a High-Level Dialogue on Migration and Mobility has been instituted at Secretary Level, the third round of which took place in New Delhi on 2 July 2012.
- India's participated 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. India participates in many of such conferences.
- A Delegation for Relations with India (D-IN) was formally constituted in the European Parliament (EP) in 2007 to follow relations with India.
- In 2018 EU Joint Communication: Elements for an EU strategy on India, was released.

EU-India Economic Engagements: Trade (Source the EU)

- In 2022, India was the EU's 10th largest trading partner accounting for around 2.2 % of EU's total bilateral trade in goods.
- India-EU bilateral trade in goods in 2022 was valued at around Euro 115 billion (Euro 67.40 billion exports from India and Euro 47.60 billion imports to India), which was more than 30% compared to the trade value of 2021
- During 2021, India-EU bilateral trade in services was valued at EUR 36.6 billion comprising EUR 18.5 billion exports from India and EUR 18.1 billion imports to India.
- It registered a hike of 20.20% compared to bilateral trade of EUR 30.4 billion in 2020

India EU: Investments

- The EU's share in foreign investment inflows to India more than doubled from 8% to 18% in the last decade making the EU India's largest source of FDI.
- During April 2000 to December 2022, FDI inflows from the EU to India were USD 101.3 billion (Source: DPIIT).
- Some 6,000 European companies are present in India, providing directly 1.7 million jobs and indirectly 5 million jobs in a broad range of sectors.

India EU Investments

- Indian investments in the EU are estimated at around Euro 50 billion.
- India and EU have also established an Investment Facilitation Mechanism (IFM) in 2017 under which Invest India has created a single window entry point for EU companies proposing to invest in India.

India-EU FTA or the BTIA: Potential and the Process

- With its combination of rapid growth, complementary trade baskets and relatively high degree of market protection, India is an obvious partner for a free trade agreement (FTA) for the EU.
- The parameters for an ambitious FTA were set out in the report of the EU-India High Level Trade Group in October 2006.
- Other studies have reinforced the economic potential of an FTA between the EU and India, notably a sustainability impact assessment concluded in 2009.
- Negotiations on the India-EU free trade agreement started back in 2007 and 16 rounds of talks have been held since then. The last round was held in 2013, after which negotiations were suspended.
- These negotiations, covering trade, investment protection and intellectual property, have remained deadlocked since 2013.
- After 2013 the uncertainties over Brexit and inflexibility on both sides have prevented resumption of formal talks.

Summary of Free Trade negotiations so Far

- **The negotiations for a Broad-based Bilateral Trade and Investment Agreement (BTIA) were held between 2007 to 2013, but remained dormant till 2021.**
- **In order to provide political guidance to the negotiations, it was decided, at the 15th India-EU Summit, to establish a High-Level Dialogue on Trade and Investment.**
- **Subsequent to the two meetings of the High Level Dialogue in February and April 2021, both sides agreed to resume negotiations for a balanced and comprehensive free trade and investment agreements.**
- **As on date, 5 rounds of negotiations have been completed.**

India-EU FTA or the BTIA: Issues and Progress

- India had terminated BITs with most EU members in 2017, asking them to renegotiate the treaty based on a new model BIT passed by the Cabinet in December 2015.
- The termination of bilateral investment treaties (BITs) by India with many EU member countries including Germany has complicated things further, leaving many European businesses worried about investment protection in India.
- The 2016 Indian Model BIT requires a foreign investor to litigate in national courts for at least five years before approaching an international tribunal.
- In contrast, The ISDS provision in the EU-Singapore FTA (2013) gives investors a choice between bringing a dispute against a host state before the national court of the country where the investment has been made and submitting the dispute to international arbitration.

BTIA: differences

- **The negotiations for the pact have been held up since May 2013 as both the sides are yet to bridge substantial gaps on crucial issues such as:**
 - **intellectual property rights,**
 - **duty cut in automobile and spirits, and**
 - **liberal visa regime.**
- **The two sides have to iron out differences related to movement of professionals.**
- **The EU, besides demanding significant duty cuts in automobiles, wants tax reduction in wines, spirits and dairy products, and a strong intellectual property regime.**
- **India is asking for 'data secure nation' status to be granted by the EU. The country is among the nations not considered data secure by the EU.**
- **The matter is crucial as it will have a bearing on Indian IT companies wanting market access.**

Sanitary and Phyto-Sanitary Measures

- EU wants stringent conditions on Sanitary and Phyto-Sanitary measures and investor-state dispute resolution.
- All countries maintain measures to ensure that food is safe for consumers, and to prevent the spread of pests or diseases among animals and plants.
- Sanitary (human and animal health) and phyto-sanitary (plant health) measures apply to domestically produced food or local animal and plant diseases, as well as to products coming from other countries
- These sanitary and phyto-sanitary measures can take many forms, such as:
 - requiring products to come from a disease-free area, inspection of products, specific treatment or processing of products,
 - setting of allowable maximum levels of pesticide residues or permitted use of only certain additives in food.
- Simple Definition: Sanitary and phytosanitary (SPS) measures are measures to protect humans, animals, and plants from diseases, pests, or contaminants.

