



Perspective: India-EU Partnership

For Prelims: [India-EU strategic partnership](#), [Indian Space Research Organisation's \(ISRO's\) PSLV](#), [Chandrayaan-3](#), [Aditya-L1 missions](#), [Gaganyaan](#), [India-EU Free Trade Agreement](#), [Global Partnership on AI Summit](#), [International Conference on Green Hydrogen](#), [European Investment Bank](#), [Green Hydrogen Ecosystem](#), [Enhancing Security Cooperation in and with Asia \(ESIWA+\)](#), [Gulf of Guinea](#), [G20](#), [WTO](#), [UN Security Council](#).

For Mains: India and European Union (EU) Strategic Relationship and its significance for both nations.

Why in News?

The **President of the European Commission**, accompanied by a delegation from the **European Union College of Commissioners**, undertook a two-day official visit to India.

- The visit includes extensive discussions aimed at further strengthening the [India-EU strategic partnership](#) across various sectors, reinforcing cooperation on **trade, technology, sustainability, and global governance**.

How Has the India-EU Relationship Been?

▪ Background:

- India and the EU have a **long-standing diplomatic relationship**, established in **1962**.
- The **India-EU Summits** have served as the cornerstone of the **multi-tier institutional framework for cooperation**, with **15 summits**.
- The inaugural summit took place in **Lisbon** in **June 2000**, and the bilateral relationship was elevated to a **Strategic Partnership** during the **5th Summit** in **The Hague** in **2004**.
- The "**India-EU Strategic Partnership: A Roadmap to 2025**" was adopted in **July 2020** to deepen cooperation.
- The [Indian Space Research Organisation's \(ISRO's\) PSLV](#) successfully launched the **EU's PROBA-3 mission** in December 2024. **ISRO** and the **European Space Agency (ESA)** have cooperated on the [Chandrayaan-3](#) and [Aditya-L1 missions](#) and signed an **MoU** for cooperation on [Gaganyaan](#), India's human spaceflight mission.

▪ Trade and Economy:

- India and the EU have been engaged in **Free Trade Agreement** negotiations for the past 15 years.
- The EU is India's **largest trading partner** in goods, and bilateral trade has increased by **90%** over the past decade.
- Bilateral trade in goods was **USD 135 billion** in **FY 2023-24**, with Indian exports to the EU accounting for **USD 76 billion** and imports for **USD 59 billion**.
 - Bilateral trade in services in 2023 stood at **USD 53 billion**, comprising Indian exports of **USD 30 billion** and imports of **USD 23 billion**.

- **Cumulative Foreign Direct Investment (FDI)** flows from the EU during the period April 2000 to September 2024 was **USD 117.4 billion**, which represented **16.6%** of the total **FDI equity inflow**.
- The **India-EU Trade and Technology Council (TTC) meetings, along with bilateral discussions between Indian Ministers and EU Commissioners**, will enhance engagement and foster trade and investment diversification.
 - TTC has become increasingly significant and urgent due to China's advancements in **semiconductors**, **Artificial intelligence (AI)**, and **clean energy technologies**.
- **Science and Technology:**
 - Bilateral cooperation in science and technology operates under the **framework of the Science and Technology Cooperation Agreement of 2007**.
 - The **India-EU Intent of Cooperation in High Performance Computing (HPC)** was signed in November 2022.
 - Both nations signed a **Memorandum of Understanding on semiconductor R&D cooperation** in November 2023.
 - The EU participated in the **Global Partnership on AI Summit** in New Delhi in December 2023.
- **Sustainability and Green Initiatives:**
 - As part of the **India-EU Green Hydrogen Cooperation initiative**, India served as the exclusive partner country at the **European Hydrogen Week** in Brussels in November 2024.
 - The EU was a major partner in the **International Conference on Green Hydrogen** in Delhi in September 2024.
 - The **European Investment Bank** has committed to supporting **Indian hydrogen projects** with funding of **1 billion euros**.
 - Indian and European companies are collaborating in the **renewable and hydrogen sectors** with the aim of developing a **green hydrogen ecosystem** in India by 2030.
- **People-to-People Ties:**
 - Strong and growing **people-people ties** are one of the foundations of the India-EU relationship.
 - The growing **Indian diaspora** in the EU contains large numbers of students, researchers, and skilled professionals.
 - Indian professionals received the largest share of **EU Blue Cards** issued in 2023-24, accounting for more than **20%**.
- **Defense and Strategic Partnership:**
 - India and the EU are enhancing their **defense collaboration**, particularly in maritime security and the **Indo-Pacific region**, under the **Enhancing Security Cooperation in and with Asia (ESIWA+)** security program.
 - This is especially important given **China's expanding maritime** capabilities and assertive policies.
 - The first **joint naval exercises** were held in October 2023 in the **Gulf of Guinea**.
 - The two sides have stepped up cooperation on **global security, natural disasters, piracy, and counter-terrorism**.
 - India's ongoing **military modernization** and its efforts to reduce dependency on any single supplier, European nations can play a crucial role as defense partners.
- **Global Leadership & Geopolitical Shifts:**
 - The EU is decreasing its **economic dependence on China**, aligning with India's approach to trade diversification.
 - Amid rising transatlantic tensions, the EU is pursuing **independent foreign policy initiatives**, enhancing India's diplomatic influence.
 - Both partners support a rules-based global order in multilateral institutions such as the **G20**, **WTO**, and **UN Security Council**.

