



# EU Strategy on India



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**JOINT COMMUNICATION  
TO THE EUROPEAN PARLIAMENT  
AND THE COUNCIL**

(adopted 20 November 2018, Brussels)

## INTRODUCTION

The European Union (EU) and India entered into a strategic partnership in 2004. Over the years, their commonalities have grown. In a challenging regional and international environment, the EU and India share the values of democracy, human rights, fundamental freedoms and support the rules-based global order centred on multilateralism. Both represent ‘unions of diversity’ and have important stakes in each other’s prosperity and sustainable development.

India is maintaining consistent economic growth, strong demographic dynamism and an ambitious drive for modernisation. India is engaging on global issues, promoting its soft power and building diverse partnerships. The EU is the world’s most developed regional integration project and a stabilising, normative power. It has consolidated its single market, its foreign and security policy and has made major steps in its common European defence policy<sup>1</sup>.

The EU has, in recent years, underpinned its role as an important economic and political actor in Asia, developing rich bilateral relations with strategic partners, Central, East, South and Southeast Asian countries, and with the Association of Southeast Asian Nations (ASEAN). The EU is proactively developing its own strategy “Connecting Europe and Asia” and stepping up its security policy engagement in the region, while maintaining a strong regional approach within the Asia-Europe Meeting (ASEM).

In this context, the EU has an interest in strengthening its political and economic ties, as well as security and defence policy cooperation with India, a heavyweight on the Asian continent and an emerging global power. A strong partnership with India is key for a balanced EU policy towards Asia as a whole.

A strong partnership with India is desirable to jointly contribute to preserve peace and stability, promote prosperity and sustainable development, and strengthen the rules-based order. Intensified political dialogue and regular exchanges of views ahead of major international gatherings should be sought to build a stronger common understanding, contributing to reducing divergences and enhancing common action.

The EU and India represent a population of close to two billion people, a considerable reservoir of economic growth and a huge potential to influence positively the course of human development. The EU aims to strengthen the strategic partnership with India so that it can live up to such an ambition.

This Joint Communication proposes elements for an EU Strategy covering the next 10-15 years, building on the last Commission Communication on India<sup>2</sup> of 2004, and reflecting the recommendations of the European Parliament in its 2017 resolution on political relations with India.

This Joint Communication proposes to:

- **Reinforce the EU-India strategic partnership.**
- Build a strong **partnership for sustainable modernisation.**
- Join forces to **consolidate the rules-based global order**, based on multilateralism with the UN and the WTO at its core.
- Develop a **shared approach at the multilateral level** to address global challenges.
- Seek **common responses to security threats and regional issues.**

<sup>1</sup> On the basis of its 2016 Global strategy.

<sup>2</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52004DC0430&from=EN>

## The India context

**India is one of the world's largest economies**, with China, the EU and the US, in terms of purchasing power parity. The country is the fastest-growing large economy, with annual GDP growth rates of around 7%, and on its way to reach the \$US 7.8 trillion<sup>3</sup> economy mark by 2030. It is an important player in global economic governance. In 2017, the EU was India's first trading partner, while India was the EU's ninth largest trading partner.

**India will become the most populous country in the world**, surpassing China in the next decade. It is already the world's biggest democracy. 50% of all Indians are under the age of 25. This demographic dividend could add about two percentage points yearly to India's per capita GDP growth over the next two decades<sup>4</sup>. 67% of the population lives in rural areas<sup>5</sup>, but the projected rate of urbanisation is set to double in the next decade.

**India is facing significant challenges to unlock its economic and demographic potential**, notably there is a need to bring 270 million people out of extreme poverty; build adequate infrastructure and connectivity; ensure access to education and health across the country; and deal with increasing income inequality. With 93% of the workforce in the informal economy, the tax base is narrow. Job creation is another challenge, given the 12 million people estimated to enter the workforce every year.

**India is currently the world's fourth largest emitter of greenhouse gases**, although this stands for only a tenth of the US per capita CO<sub>2</sub> emissions. Its energy needs will more than double in the next 20 years. The country is highly vulnerable to climate change and extreme weather, such as heat waves, droughts and floods. This exacerbates development challenges and affects disproportionately the poor and vulnerable groups. **The impact of economic and demographic growth on the environment is high**. Particular challenges include resource depletion, in particular water scarcity, air and water pollution and waste management.

**India is modernising**, and has set ambitious objectives to: reduce poverty and spread the benefits of economic growth; answer to the needs of its aspiring middle-class; boost production capacity and productivity through domestic and foreign investments and transfer of technologies; achieve sustainable urbanisation; modernise agriculture; digitalise the economy; improve water management and resource efficiency; develop qualified human resources; and nurture innovation and start-ups.

**India occupies an important place in a complex geo-strategic space**. Situated at the centre of key Europe-Asian trade routes, and a factor of stability in a complex region, India's diplomatic and security posture towards its neighbours and major regional powers have important consequences for the EU. India's traditional relations with developing countries are also a potential source of strength in addressing the sustainable development goals.

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<sup>3</sup> According to PwC forecast World in 2050.

<sup>4</sup> According to the International Monetary Fund.

<sup>5</sup> In 2016, according to the World Bank.

## 1. PROSPERITY THROUGH SUSTAINABLE MODERNISATION

An enhanced EU-India partnership on sustainable modernisation should contribute to deepening the existing relationship and foster investment and trade, while accelerating India's move up the value chain; its research and technological development; resource efficiency and green growth, expansion of the tax base; and fostering of entrepreneurship. India's internal policies and priorities will have a huge impact on international action on climate change; global energy security; resource efficiency; 2030 Agenda implementation; environmental challenges; disaster risk reduction; ocean governance, including sustainable fisheries and blue economy; and the protection of global common goods. The EU should project its dynamic bilateral cooperation on modernisation to the global stage, thereby engaging more actively with India on these issues to secure an effective global approach.