UPSC 2017

‘Broad-based Trade and Investment Agreement (BTIA)’ is sometimes seen in the news in the context of negotiations held between India and:

- (a) European Union**
- (b) Gulf Cooperation Council**
- (c) Organization for Economic Cooperation and Development**
- (d) Shanghai Cooperation Organization**

Geographical Indicators

- **A geographical indication (GI) is a sign used on products that possess qualities have a specific geographical origin and or a reputation that are due to that origin.**
- In order to function as a GI, a sign **must identify a product as originating in a given place.**
- In addition, the **qualities, characteristics or reputation of the product should be essentially due to the place of origin.**
- Since the qualities depend on the geographical place of production, there is a **clear link between the product and its original place of production.**
- Geographical indications are **typically used for agricultural products, foodstuffs, wine and spirit drinks, handicrafts, and industrial product.**
- **There are four main ways to protect a geographical indication:**
 - so-called sui generis systems (i.e. special regimes of protection);
 - using collective or certification marks;
 - methods focusing on business practices, including administrative product approval schemes; and
 - through competition laws.
- Broadly speaking geographical indications are **protected in different countries and regional systems through a wide variety of approaches.**
- These approaches have been developed in accordance with different legal traditions and within a framework of individual historical and economic conditions and often using a combination of two or more of the approaches outlined above. **These approaches have been developed in accordance with different legal traditions and within a framework of individual historical and economic conditions.**

Trade Technology Council

- **The TTC was announced in early 2022 by Prime Minister Narendra Modi and European Commission President Ursula von der Leyen.**
- In 2023 EU and India set the new Trade and Technology Council (TTC) with Ministerial meetings in May.
- The TTC will **deepen strategic engagement on trade and technology between both partners.**
- The cooperation in the TTC should focus on **key issues** of shared strategic importance, including **trade, trusted technology and security.**
- **Ministerial meetings of the TTC** will rely on the preparatory work of **three working groups: Strategic technologies, digital governance and digital connectivity; Green & clean energy technologies; and Trade, investment and resilient value chains.**
- The three strands of **bilateral negotiations on trade, investment and geographical indications** will continue separately from the TTC.
- **The first Ministerial meeting of India- European Union Trade and Technology Council (TTC) is took place in Brussels, Belgium on 16th May 2023.**
- **The EU-India Trade and Technology Council is the second bilateral forum for the EU and the first one established with any partner for India. The EU and the US launched a TTC in June 2021. It will complement the Digital Partnerships already launched with Asian partners as part of the EU Strategy for Cooperation in the Indo-Pacific.**

Quote on TTC

- **India is an indispensable strategic partner for the EU. The Trade and Technology Council will allow the EU and India to tackle strategic challenges at the nexus between trade, technology and security, and to deepen their bilateral cooperation. It should help ensuring the implementation of the political commitments in these key areas.**
- **High Representative/Vice-President Josep Borrell**
- 16/05/2023

UPSC 2023

Consider the following statements :

Statement-I Recently, the United States of America (USA) and the European Union (EU) have launched the 'Trade and Technology Council'

Statement-II The USA and the EU claim that through this they are trying to being technological progress and physical productivity under their control.

Which one of the following is correct in respect of the above statement?

- (a) Both Statement-I and Statement-II are correct and Statement-II is the correct explanation for Statement-I
- (b) Both Statement-I and Statement-II are correct and Statement-II is not the correct explanation for Statement-I
- (c) Statement-I is correct but Statement-II is incorrect
- (d) Statement-I is incorrect but Statement-II is correct

India-EU connectivity Partnership

- In May 2021 India and agreed to promote jointly a transparent, viable, inclusive, sustainable, comprehensive, and rules-based approach to connectivity.
- India and the EU agree to build a sustainable and comprehensive Connectivity Partnership.
- Cooperation under the Connectivity Partnership would take place through existing dialogues with overall monitoring through the India-EU Strategic Partnership Review Meeting.
- The Connectivity Partnership does not intend to create any legally binding rights or obligations for either side under international or domestic law. Its implementation will be aligned with that of the India-EU 2025 Roadmap.

Global Gateway

- In December 2021 the EU announced a Global Gateway initiative to invest up to €300 billion between 2021 and 2027 for the European Union's strategy to boost sustainable links around the world.
- According to EU Global Gateway is about increasing investments promoting democratic values and high standards, good governance and transparency, equal partnerships, green and clean, secure infrastructures and that catalyse private sector investment.
- It is seen as a response to EU's discomfort with China's increasing infrastructure investment in Europe e.g Greece, Montenegro, North Macedonia and especially Serbia.

Science, technology, Energy and Environment

- The India-EU Science and Technology Steering Committee meets annually to discuss cooperation in this field
- India and the EU set up an Energy Panel in 2005 to enhance cooperation in the critical sector of energy and energy security.
- Separate sub-groups have been constituted under the panel dealing with coal and clean coal conversion technologies, energy efficiency and renewable energy, etc.
- As envisaged in the Joint Action Plan, a Joint Working Group on Environment dealing with prevention of pollution, waste minimization, protection of biological diversity, sustainable forest management, environmental education, etc. has been created.
- An Environmental Forum which brings together academia, business and civil society of both sides to exchange views on specific environmental issues also meets annually.
- An “IndoEuropean Water Forum” meeting jointly organised by EU delegation to India, DG Environment and India’s National Water Mission took place on 23-24 Nov 2015

Science, Technology, Environment and Energy

- During the 2020 summit, India and the EU renewed their agreement on scientific and technological cooperation for the next five years.
- The European Green Deal presented in December 2019 sets out a detailed vision to make Europe climate-neutral by 2050, safeguard biodiversity, establish a circular economy and eliminate pollution
- the EU-India Clean Energy and Climate Partnership, launched in 2016,
- EU-India Energy Panel met in December 2021
- The focus is on developing cooperation in clean energy and the implementation of the Paris Agreement, including in the area of energy efficiency, renewable energy, smart grids, storage, sustainable finance, and climate mitigation and adaptation.
- India hopes to receive help in its green energy transition through finance and technology from the EU.
- This cooperation is important as the European Union aims to be climate neutral by 2050 and India by 2070.
- The Trade technology Council launched in 2023 is also going to contribute to this are of cooperation.

Carbon Border Adjustment Mechanism (CBAM)

- The E.U. describes the Carbon Border Adjustment Mechanism (CBAM) as a “landmark tool” which places a “fair price” on carbon emitted during the production of goods that are entering the E.U. and a mechanism to “encourage cleaner industrial “production outside the E.U.
- In the EU The CBAM regulations came into effect on May 16 and will begin their transitional phase of implementation on October 1, 2023. In simple terms, it is set to be implemented as a component of the European Green Deal in 2026. However, its initial reporting commences in 2023.
- According to News paper reports, there are about six-seven commodities on which the E.U. has proposed carbon taxes, of which the two sectors where India is likely to feel some impact is steel and aluminium,”.
- While the move will likely impact less than 2% of India's exports, the government is examining the extent to which the overall carbon tax and the differential tax treatment proposed for instance, for steel using different furnace technologies, is compatible with WTO (World Trade Organisation) norms
- India and the E.U. are working to resolve a looming issue in their trade relationship — the E.U.'s Carbon Border Adjustment Mechanism (CBAM), with the two sides discussing it during a Minister-level meeting of TTC in Brussels on May 15 and May 16 May 2023.

