

# Territorial NEWSLETTER Europe

**EEPCINDIA**  
ENGINEERING THE FUTURE

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## Chairman's Pen



Diplomatic relations between India and Europe date back to the early 1960s. The two countries have signed a cooperation agreement in 1994 and their relationship has been upgraded to strategic partnership at the India-EU summit in Hague held in 2004.

EU has remained India's largest trading partner. Bilateral trade between EU and India was valued around USD 75.8 Billion during the FY 2014-15. EU is also one of the largest sources of FDI for India. The total FDI flows from EU to India stood at Euro 14.19 billion in 2011. India's investment in the EU region in 2011 stood at Euro 2 billion. UK is the leading investor in India followed by Germany, Italy, France and Sweden.

Keeping in view the strategic importance of both EU and India to each other, EU and India launched an FTA negotiation in 2007. The negotiations are ongoing and substantial progress has been made so far. With various multilateral agreements being negotiated around the world, this FTA remains very important for India to maintain its traditional export markets. In the first volume of the Europe newsletter, we keep our focus to EU and examine India's current position in terms of the FTA in the wake of the different multilateral agreements. The subsequent issues will have a separate chapter on India's relation with the non-EU countries in Europe.

I hope that this newsletter will be insightful for our readers and I hope they enjoy reading it.

Anupam Shah

## Western Europe Territorial Committee Chairman's Note



In this first edition of the 'Newsletter on Europe', we focus on the EU and present a note on India-EU FTA which I believe our readers will enjoy reading and will be benefitted. The newsletter has also gives an insight on the top engineering product panels that is imported by EU and compiles tender information and key news items on EU. The subsequent issues will have a separate chapter on India's relation with the non-EU countries in Europe.

We are hopeful that the newsletter will give fruitful information to our readers.

Aman Chadha

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## Basic Facts: EU

Area: 4, 324, 782 Sq. km

Population: 511, 434, 812

GDP: USD 18.15 trillion

**Climate:** cold temperate; potentially subarctic in the north to temperate; mild wet winters; hot dry summers in the south

**Natural resources:** Iron ore, natural gas, petroleum, coal, copper, lead, zinc, bauxite, uranium, potash, salt, hydropower, timber

## Indian Government Reviews FTA Strategy at the Wake of TPP and TTIP

In the wake of multilateral agreements such as Trans Pacific partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP), the government of India is in the process of reviewing its free trade agreements (FTAs). As per reports, the present government is keen to move towards a more liberal regime on routing of third-country goods while negotiating its FTAs, especially in case of RECP.

FTAs have become crucial for India as its biggest export destinations such as Europe and US are showing no signs of movement in WTO. Moreover, both EU and US are negotiating multilateral deals. For example, EU is negotiating TTIP with US and an FTA with ASEAN and MERCOSUR. US on its part is negotiating TPP with selected South American nations and Asian countries. Experts are of the opinion that such multilateral agreements will impose higher non-tariff barriers in the forms of stricter Sanitary and Phyto-sanitary measures (SPS) and Technical barriers to Trade (TBT). Such measures may have distorting impact on India's exports to EU and US.

In order to counter this problem, India needs to successfully negotiate its FTA with EU, Australia and RECP. RCEP becomes important since atleast six RECP members are also part of the TPP.

Rules of Origin (ROO) are the key determinant of India's negotiations with Australia and RECP. Till now, India has insisted on a system which ensures at least 30-35% of the value addition takes place in the country with which it has signed the deal. However, the government's stance to review all its existing and negotiating FTAs comes at a time when experts are giving importance to an easier ROO for a successful negotiation in RCEP and India is also under pressure from its RCEP partners to change the rules in favour of lower value addition.

India is planning to successfully negotiate trade agreements including RCEP and the one with Australia in the East, EU and Peru on the West. RCEP is also important since it will be one of the largest trade blocs one successfully negotiated. Hence it needs to be seen how India can move forward in these negotiations and protect itself from adverse impacts of TPP and TTIP.

