

The European Union's economic and trade relations with India

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The committee adopted the own-initiative report by Sajjad KARIM (ALDE, UK) on the EU's economic and trade relations with India. The report called on the EU to support India's international trade potential as well as efforts to attract foreign direct investment (FDI) in particular by stepping up trade-related aid to address infrastructure and administrative bottlenecks.

The committee welcomed both India's and the EU's commitment to a successful and ambitious outcome of the Doha Development Agenda (DDA) and called on India to use its position as leader of the G20 to reach, by the end of 2006, a balanced agreement favourable to development between the developed countries, the emerging economies and the developing countries. It called on the EU to offer to enter into a free trade agreement with India, along the lines of its agreement with Chile, which provides for duty-free entry for the exports of both parties on a reciprocal basis, and called on the High Level Trade Group to explore mutual opportunities in this regard.

The committee also called on the EU and India to lead the way in finding "an expeditious and permanent solution" on TRIPS and public health to facilitate access to essential medicines, within the Doha Development Round. It welcomed the steps taken by the Indian government regarding intellectual property rules for medicines, and encouraged the Indian government to implement the law faster especially as regards exports of generic medicines.

MEPs welcomed the fact that the EU and India had committed themselves to strengthening dialogue and engagement, including on human rights, as strategic partners at the 6th India-EU Summit in September 2005, as reflected in the Joint Action Plan. They called for an ongoing dialogue to be maintained in the field of human rights within the strategic partnership, and congratulated India's National Human Rights Commission on its independent and rigorous work on these matters. The report also stressed that meeting the Millennium Development Goals (MDGs) and combating poverty should remain a central element of the EU-India Strategic Partnership, and it called for specific measures to be taken to ensure that minorities such as Dalits and Adivasis and other marginalised communities, tribes and castes can close the wide gap with the rest of the population regarding the attainment of the MDGs.

As regard's India's economic and social situation, the committee noted that "international trade can be a powerful driver of economic growth and poverty reduction, but it is not a magic bullet, and trade reforms are complementary to development policies". It added that "India needs to focus critically on building a business environment that deepens integration with the world economy in a widening range of manufactures and services". The report acknowledged the "important successes" of the Indian government in the eradication of poverty, but said that despite sustained economic growth, vast inequalities still persist, with about 30% of the Indian population still living below the poverty line. MEPs were particularly concerned about the situation of underprivileged sections of the population, in particular women, children, the disadvantaged and the rural population, and called on the Commission and the Council to work together with the Indian government to improve the situation of those groups. And despite efforts to tackle the issue of caste discrimination, MEPs believed that much more has to be done.

Other points discussed in the wide-ranging report included the need for measures to ensure the socio-economic development of minorities, who have largely been excluded from the new economy in India and are discriminated against in development programmes and disaster recovery, and the problems posed by the growing incidence of HIV/AIDS in India. Lastly, the committee called for a parliamentary summit to be held annually to coincide with or immediately precede the annual EU-India summit (which usually takes place without the official participation of the European Parliament), in order to "develop the links between parliamentary bodies, improve understanding of our differences and bring the democratic systems of both sides closer together".