### 1.1. Consolidating the modernisation partnership

The EU is a **natural partner** in supporting India's aim to grow in a sustainable manner; access green technology and digital solutions; achieve resource efficiency; implement regulatory models and legislative frameworks; and harmonise standards. EU-India cooperation will contribute to reducing resource pressure and pollution, greenhouse gas emissions and enhancing resilience to climate change.

A strong modernisation partnership between the EU and India should also support the EU's own job creation, growth and investment objectives, and help promote sustainable connectivity for Europe and Asia, in line with the EU's connectivity strategy.

India has to deal with complex challenges on a massive scale. The **demographic dividend** could turn India into a global growth engine, provided that the country can foster **education, research and innovation, entrepreneurship and skills** and increase employability. Improving **women's and young people's participation** in the economy would also tap into economic growth and help strengthen gender equality<sup>6</sup>.

India is seeking to establish itself as a **manufacturing hub**, notably by attracting foreign direct investment. Labour market rigidities and India's low positioning in the World Bank's Ease of Doing Business Report are constraining factors. EU companies have so far contributed to the creation of over six million jobs in India. With the improvement of business environment, this number should increase.

Important **macroeconomic reforms** have been recently introduced by India, particularly with the Goods and Services Tax and the shift to an inflation targeting regime. Given similarities in the multilevel governance systems of the EU and India, both sides could benefit from more intensive policy dialogue and exchange of expertise on designing economic policies in a number of areas, such as fiscal rules and frameworks, taxation, competition policy, monetary policy frameworks, and structural reforms, including in the banking sector. Bilateral exchanges should facilitate knowledge sharing on the reform processes, enhance understanding of macroeconomic developments, and generate more effective cooperation in the G20.

India has identified underdeveloped **infrastructure** as a major obstacle. The transport and energy sectors need considerable investment, as well as do the digital networks. The EU's construction sector already contributes to India's inter-connectivity, smart urban infrastructure, and energy efficiency. The EU should engage India more on maritime transport and infrastructure, aviation, rail and road safety, digital connectivity and contribute to creating better conditions in terms of standards, skills and competences. The EU should continue to support the development of sustainable and climate resilient infrastructure, as it does via blending facilities and the European Investment Bank, as well as of better urban and rural mobility through metro-rail seamless interconnection.

India's **energy** mix is currently dominated by coal (50% of primary energy consumption), but the country has started implementing one of the world's largest clean energy transition programmes using its renewable energy potential. EU-India cooperation can help to deliver reliable, sustainable and affordable energy systems, while at the same time contributing to the growth of the EU's energy technologies sector. The EU will further engage with India on energy security, energy efficiency, renewable energy sources, including solar and offshore wind, smart grids and off grid systems, as well as on policies to develop an electricity system which can reliably integrate large shares of renewable energy.

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<sup>6</sup> Participation of women in the workforce is only 13.9% in the urban sector and 29.9% in the rural sector. Over 30% of youth aged 15-29 in India are not in employment, education or training.

The EU-India clean energy and climate partnership promotes policy and regulatory approaches, business solutions and green technology in order to enable the energy transition and address **climate change** by increasing resilience and reducing greenhouse gas emissions. A joint long-term approach to climate action should link innovation support with market-uptake incentives and other support measures, identify and exploit synergies between climate action and related issues such as air pollution and the water-energy nexus, and should seek to integrate adaptation to climate change into disaster risk management and development planning.

The EU's experience in tackling **environmental issues** and its cutting-edge technology are of high value in providing sustainable solutions, as proven by the EU-India water and resource efficiency partnerships. Cooperation should be intensified to support India's transition to a resource efficient and circular economy, waste management and integrated water resources management policies, as well as to address air and water pollution and to find innovative solutions to tackling plastic and marine litter. The convergence of the EU's and India's policies and the implementation of environmental legislation should be the overall goal in order to foster green economic growth, job creation and open opportunities for EU public and private sector operators.

The EU is committed to strengthening international **ocean governance**, including on sustainable fisheries, and India is an important actor in the Indian Ocean. The EU aims to enhance cooperation with India on fisheries at bilateral, regional and multilateral levels, particularly in the context of Regional Fisheries Management Organisations, to ensure sustainable management and use of living marine resources. Furthermore, the EU will engage with India in promoting the development of a **sustainable blue economy**, including sustainable aquaculture and the exchange of best practice on maritime spatial planning and integrated coastal zone management.

India's rapid **urbanisation** and the associated challenges related to the environment, water, air quality, waste and wastewater management, transport, disaster risk reduction and sustainable energy systems make urban development a particularly important area for cooperation with the EU. Deepening the EU-India partnership on smart and sustainable urban development, particularly on urban mobility, sanitation and sustainable cooling technologies, will bring important benefits in facilitating access to cost-effective and affordable technological solutions, policies and practices. Strengthening the partnership on local-level climate and energy action, including through building on the successful experience so far of the Global Covenant of Mayors for Climate and Energy in India, will help address both the challenges of rapid urbanisation and of climate change.

The EU should engage more with India on the **development of rural communities**, aiming to promote sustainable, affordable and climate-smart agricultural practices, formalise the economy, grow India's tax base and improve the people's lives. The EU should support the integration of remote, rural areas in the marketplace through projects aimed at developing e-commerce platforms, and increasing IT literacy and confidence amongst entrepreneurs. This would foster the growth of the local economy and should help avoid a continued over-population of India's megacities.

**Digitalisation** is transforming radically economy and society. It is an opportunity to develop inclusive economic and social models based on human rights and gender equality. Both the EU and India are supporting the digital economy and applying digital solutions for governance and social development. Increased exchanges, including on the regulatory framework for implementing these solutions, should aim at facilitating data flows while ensuring a high level of protection of personal data.

Together with digitalisation, **automatisation** represents a driver for new business opportunities for both EU and Indian operators. Cooperation should be further developed and approached from the perspective of benefiting labour markets, raising labour productivity<sup>7</sup>.

The EU should continue to engage with India on aligning with international **standards**. For instance in the automotive sector and road safety, on emerging technologies, including 5 G, Internet of things, intelligent transport systems, future networks and telecom security, statistical standards as well as on more traditional sectors.

