

**May 2017**

India is about to overtake China as the world's most populous country, and has already done so in terms of GDP growth. India is a pluralistic, multi-faith, multilingual and multi-ethnic country, a federation of 29 states, and is by far the biggest democracy in the world. At present, EU-India relations are flagging and a new boost is sought. Prospects for concluding negotiations on a bilateral trade and investment agreement (BTIA), begun in 2007, remain unclear, even after the EU-India Summit held in Brussels in March 2016, the first with Narendra Modi, India's Prime Minister since May 2014. Meanwhile the two could develop their strategic partnership to enhance cooperation in fields such as human rights, security and counter-terrorism, maritime issues, environment, energy, and space.

India and challenges ahead in the Indo-Pacific region. Opportunities for cooperation with the EU

Briefing by Enrico D'Ambrogio, May 2017

India's operational theatre is widening to cover a bigger geopolitical region – the Indo-Pacific – where it needs to reckon with an emerging actor: China, which now has a military presence in the Indian Ocean. Major efforts to modernise the Indian navy and to enhance cooperation and alliances in the region suggest that India is taking the challenge seriously. The EU, active in the western part of the region through its Operation Atalanta / EU NAVFOR anti-piracy operation could develop cooperation with India on maritime issues to boost bilateral relations.

India: Economic indicators and trade with EU

Infographic by Enrico D'Ambrogio and Giulio Sabbati; Laura Bartolini, GlobalStat | EUI, June 2016

India has overtaken China in terms of GDP growth. It has reduced unemployment in the past decade, although female labour market participation has been deteriorating. New Delhi is performing well in terms of remittances received and FDI net inflows, but has to improve its scores for 'Ease of Doing business' and the 'Human Development Index' (HDI). EU trade with India is increasing slowly, though the EU is India's number one trading partner.

India's economy – Figures and perceptions

At-a-glance by Enrico D'Ambrogio, March 2016

India has recently overtaken China as the world's fastest growing economy. The country has benefited from falling oil prices and from an increase in foreign direct investment, following Prime Minister Narendra Modi's policies, with the most visible tools branded schemes such as 'Make in India'. However, perceptions of real growth and other indicators point to a less optimistic framework, while Modi is struggling against opposition in the Parliament to deliver major reforms on labour laws, taxation and land acquisition.

India's bilateral relations: First year of the Narendra Modi era

In-Depth Analysis by Enrico D'Ambrogio, July 2015

In 2014, India, the world's biggest democracy, turned the page on ten years of rule by the Indian National Congress (INC) in an electoral process that brought 553 million people to the polls. The election gave the Hindu nationalist Bharatiya Janata Party (BJP) an absolute majority in the lower chamber, the Lok Sabha. With this strong mandate, Prime Minister Narendra Modi set out to fulfil his electoral promise to 'build a strong, self-reliant and self-confident India'. He has raised India's presence in the global arena, and major powers show a renewed interest in the country. New Delhi has rebranded its policy towards its south-eastern partners to 'Act East', and had begun a new era in bilateral relations with Washington without sacrificing its relations with Beijing and Moscow.

FOLLOW EPRS<http://epthinktank.eu>

@EP_thinktank



european parliamentary research service



EPINFOGRAPHICS/EPRS



european parliamentary research service

[India's multilateral relations](#)

Briefing by Enrico D'Ambrogio, July 2015

India, once a leader of the Non-aligned Movement, is now moving away from its nonalignment position. New Delhi now maintains relationships in different configurations with a variety of countries for different purposes (such as within the BRICS). For instance, India increasingly engages in regional groupings, like SAARC and BIMSTEC. The South Asia Association for Regional Cooperation (SAARC) is supposed to be the main tool for integration in the region, but bilateral tensions with Pakistan have jeopardised its development. India has also long lobbied for permanent seat in the United Nations Security Council.

Further reading

[The South Asian Association for Regional Cooperation \(SAARC\)](#)

At-a-glance by Enrico D'Ambrogio, March 2015

[India: the biggest democracy in the world](#)

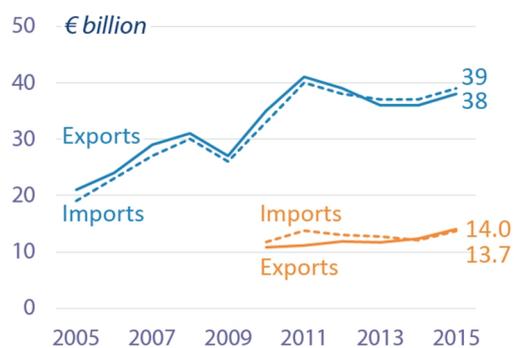
At-a-glance by Enrico D'Ambrogio, October 2014

['Make in India' for more 'made in India'](#)

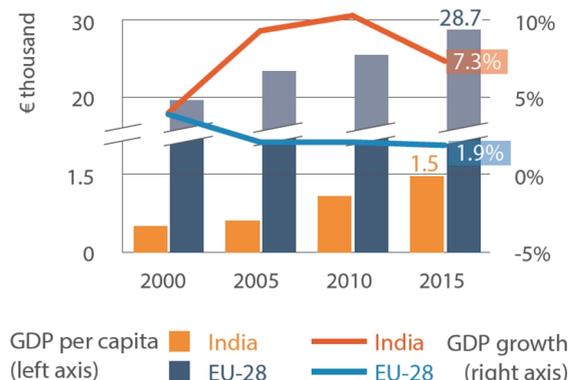
At-a-glance by Enrico D'Ambrogio, January 2015

More in the [Graphics Warehouse](#)

EU trade with India



GDP per capita (€) and annual growth (%) in India and the EU-28



eprs@europarl.europa.eu | www.europarl.europa.eu/thinktank (Internet) | www.eprs.ep.parl.union.eu (Intranet)

You can access this Topical Digest online at the websites below, or by scanning the QR code:

http://www.europarl.europa.eu/EPRS/TD_India_May_2017

<https://epthinktank.eu/topical-digests/>



FOLLOW EPRS



<http://epthinktank.eu>



@EP_thinktank



european parliamentary research service



EPINFOGRAPHICS/EPRS



european parliamentary research service