



Mr Karel De Gucht
European Commissioner for Trade
Rue de la Loi, 200
B-1049 Brussels

15 November 2011

Dear Commissioner,

Best Karel,

From the outset BUSINESSEUROPE has followed and supported the ongoing EU-India free trade negotiations which are of crucial importance for European companies due to India's size and economic growth. We expect an ambitious outcome which should eliminate barriers to trade and investments in order to deliver real new market access and business opportunities. This is in line with the Commission's aim to complete a competitiveness-driven FTA agenda. The result of an acceptable FTA with India should be a symmetric deal between both economies, following established technical rules and definitions in order to ensure smooth and efficient exchange for the economic operators. Priority areas must be full coverage tariff liberalisation without sectoral exclusions, opening up of procurement and services markets, elimination of investment restrictions and non-tariff barriers, and strong IPR protection.

We fully acknowledge the difficult nature of the negotiations, and welcome the efforts made by the Commission in order to achieve such an ambitious outcome. In the current situation, however, we are convinced that the offers on the table contain a level of asymmetry which is too high and too much in favour of India, giving too many exemptions to shield important economic sectors from trade liberalisation. This needs to be readjusted. In principle the notion of reciprocity and free trade should be respected. In addition we would like to encourage the Commission to further consolidate EU trade policy to minimise effects which hamper current and future negotiations, as in the case of the current GSP scheme and its impact on the current FTA negotiations. Moreover, before concluding negotiations the Commission should conduct an impact assessment on the economic effects of the provisions agreed in the agreement.

Conclusion of the current negotiations should bring about an ambitious agreement, responsive to European interest in the current economic and geopolitical circumstances. Notwithstanding this primary objective, the EU-India FTA should also be forward-looking and include the prospective economic evolution of the respective trade relationship. It should be of a dynamic character and integrate binding provisions to automatically adapt the agreement when the commercial fundamentals between the signatories significantly change. An automatic and clearly defined review clause based on economic criteria therefore needs to be part of any final agreement.

BUSINESSEUROPE counts on the EU to address these crucial points for European companies in the current negotiations.

Yours sincerely,

*Vriendelijke groet,
Philippe*

Philippe de Buck