The EU recognises privacy as a fundamental right and India is also moving in this direction. The adoption of a comprehensive **data protection law** by India would not only serve India's people, but also significantly facilitate bilateral data flows, including by providing the basis for a possible adequacy finding by the European Commission. This would benefit investment, trade and security cooperation.

In **public health**, the EU should continue to positively engage with India on reforming its legislative framework and building regulatory capacity, to converge with international practices and standards. Cooperation should be strengthened to

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<sup>7</sup> The Asian Development Bank report: 'Asian Development Outlook 2018: How Technology Affects Jobs' concluded that, in Asia, automatization is benefiting labour markets, rather than disrupt them: <https://www.adb.org/publications/asiandevelopment-outlook-2018-how-technology-affects-jobs>.

ensure high quality standards of pharmaceuticals, medical devices and cosmetics, as well as food safety, and to combat antimicrobial resistance, benefiting consumers.

**Research and innovation cooperation** addressing shared societal challenges will be crucial to support India's sustainable modernisation, open new business opportunities and increase the EU's scientific excellence and competitiveness. Cooperation through EU research and innovation funding programmes, such as the research framework programmes (currently Horizon 2020, and, from 2021, Horizon Europe) and Euratom offer valuable opportunities. The EU will continue to work closely with India on nuclear fusion, in particular to ensure the effective implementation of the international ITER project. Cooperation on water, greening transport, clean energy, circular economy, bio-economy, health and ICT should be expanded. Additional areas, such as climate change, sustainable urban development, manufacturing, advanced materials, nanotechnologies and biotechnology, and processing food and ocean research should also be considered.

Proposed actions:

- **Engage at a strategic level** with relevant Indian Ministries and institutions on India's modernisation agenda (e.g. the National Institute for Transforming India).
- **Support India's sustainable modernisation through technical expertise and through the mobilisation of resources at EU level**, continued cooperation with the European Investment Bank; public and private investment resources; and blending facilities including the participation of EU Member States. Work towards better coordination and synergies with European financial institutions and multilateral development banks, including the Asian Development Bank and the Asian Infrastructure Investment Bank.
- Accompany the economic reform process in India and **engage in exchanges on macroeconomic trends** through the development of closer bilateral ties, also via a regular macroeconomic dialogue.
- Organize technical and strategic exchanges to **address transportation issues** of mutual interest and contribute to investment and cooperation opportunities, including in civil aviation, maritime transport, railways, as well as road and urban transport, including road safety.
- Continue the implementation of the EU-India clean energy and climate partnership through regular exchanges, and use it as a platform to **coordinate multilateral and bilateral approaches to climate change and energy security. Support a clean energy transition**, through contribution to India's flagship initiatives on offshore wind, solar power, smart grids, energy efficiency, energy access and affordability. Support the **development and implementation of climate and energy action at the local level**, including in the framework of the Global Covenant of Mayors for Climate and Energy in India.
- Strengthen cooperation at bilateral, regional and multilateral levels to **promote sustainable use and management of living marine resources**.
- **Encourage city pairing initiatives**, and share experiences in urban governance and sustainable urban planning.
- **Foster multi-stakeholder policy dialogues** with authorities at Union, state and city level, industry, micro, small and medium enterprises (SMEs), and civil society, in areas of strategic relevance to both sides.
- **Promote sustainable production and consumption as well as integration of environmental concerns and solutions into economic growth policies**. Support transition to a resource efficient circular economy and green businesses, particularly through partnerships including between SMEs.
- Promote common approaches and standards to the digital transformation, **promote data protection values and facilitate data flows** by supporting India's efforts to develop its legislation with a view towards adopting a data adequacy decision by the European Commission.
- Develop **joint action plans** in areas of cooperation such as future networks and emerging technologies, promoting R&D and innovation, network security, spectrum management, enhanced capacity development as well as policy and regulatory requirements among others.
- Strengthen cooperation and support India's regulatory capacity building and alignment to international standards and practices, notably relative to **pharmaceuticals and medical devices**.
- **Promote joint research and innovation initiatives** in support of sustainable modernisation. Set up a **European Innovation Centre** to promote European science, technology and innovation interests in India.

## 1.2. Closer coordination on global challenges

Together with the EU, India has demonstrated strong political engagement in **climate change** negotiations for the Paris Agreement. Both sides are fully committed to its implementation and have enhanced cooperation in multilateral fora. To support the implementation of the Paris Agreement, the EU will seek closer cooperation on climate change mitigation and adaptation and mutual learning to inform the development of the long-term strategies to be submitted under the Agreement. Similarly, cooperation is essential for developing an ambitious post 2020 global framework on biodiversity.

As energy demand grows, India's ties with the international **energy** system will deepen, as will its stake in global energy security. Closer coordination will be needed at multilateral level to accelerate the global clean energy transition, build sustainable, affordable, reliable and modern energy services, and to find responses to geopolitical challenges generated by this ongoing transition.

The EU and its Member States are the world's leading donors of development assistance<sup>8</sup>. India is an important **development** player in its own region and beyond and its development assistance has risen sharply since the start of the decade. The EU's relationship with India on development is changing to a partnership between development actors. Together, India and the EU can effectively tackle global challenges, including the **Sustainable Development Goals**, which India has played an important role in shaping. The EU will seek to strengthen its engagement with India based on mutual priorities, including through facilitating sustainable investment, cooperation in promoting and implementing the 2030 Agenda, triangular cooperation and South-South modalities.

The EU and India are key actors in using **space** for research and development, earth observation, outer space surveillance, communication and satellite navigation. Closer cooperation on transparency and confidence building measures in outer space, as well as on space security and safety and space debris mitigation should be developed.

India and the EU should also step up their research and innovation cooperation within international fora such as Mission Innovation, the Global Alliance for Chronic Diseases or the Belmont Forum to jointly address global challenges.

