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INDIA-EU BUSINESS ROUND TABLE “STRENGTHENING PARTNERSHIP BETWEEN INDIA AND EU”

**10 FEBRUARY 2012, NEW DELHI
LONG CHAMP HALL, TAJ MAHAL HOTEL, NEW DELHI**

**ADDRESS BY PHILIPPE DE BUCK,
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Dear Minister Sharma,
Dear Commissioner De Gucht,
Excellencies,
Dear fellow business leaders from the European Union and India,

I would like to start by thanking our friends from CII and FICCI for hosting our meeting today in these splendid premises. And I would also like to thank my friend Alessandro Barberis from Eurochambres for the ongoing support. Thanks to all our efforts we have had this very interesting and useful exchange.

After our open business-to-business discussion I am now very pleased that we have the opportunity to discuss the EU-Indian trade and investment relationship with our political leaders.

Personally I draw two major conclusions from the business-to-business exchange we have just had.

First – a very positive assessment on a strengthened partnership: both business communities want to reinforce our cooperation, further develop our business ties, increase trade and investment.

We have done so already in the past: in 2001 India was Europe’s 17th largest trading partner. Today, one decade later, it’s in the 8th position. Between 2006 and 2010 India’s trade with the EU increased by approximately one third. The stock of EU investments in India amounted to 34.4 billion Euros in 2010 – a doubling since 2008.

There are numerous examples of successful cooperation between European and Indian companies. And there are a lot of examples of both European companies succeeding on the Indian market as well as Indian companies succeeding in Europe.



However, even with this positive evolution, there is still a long way to go. Our bilateral relationship should reach the scale appropriate for two of the largest trading and innovating entities in the world. India's share of EU trade with the world is only at 2.2% for imports and 2.6% for exports.

And this leads me to my second conclusion – the areas where I see the need for real action. This relates to the existing barriers to trade and investment that need to be removed.

Many speakers referred to the ongoing negotiations for an EU-India Free Trade Agreement. I think we should use this as a real opportunity to set the course to increase business between our economies.

Let us be clear – in a globalised world modern trade negotiations are more than a simple addition of export gains. We are talking about growth, efficiencies and the competitiveness of global supply chains. It is in both sides interest to make this deal a success.

That's the theory, one could say now. To translate this into practice is much more complicated. I know the difficult jobs that trade negotiators have. These negotiations are far from cozy. But both India and the EU have engaged into these negotiations. They are convinced that it will benefit both their economies.

Our expectation is the successful conclusion of an ambitious competitiveness-driven Free Trade Agreement. It must liberalize substantially all the trade between both sides. Reciprocity in market opening should be at the center of the negotiations. It's a two-way street.

Which points were raised by my European business colleagues?

On tariffs: we can look at a timeframe for the implementation period. But the key request is the path to open markets. This means zero tariffs on both sides. It should also be the case for challenging sectors in the negotiations – car and car parts, as well as the wines and spirits sector. Our industries are prepared to seek compromises and we hope Indian industries are as well.

On investment: there are substantial problems at the procedural and implementation levels. Also complex Visa procedures make it very difficult to send employees to India on a temporary basis.

On services: trade between both sides amounts only for around €19 billion of transactions in 2010. There are a number of long-standing obstacles in key sectors. Explicitly named are banking, insurance, retail, accounting and auditing, maritime transport and legal services. I also underline that we need substantial liberalization of service providers in Europe and in India. Without this ability to send experts to one another's economy, there can be no business development.



On procurement: we have heard that the major concerns relate to a lack of transparency and burdensome bidding procedures. Other obstacles are different treatment between foreign and domestic bidders, and the absence of a formal bid challenge procedure.

Finally, I would like to raise the issue of **intellectual property rights**. We are aware of the difficult public discussion you are facing here in India, notably when it comes to medicines. European business does not oppose the flexibilities and exceptions for the supply of essential medicines that are in line with international agreements like the Doha Declaration. But strong intellectual property rights protection is key if we want to promote innovation in all sectors of our economies. It must be an important part of the agreement. What we want is that new products get their patents, and that those patents are enforced. This is also essential to promote cooperation across our industries.

These were my conclusions from our exchange of views. Now I look forward to hearing the speeches from Minister Sharma and Commissioner De Gucht. How is their assessment of the state and evolution of the EU-India trade and investment relationship?

I thank you for your attention.
