

**April 2021**

*The EU and India are the world's two largest democracies, both with a multilevel system of governance showing elements of federalism. The two perceive each other as largely like-minded multicultural entities sharing values of freedom, rule of law, and respect for human rights. India has been a strategic partner of the EU since 2004. The last three summits – held in March 2016, October 2017 and July 2020 – and the EU strategy on India adopted in November 2018 lent new impetus to bilateral relations. The EU and India cooperate in several fields, including: climate change, environmental issues, renewable energy, digital, research, counter-terrorism, and smart and sustainable urbanisation. During the last summit, they agreed to establish a regular high-level dialogue at ministerial level on bilateral trade and investment relations. This move expresses a clear political will to work together to overcome issues that have hampered their trade relations in recent years and impeded advances towards a bilateral trade and investment agreement (BTIA), whose negotiations, begun in 2007, have been stalled since 2013. EU-India relations are a priority of the Portuguese Presidency of the Council, and the April 2021 EU strategy on the Indo-Pacific confirmed the EU's engagement to explore deepening economic relations with India. The 8 May 2021 EU-India summit, to be held in virtual mode, is expected to announce the EU-India 'connectivity partnership'. The European Parliament is expected to debate a report on EU-India relations in April 2021.*

### [Assessing the potential impact of an EU-India trade agreement](#)

*Study by Cecilia Navarra, July 2020*

Discussions over a possible EU-India free trade agreement (FTA) have been ongoing for years. This study analyses the potential effects of an FTA from a 'cost of non-Europe' perspective. The results of a quantitative simulation of a potential FTA in goods and services indicate that welfare gains from increased trade for both sides may be between €8 and 8.5 billion (0.03 % increase with respect to the baseline for the EU and about 0.3 % for India). Furthermore, a qualitative analysis suggests that there are potential gains from coordinated EU action to address possible side effects, distributive impacts and externalities (such as inequalities, labour market effects, poverty and development implications, environmental issues) and from increased coordination in the provision of global public goods. When these aspects are considered, the cost of no EU action in the field may be even greater.

### [EU-India: Trade prospects](#)

*'At a glance' note by Enrico D'Ambrogio, October 2020*

The EU-India summit held in July 2020 agreed to establish a regular high-level dialogue at ministerial level on bilateral trade and investment relations. In this way, the EU and India expressed a clear political will to work together to overcome issues that have hampered their trade relations in recent years and impeded advances towards a bilateral trade and investment agreement – where negotiations have been stalled since 2013 – and achieve the full potential of economic relations between the world's two biggest democracies.

### [EU-India: Cooperation on digitalisation](#)

*'At a glance' note by Enrico D'Ambrogio, October 2020*

'Human-centric digitalisation to develop inclusive economies and societies' is the main concept behind the digital transformation in both the EU and India. At their July 2020 summit, the two partners agreed to promote global digitalisation standards characterised by 'safe and ethical deployment'. Their flagship initiatives – the EU digital single market and 'Digital India' – make them natural partners in the promotion of these global standards. Yet, if their ICT cooperation is to make sound progress, some of Delhi's protectionist policies need further consideration.

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## **EU-India: Cooperation on climate**

*Briefing by Enrico D'Ambrogio, November 2020*

The EU and India are the third and the fourth largest emitters of greenhouse gases respectively. Meanwhile, India's per-capita emissions are much lower than those of other major economies. India is acutely affected by climate change and is strongly dependent on coal as a source of primary energy. Nevertheless, it is now a leader in the promotion of renewable energy and has set ambitious targets in terms of electricity-generation capacity from renewables. To this end, Delhi is a major promoter of the International Solar Alliance and, with other partners, a founder of the Coalition for Disaster Resilient Infrastructure. The EU and India have leading roles in fighting climate change and have been cooperating with each other increasingly in this field, at both public- and private-sector levels. They have partnerships on sectoral issues such as clean energy, water and urban development. The EU supports several Indian climate action, sustainability and clean energy projects. At their 15th summit, held in July 2020, the EU and India placed a strong focus on climate change and reaffirmed their commitment to cooperate on the implementation of the Paris Agreement and to engage constructively in the first global stock-take in 2023.

## **India and prospects for closer EU ties**

*Briefing by Enrico D'Ambrogio, September 2017*

The EU and India – two multicultural democracies with constitutional structures containing elements of federalism – have much in common, but face differing geopolitical concerns. Each party's attention is focused on its own neighbours (for New Delhi, this translates as a 'Chinese obsession'), preventing them from growing the strategic partnership they agreed on in 2004. The stalemate in negotiations on an FTA has also hindered progress towards closer relations. In India, although the EU does not get much media coverage, it is generally viewed positively. Both the Indian leadership and the general public have a stronger perception of individual Member States than of the EU as an entity, whereas the Indian elite is more aware of the EU. Several Indian observers regret the EU's attitude of 'preaching and finger pointing'. Even though the latest EU-India summit held in 2016 did not succeed in making a breakthrough in the negotiations for an FTA, it endorsed the EU-India 'Agenda for Action 2020' as a common roadmap aimed at reviving the strategic partnership between the two parties. While waiting for economic relations to develop further, the two could focus on other possible areas of cooperation such as maritime security and coordination of activities in the Middle East and Afghanistan.