### Proposed actions:

- **Step-up coordination with India at multilateral level** to strengthen global action on climate change, including the implementation of the Montreal Protocol, on the environment and clean energy, supported by enhanced cooperation in international fora on research and innovation.
- **Support the implementation of the Paris Agreement**, share knowledge on modelling and the development of low emissions scenarios to inform mid-century low greenhouse gas emission development strategies, as well as on climate change adaptation.
- Work together in **addressing major environment challenges**, stepping up the implementation of existing biodiversity targets and developing an ambitious new global biodiversity framework for adoption in 2020, while maximising links with climate change policies.
- **Continue to actively support the International Solar Alliance**, including through the European Investment Bank.
- **Enhance EU-India's partnership on development cooperation** to promote sustainable investment, pursue triangular cooperation in third countries, explore synergies in international fora and promote sustainable connectivity.
- Identify common priorities and partner with India on the **implementation of the 2030 Agenda**.
- Deepen systematic **space cooperation** between the EU, including the European Space Agency, and Indian side, inter alia through economic and scientific cooperation agreements. Enhance collaboration in earth observation to tackle challenges from environmental protection and climate change to ocean monitoring, also creating business opportunities to design products for local user needs.

<sup>8</sup> €75.7 billion in 2017.

### 1.3. Realising the untapped potential of the trade and investment relationship

While the EU was India's first trading partner with 14% of its total trade in goods in 2017, India was the EU's 9th largest trading partner, accounting for only 2.2%<sup>9</sup>. Considering the size of the two economies, these figures fall short of the potential of two-way trade between the EU and India. The EU and India should pursue a proactive approach to enhance their **trade and investment** relations.

Trade and investment have an important role to play in generating the growth required to create jobs, infrastructure and housing in response to the aspirations of the emerging Indian middle-class and the needs of the people still living in poverty. India's deeper integration into the global economy and a domestic market more open to global trade could help sustain and speed-up its economic growth.

The EU has a direct interest in the success of the **economic reforms** needed to unleash the full potential of the Indian economy. With an ongoing debate in India on the benefits of trade liberalisation, there is still a strong reliance on exports and inward investment, and reluctance to open up to imports. The EU will continue to encourage India to open up its economy to strengthen its international competitiveness, benefit from a better integration into global value chains, and increase its share in global trade, to bring it more in line with its growing share of global GDP.

The EU's main objective is to work towards a **sound, transparent, open, non-discriminatory and predictable regulatory and business environment** for European companies trading with or investing in India, including the protection of their investments and the protection and enforcement of intellectual property. Enhancing market access for EU companies, particularly for SMEs, will require removing existing obstacles and preventing the emergence of new tariff or non-tariff barriers. Technical barriers to trade, sanitary and phyto-sanitary measures, elevated custom duties, mandatory testing and local certification requirements, data localization restrictions, deviation from international standards and agreements, as well as discrimination based on legislative or administrative measures by India affect a wide range of sectors, including goods, services, investment and public procurement.

In this respect, the EU remains firmly committed to working towards **comprehensive and balanced agreements with India** with sufficient level of ambition to respond to each side's key interests in trade and investment and which contribute to sustainable growth and development in both the EU and India. In particular, the EU will continue to engage with India to ensure that such an agreement will be economically meaningful, delivering real new market openings in all sectors to both sides, and contain a solid rules-based component. It will also have to include a comprehensive trade and sustainable development chapter, notably in order to deal with social and environmental impacts. Ensuring a high level of investment protection in order to remain an attractive destination for new investments is also a key dimension of the EU-India partnership. This is particularly true given the unilateral termination by India of all its Bilateral Investment Treaties, including with EU Member States and ongoing multilateral reform processes of the investor-to-state dispute settlement regime.

The EU and India should **use all available channels and fora** to ensure fair market access and predictable investment conditions, as well as to promote the full respect by both sides of their multilateral obligations under the World Trade Organization (WTO) and other relevant multilateral organisations and fora.

Proposed actions:

- **Strengthen engagement with India at a strategic level** to identify shared EU-India interests on economic, trade and investment issues, to support and increase EU participation in India's economic growth and sustainable development. To this end, seek to establish a regular ministerial high level dialogue.
- Negotiating **balanced, ambitious and mutually beneficial agreements on trade and investment with a modern framework for investment protection.**
- Continue engaging with India to **enhance market access**, particularly for SMEs, **address existing and prevent the emergence of new obstacles**, whether tariff or non-tariff barriers, and **improve investment conditions.**

<sup>9</sup> Behind the USA (17.8%) and China (14,9%).

- Promote **European Economic Diplomacy** by linking EU-India policy dialogues and discussions with business and technological cooperation.
- **Enhance business cooperation** by supporting the organisation of regular business summits and business visits to India and encouraging a more active Indian participation into the Enterprise Europe Network and the European Cluster Collaboration Platform.

#### 1.4. Investing in talent and innovation

Having vibrant democracies and open and diverse societies, the EU and India are at the forefront of human development and innovation. For India, addressing the basic needs of its people, including through frugal innovation, and excelling in high-tech markets are twin objectives. Both areas offer mutually beneficial opportunities for EU-India cooperation. Increased exchanges between students, researchers and professionals would benefit both sides.

The EU and India share a mutual interest in reciprocal **mobility of talent**. Mobility of researchers and innovators should be promoted in both directions. The EU-India cooperation should also foster innovation by promoting networking between EU and Indian innovators, start-ups, incubators and accelerators, by setting up joint platforms, both offline and virtual, and engaging in coaching, training and staff exchanges. Highly qualified Indian workers could be integrated into EU-led innovation systems industries and help maintain technology-based leadership.

As part of the EU goal to access the best talent, knowledge and resources in the world, the EU has an interest in promoting the participation of more Indian students, researchers, and higher education staff in EU programmes, in particular through Erasmus+, as well as the Research and Innovation Staff Exchange action and Global Fellowships under the Horizon 2020 Marie Skłodowska Curie Actions. Reciprocal access of EU participation in Indian fellowship programmes should equally be promoted. To effectively boost mobility, the EU will promote the development of quality and transparency tools, ensuring comparability in the standards and quality of higher education qualifications.