Education and Culture

- **The framework of India-EU cooperation in the fields of education and culture is provided by three Joint Declarations covering cooperation in the fields of**
 - Education and Training,
 - Multilingualism and
 - Culture.
- **50,000 Indian students are in EU in higher education, with 5,000 having been provided ERASMUS scholarships.**

Elements for an EU strategy on India: Please Note- this is only to give a sense of the range of cooperation possible or present between India and the EU. / May be used for way forward suggestions.

In 2018 the European Commission unveiled a new strategy for strengthening ties with India.

- **EU and India should consider the negotiation of a broader Strategic Partnership Agreement**
- **Upgrade the yearly dialogue between the High Representative / Vice President of the EU and the Indian Minister for External Affairs to a regular Strategic Dialogue.**
- **Intensify dialogue on Afghanistan and Central Asia in the appropriate settings.**
- **Join forces on post-conflict institution building and reconciliation processes in third countries.**

Elements of EU strategy on India

- Strengthen technical cooperation with India on fighting terrorism and countering radicalisation and violent extremism and countering terrorist financing.
- Exchange expertise on cyber security and hybrid threats.
- Conclude working arrangements to foster cooperation between Europol and Indian law enforcement institutions
- Identify common actions with India both at policy and operational levels to enhance maritime security.
- Work with India and other key regional players such as South Africa to help build the capacity of maritime nations in the Indian Ocean and East Africa.

India and France



Image Source:

<https://www.cia.gov/library/publications/the-world-factbook/graphics/maps/fr-map.gif>

While India's ties with each of the P-5 countries is unique, **the feature that sets apart the India-France relationship is this — geopolitics sans value judgements, and no pressure to align their positions.** _Suhasini Haidar, The Hindu, 19 July 2023

India and France

- India and France have traditionally close and friendly relations. In 1998, the two countries entered into Strategic Partnership which is emblematic of their convergence of views on a range of international issues apart from a close and growing bilateral relationship.
- The areas of defence cooperation, space cooperation and civil nuclear cooperation constitute the three principal pillars of this Strategic Partnership.
- Apart from these traditional fields of cooperation, India and France are increasingly engaged in new areas of cooperation like climate change, sustainable growth and development, the International Solar Alliance etc.
- France is the only western country with large territory in the Indian Ocean Region (IOR) including the Reunion Islands, that spans about two million square kilometres of an Exclusive Economic Zone (EEZ), and it has a population of one million French Citizens in the region, including about 30% of Indian origin.
- The French navy maintains bases in the UAE, Djibouti as well as in Reunion, with a total of 20,000 forces permanently based in the IOR.

Convergence on International issues:

- India and France support a multi-polar world order. France has continued to support India's claim for permanent membership of the Security Council and the reforms of the United Nations.
- France has provided consistent support to India's candidature for the membership of Multilateral Export Control regimes such as the NSG.
- France's support was vital in India's accession to MTCR in June 2016.
- India and France have consistently condemned terrorism and have resolved to work together for adoption of the Comprehensive Convention on International Terrorism (CCIT) in the UN.
- During the visit of then President Hollande in January 2016, India and France also issued a Joint Statement on Counter Terrorism in which the two countries resolved to step up their bilateral cooperation in this field.
- During the 2018 Visit of the President Emmanuel Macron the two countries issued Joint Strategic Vision of India-France Cooperation in the Indian Ocean region.
- The India-France Roadmap on the Indo-Pacific released in July 2023.
- Trilateral cooperation with like-minded partners in the region will be a key pillar of cooperation in the Indo-Pacific region in particular through the dialogue launched with the United Arab Emirates, a strategic partner for both countries, on February 4th, 2023 at ministerial level, as well as with Australia, launched in September 2020.
- As a Unique model of Triangular Development Cooperation, India and France will work on setting up the Indo-Pacific Triangular Cooperation (IPTDC) Fund aimed at supporting climate and SDG focused innovations and Start-ups from third countries of the Indo-Pacific, with the goal of facilitating the scaling up of green technologies being developed in the region. Both countries will jointly identify the projects to be supported through the IPTDC Fund. This initiative would be a significant step ahead in providing viable and transparent funding alternatives to innovators in the Indo-Pacific region and would also be a key pillar of the India-EU Connectivity Partnership launched in 2021.

Recent Visits

- **French President Jacques Chirac was the chief guest at the Republic Day Parade in 1998. In this year both sides had upgraded their relation to strategic partnership.**
- **French President Emmanuel Macron visited India in 2018.**
- **Prime Minister Shri Narendra Modi visited France on 2-3 June 2017. The Paris Climate Accord and the climate issue was prominently discussed.**
- **Earlier Prime Minister Modi had paid an official visit to France in April 2015 in what was his first visit to a European country.**
- **Prime Minister Modi visited Paris on 29-30 November 2015 to attend the inaugural Leaders' Event at the COP-21 Climate Change Summit.**
- **He launched the International Solar Alliance jointly with President Hollande in the presence of UN Secretary General Ban Ki Moon. Along with President Hollande, US President Obama and Microsoft Chairman Bill Gates.**
- **President Hollande, during his Presidency twice visited India. During his visit in February 2013 and in January 2016 as the chief guest of the Republic Day celebration. In a historic first, a French military contingent also marched on Rajpath on the Republic Day and thus France became the first ever foreign country to have been invited to participate in the March.**

