EU-India future trade and investment cooperation

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The European Parliament adopted by 482 votes to 107, with 40 abstentions, a resolution on EU-India future trade and investment cooperation.

Parliament recalled that trade between the EU and India has increased by more than 70% between 2009 and 2019 and that both sides have a common interest in forging closer and deeper economic ties. It also highlighted the potential of certain agricultural sectors, both in the EU and in India, as the EU is India's largest trading partner in the agri-food sector.

The need for a deeper partnership

The Commission, the Council of the European Union and the European External Action Service are invited to make every effort to improve and deepen relations with India, which is a strategic partner of the EU.

Parliament reaffirmed the need for a deep partnership based on the shared values of freedom, democracy, pluralism, the rule of law, good governance, equality and respect for human rights, workers' rights, women's rights and gender equality, as well as on the commitment to promote an inclusive, coherent and rules-based global order, effective multilateralism and sustainable development, the fight against climate change, as well as peace and stability in the world.

Members welcomed the willingness of both partners to work towards an ambitious, value-based, balanced, comprehensive and mutually beneficial trade agreement, as well as a separate agreement on investment protection and an agreement on geographical indications. Regretting, however, India's reluctance to condemn Russia's military aggression against Ukraine, they stressed the importance of democracies working together in a harmonised manner on key issues, including core values and open, rules-based and sustainable trade.

Full free trade agreement

Parliament encouraged the negotiators to make good progress in achieving a comprehensive, mutually beneficial free trade agreement, giving priority to areas conducive to sustainable growth and addressing inequalities and the digital and green just transitions, as follows:

- the comprehensive elimination of tariffs and quotas on a reciprocal basis;

- the elimination of an increasing number of technical barriers to trade;

- the establishment of a comprehensive single-window electronic certification process and the removal of disproportionate import bans;

- the inclusion of a comprehensive chapter on public procurement at all levels of governance in order to enforce the principles of transparency and non-discrimination in public procurement through effective remedy procedures;

- a comprehensive chapter on high-level protection for intellectual property rights (IPR);

- a dedicated chapter on SMEs;

- the inclusion of an ambitious trade and sustainable development chapter;

- the establishment of modern, SME-friendly, harmonised and reciprocal rules of origin;

- the inclusion of the newly presented circular economy action plan to ensure less waste and consumer empowerment, making sustainable products the norm;

- the removal of all discriminatory and disproportionate obstacles to establishment in both the services sector and the manufacturing sector;

- enhanced digital trade rules grounded in EU standards and global practices;

- the confirmation of both sides' rights and obligations under the WTO agreements (anti-dumping, anti-subsidy and safeguards).

The Commission is invited to ensure that the core principles of the International Labour Organisation (ILO) are applied in the future trade agreement and that the future EU-India trade agreement is in line with the European Green Deal, the 'farm to fork' strategy and COP26.

Investment protection agreement

Parliament noted the willingness of both sides to negotiate an independent investment protection agreement, which would increase legal certainty for Indian and European investors and attract more European investment to India, while preserving the possibility for both sides to exhaust domestic remedies. Members recommended working towards common and mutually beneficial objectives in this area to foster sustainable economic growth and innovation. They urged negotiators to agree on the creation of a multilateral investment court and a specific EU-India investment court.

The Commission is called on to ensure that the text of the agreement protects the EU's common single market by preventing:

- the importation of non-authorised GMOs in foodstuffs, feed and seeds;

- the importation of agricultural products and foodstuffs with higher levels of pesticide residues than allowed for in EU law, through the systemic application of EU rules on maximum residue limits;

- the importation of agricultural products and foodstuffs produced using hormonal preparations banned in the EU;

- the introduction of antimicrobial-resistant strains of microbes;

Negotiators are invited to agree, as a matter of priority, on the establishment of a bilateral ex ante and ex post consultation platform between the EU and India designed to facilitate discussions and consultations in advance of any new measures or subsidies that could negatively affect trade or investment.