What are the Challenges in India-EU Relations?

- **Underutilized Potential in High-Tech Sectors:**
 - India and the EU have yet to fully capitalize on cooperation in emerging fields like **biotechnology**, **nanotechnology**, and **genomics**. However, bureaucratic obstacles

and funding constraints hinder the progress of joint R&D efforts.

- **Stalled Free Trade Agreement (FTA) Negotiations:**
 - India and the EU have been negotiating an FTA for over 15 years, but key differences remain on issues like market access, [Intellectual Property Rights \(IPR\)](#), and labor standards. Regulatory barriers and tariff structures continue to slow progress.
- **Technology Transfer and Digital Regulations:**
 - While India seeks greater EU support in technology transfer, concerns over [data privacy](#), digital sovereignty, and [cybersecurity](#) regulations create hurdles.
 - The EU's strict [General Data Protection Regulation \(GDPR\)](#) poses challenges for Indian businesses operating in European markets.
- **Climate and Energy Policy Differences:**
 - The EU's [Carbon Border Adjustment Mechanism \(CBAM\)](#) could impact Indian exports, particularly in energy-intensive sectors like steel and cement.
 - Differences in green energy policies and funding structures pose coordination challenges.
- **Visa and Mobility Barriers:**
 - Despite strong people-to-people ties, visa restrictions and work permit challenges for Indian professionals in the EU remain a concern.

Way Forward

- **Accelerating Free Trade Agreement (FTA) Negotiations:**
 - Adopt a flexible, phased approach to trade liberalization, addressing sensitive sectors gradually.
 - Enhance regulatory alignment through mutual recognition agreements to ease market access.
 - Strengthen collaboration on IPR and labor standards through structured dialogues.
- **Enhancing Technology Cooperation:**
 - Establish dedicated frameworks for technology transfer, ensuring balanced access while **addressing EU concerns over digital security**.
 - Strengthen India-EU collaboration in emerging technologies like [artificial intelligence](#), semiconductors, and cybersecurity.
 - Facilitate data-sharing agreements that balance privacy protection (**GDPR compliance**) with business innovation needs.
- **Addressing Climate and Energy Policy Concerns:**
 - Develop a joint roadmap for implementing green energy solutions, aligning policies on renewable energy investments.
 - Work towards exemptions or adjustments in the **EU's CBAM** to prevent adverse impacts on Indian exports.
 - Enhance funding and **technology-sharing for green hydrogen** and carbon-neutral initiatives.
- **Improving Visa and Mobility Frameworks:**
 - Streamline visa processes and work permits for Indian professionals and students to facilitate knowledge exchange.
 - Expand the **EU Blue Card program's accessibility** and ease restrictions for skilled Indian workers.
 - Strengthen educational and research collaborations under Erasmus+ and Horizon Europe (**EU's key funding programme for research and innovation**) to promote talent mobility.

UPSC Civil Services Examination Previous Year's Question (PYQs)

Prelims:

Q. In the context of bilateral trade negotiations between India and European Union, what is the difference between European Commission and European Council? (2010)

1. The European Commission represents the EU in trade negotiations whereas European Council participates in the legislation of matters pertaining to economic policies of the European Union.

2. The European Commission comprises the Heads of State or government of member countries whereas the European Council comprises of the persons nominated by European Parliament.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: (d)

Q. Consider the following statements: (2023)

The 'Stability and Growth Pact' of the European Union is a treaty that

- 1. limits the levels of the budgetary deficit of the countries of the European Union
- 2. makes the countries of the European Union to share their infrastructure facilities
- 3. enables the countries of the European Union to share their technologies

How many of the above statements are correct

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

Ans: (a)

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