Sir Graham Watson, Chairman of the Delegation for Relations with India
Distinguished Members of the India Delegation
Ladies and Gentlemen

Thank you for inviting me to address your meeting today – it is both an honour and a privilege to interact with such a distinguished gathering.

India has a long-standing relationship with the European Union which it values immensely. India and the EU are natural partners, with relations based on the shared values of democracy, rule of law and respect for fundamental freedoms. Last year, we commemorated the Golden Jubilee of our bilateral engagement, and 2014 marks the tenth anniversary of our Strategic Partnership. Our steadily growing engagement with the European Parliament is an important facet of our multi-dimensional relationship.

The creation of the ‘Delegation for Relations with India’ in 2007 and the enhanced role of the European Parliament following the entry into force of the Lisbon Treaty in 2009 together laid a strong foundation for exchanges and cooperation at the Parliamentary level between the EU and India.

While India does not have a corresponding system of parliamentary delegations following relations with specific countries or regions, we are nevertheless hopeful that once the mammoth electoral exercise of voting in the 16th Lok Sabha is completed in May 2014, the new Parliament will consider forming an ‘EU Friendship Group.’

This would provide a useful framework to enhance interaction between members of the world’s two largest directly elected Parliaments. Any such exchange cannot but be mutually enriching with spill-over benefits in all areas of the bilateral relationship.

As the India Delegation follows closely developments in India-EU relations as well as within India, I thought that I would use this opportunity to give you a brief overview of how I see India’s relationship with the EU, and thereafter field any questions on India that you may wish to pose.

As you can imagine, the India-EU relationship is an intrinsically dynamic one, which has developed in parallel with the evolution of the
European construct itself. India was amongst the first Asian countries to accord recognition to the European Economic Community in 1962. Since then, as the grouping has grown from a common market to a common currency and from a Community to a Union, with increasing political and economic weight in the world, our engagement with the EU has grown commensurately, complementing and supplementing our relations with EU member-states while being autonomous of them.

A multi-tiered institutional architecture of cooperation has been created, presided over by the India-EU Summit since 2000. There is a plethora of dialogue mechanisms covering collaboration in sectors ranging from trade and finance to energy and environment, security and migration to education and culture. The India-EU relationship was upgraded to a Strategic Partnership in 2004 and given a well-rounded policy perspective with the Joint Action Plan in 2005.

The EU is India’s second largest trading partner, the largest being the Gulf Cooperation Council on account of our ever-increasing energy imports. Annual bilateral trade stands roughly at €100 billion. As per 2012 figures, trade in goods amounted to €75.80 billion while trade in services touched €22.6 billion.

The EU is also one of the largest sources of Foreign Direct Investment for India, accounting for €12 billion worth of flows in 2011 and €5.48 billion in 2012. At the same time, it is important to note that investment flows are increasingly a two-way process and Indian companies now invest more in several EU member states than the other way round.

The EU is, moreover, an important source of cutting-edge technology for India, and therefore an important partner in our developmental efforts.

While the economic content of the India-EU relationship was its lynchpin in the past, in recent times and especially in the last three years with the creation of the EEAS, the political and security dimensions of the relationship have received a huge boost. Our Foreign Minister meets EU High Representative regularly in annual consultations as well as in the margins of various international fora. Foreign Policy Consultations at the level of Secretary-General instituted in November 2011 also take place regularly with the third round being held in New Delhi on 24 January 2014.

Security cooperation has taken off well with sectoral dialogues on counter-terrorism, counter-piracy and cyber-security under the
overarching umbrella of the Security Dialogue. Both sides have also agreed to launch a dialogue on non-proliferation and disarmament.

In addition to the existing politico-economic cooperation, our efforts in recent years have been to try and deepen cross-cultural understanding and widen people-to-people contacts. The EU is home to a large and vibrant Indian diaspora which has served as a bridge between our peoples. A substantial number of Indian students and researchers study and work in Europe, several of them as beneficiaries of the EU’s Erasmus Mundus and Marie Curie programmes.

India was also the guest country for the biennial Europalia-India festival held across several European cities in 2013-14, with its epicentre in Brussels. The festival provided European citizens’ an opportunity to sample at their doorstep some of the finest things that India has to offer, an ‘encounter’ that has hopefully already started translating into more tourism to and business with India.

As there is no substitute for the free movement of people, a dialogue on migration and mobility, including visa facilitation, is another important aspect of our discussions with the EU. Both sides are also exploring the possibility for developing a framework for cooperation in skills development and education to help tap India’s immense human resource potential. The India-EU Forum comprising academics and scholars also meets periodically to brainstorm on the direction of future India-EU cooperation.

No relationship is free from challenges. Shared values do not automatically translate into shared interests. Some amount of rethinking on the strategic priorities of the India-EU relationship and the re-sizing and re-orienting of certain bilateral mechanisms is required to bring them in sync with current realities and requirements. This will help focus our energies and limited resources more efficiently as well as work towards imparting a truly strategic content to our relationship.

A word here on the Broad-based Trade and Investment Agreement (BTIA), which is often cited as the chief ‘deliverable’ in the relationship at the present juncture. India is in favour of early conclusion of the BTIA with a balanced and realistic outcome. It is important for the EU to recognise that India is the only poor country in the G-20 and has a domestic environment that does not favour FTAs in general. Yet we have shown the maximum flexibility possible and the ball is now squarely in the EU’s court to make concessions in key areas of interest for India such as data security and Mode 4. It is time to stop looking for a ‘perfect’ deal and aspire to a pragmatic, realistic, forward-looking deal which is a win-win for both sides. Let the best not be the enemy of the good!
A bilateral relationship can grow and branch out if it is provided the right mix of political and economic support. I believe that there is political will from both sides to enhance the relationship as we gradually move towards a post-modern multi-polar world order where both India and the EU would be important poles.

We have today reached a stage where the India-EU relationship has achieved a critical mass. Our efforts should focus on finding ways and means to harness this critical mass to make the relationship take off into a higher orbit.

I look to the members of the India Delegation to come up with practical ideas on how we can achieve this. Suggestions to overcome differences and find mutually beneficial common ground, including suggestions on how India and the EU can be partners of choice in international fora, would be a welcome contribution to our common endeavour to have the India-EU relationship achieve its true potential.

I very much look forward to exchanging views with each one of you not just today but during the course of my tenure in Brussels.

Thank you.