EU-India relationship: a strategic partnership

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PURPOSE : to present Commission communication on an EU-India Strategic Partnership.

CONTENT : this Commission communication on an EU-India strategic partnership seeks to identify the challenges, opportunities and expectations for international, economic and development policies between the EU and India. The Communication examines a number of policy areas affecting the relationship between the two entities – from security issues to regional questions, the economy and trade.

The Report notes that the existing relationship is based on one of mutual respect and the sharing of common fundamental values such as the promotion of democracy, human rights and the rule of law. The authors of the Report also comment on the fact that both the EU and India are committed to an effective multilateral approach to the solving of international problems. Other areas in which the EU and India share common ground are conflict prevention, the non-proliferation of weapons of mass destruction, the fight against terrorism and organised crime, migration and promoting peace and prosperity in South Asia.

On the matter of strengthening the economic partnership between the two blocks the Report notes that the EU is India's largest exporter and main source of foreign direct investment. This compares with India being only the EU's fourteenth partner – behind countries such as China, Brazil and South Africa. The Report concludes that trade and investment volumes are below potential and could be boosted. Future actions could, for example, include greater market opening and economic reform on India's behalf. Wider societal needs will have to be taken into account when discussing trade and investment issues, such as the environment and consumer protection.

As far as boosting trade and investment is concerned the Report comments on the fact that both the EU and India are key players in the WTO with both sides standing to benefit from the successful conclusion of the Doha Development Agenda. The EU should seek to achieve greater convergence with India on key issues such as the rules area, the Singapore Issues, GATS, agriculture, non-agricultural market access, geographical indications and special and differential treatment. On the bilateral level the Commission proposes closer dialogue not only on investment issues but also on issues relating to intellectual property rights.

Concerning development issues the Report states that since the 1970's much as been done in India to improve the well being of its people. Poverty remain widespread, unemployment and under-employment is high and vast disparities persist in per capita income. At the same time, however, India is becoming an atypical actor in development policy and has reduced soft loans and grants by accepting only six bilateral donors – the US, Russia, Japan, the UK, Germany and the EU. The Commission suggests the EU should bolster development policies by encouraging India to meet the Millennium Development Goals whilst on a more grass roots level helping marginalised groups to participate fully in society.

Based on the Report's findings, the Commission invites the Council and the European Parliament to endorse the main findings of the Communication. The Report should act as a starting point for reflection on the up-grading of EU-India relations to be debated at the fifth EU-India Summit. Further debate between both the EU and India could lead to an Action Plan and a new joint EU-India Political Declaration.