India-France

- India and France have had regular exchange of visits at the highest level.
- Hon'ble Prime Minister Shri Narendra Modi (PM) visited France in August 2019 at the special invitation of H.E. President Emmanuel Macron of France for the 2019 G-7 Summit at Biarritz, where India was one of the 'Goodwill' partners.
- In 31 March 2020, Prime Minister Modi had a telephone conversation with President Macron to discuss the domestic and international aspects of Covid-19 pandemic, following the Extraordinary Virtual Summit of G-20 leaders on 26 March 2020.
- The Prime Minister also virtually addressed the G-7 meeting in June 2021.
- On 2 March 2022, during a phone conversation, The president of the French Republic and the prime minister of India agreed on the importance of reaching a ceasefire as soon as possible, ensuring unhindered humanitarian access, and maintaining close coordination, particularly at the UN Security Council," the French embassy.
- External Affairs Minister, Dr S. Jaishankar visited France and held bilateral talks with his French counterpart, Mr Jean-Yves Le Drian, French Minister for Europe and Foreign Affairs, on February 20, 2022.
- On 16 November 2022 President Macron and Prime Minister had a meeting at the sidelines of the G20 Summit in Bali, Indonesia. On 4 May 2022, Prime Minister made a stop-over in Paris on his way back from Denmark to meet President Macron.
- Prime Minister Narendra Modi is visited France on 13 July 2023 to attend the Bastille Day celebrations.
- The India-France Roadmap on the Indo-Pacific released during this visit.
- President Macron visited India in January 2024 as the Chief guest at the Republic Day.

Dialogue Mechanism

- India and France have a range of regular institutional dialogue. India-France Strategic Dialogue takes place between NSAs from both sides.
- Annual Foreign Office Consultations were last held in December 2021 in led by Foreign Secretary Harshvardhan Shringla and Francois Delattre, Secretary-General, Ministry for Europe and Foreign Affairs of France. The second bilateral dialogue on Maritime Cooperation was held in New Delhi on 18 January 2017 led by Deputy NSA, Dr. Arvind Gupta and Ms. Marie-Helene Maysonauve, French Special Representative on fight against maritime piracy and Vice Admiral Bonaventure, Defence Maritime Security Coordinator.
- Joint Working Group on Counter Terrorism (led at the level of Additional Secretary (CT), MEA), Cyber Dialogue (led at the level of Additional Secretary (IO), MEA),
- Track 1.5 Dialogue (led by Joint Secretary (PP&R), MEA) with the participation of the Observer Research Foundation from our side and the Strategy and Policy Planning Division of the French MFA called CAPS and the Centre for International Studies and Research (CERI as the French acronym stands) are the other active mechanisms.
- In September 2020, India, Australia and France held talks for the first time under a trilateral framework with focus on enhancing cooperation in the Indo-Pacific.

Security and Defence

- During the visit of President Macron to India (March 2018), the two countries decided to create an annual defence dialogue at the Ministerial level, the first of which was held in October 2018.
- Regular working level meetings as well as exchange of visits at the level of Services Chiefs also take place.
- The three services also have regular defence exercises; viz. Exercise Shakti (Army) , Exercise Varuna (Navy) Exercise Garuda (Air Force)
- The Varuna exercise has been taking place since 1983.
- Apart from service-level staff talks, the two sides have a High Committee on Defence Cooperation (HCDC).

Recent visits

- India's External Affairs Minister, Dr. S. Jaishankar, France's Minister for Europe and Foreign Affairs, Mr. Jean-Yves Le Drian and Australia's Minister for Foreign Affairs, Senator Marise Payne, met in London for the first India-France-Australia Trilateral Ministerial Dialogue on 4 May 2021, on the sidelines of the G7 Foreign Ministers' Meeting.
- India and France committed to closer cooperation in the Indo-Pacific through more intelligence sharing and expanding bilateral exercises in the maritime sphere, as National Security Advisor (NSA) Ajit Doval's visit to France in November 2021.
- The third Annual Defence Dialogue between India and France took place between Raksha Mantri Shri Rajnath Singh and French Minister for Armed Forces Ms Florence Parly in New Delhi on December 17, 2021.

Recent Exercises

- **Exercise Shakti (Army; the last one took place in November 2021 in France),**
- **Exercise Varuna (Navy; Last conducted in Arabian Sea from 30th March to 3rd April 2022),**
- **Exercise Garuda (Air Force; November 2022 in India).**
- **The Indian Navy also participated in the French led La Pérouse exercise, along with other Quad members from 05 to 07 April 2021.**
- **An India, France air force drill named "Excercise Desert Knight 2" took place in January 2021**

Major Defence projects

- **Major on-going defence-related projects are the following:**
 - **The major ongoing defense related projects are the following:**
 - **Purchase of Rafale aircraft:** The Inter-governmental agreement for purchase of 36 Rafale jets by India in flyaway condition was signed in New Delhi on 23 September 2016. Project implementation is underway. The first of the fighter aircrafts was handed over to the Indian side on Oct 8, 2019 at Bordeaux.
 - **P-75 Scorpene Project:** The contract for six Scorpene submarines from M/s DCNS (now Naval Group) was signed in October 2006. All six vessels are to be built under technology transfer at the Mazagaon Docks Ltd. Project implementation is underway. The first submarine INS Kalvari was commissioned in December 2017.
- **In July 2023 the Hindustan Time reported that France has given the green signal to defence major Safran to jointly design, develop, test, manufacture, and finally certify an engine with India that will empower twin-engine advanced multi-role combat aircraft (AMCA) and the twin-engine deck-based fighter for Indian aircraft carriers.**
- **DRDO chief Dr Samir V Kamat had paid a special visit to the Safran engine factory and the R&D centre near Paris on the sidelines of the Paris Air Show 2023.**
- **The French offer is synchronised with Safran's facility coming up in Hyderabad to maintain repair and overhaul (MRO) LEAP engines for the A320 and Boeing 737 aircraft.**

July 2023 Visit (from the joint statement)

- In the future, **India and France will extend their ground-breaking defence cooperation in advanced aeronautical technologies** by supporting the **joint development of a combat aircraft engine**.
- Both sides reiterated support for **industrial cooperation for motorization of heavy-lift helicopters** under the **Indian Multi Role Helicopter [IMRH] programme with Safran Helicopter Engine, France**.
- To enable progress on the IMRH programme, a **Shareholders' Agreement between Hindustan Aeronautics Limited (HAL), India and Safran Helicopter Engine, France** has been concluded for engine development.
- contract being concluded between Safran Helicopter Engine and HAL for the **Transfer of Technology of Forging and Castings for the Shakti Engine**. This is also reflective of the French commitment to support technology transfer and Make in India.