## EU-India – Information Guide

India enjoys trade preferences with EU under generalized scheme of preference

EU has a website - EU Export helpdesk which provide crucial information on export opportunities provided to the exporters. The website has detailed information on definite product codes which include

- ❖ Specific requirements for exporting to EU including public health, labeling, etc.
- ❖ Internal taxes (VAT and Excise duties) applicable in the EU countries
- ❖ Relevant laws, national authorities and border inspection posts

The link for the website is given below:

[http://www.exporthelp.europa.eu/thdapp/display.htm;jsessionid=2AB732F02EE24ACB09D625E3F11BD3E6?page=au%2fau\\_AboutUs.html&docType=main&languageId=en](http://www.exporthelp.europa.eu/thdapp/display.htm;jsessionid=2AB732F02EE24ACB09D625E3F11BD3E6?page=au%2fau_AboutUs.html&docType=main&languageId=en)

The European Investment Bank also supports a large number of projects in India in assisting the SMEs and Mid-caps in various fields. Till June 2015, the bank has granted a loan to the tune of Euro 1.1 billion. To have more information on the various projects supported by the bank please go to the below link

<http://www.eib.org/projects/loans/regions/ala/in.htm>

The Europe India Chamber of Commerce would hold their Trade and Investment Partnership Summit on 30th September 2015 in the European Parliament. The summit will be organized with the help of Eurochambers. For more information see the link <http://www.eicc.be/Events/UpComingEvents.html>

## Smart City Expo India 2015: EU Participation

The EU hosted a pavilion in the Smart City Expo India 2015 held between 20th and 22nd May. The Pavilion saw participation of more than 50 solution providers from EU member states. The pavilion showcased innovative technologies and solutions for

- ❖ Infrastructure services
- ❖ Water supply
- ❖ Sanitation
- ❖ Solid Waste Management
- ❖ Efficient Urban Mobility
- ❖ Power Supply
- ❖ E-Governance

The EU is keen to join India's Smart Cities Mission and the event showcased European technologies and solutions with stakeholders who are currently in the process of developing smart cities. The event attracted European companies from UK, France, Sweden, Germany, Belgium, Poland, Slovenia, Finland, Netherlands and Hungary.

## Trade Trend Analysis in the EU

The top 5 EU nations which had the highest demand for Indian engineering products during May 2015 in absolute values include:

Country	Export in May 2014 (USD million)	Export in May 2015 (USD million)	Growth (%)
United Kingdom	229.13	212.17	-7.40
Germany	185.37	209.24	12.87
Czech Republic	11.64	140.01	1102.56
Italy	151.21	117.02	-22.61
Turkey	107.07	105.54	-1.42

India's engineering exports to Czech Republic has garnered the maximum increase in May 2015 over May 2014.

### Some Trends in engineering exports to EU between April-May 2015

Between May 2014 and May 2015, engineering exports to EU grew at the rate of 7.14%, from USD 1003.99 million to USD 1075.68 million. Between the same period EU's share in total Indian exports remained at 17%

On the basis of the export data of May 2015, the EU countries which feature in the top 25 export destinations for India include UK, Germany, Czech Republic, Italy, Turkey, France, Spain and Belgium although, UK, Italy, Turkey and France faced a fall in exports from India between May 2014 and May 2015.

Germany which is one of the top European export destinations for the Indian engineering exports and which had been conceding negative growth in March 2015 and also in the month of April 2015 has experienced a positive growth rate in the May 2015 of 12.87 per cent.

