



EU-India: Free Trade Agreement to be signed by the end of 2010 say MEPs

Disappointed with the slow pace of negotiations, MEPs would like to see a Free Trade Agreement signed with India by the end of 2010, in a report adopted in Strasbourg by the European Parliament. The EU and India launched negotiations for an FTA in 2007. The report was adopted with 326 votes in favour, 226 against and 3 abstentions.

The report drafted by Sajjad **KARIM** (EPP-ED, UK) calls for a conclusion of an FTA between the EU and India which would improve market access for goods and services, covering substantially all trade except for public procurement which India is not willing to include in the FTA. Bilateral trade is expected to exceed €70.7 billion by 2010 and €160.6 billion by 2015.

MEPs point to the potential for an increase in EU-India trade and investment and business opportunities arising from the FTA but recommends that an evaluation be carried out of the existing sector-specificities. India's average applied tariff which is now 14.5% compared to an EU average of 4.1%.

The agreement should also ensure that increasing bilateral trade brings benefits to the widest number of people, including Dalits and Adivasis, and contributes to India's achievement of the Millennium Development Goals, including preventing environmental degradation.

The report welcomes the outcome of the 9th EU-India Summit and the revised Joint Action Plan; notably the signing of the horizontal civil aviation agreement, and the approval of a joint working programme on energy, clean development and climate change.

India is concerned about the lack of harmonisation of micro-biological standards in the EU, implications of REACH, costly certificates for exporting fruit to the EU and costly conformity procedures for the EC mark, says the report.

Service liberalisation must in no way hinder the right to regulate services, including public services. Services are the fastest growing sector of the Indian economy. Bilateral trade in services is expected to exceed € 246.8 billion by 2015 by the time the FTA in Services is implemented, according to the Federation of Indian Chambers of Commerce and Industry.

Access to medicines

MEPs call on the European Union and India to ensure that commitments under the FTA do not preclude access to essential medicines whilst India is developing its capacity from a generic to a research based industry.

MEPs welcome India's commitment to a strong IPR regime and to the use of TRIPS flexibilities to meet its public health obligations, particularly in relation to access to medicines. India is one of the major sources of counterfeit medicines seized by the customs services of the Member States (accounting for 30% of the total).

Press release

The full ambition of the FTA cannot be achieved without commitments in Mode 4, according to European Parliament. MEPs stress that there are benefits from nationwide and EU-wide accreditation of professional qualifications and agreements on mutual recognition and licensing requirements within professional services in both the EU and India.

Parliament also requests from India a more open approach in granting visas to citizens and business professionals and politicians from the European Union with multiple entries and minimum one year duration.

MEPs ask the Commission to address the issue of child labour during the negotiations on the FTA. India is also asked to ratify and implement the basic conventions of the International Labour Organisation (ILO). The issue of bonded labour should also be addressed.

A provision in the FTA should ensure that EU companies making use of Special Economic Zones cannot be exempted from respecting fundamental labour rights.

MEPs call on India to sign the Non- Proliferation Treaty (NPT).

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