While India has many world-class centres for **education**, fulfilling the potential of the demographic dividend will depend on the modernisation, innovation and internationalisation of the overall Indian higher education system, as well as the enhanced access to inclusive and equitable education, and vocational training. Digitalisation of education may generate new ways of using technology for both teaching and learning, while offering additional opportunities for cooperation between the EU and India. The EU would benefit from cooperation with India on EU priority areas such as science, technology, engineering, mathematics, digital competence and data analysis.

The EU and India would benefit from enhanced **intercultural dialogue** and people-to-people exchanges, building up on cultural diversity and multilingualism. Culture can deliver major social and economic benefits. The mobility of artists and culture professionals between the EU and India will be encouraged, as well as cooperation on cultural and creative industries, media and the protection and promotion of the world's cultural heritage.

A better managed **migration and mobility** between the EU and India is in both sides interest, using a balanced approach. The EU should promote cooperation on **legal migration** with a view to achieve its own skills objectives, notably on highly-skilled workers such as scientists, IT specialists, engineers and managers. EU Member States should make better use of EU legal migration tools such as the Directives on the Blue Card, students and researchers, intracorporate transferees and seasonal workers, to harvest the Indian talent pool and entrepreneurial spirit. Equally, improved and harmonised cooperation with India is needed on **irregular migration**, notably to address issues faced in the readmission process. The EU and India should enhance cooperation on return and readmission, and on reducing the use of document fraud which facilitates illegal entry and illegal stay in the EU.

The EU and Member States should cooperate more closely to promote **tourism** between the EU and India, contributing to improving mutual understanding, economic growth, employment, and social development.

Proposed actions:

- **Increase outreach activities by the EU and its Member States** to attract more Indian participation in EU programmes through fairs, workshops and seminars, at state and city level.
- Move towards **mutual recognition of qualifications**.
- Share tools and good practices aimed to **develop transferable skills and competences in degree programmes** and analyse if higher education graduates have the skills that employers are seeking.
- Support cooperation and exchanges between the **cultural and creative sectors** in the EU and in India, including through promoting city-to-city cooperation and the Creative Europe programme.
- Engage in more **joint activities for cultural heritage preservation and promotion** in both the EU and India, promote tourism to the EU, and support youth-exchanges.
- **Use of existing tools to their full potential for cooperation on migration and mobility**, including the Common Agenda for Migration and Mobility.

## 2. SECURITY AND STABILITY THROUGH THE RULES-BASED GLOBAL ORDER

Both the EU and India strive for inclusive, effective and rules-based global governance, centred on multilateralism, with the UN at its core. The EU supports India's greater participation in global governance and has a strong interest in building a solid partnership for global stability and prosperity. There is still significant room to improve coordination with India in the multilateral and regional fora. A better understanding of each other's positions is essential to identify meaningful shared interests that would benefit a common approach. The EU should seek to continue to engage India on specific issues, from a result oriented perspective.

### 2.1. Promoting effective multilateralism

India is an important partner for the EU in building multilateral solutions and addressing global challenges from international security, to global economic stability and sustainable growth. The EU should further develop regular dialogue and consultations with India ahead of important international meetings, seeking to align the positions, notably at the United Nations, in the G20 and the WTO, as well as to jointly support international law and dispute settlement.

The EU and India are committed to effective multilateralism with a strong UN at its core. The EU will continue to engage with India on the reform of the UN system, in particular to support the implementation of the three strands of peace and security, development and management reform. The EU and India should cooperate in order to revitalise the General Assembly and better align the work of its committees with the 2030 Agenda.

India's share of the global economy is expected to further increase over the next two decades. As G20 partners, the EU and India share a mutual interest in tackling global challenges and deepening exchanges on macroeconomic developments, challenges and appropriate policy strategies both globally and in their respective regions. The EU and India should continue to work together within the G20 identifying and promoting priorities meant to secure strong, sustainable, balanced and inclusive global growth.

The EU and India share an interest in sustaining a rules-based multilateral trading system, with the WTO at its centre, and enhancing free, fair and open trade for achieving sustainable growth and development. While the multilateral trading system has been instrumental in integrating the global economy and helping to prevent protectionism, it is confronted with a serious crisis. The EU expects India to play a more constructive role in the WTO in order to identify long lasting solutions, to contribute to addressing the deep causes of existing trade tensions and to help restore balance in the international trading system. The EU wants to work with India to develop a common understanding on the issues to be addressed in the WTO and its modernisation and to advance rulemaking on fundamental global trade issues.

Proposed actions:

- **Establish a channel of dialogue on multilateral issues**, associating foreign affairs and security aspects with trade and economic objectives.
- **Seek to coordinate positions with India** in the preparation, negotiation, universalisation and implementation of major multilateral conventions and conferences in areas of mutual interest, and facilitate common understanding with other UN members.
- Reaffirm the need for cooperative, believable and effective **global economic governance**, and promote a strong, coordinating role for both the EU and India by encouraging further engagement in the international context.
- **Enhance coordination and cooperation within existing multilateral frameworks, in particular the G20**, and promote mutually reinforcing policies and initiatives, such as on sustainable and inclusive growth policies, the 2030 Agenda, quality infrastructure, the future of work, the circular economy, and early childhood development.
- **Seek India's constructive engagement in addressing global trade challenges in the WTO**, building on the common objective of maintaining and strengthening a rules-based multilateral trading system.
- **Improve coordination in UN agencies** and other fora.

## 2.2. Building on common values

As the world's largest democracies, the EU and India have a common responsibility to promote peace, democracy, the rule of law and respect for **human rights**, including at the multilateral level and at the UN.

The EU and India share a long-term commitment to human rights cooperation and should continue regular exchanges of best practice on the protection of human rights at home and around the world, focusing on gender equality and women's empowerment, the political, economic and social inclusion of young people and persons belonging to minorities, the rights of the child, elimination of any form of discrimination, the fight against trafficking in human beings, and freedom of religion and belief. Protecting the rights of vulnerable groups should be prioritised in order to respond effectively to climate impacts, as they are often disproportionately affected. The EU and India should reinforce practical cooperation, and explore opportunities to cooperate closer on democracy, good governance and the rule of law. The EU and India should further strengthen their joint efforts within the UN.