Technology

- The jointly developed Megha-Tropiques satellite Mission was launched in 2011. It is an Indo-French Joint Satellite Mission for studying the water cycle and energy exchanges in the tropics.
- Another mission Saral-Altika was launched in 2013. A joint Ka-band (26.5–40 gigahertz) propagation experiment is also under implementation.
- During the visit of President Hollande to India in January 2016, ISRO and CNES signed an Implementing Arrangement (IA) for the joint development of a thermal infrared satellite mission
- launch of the Space Climate Observatory further enhances Indo-French cooperation on combating climate change, besides TRISHNA joint mission and accommodating Argos in Oceansat-3.

Technology

- India and France issued a “Joint Vision for Space Cooperation” during the visit of President Macron to India (March 2018).
- India and France have a rich history of cooperation in the field of space going back to fifty years with ISRO and the French Space Agency, CNES carrying on various joint research programmes and launch of satellites.
- An Implementing Arrangement between ISRO and CNES France for Joint Maritime Domain Awareness was also signed during this visit. France continues to be a major supplier of components and equipment for the Indian space programme.
- The two sides have jointly developed Megha-Tropiques satellite providing valuable scientific data.
- As part of ongoing bilateral cooperation between ISRO and Arianespace, GSAT-11 was launched from Kourou (French Guyana) in December 2018; GSAT-30 was launched on January 16, 2020.
- The two countries are also cooperating in the training of medical support personnel for Indian astronauts, who will be part of India’s manned space mission by 2022, Prime Minister’s visit to Chantilly in August 2019.
- M/s Antrix and M/s Airbus Defence and Space also have signed an MoA for commercial cooperation in June 2016.
- France continues to be a major supplier of components and equipment for the Indian space programme.

Environment and Energy

- France is a founding member of the International Solar Alliance (ISA), announced by PM Modi in 2015 at UN Climate Change CoP21. The 5th ISA Assembly held in October 2022 re-elected India and France as President and Co-President of the ISA.
- During EAM's visit to France in February 2022, the two sides adopted the India- France Roadmap on Blue Economy and Ocean Governance
- The two countries signed an MoU on renewable energy in January 2021.
- On 12 March 2018, President Macron and Prime Minister Modi visited Mirzapur to inaugurate a 100 MW solar power park built by the French firm Engie.

Civil Nuclear Cooperation

- A landmark agreement on civil nuclear cooperation was signed between India and France on 30 September 2008 during the visit of Prime Minister Dr. Manmohan Singh to France. Subsequently, during the visit of President Nicolas Sarkozy to India in December 2010, the General Framework Agreement and the Early Works Agreement between NPCIL and M/s AREVA for the implementation of EPR for the Jaitapur Nuclear Power Project (JNPP) were signed.
- Under that framework, the French utility company EDF and NPCIL signed a (revised) MoU on 22 March 2016 for the construction of six EPR units at Jaitapur of 1650 MWe each.
- During Prime Minister Modi's visit to France in April 2015, M/s L&T and M/s AREVA signed an MoU to maximize localisation for manufacturing of critical and large forgings involved in EPR technology for JNPP (including Reactor Pressure Vessel) and M/s AREVA and NPCIL signed a pre-engineering agreement.
- This project was further earmarked to be expedited during the 2018 visit of President Emmanuel Macron.

Economic Cooperation: Trade and Investments

- Both India and France have important bilateral investments and trade and commercial cooperation.
- In 2020-21, India-France bilateral trade stood at USD 7.86 billion. India's exports to France were valued at USD 5.6 billion, down by 22.9%. Meanwhile, French exports to India decreased by 20.95% during the same period to USD 5.1 billion. Trade with France constitutes only 1.41% of India's total international trade.
- France is among the largest foreign investor in India with a cumulative FDI stock of USD 10.76 billion from April 2000 to September 2023, which represents 2 % of the total FDI inflows into India. There are more than 70 Indian companies operating in France (including sub-subsidiaries), employing more than 8,000 persons.
- 750 French companies invested in India employing 4,50,000 people in India. French companies have more than 25 R&D centres in India.

Development cooperation

- **AFD, the French Agency for Development has, since 2008, committed close to 2 billion Euros in the form of loans to the State and State-owned companies, as well as technical assistance programs. It has extended a loan of Euro 100 million to the Government of India for its Smart Cities Mission.**
- **French side has been actively cooperating with various programmes in especially three Smart Cities, viz. Chandigarh, Nagpur and Puducherry.**
- **AFD has partnerships with the Indian Renewable Energy Development Agency (IREDA), Small Industries Development Bank of India (SIDBI) and it works closely with the Department of Economic Affairs (DEA) through Annual Negotiation Meetings (ANM).**

People to People ties

- 700 000 Indian tourists visited France in 2018, i.e. 17 % more than in 2017 and more than 250,000 French tourists visited India.
- The student exchange target of 10,000 set in 2018 was fulfilled in 2019 and therefore both sides decided to enhance the target to 20,000 students by 2025. During the PM's visit in July 2023 France reaffirmed its ambition to welcome 20,000 Indian students by 2025 and raise this ambition to 30,000 in 2030. I
- It is estimated that the Indian community, including NRIs in mainland France number around 109,000, largely originating from French enclaves of Puducherry, Karaikal, Yanam, Mahe and Chandernagore. Sizeable number of Indian origin population lives in the French Overseas Territories of the Reunion Island (280,000), Guadeloupe (60,000), Martinique (6,000) and Saint Martin (300). There are more than 50 Indian community organizations active in France. Major communities constituting the Indian origin population originate from Puducherry and Tamil Nadu, Gujarat and Punjab.
- In 2018, the two sides signed a Migration and Mobility Partnership Agreement which aims to facilitate temporary circular migration based on mobility and the encouragement for a return of skills to the home country.

