



India-EU Virtual Summit

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Why in News

Recently, **India and the European Union (EU)** held their 15th “annual” summit after a gap of more than two years.

The practice was put off due to **disagreements over trade and investment** that define their bilateral ties.

Key Points

- **India-EU Strategic Partnership:**
 - **India-EU Strategic Partnership: A Roadmap to 2025** has been endorsed between India and EU as a **common roadmap to guide joint action** and further strengthen the Strategic Partnership over the next five years.
 - **Same Values:** India and EU both are "**unions of diversity**", sharing values of **democracy, rule of law and human rights**. Both are equally convinced of the necessity to preserve the rules-based international order and effective multilateralism.
 - **Common Interests:** Both have a common interest in each other's security, prosperity and sustainable development. They can contribute jointly to a safer, cleaner and more stable world.

- **Trade Pact:**

- India and EU have agreed to **launch a high-level trade dialogue** to foster progress on “balanced, ambitious and mutually beneficial” trade and investment agreements, address trade irritants and discuss supply chain linkages.

High-level trade dialogue will be held between the EU trade commissioner and India’s Commerce Minister.

- India and EU had launched talks for having a wide-ranging **Free Trade Agreement (FTA)**, officially called broad-based **Bilateral Trade and Investment Agreement (BTIA)**, long ago in 2007.
 - The BTIA was proposed to encompass trade in goods, services and investments.
 - However, the talks stalled in 2013 over **differences on market access and movement of professionals.**
- The **EU is India’s largest trading partner grouping (countrywise USA is India’s largest trading partner)**, while **India is the EU 's ninth biggest trading partner.**

- **Civil Nuclear Cooperation:**

- A civil nuclear cooperation agreement was signed between the **European Atomic Energy Community or Euratom** and **Department of Atomic Energy, India.**
- The agreement will focus on research and development cooperation for peaceful uses of nuclear energy and on new ways of using nuclear energy.

- **Defence and Security Cooperation:**

- The two sides also agreed to scale up defence and security ties which included:
 - The launch of a **new maritime security dialogue.**
 - Consultations on crisis management and deeper cooperation between the Indian Navy and the European Union Naval Force Atalanta.
 - The EU’s counter-piracy military operation in the western Indian Ocean.
- The EU officials described the recent **India-China border standoff** on the Line of Actual Control (LAC) as a matter of considerable concern.
- India’s **Central Bureau of Investigation (CBI)** and **Europol** launched negotiations to **combat organised crime and terrorism.**
 - Both decided to intensify cooperation to tackle terror and its financing, radicalisation and abuse of the internet for such activities.
 - Pakistan’s support for terrorism aimed at India and other countries in the region was also figured in the discussions.

- **Other Negotiations:**

- A joint declaration on **circular economy** and resource efficiency.

A circular economy is an economic system aimed at eliminating waste and the continual use of resources.

- The renewal of a **science and technology cooperation** agreement and stepping up **cooperation in environment and climate change**.

- **Issues Involved:**

- The EU is critical about India's "**protectionist**" measures on tariffs, on opening up India's services sector for European Companies and the termination of bilateral investment treaties with 25 EU member states.

The EU also views India's recent **Atma Nirbhar Bharat Abhiyaan** as an initiative which might lead to protectionism.

- The trade relationship is also far below the potential, with India accounting for less than 3% of EU's total trade.
- The EU has been critical over the removal of **Article 370** in Jammu and Kashmir as well as the **Citizenship Amendment Act**, which according to India is an internal matter.

Way Forward

- There is a need for **comprehensive trade agreement** that brings in strong rules, removes barriers to trade in goods and services and investments and opens up free markets. **Addressing the mutual trust deficit, facilitating people's mobility and connectivity** can improve mutual understanding and create opportunities for innovation and growth.
- **Enhanced business cooperation** between EU and India can diversify their strategic value chains and reduce economic dependency – notably on China.
- Europe's dependence on Asia for life-saving health goods has been revealed during the current pandemic. With India's vast drug manufacturing capabilities and the EU's technical expertise, a partnership between the two for the exchange of ideas, innovations, and capabilities in the health sector will benefit both regions.
- India and the EU can also cooperate over Information Communication Technology, which could help India to build strategic autonomy in the digital sphere and bring investments in emerging and disruptive technologies.

Source: TH