An EU-India partnership on **humanitarian assistance** would be a strong asset for ensuring joint vision and action within the international community, including UN bodies, the World Bank and the WTO. The internationally recognised humanitarian principles of neutrality, impartiality and independence are essential to succeed in our common endeavours.

Proposed actions:

- Continue to engage regularly at bilateral and UN level and pursue joint initiatives to **promote common global agendas on human rights and democracy**, gender equality and women's empowerment and the inclusion of young people.
- **Enhance practical cooperation with and outreach to stakeholders, including the civil society**, to promote common values and principles, particularly in the field of rule of law, sustainable socioeconomic development and human rights.
- **Work with India in third countries to help consolidate democratic processes** and support transitioning regimes through capacity building for electoral and parliamentary institutions.
- **Coordinate on humanitarian and disaster relief operations** and work with India to reinforce the multilateral humanitarian system and its coordination mechanisms.
- Engage with India to **ensure food security** world-wide, while preventing restrictions and distortions in world agricultural markets.

## 2.3. Reinforcing cooperation on foreign policy – from common values to common action

India is rising as a global power, with an increasingly proactive foreign policy. India will deeply impact the development of Asia and the world. Improved India-Pakistan relations would help unlock the potential of both countries, as well as that of their region. The EU and India have a common responsibility to ensure international peace and security and an open and inclusive international order. The EU has an interest in India playing a greater role in a multipolar world, which requires **a multipolar Asia**.

The EU and India have significant stakes in the stability and security of their extended neighbourhood which overlaps in Central Asia, the Middle East/'West Asia', Africa and the Indian Ocean. Their shared values and principles point at a general convergence of interests in these regions, in terms of ensuring their development, prosperity and security. The EU should enhance engagement with India on these areas from a practical perspective, striving for joint assessments, analysis and action.

The EU should build on the positions it shares with India on international issues, including support to Afghanistan to become a self-reliable and prosperous state; engagement with Central Asia so that the region develops as a peaceful, prosperous, resilient and more closely interconnected economic and political space; the implementation of the Joint Comprehensive Plan of Action on Iran; the 'two state solution' in the Middle East Peace Process; as well as the importance of contributing to peace and prosperity in Africa and of supporting African solutions to African crises.

The stability and security of **Asia** is increasingly important for European interests. The EU and India should step-up engagement to support the resilience of states, and to address root causes of conflicts through joint approaches and preventive diplomacy. Cooperation with third countries should be prioritised.

The EU and India share the view that their approaches to connectivity should be sustainable, comprehensive and rules based. This means connectivity should be environmentally, economically, socially and fiscally sustainable and provide a level playing field for businesses, while respecting international standards and enhancing its governance. The EU should further enhance its engagement with India aimed at developing connectivity to the benefit of South Asia and other regions, including connecting Afghanistan better with the world economy.

The EU should seek opportunities, in cooperation with India and other Asian partners, to support **cooperative and inclusive regional orders** and integration, with a rules-based approach. This should include the South Asian Association for Regional Cooperation, the Bay of Bengal Initiative for Multi- Sectoral Technical and Economic Cooperation, the ASEAN, and the Indian Ocean Rim Association. Cooperation should be expanded with India on the promotion of common principles, including in the ASEM, such as on connectivity.

Proposed actions:

- Upgrade the yearly dialogue between the High Representative / Vice President of the EU and the Indian Minister for External Affairs to a regular **Strategic Dialogue**.
- Seek **regular exchanges and coordination on the most relevant foreign policy issues** either through established dialogues, at the margins of international events, or through the offices of the EU Delegation in New Delhi and the Indian Embassy in Brussels.
- **Establish regular bilateral, as well as trilateral dialogues on/with Africa**, to discuss inter alia security, economic issues, as well as connectivity.
- **Intensify dialogue on Afghanistan and Central Asia** in the appropriate settings.
- Join forces on **post-conflict institution building and reconciliation processes** in third countries.
- Build a connectivity partnership with India both at strategic and operational level, regionally, bilaterally and in support of ASEM connectivity activities.
- Exchange experiences with India on **enhancing regional cooperation** and jointly pursue efforts to strengthen existing regional structures including through cooperation in the ASEAN Regional Forum.

## 2.4. Developing security and defence cooperation

The EU is a normative power and increasingly a security provider, as shown in the Western Balkans, as well as in various African crises, the Western Indian Ocean, the Gulf of Guinea and the Mediterranean Sea. It is also an important promoter of the rules-based order and cooperative security initiatives. The EU's **security and defence policy** is setting up mechanisms for joint development of defence capabilities within the EU, the Permanent Structured Cooperation, which over time will further enhance its operational capacity and open up opportunities for closer engagement with non-EU countries such as India. Future cooperation could include exchange of experience in training, capability development, participation in missions and operations, and research into new defence systems. The EU has also decided to enhance security cooperation in and with Asia through tailor-made approaches<sup>10</sup>. To develop concrete initiatives and promote a better understanding of EU policies, it is essential to further **develop military-to-military relations** with India, including between leaders of the Indian armed forces and the EU military structures, as well as joint exercises.

The EU and India share **common security interests** in a growing number of areas. Crisis management, peacekeeping and peacebuilding offer vast potential for bilateral cooperation and at the UN.

<sup>10</sup> Council Conclusions on enhanced EU security cooperation in and with Asia, 28 May 2018.

**Terrorism** is a major threat for the EU and India. Countering radicalisation, including online, terrorist financing and preventing violent extremism are of priority for both partners. Regular bilateral consultations on counter-terrorism should develop into a platform for joint assessments of threats, challenges and policy responses, and seek to expand technical cooperation. The EU and India should cooperate to pursue common objectives in international and regional organisations, including at the UN, G20, the Financial Action Task Force (FATF) and the Global Counter-terrorism Forum, notably on terrorist financing and terrorist designation listing. Cooperation on counter-terrorism, as well as other security issues, would benefit from enhanced relations between Europol and its Indian counterparts.