## **India and challenges ahead in the Indo-Pacific region: Opportunities for cooperation with the EU**

*Briefing by Enrico D'Ambrogio, May 2017*

Lying in the middle of the Indian Ocean, India relies heavily on the ocean for its energy and trade, but also has to face the conventional and non-conventional security challenges it presents. At the same time, India's operational theatre is widening to include a bigger geopolitical region: the Indo-Pacific, including the South China Sea. Alongside this broadening horizon, India needs to reckon with an emerging actor: China. Not only has Beijing's military presence in the Indian Ocean increased considerably, but it has been planning naval bases and civilian port infrastructure in a region in which India has traditionally enjoyed maritime prominence. China's 'string of pearls' strategy has left New Delhi feeling 'encircled'. Major efforts to modernise the Indian navy and to enhance cooperation and alliances in the region suggest that India is taking the challenge seriously. However, missing from this framework are a comprehensive maritime policy, a single body in charge of coordinating Indian maritime policies and interests, and a more developed shipbuilding sector. Furthermore, there is no effective agreement or mechanism for multilateral cooperation on maritime security in the Indian Ocean. Since 2008, the EU has been a successful net security provider in the western part of the Indo-Pacific region through its Operation Atalanta and EU NAVFOR Somalia anti-piracy deployment. Adopted in 2014, the EU's maritime security strategy offers opportunities to further develop its cooperation with India on maritime issues and in particular on non-conventional security issues, in order to upgrade bilateral relations.

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## Further reading

### [The Quad: An emerging multilateral security framework of democracies in the Indo-Pacific region](#)

Briefing by Enrico D'Ambrogio, March 2021

### [India's parliament and governing institutions](#)

Briefing by Enrico D'Ambrogio, March 2020

### [Challenges facing India's democracy and economy](#)

Briefing by Enrico D'Ambrogio, May 2020

### [India-administered Kashmir: current situation](#)

'At a glance' note by Enrico D'Ambrogio, September 2019

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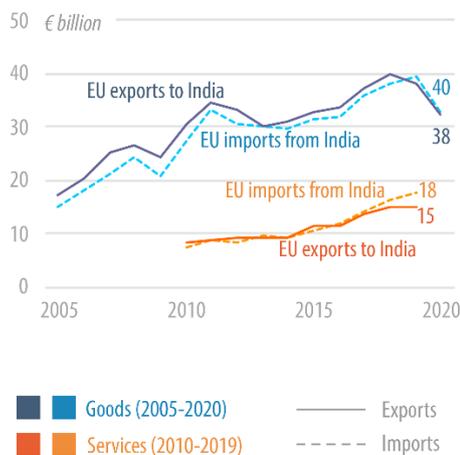
Briefing by Enrico D'Ambrogio, April 2019

### [Nepal, Bhutan and their neighbours: Two Himalayan countries landlocked between India and China](#)

Briefing by Enrico D'Ambrogio, April 2019

## More in the [EPRS–Globalstat Infographic: India: Economic Indicators and Trade with the EU](#)

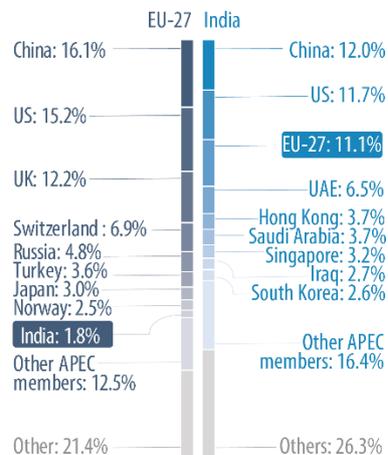
### EU trade with India



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### Main trade partners (2020)

Trade in goods, exports plus imports

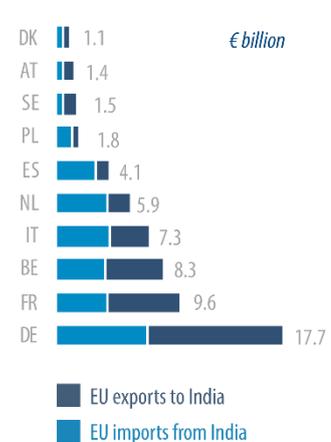


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### Top EU partners (2020)

Trade in goods



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