Brexit

- **Brexit is a shorthand way of saying the Britain exiting the EU - merging the words Britain and exit to get Brexit. UK had joined EC in 1973.**
- **The UK voted to leave the European Union in 2016. It was scheduled to depart at 11pm UK time on Friday 29 March, 2019. However, this deadline was extended multiple times.**
- **The UK has long been considered one of the most euroskeptic members of the EU, with many British leaders and citizens traditionally cautious of ceding too much sovereignty to Brussels**
- **A referendum - a vote in which everyone (or nearly everyone) of voting age can take part - was held on Thursday 23 June, 2016, to decide whether the UK should leave or remain in the European Union. Leave won by 51.9% to 48.1%. The referendum turnout was 71.8%, with more than 30 million people voting.**
- **Several factors heavily influenced this outcome, including economic dissatisfaction (especially among older and middle- to lower-income voters), fears about globalization and immigration, and anti-elite and anti-establishment sentiments, Concerns about democratic accountability.**

Brexit

- The UK government, led by Prime Minister Theresa May, enacted the results of the referendum in March 2017 by invoking Article 50 of the Treaty on European Union
- In December 2017, the EU and the UK reached an agreement in principle covering main aspects of three priority withdrawal issues:
 - the Irish border,
 - the rights of UK and EU citizens, and
 - the financial settlement (initially thought to be £39bn)
- In March 2018, talks began on the UK's future relationship with the EU.
- The UK government and public remained largely divided on whether it wanted a “hard” or “soft” Brexit.
- In mid-November 2018, UK and EU negotiators announced they had concluded a draft withdrawal agreement (outlining the terms of the “divorce”) and a draft political declaration (setting out the broad contours of the future UK-EU relationship)
- The backstop - the most controversial part of the deal Theresa May negotiated with the EU - was a position of last resort to prevent any new checks or controls on the Irish border after Brexit.
- EU leaders approved the withdrawal agreement and political declaration on November 25 2018. However, Prime Minister May's government could not garner sufficient votes to secure the necessary approval in the UK Parliament.

Brexit

- **Theresa May on 27 March 2019 confirmed that she will not remain the British Prime Minister to oversee the next stage of Brexit negotiations**
- **The new Prime Minister Boris Johnson pledged his commitment to leave EU by 31 October 2019**
- **He negotiated a new agreement with EU announced on 17 October 2019, replacing new customs arrangement for backstop.**
- **However, on 19 October 2019 the Parliament declined to approve this agreement**
- **The UK went to elections in December 2019 with the Conservative Party led by Boris Johnson winning the majority leading to approval of Johnson's agreement by the British Parliament.**
- **The UK left the European Union (EU) on 31 January 2020**
- **both sides still need to work out the rules for their new relationship. This includes everything from trade, immigration, aviation, security and access to fishing waters.**
- **UK and EU finalized their post-Brexit Agreement on 30 December 2020.**

Brexit

- Brexit will have political and economic repercussions for both the UK and the EU as:
 - The UK is the EU's second-largest economy and
 - a key diplomatic and military power within the EU.
 - Along with Germany and France, the UK has long been viewed as one of the EU's "big three" and has served as a key driver of certain EU initiatives, especially EU efforts to forge more common foreign and security policies.
- Brexit could diminish the EU's role as an international actor.
- EU would be losing British personnel with significant technical expertise and negotiating prowess on issues such as sanctions and dealing with countries like Russia and Iran.
- Brexit also might dampen prospects for further EU enlargement
- At the same time, some contend that Brexit could ultimately lead to a more like-minded EU, able to pursue deeper integration without UK opposition
- In short to medium term a negative impact on UK economy is predicted.
- As reported in July 2019 the UK economy suffered its first quarterly contraction in seven years
- Brexit-related uncertainty increasingly exacerbated the impact of a broader global economic slowdown

India and Brexit

- **Lord Archie Hamilton, a former Defence Minister and Brexit supporter argued that the EU was the biggest obstacle to U.K.-India trade.**
- **India remains deeply vested in the outcome of the Brexit for three reasons:**
 - **The first concerns the welfare of a nearly three-million strong diaspora of Indian-origin U.K. citizens,**
 - **second concerns the interests of a large moving population of Indians who come to Britain every year as tourists, business people, professionals, students, spouses, parents and relatives.**
 - **Indian industry in the U.K. is thriving. There are 800 Indian companies in the country -- more than the combined number in the rest of Europe.**
- **According to the India Tracker 2016 commissioned by the Confederation of Indian Industry (CII), Indian companies generate 110,000 jobs.**

India and Brexit

- Trade totalled €13.6 billion in 2018, accounting for 17% of India's overall trade with the EU. Moreover, trade between India and the UK increased at an average rate of 8.8% a year between 2002 and 2018.
- Work-related visa restrictions have been a concern in the past
- Indian businesses and financial institutions are however hedging their bets. According to a report by the State Bank of India's Economic Research Department, Brexit may actually strengthen India's position.
- The significance of Commonwealth has increased in this context.
- India would have to prepare future initiatives with the UK and the EU in light of the changed circumstances.

The United Kingdom



The UK

- **United Kingdom of Great Britain and Northern Ireland. The island of Great Britain includes England, Scotland, and Wales.**
- **The designation "Great Britain," in the sense of "Larger Britain," dates back to medieval times and was used to distinguish the island from "Little Britain," or Brittany in modern France**
- **12 April 1927 (Royal and Parliamentary Titles Act established current name of the United Kingdom of Great Britain and Northern Ireland).**

The UK

- The United Kingdom has historically played a leading role in developing parliamentary democracy and in advancing literature and science. At its zenith in the 19th century, the British Empire stretched over one-fourth of the earth's surface
- The Scottish Parliament, the National Assembly for Wales, and the Northern Ireland Assembly were established in 1998
- As one of five permanent members of the UN Security Council and a founding member of NATO and the Commonwealth, the UK pursues a global approach to foreign policy.

