

28 June 2000

UNICE STATEMENT ON EU-INDIA SUMMIT, LISBON 28TH JUNE 2000

UNICE, as the official body representing the business confederations of 27 European countries and the designated voice of EU business, warmly welcomes the 28 June EU-India Summit in Lisbon and supports the various initiatives to enhance cooperation between the EU and India. The intensified High Level Economic Dialogue to discuss economic, trade, financial and WTO-related matters should bear cumulative fruit.

India's growing importance as a global economy is well recognised, with vast potential for the future. The existing figures for trade and investment flows show that the EU and India already have a mutually beneficial and significant economic partnership, though there is scope for huge expansion. As the designated voice of European business, UNICE looks forward to taking on its responsibility in the dialogue with India's Government and business community in order to ensure progress on subjects of importance to European business such as trade and investment liberalisation, development cooperation, and other business-related issues. European business is favourable to India's membership of the ASEM process, which contributes to the strengthening of the EU-Asia relationship.

UNICE notes what has already been achieved since 1991 in India's reform programme and strongly endorses the Indian Government's commitment to the "Second Generation Reforms". The special effectiveness of certain States of the Indian Union in carrying through reform is also noteworthy and should bring particular benefits to the economy and people of those parts of India in the form of faster inflows of Foreign Direct Investment and additional cooperation in science and technology.

The Indian Government's current efforts to reduce the excessively large national budget deficit are positively recognised by European business and will yield benefits, especially when supported at State level. The reduction of subsidies and the broadening of the tax base are key elements for decisive action. As well as ensuring macro-economic stability, cutting bureaucracy at national and State level will be likely to speed the pace of Foreign Direct Investment and increase India's integration in the world economy.

The Indian Government's success in opening new sectors to foreign investment, most recently life and general insurance, should allow many leading European companies to activate or form partnerships in India with capital and know-how, to the benefit of Indian consumers, savers, industrialists, employees and the economy as a whole.

The Government's Programme of Disinvestment also offers welcome opportunities for partnership, provided that commercial and financial conditions reflect market realities.

UNICE attaches the greatest importance to the effective working of the World Trade Organization and believes that its role is vital for the open and dynamic development of the world economy. Given India's crucial role in the WTO, UNICE very much hopes that the Indian government will be willing to give its full support to the launch of a comprehensive new round of negotiations as soon as possible. The Indian Government's moves to strengthen and enforce respect for Intellectual Property Rights should also enhance the environment for existing and new EU exporters and investors. As India's own science-based innovation goes from strength to strength, Indian companies and institutes will themselves gain from such protection.

There is also scope for closer cooperation in Science and Technology, including in the field of information technology where India is a world leader.

UNICE supports fully the development of cooperation between the EU and India in the field of education and training. The focus on EU assistance to the Indian authorities to improve the quality of primary education and raise literacy standards, especially among women, will naturally enhance the potential of India's workforce, as well as help reduce poverty and improve healthcare.

The Euro Partenariat event in New Delhi in April 1999 with the participation of over 300 European SMEs was the largest such event ever staged in a non-EU country. Smaller as well as larger companies from the EU and India should be able to develop increasingly active and widespread business relationships. Sizeable communities of Non-Resident Indians living in the EU are already helping to build bridges, reduce any cultural and language barriers, and promote grass-roots economic partnership.

Finally, UNICE supports the current proposals at the Summit to establish an EU-India Round Table and an EU-India Think Tank Network, whose terms of reference could include study of important economic, commercial, financial and environmental issues of mutual benefit.