India is an important service provider to the EU and **cyber security** is a joint priority. The EU should engage more with India to stabilise cyberspace and develop global norms underpinned by shared commitment to a free, secure, stable, peaceful and accessible cyberspace. The EU should seek to jointly develop with India regional confidence building measures, under the ASEAN Regional Forum.

Securing sea lines of communications is vital for both the EU and India, as the huge majority of their trade relies on maritime transport. Both are strong promoters of the respect for international law, in particular the UN Convention on the Law of the Sea (UNCLOS). Enhanced engagement is needed on **maritime security** to discuss the non-traditional security challenges, such as piracy and armed robbery; transnational organised crime; illegal trafficking; cooperation at sea, including at the operational level as well as in law enforcement and conflict prevention; promotion of confidence building measures; and sharing of experiences in maritime situational awareness, maritime surveillance and information sharing, possibly in cooperation with other partners and international organisations (e.g. UN). Cooperation on the **Indian Ocean** should be developed, notably on security and governance, building on counter-piracy activities, and promoting respect for the international law of the sea.

The EU should continue the positive engagement with India on **non-proliferation and disarmament**, export control, and nuclear safety and security. The EU will also continue to encourage India to participate constructively in international export control regimes and initiatives, and to join the Arms Trade Treaty, the Comprehensive Nuclear-Test-Ban Treaty, the Treaty on the Non-Proliferation of Nuclear Weapons, as well as the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction.

#### Proposed actions:

- Strengthen technical cooperation with India on fighting **terrorism** and countering radicalisation and violent extremism and countering terrorist financing.
- Work with India to support a multi-stakeholder governance model of the **Internet**, which provides for its freedom and security.
- Exchange expertise on **cyber security** and **hybrid threats**.
- Conclude working arrangements to foster cooperation between **Europol** and Indian law enforcement institutions.
- Identify common actions with India both at policy and operational levels to enhance **maritime security**. Work with India and other key regional players such as South Africa to help build the capacity of maritime nations in the Indian Ocean and East Africa.
- Seek to develop with India joint projects for **training and assistance to third parties**, particularly African countries that deploy significant numbers of UN peacekeepers.
- Encourage regular exchanges on EU Common Security and Defence Policy (CSDP) operations with the view to promote the participation of Indian security experts, police, justice officials, and military advisers. Both sides should invite each other to their **peacekeeping** trainings.
- Develop **military-to-military** relations via personnel exchanges and trainings, including with the European Defence College.
- Consider deploying an EU **military advisor** in the EU Delegation in New Delhi and encourage reciprocity.
- Cooperate with India in **crisis-management** and share experiences on consular crisis interventions during major disasters in third countries.

### 3. A MORE JOINED-UP AND STREAMLINED APPROACH TOWARDS INDIA

India enjoys strong relationships at bilateral level with many EU Member States, which in turn nourishes and sustains relations at EU level. The policies proposed in this Joint Communication aim to enhance these relationships within a clear common strategy. The Council is invited to support this approach.

A **joint approach** drawing upon both the work of the EU institutions and the diplomatic resources of the EU Member States should enhance the EU's ability to set top-level priorities and improve coordination, cohesiveness and effectiveness in promoting EU interests in relation to India, as well as complementarity.

The EU and its Member States should seek to implement the common priorities set out in the Strategy through **concrete action**. This should support the overall goal of enhancing understanding of the EU in India. For example, more streamlined and coordinated initiatives and mobilisation of resources at EU level would generate the critical mass needed to support India's modernisation agenda. The EU-India water partnership can be taken as a model for efficient collaboration serving mutual benefit.

The EU should be proactive in advancing the EU-India partnership and promote the strategic use of **resources** to this end. A more dynamic EU **public diplomacy** is needed with initiatives targeting decision makers, influencers, opinion shapers, civil society and academic circles. This will require joint approaches with EU Member States in defining common messages, identifying communication opportunities and delivering as one.

The **architecture** of the EU-India strategic partnership should be streamlined on the basis of mutual interests and a flexible and result-oriented approach. Coordination between EU and national level dialogues should be improved to contribute to the efficiency of the overall framework of dialogue with India. Regular EU-India Summits are important in maintaining the level of political commitment needed to implement the ambitious objectives presented in this Joint Communication. High level dialogues and exchanges are essential to provide strategic steer and oversee cooperation between Summits.

EU-India **Parliamentary relations** have intensified in recent years and the European Parliament has stated its intention to promote closer political ties, including through enhanced exchanges between the European Parliament Delegation for relations with India and the India-Europe Friendship Group from the Lok Sabha and Rajya Sabha.

Proposed actions:

- Streamline the governance of EU-India cooperation and adopt a **flexible and result oriented approach**.
- Increase **co-ordination, complementarities and synergies with EU Member States' bilateral initiatives**.
- Identify, together with EU Member States, the bilateral initiatives that would benefit from support at EU level; encourage **more frequent pooling of resources** to enhance the collective impact. **Promote a strategic use of the available funding instruments**.
- **Develop joint responses** at EU and bilateral level to address India's expectations towards the EU. Associate EU Member States more systematically in EU-India dialogues.
- Develop a clear EU-branding in India with **more targeted public and digital diplomacy initiatives**, including by systematically reaching out jointly with EU Member States at national and regional levels.
- Broaden and improve existing **programmes for Indian diplomats and policy experts** to get an inside view of the EU.
- Promote common understanding of underlying trends on global, regional and bilateral, as well as socio-economic issues, through regular **think-tank exchanges, track 1.5 and 2.0 dialogues**, including the EU Institute of Security Studies.

The EU-India relations are currently governed by the 1994 EU-India Cooperation Agreement. To be able to match the ambitions set out in this Joint Communication and tackle the global challenges of today, the EU and India should consider the negotiation of a broader **Strategic Partnership Agreement**.

The Council and the European Parliament are invited to support the actions presented in this Joint Communication.