The UK and EU

- The UK has been an active member of the EU since its accession in 1973, although it chose to remain outside the Economic and Monetary Union.
- However, motivated in part by frustration at a remote bureaucracy in Brussels and migration issues facing the country, UK citizens on 23 June 2016 narrowly voted to leave the EU.
- The UK and the EU finalised the terms of the UK's withdrawal and a framework for their future relationship in December 2020

India and UK

- Bilateral relationship was upgraded to a strategic partnership in 2004.
- During his tenure of British Prime Minister David Cameron visited India thrice in his first term (July 2010, February 2013 and November 2013).
- The successful visit of Prime Minister Modi to the UK in November 2015 gave further impetus to the bilateral relationship. India And UK signed a civil nuclear agreement during this visit
- Both Prime Ministers resolved to hold biennial PM-level Summits to advance the partnership and agreed on a new Defence and International Security Partnership aimed to intensify cooperation on defence and security, including cyber security, counter-terrorism and maritime security
- UK Prime Minister Theresa May's visit to India in November 2016, which was her first overseas bilateral visit after assuming office in July 2016, reflecting the continuity of interactions at the highest political level.
- In the context of Brexit, the Commonwealth Summit Held in London in April 2018 presented another opportunity for both countries to infuse fresh momentum to the bilateral engagement through a meeting at Heads of Government-level.
- Indian Prime Minister visited UK in April 2018, The visit marked the signing of the UK-India Tech Partnership

Recent developments

- UK PM Boris Johnson had confirmed a visit to India and as chief guest at the Republic Day parade. However, Covid-19 related complications in the UK required this visit to be postponed.
- On 4 May 2021 Prime Ministers Shri Narendra Modi and Boris Johnson, held a Virtual Summit .
- the UK's Prime Minister Boris Johnson and India's Prime Minister Narendra Modi launched a "transformational Strategic Comprehensive Partnership".
- Both Sides Agreed to a 10-year India-UK Roadmap 2030 roadmap featuring an enhanced trade partnership (ETP) and intent to negotiate a future free trade agreement (FTA).
- In April 2022 PM Boris Johnson visited India.
- Prime Minister Narendra Modi talked to his British counterpart Boris Johnson on 22 March 2022 where both the heads of the nation discussed in detail on the situation in the war-hit Ukraine.
- President Droupadi Murmu visited London in September 2022 to attend the funeral of Queen Elizabeth II.
- Indian PM met UK P.M. Rishi Sunak in Bali on the sidelines of G20 summit in November 2022.
- Rishi Sunak Also attended the G 20 Summit in India in September 2023

Dialogue Mechanism

- India and UK have a number of bilateral dialogue mechanisms in place, covering a wide spectrum of areas including political, trade, education, science & technology, defence etc.
- The important ones are:
 - Economic and Financial Dialogue at Finance Minister-level
 - Joint Economic & Trade Committee at Commerce Minister-level ,
 - Strategic Dialogue at NSA-level
 - Foreign Office Consultations at Foreign Secretary-level
 - Home Secretary-level Dialogue
 - Defence Consultative Group at Defence Secretary-level
 - Cyber Dialogue
 - CounterTerrorism Dialogue

India-UK in 2021

- UK's Chancellor of the Exchequer Rishi Sunak on said in June 2021 that both India and the UK are working towards doubling bilateral trade by 2030.
- India-UK bilateral trade stood at 18.3 billion pounds (about \$ 25.3 billion) in 2020, down from 23.3 billion pounds (\$ 32.2 billion) at the end of the previous year. "We all have an ambition to hit this target of doubling our trade by 2030.
- The UK is a very heavily services-oriented economy. That accounts for 70-odd per cent of our economy but India also is a majority services economy and growing.
- Foreign secretary Shringla visited the UK during 23-24 July, UK visit focused on roadmap 2030 on agenda.
- Roadmap 2030 for India-UK future relations envisions "revitalized and dynamic connections" over the next decade between the two countries in the spheres of trade, investment, technology, climate action, and health.

Economy: Trade

- **Trade:** India-U.K. Bilateral trade in goods and services stood at £ (Pound) 36.3 billion in 2022-23 and increase of 34.2 % from 2021-22. India's exports to UK: £ (Pound) 21.6 billion. India's imports from U.K. £ (Pound) 14.7 billion.
- India UK merchandise (goods and services) trade Stood at £ (Pound) 25.7 billion in 2021-22. It was an increase of 35.32 percent from previous year. India's from the UK were £ 8.8 billion and Exports to the UK stood at £ 16.9 billion India's goods exports to the UK shrank 6.4% in FY21 at \$8.2 billion while imports contracted 26.17% on-year to \$4.95 billion.
- **During the year 2016-17**, UK ranked 16th in the list of India's top 25 trading partners. Trade totalled **€13.6 billion in 2018**, accounting for 17% of India's overall trade with the EU.

Economy: Investments

- **Investment:** UK is the 6th largest inward investor in India, after Mauritius, Singapore and Japan with a cumulative investment of US \$32.82 billion (April 2000-September 2022) accounting for 5.3% of all foreign direct investment into India.
- In 2022 India remained the second largest source of FDI in the UK investing in 107 Projects creating 8, 664 new Jobs.
- **According to the CII-Grant Thornton report ,“India meets the UK”, of 2022, there are 900 Indian Companies operating in the UK, with combined revenues of £ 54.4 billion.together they paid £304.6 million in corporate tax and employed 141,005 people.**

Towards a free trade agreement

- In June 2021 India initiated stakeholder talks on an Enhanced Trade Partnership (ETP) with the UK. The ETP is a precursor to a full-fledged free trade agreement with the UK.
- In January 2022 India and UK have launched negotiations for Free trade agreement.
- Both parties are looking forward to concluding an Early Harvest Agreement first. Early harvest agreements are used to open up bilateral trade between two countries on a restricted list of goods and serve
- The early harvest agreement aims to achieve up to 65 per cent of coverage for goods and up to 40 per cent coverage for services. By the time the final agreement is inked, the coverage for goods is expected to go up to “90 plus percentage” of goods.
- Some contentious issues remain to be resolved, including high Indian tariffs on alcohol and automobiles. The U.K. wants the removal of tariffs including a 150% levy on whiskey and 125% duty on imported cars, while India is seeking “data secure nation” status.
- Areas including e-commerce, public procurement, financial and banking services have yet to be discussed.

