**CSD MEETING ON INDIA**

Notes

Date: 13/07/2022, 10:00-12:00

Location: WebEx

The purpose of the meeting was to provide EU civil society organisations with an update on the state of play of EU-India trade and investment relations, with particular emphasis on the resumption of bilateral negotiations.

Despite its important economic potential, India is currently only the EU’s 10th largest trading partner, accounting for a mere 2.1% of EU trade. Trade negotiations between the EU and India started in 2007 but were suspended in 2013 due to a gap in ambition between the two sides, notably in terms of market access for goods, services and government procurement, as well as on trade and sustainable development.

On 8 May 2021, the EU-India Leaders’ Meeting decided to resume negotiations for *“a balanced, ambitious, comprehensive and mutually beneficial”* trade agreement, and to launch separate negotiations on an investment protection agreement and an agreement on geographical indications. Trade negotiations were linked to finding *“solutions to long-standing market access issues”.*After intensive preparations on both sides, a first round of bilateral negotiations took take place from 27 June to 1 July in New Delhi on all three tracks.

**AGENDA**

* Introduction on overall EU-India trade and investment relations
* Information by the Commission on the state of play of negotiations for a trade agreement
* Information by the Commission on the state of play of negotiations for an investment protection agreement
* Information by the Commission on the state of play of negotiations for an agreement on geographical indications

Speakers

**DG TRADE – Christopher Kiener** (Head of Unit, South and South East Asia, Australia and New Zealand, DG Trade, European Commission)

* The skewed trade balance between the EU and India (with a surplus in India’s favour) is because of protectionist policies in the past, reflected also in Indian President Modi’s current policies.
* High tariffs, obstacles in procurement and other barriers make it challenging to export to India.
* Geopolitical developments have changed the circumstances for both India and EU, with growth of China and the war in Ukraine.
* First round in New Delhi 27 June – 1 Jul, with parallel session on trade, investment and GIs.
* Atmosphere on the trade part was positive, with 50 half day sessions covering the 18 EU text proposals that were submitted in March. Report on the first round of negotiations has been made available.
* On the Trade and Sustainable Development (TSD) chapter, the Commission (COM) decided in March to wait for the TSD review and the outcome of the review is the basis for the future TSD template in FTA.
* TSD chapter will be submitted ahead of second round.
* Sustainability review will take place after the summer, and COM insists that TSD is a must in the FTA.
* Outcome of the first round is mixed, as India has said it will table its own textual proposals which will be shared ahead of the second round, most of the sessions were interrogating the EU text proposals, and the second negotiating round will be interrogating the position.
* Some horizontal challenges relate to federal and sub-federal competences in India, and India was questioning the reciprocity of the FTA as they see themselves as a developing country.
* There is a gap between high-level signals and the position of the Indian negotiators in the negotiating groups, who are much more conservative and defensive.
* Political deadline in EU to complete agreement by end of 2023.
* Commission will organise the 2nd round from 3 – 7 October in Brussels, and 3rd round before the end of 2022 in India.
* EU wants both a comprehensive and ambitious agreement.
* India will not permit the EU to make its negotiating documents public.

**DG TRADE – Carlo Pettinato** (Head of Unit, Investment and Intellectual Property, DG Trade, European Commission)

* Investment protection: overall positive discussion, but still wide diversion between EU approach (investment courts) whereas India uses ISDR, but excludes

**DG AGRI – Catherine Combette** (Head of Unit, Asia and Australasia, DG Agri, European Commission)

* GIs: India has its own GIs systems since the 90’s, with over 400 GIs registered including some EU ones

**OPEN DISCUSSION WITH STAKEHOLDERS**

Euroseeds Claudius Marondedze

* On the Sanitary and Phytosanitary Measures, has COM started negotiations on this part and faced any hurdles so far?

DG AGRI Catherine Combette

* Sanitary and Phytosanitary Measures (SPS): The two sides worked on the basis of the EU proposed text for SPS. The session was devoted to explaining and clarifying the EU proposal. The Indian negotiator requested detailed clarification about the trade facilitation measures proposed in the chapter.

COPA-COGECA Federico Facchin

* Noted that honey (as well as rice and tobacco) are defensive interests for the EU, wants to know how the EU will protect these in the negotiations.

DG AGRI Catherine Combette

* No market access offers yet, so not able to say on what market access there will be on agricultural products; DG AGRI will need to consult industry again to define a position.
* India’s domestic subsidies are not part of the FTA negotiations, but are handled through the multilateral process dealing with this (WTO).

DG TRADE Christopher Kiener

* No market access discussions yet, but some discussions already had on trade flow statistics (sharing data), to enable a detailed product-by-product analysis.

Euroseeds Claudius Marondedze

* On the SPS, with reference to trade facilitation and specifically to Art X.7, 'Import conditions shall be applicable to the entire territory of the exporting Party, except in relation to Article X.11 (Adaptation to Regional Conditions)', will India recognise regionalisation and pest free from on Member States similar to what we note from the negotiation with Australia? This is important and has in the past caused problems on trade with other 3rd countries where bilateral agreements with EU exist.

DG AGRI Catherine Combette

* India has not provided its position yet.

DG TRADE Christopher Kiener

* India not familiar with regionalisation but the Indian negotiators said they would table their own position.

CIBE Agnese Litti

* Sugarcane farmers rights and labour reforms are an issue for India, with low labour standards of some sugar producing states including forced labour. Reference also to the EP resolution on the sugar subsidies, non-WTO compliance by India, and request for immediate suspension of the sugar quota.

DG TRADE Christopher Kiener

* Labour standards position note taken; EP report a positive development and the WTO incompatible subsidies should be removed.
* However, agriculture subsidies are not dealt with in context of trade agreements, but COM will look at the sensitivity of sugar production and deal with it in particular.
* EP report overwhelmingly in support and reflecting COM’s FTA approach by COM.

DG TRADE Daniel W. Bloemers

* TSD Review outcome will be integrated into the TSD chapters in the negotiations.
* Fact finding is also ongoing to look at gaps, challenges and opportunities are important, and so valuable for COM to have more information on input on elements such as labour in sugarcane, invites stakeholder to share the information they have, and also on possible implication roadmap.

DG TRADE Christopher Kiener

* EU cannot impose its transparency approach on third countries, if they do not want to share their chapters, not much COM can do to compel India to do this.

Confederation of Christian Trade Unions Renaat Hanssens

* India has not signed all the two ILO Conventions, will there be any pre-ratification requirements ? and also enforcement of the Paris Agreement.

DG TRADE Christopher Kiener

* What India has agreed to with NZ could be an indicator of what could happen, but cannot say what COM specifically will do as the TSD chapter is still being drafted and COM will be looking at the issues that are specific to India.

Send contributions to : Trade-civilsociety@ec.europa.eu