**COUNCIL CONCLUSIONS  
ON THE EU STRATEGY ON INDIA**

(adopted 10 December 2018, Brussels)

1. The Council underlines the importance of the Strategic Partnership between the European Union and India, based on shared values of democracy, rule of law, respect for human rights, commitment to the rules-based global order and effective multilateralism, sustainable development and a common interest to further develop bilateral cooperation in every respect.
2. The Council endorses the Joint Communication “Elements for a European Union strategy on India” by the High Representative and the European Commission, which, together with these conclusions, provides the policy framework for the EU’s deeper and broader engagement with India over the coming years.
3. The Council sees the articulation and implementation of the new EU Strategy on India as a valuable opportunity for India and the EU to come closer together and enrich their bilateral cooperation for the mutual benefit of their citizens.
4. The Council welcomes the increasing role and responsibility of India on the global stage, through its ambitious foreign policy and fast growing economy. Through their Strategic Partnership, the EU and India aim at jointly promoting peace and security, and strengthening the rules-based global order.
5. The EU and India are strong defenders of multilateralism with the United Nations and the World Trade Organisation at its core. To promote effective multilateralism, the EU will seek to coordinate positions with India to address common challenges and global issues, particularly at the UN, G20, WTO and other multilateral fora. The EU is ready to pursue joint initiatives, bilaterally and at the UN, on all aspects of common interest, notably climate change, rule of law and democracy, the promotion and protection of human rights, including gender equality, women’s empowerment and children’s rights, as well as the fight against terrorism.
6. Increased cooperation contributes to both partners’ growth and prosperity, as well as to their joint commitment to implementing Agenda 2030 and the Addis Ababa Action Agenda. The EU is a key partner for India’s sustainable modernisation and integration in the global economy. The Council underlines the need to further develop this partnership and supports the proposals made in the Joint Communication in this respect.
7. The partnership between the EU and India should benefit from an improved business environment in India, enhanced and fair market access, alignment with international standards and practices, enforcement of intellectual property rights and investment protection. The EU remains firmly committed to working towards a comprehensive, ambitious and mutually beneficial agreement with India on trade and investment, including a solid rules-based component and ambitious provisions on trade and sustainable development. A new framework for investment protection in line with the EU approach would also attract more EU investments to India. In order to advance an ambitious common agenda on economic, trade, investment, and regulatory cooperation, a regular ministerial high level dialogue should be established.
8. The Council welcomes enhanced Indian investments in Europe as a source of economic dynamism. Cooperation should be fostered through regular business summits.
9. Research and innovation cooperation, including on regulatory issues, are crucial in jointly tackling global challenges, supporting India’s sustainable modernisation, opening business opportunities and increasing scientific excellence and competitiveness. Cooperation on culture, education and tourism will be further encouraged to deliver social and economic benefits.
10. The EU and India are key promoters of a digital economy aimed at improving daily life for citizens and businesses, enhancing inclusiveness and participation of all persons, in particular women, youth and persons from remote, rural areas. The Council encourages increased regulatory cooperation aimed at facilitating data flows while ensuring a high level of protection of personal data, as well as promotion and protection of human rights, which apply online as well as offline.

11. Recognising the vast potential for growth and prosperity in Asia, the Council supports increased cooperation with India to address the infrastructure needs in the region. The EU and India share a common vision of connectivity between Europe and Asia based on environmental, economic, social and fiscal sustainability, one which provides a level playing field for business, respects international standards and enhances sound governance. The EU will enhance engagement with India on sustainable, climate-resilient maritime and land transport, as well as quality infrastructure, including through the European Investment Bank, and will jointly promote connectivity activities under the Asia Europe Meeting (ASEM).
12. The EU and India share common challenges related to sustainable modernisation of their economies. The Council welcomes the joint activities to address these challenges in the context of the implementation of the Partnerships for Water, Urbanisation, Resource Efficiency and Circular Economy. The EU and India also share a common interest in ensuring a secure, sustainable, affordable and low emission energy supply for all. The Council invites the Commission to strengthen practical, results oriented cooperation in these areas. The Council reiterates the need for full compliance with international environmental and nuclear safety standards.
13. The Council welcomes India's contribution to tackling global challenges such as sustainable development, climate change, environment protection, as well as biodiversity, ocean governance, humanitarian and disaster relief, space safety and security and earth observation. Cooperation on climate change should seek the full and effective implementation of the Paris Agreement and the Montreal Protocol. Building on the existing EU-India Clean Energy and Climate Partnership, the establishment of a formal India-EU climate change dialogue, along with enhanced EU support to the International Solar Alliance and cooperation in the International Renewable Energy Agency, would contribute to this goal. A renewed partnership on development cooperation would facilitate delivery of the Sustainable Development Goals, including in third countries, and coordination in international fora.
14. The Council supports increased cooperation with India on common security interests, such as counter-terrorism, radicalisation, cyber security, hybrid threats, maritime security, and non-proliferation and disarmament. Cooperation on crisis management, including military-to-military relations, should be pursued in order to enhance mutual confidence, joint assessments and responses.
15. The Council invites the High Representative to enhance cooperation with India on key foreign policy issues through regular exchanges and coordination, particularly on Iran/JCPOA, Afghanistan, Asia, Africa, the Middle East, and the protection of the Chemical Weapons Convention. Dialogue and cooperation should also aim at supporting regional integration in Asia and the Indian Ocean – an area vital to global prosperity and security. The Council invites the EEAS to enhance its security dialogue with India and other partners in the region in line with the Council conclusions on security cooperation in and with Asia of 28 May 2018.
16. The Council encourages a stronger joint approach between European institutions and Member States with a view to improving coordination, cohesiveness and effectiveness of their respective actions in relation to India. The Council underlines the importance of modernising the institutional architecture of the 1994 EU-India cooperation agreement in line with new common aspirations and global challenges. Therefore it invites the Commission and the High Representative to reflect on the opportunity of a Strategic Partnership Agreement.
17. The Council invites the High Representative and the Commission to take forward work on the implementation of the priorities identified in the EU Strategy on India in close cooperation with Member States, and taking into account their competences. The implementation of the Strategy will be assessed by the Council every year.