Top 10 panels exported to EU in May 2015 include

Name of the Panel	Export in May 2015 (USD million)	Export in May 2014 (USD million)	Growth (%)
Aircrafts and parts	216.59	50.840	326.0
Products of iron and steel	133.58	168.05	-20.5
Iron and steel	123.86	146.89	-15.7
Electric machinery	103.35	93.36	10.7
Motor vehicles/cars	86.48	105.22	-17.8
Auto components/parts	76.34	90.10	-15.3
IC engines and parts	60.61	58.09	4.3
Industrial machinery	53.12	49.25	7.9
Medical and Scientific instruments	23.71	28.78	-17.6
Aluminium and its products	21.69	20.44	6.1

### Commission modernizes EU customs procedures

The European Commission has adopted today a legal act to create a simpler, more modern and integrated EU customs system to support cross-border trade and provide for more EU-wide cooperation in customs matters. It builds on the Union Customs Code adopted in 2013, which sets out detailed rules for twenty-first century customs processes.

Link: [http://europa.eu/rapid/press-release\\_IP-15-5445\\_en.htm](http://europa.eu/rapid/press-release_IP-15-5445_en.htm)

### EU FTA talks likely to resume on PM Narendra Modi push

The PM is keen to get the latest technology and expertise from EU to ensure that his 'Make in India' and 'Digital India' initiatives are successful.

Link: <http://indianexpress.com/article/business/business-others/eu-fta-talks-likely-to-resume-on-pm-narendra-modi-push/>

### SIAM says India-EU FTA against 'Make in India'

The proposed India-European Union (EU) trade liberalisation pact will not benefit domestic automobile firms and runs counter to the 'Make in India' campaign, the Society of Indian Automobile (SIAM) has said. India should keep the labour-intensive sector out of the purview of the free trade agreements (FTAs) particularly the proposed pact with the 28-nation EU bloc, SIAM's white paper states.

Link: <http://businesstoday.intoday.in/story/siam-says-fta-between-govt-eu-against-make-in-india-auto-sector/1/218093.html>

### The consequences of TTIP on the European and Global scenario

Geopolitical balances are in constant evolution. The emergence of China has pushed the US to reinforce the European side with TTIP: we have been hearing this word for two years and, as time goes on, negotiations get collected, and the attention increases, we are getting more familiar with it.

Link: <http://www.thenewfederalist.eu/gbonato-cgialdini-20150801>

### Parliament postpones EU-U.S. trade vote

*TTIP suffers political setback after MEPs table over 200 amendments*

The European Parliament has postponed a vote to endorse the EU's negotiating position on a free trade deal with the United States after divisions within the second-biggest bloc in the assembly laid bare the depth of disquiet in Europe about controversial investor protection clauses.

Link: <http://www.politico.eu/article/breaking-european-parliament-to-postpone-vote-on-ttip/>