Defence

- Cooperation in defence sector is another important pillar of bilateral cooperation. At all the three services level, joint exercises and wide ranging exchanges between the three services are conducted regularly.
- The Army Joint Exercise 'Ajeya Warrior'.
- Air force participate in the Exercise 'Indradhanush'.
- The Joint Navy Exercise 'Konkan'.
- During Prime Minister's visit to UK in November 2015, the two countries agreed to elevate their Defence relationship by establishing capability partnerships in strategic areas.
- The institutionalised dialogue to discuss defence cooperation viz. Defence Consultative Group Meeting, is held annually at Defence Secretary level.
- Cooperation in defence intelligence commenced with the visit of Director General, Defence Intelligence Agency and interactions with his counterpart in London on 3-5 December 2017.

Education, Science and Technology

- Relationship has grown substantially with the introduction of bilateral mechanisms such as the India-UK Education Forum, UK-India Education and Research Initiative (UKIERI), Joint Working Group on Education, Newton-Bhabha Fund and Scholarship schemes.
- 35 British faculty members have visited India under the Global Initiative for Academic Network (GIAN) programme.
- UK also supports the Skills India Mission and announced a fresh commitment of up to £12 million.
- Joint investment in UK-India research has grown from less than £1 million in 2008 to over £200 million.
- During UKPM Theresa May's visit to India, a India-UK Clean Energy R&D Centre with a focus on solar energy storage and a collaborative R&D programme in energy efficient building materials were announced.
- New research partnerships worth £80 million including a new Joint Strategic group on Anti-Microbial Resistance (AMR) with a joint investment of up to £13 million have also been established.

Education

- Education is envisaged as an important pillar of India-UK relations in the Roadmap 2030
- Since 2015-16 first year enrolment of Indian Students in UK universities is increasing.
- According to UK immigration data, in the year ending in June 2022 Nearly 118,000 Indian students received a student visa, an increase of 89% from the Previous year
- India- UK signed mutual recognition of academic qualifications MoU in in July 2022

Environment and Energy

- **P.M.s Modi and Johnson held a conversation on the sidelines of COP 26 at Glasgow in November 2021.**
- **Both the P.M.s launched the 'One Sun, One World, One Grid' programme and 'Infrastructure for Resilient Islands' (IRIS) at COP26**
- **OSOWOG is a part of the International Solar Alliance and the IRIS is part of Coalition for Disaster Resilient Infrastructure (CDRI).**

People to people ties

- India and UK signed the Migration Mobility Partnership in May 2021
- In November 2022 PM Rishi Sunak Announced Young Professionals scheme . Under the scheme, 3000 visas would be provided every year to graduates between the age of 18-30 to get 2 year visa to live and work in each other's country.

Diaspora

- The Indian Diaspora in UK is the largest ethnic minority community in the country.
- According to latest census, it includes approximately 1.7 million British Nationals of Indian origin. There are also about 3,00,000 NRIs living in the UK
- This is almost 2 percent of the population and they contribute 6% of the country's GDP.
- As per the report "India in the UK: the Diaspora effect", Prepared by Grant Thornton and FICCI, there are over 65000 companies owned by the Indian Diaspora. The 654 companies covered in the report, have combined revenues of £ 36.84 billion, they paid over £ 1 billion in corporate tax, invested around £ 2 billion through capital expenditure, and created over 174,000 jobs.
- Rishi Sunak as the P.M. and Suella Braverman as the home secretary, are examples of Indian diaspora playing a key role in politics. At present there are 16 MPs of Indian origin in the UK parliament
- The cases of Nirav Modi and Vijay Mallya are being heard in UK courts.

Current Affairs and Context: Why you should keep reading the news paper or current Affairs

- **In July 2021 an article in the Live Mint paper noted: More than a year after pulling out of the...Regional comprehensive economic partnership (RCEP), India has stepped up its efforts to negotiate free trade agreements (FTAs) with other major economies.**
- **Separate discussions are currently underway with the UK and the European Union (EU), with possibilities being explored for early harvest deals before eventually moving towards full-fledged FTAs.**

Question

- **Discuss the prospects of India-UK relations in Post Brexit Scenario.**

G-7

- The G7 (Group of Seven) is an organisation of the world's **seven largest so-called advanced economies**. They are **Canada, France, Germany, Italy, Japan, the UK and the United States**.
- Russia joined in 1998, creating the **G8**, but was excluded in 2014 for its takeover of Crimea.
- China has never been a member, despite its large economy and having the world's biggest population. Its relatively low level of wealth per person means it is not seen as an advanced economy in the way the G7 members are.
- Representatives from the European Union are present while **India, South Korea and Australia** were also invited 2021.
- The **G7's Summit**, at Cornwall, UK, took place from Friday 11 to Sunday 13 June 2021.
- The UK held the **G7 presidency for 2021** and hosted its summit
- In 2023 the **49th summit of the G-7** took place in Hiroshima, Japan.

G-7: Work

- Throughout the year ministers and officials from the member countries hold meetings, form agreements and publish joint statements on global events.
- Ahead of this year's summit in 2021, the G7 finance ministers agreed to make multinational companies pay more tax.
- The main event is when the G7 leaders come together to talk about the biggest issues of the day.

G-7



G7 in numbers

7 member countries

1975 first meeting of the group of six

40% of global GDP

1/10 of world's population

2014 Russia suspended over annexation of Crimea

Source: BBC research