



## EU-INDIA FREE-TRADE AGREEMENT

### KEY MESSAGES

- 1** Conclude an ambitious and comprehensive EU-India Free-Trade Agreement.
- 2** Work with India as a key strategic partner on global issues such as energy/climate and the response to the global recession.

### BACKGROUND

India is a key emerging market for European companies given its size, stability and dynamic growth rates. Growth has averaged 7% a year since 1997. Europe's exports to India grew by 144% between 2001 and 2008 and India has moved from being Europe's 17th largest trading partner to its 9th in the same period.

Similarly EU investment stocks in India doubled from € 10 to € 20 billion between 2005 and 2007. The crisis had a damaging impact on export flows, which fell 22% in 2009. However, the Indian government predicts growth of 9% this year and there is a strong possibility of a recovery of these exports.

Political relations between the EU and India cover a wide range of economic topics, from macro-economic questions to climate change. Many of these are important for European business but the key priority are the negotiations of an EU-India Free-Trade Agreement given the breadth of issues it covers.

## WHAT DOES BUSINESSEUROPE AIM FOR?

### The Free-Trade Agreement should:

- Move forward based on material progress in key areas – goods, services and behind-the-border issues such as procurement and intellectual property rights.
- Not exclude any industrial goods from liberalisation.
- Promote labour mobility and investment.
- Address the long-standing obstacles to services market access in key sectors such as insurance, retail and of course legal services.
- Include procurement liberalisation, which will bring benefits to India's citizens through more efficient and cheaper services and infrastructure.
- Strong intellectual property rights protection, which is crucial both for Indian and European companies and the agreement.

### On climate change and protectionism:

- India needs to make considerable efforts in the context of any deal on climate change.
- The EU and India should work together in the G20 context to help put the world economy on a sustainable path to growth and avoid protectionism.