## Tender Information in EU

### Prior information Notices

TED Reference	Title	Link
2015-263196	Luxembourg-Luxembourg: AO 10633 Provision of lorry, van or minivan with driver	<a href="https://etendering.ted.europa.eu/cft/cft-display.html?cftId=861">https://etendering.ted.europa.eu/cft/cft-display.html?cftId=861</a>
266792-2015	France-Marseille: Engineering works and construction works	<a href="http://ted.europa.eu/udl?uri=TED:NOTICE:266792-2015:TEXT:EN:HTML&amp;src=0">http://ted.europa.eu/udl?uri=TED:NOTICE:266792-2015:TEXT:EN:HTML&amp;src=0</a>
266902-2015	Spain-Malaga: Electricity	<a href="http://ted.europa.eu/udl?uri=TED:NOTICE:266902-2015:TEXT:EN:HTML&amp;src=0">http://ted.europa.eu/udl?uri=TED:NOTICE:266902-2015:TEXT:EN:HTML&amp;src=0</a>
266901-2015	France-Paris La Défense: Voltage transformers	<a href="http://ted.europa.eu/udl?uri=TED:NOTICE:266901-2015:TEXT:EN:HTML&amp;src=0">http://ted.europa.eu/udl?uri=TED:NOTICE:266901-2015:TEXT:EN:HTML&amp;src=0</a>
266994-2015	Spain-Malaga: Public transport services by railways	<a href="http://ted.europa.eu/udl?uri=TED:NOTICE:266994-2015:TEXT:EN:HTML&amp;src=0">http://ted.europa.eu/udl?uri=TED:NOTICE:266994-2015:TEXT:EN:HTML&amp;src=0</a>
265477-2015	Czech Republic-Zlín: Medical equipments	<a href="http://ted.europa.eu/udl?uri=TED:NOTICE:265477-2015:TEXT:EN:HTML&amp;src=0">http://ted.europa.eu/udl?uri=TED:NOTICE:265477-2015:TEXT:EN:HTML&amp;src=0</a>
265471-2015	Czech Republic-Hradec Králové: Audiometers	<a href="http://ted.europa.eu/udl?uri=TED:NOTICE:265471-2015:TEXT:EN:HTML&amp;src=0">http://ted.europa.eu/udl?uri=TED:NOTICE:265471-2015:TEXT:EN:HTML&amp;src=0</a>
265470-2015	Czech Republic-Prague: Catheter accessories	<a href="http://ted.europa.eu/udl?uri=TED:NOTICE:265470-2015:TEXT:EN:HTML&amp;src=0">http://ted.europa.eu/udl?uri=TED:NOTICE:265470-2015:TEXT:EN:HTML&amp;src=0</a>
265476-2015	Slovakia-Nitra: Laboratory, optical and precision equipments (excl. glasses)	<a href="http://ted.europa.eu/udl?uri=TED:NOTICE:265476-2015:TEXT:EN:HTML&amp;src=0">http://ted.europa.eu/udl?uri=TED:NOTICE:265476-2015:TEXT:EN:HTML&amp;src=0</a>
265480-2015	Czech Republic-Hradec Králové: Motor vehicles for the transport of fewer than 10 persons	<a href="http://ted.europa.eu/udl?uri=TED:NOTICE:265480-2015:TEXT:EN:HTML&amp;src=0">http://ted.europa.eu/udl?uri=TED:NOTICE:265480-2015:TEXT:EN:HTML&amp;src=0</a>
265469-2015	Czech Republic-Prague: Road-maintenance equipment	<a href="http://ted.europa.eu/udl?uri=TED:NOTICE:265469-2015:TEXT:EN:HTML&amp;src=0">http://ted.europa.eu/udl?uri=TED:NOTICE:265469-2015:TEXT:EN:HTML&amp;src=0</a>
265482-2015	Czech Republic-Hradec Králové: Vans	<a href="http://ted.europa.eu/udl?uri=TED:NOTICE:265482-2015:TEXT:EN:HTML&amp;src=0">http://ted.europa.eu/udl?uri=TED:NOTICE:265482-2015:TEXT:EN:HTML&amp;src=0</a>
265481-2015	Czech Republic-Hradec Králové: Pick-ups	<a href="http://ted.europa.eu/udl?uri=TED:NOTICE:265469-2015:TEXT:EN:HTML&amp;src=0">http://ted.europa.eu/udl?uri=TED:NOTICE:265469-2015:TEXT:EN:HTML&amp;src=0</a>
265484-2015	United Kingdom-Belfast: Detection and analysis apparatus	<a href="http://ted.europa.eu/udl?uri=TED:NOTICE:265484-2015:TEXT:EN:HTML&amp;src=0">http://ted.europa.eu/udl?uri=TED:NOTICE:265484-2015:TEXT:EN:HTML&amp;src=0</a>
265474-2015	Czech Republic-Brno: Optical microscopes	<a href="http://ted.europa.eu/udl?uri=TED:NOTICE:265474-2015:TEXT:EN:HTML&amp;src=0">http://ted.europa.eu/udl?uri=TED:NOTICE:265474-2015:TEXT:EN:HTML&amp;src=0</a>

For more contract notices, Please register with EU Tenders Electronics Daily and follow the link: <http://ted.europa.eu/TED/search/searchResult.do>

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