**Follow-up to the European Parliament non-legislative resolution on
EU-India future trade and investment cooperation**

1. **Rapporteur:** Geert Bourgeois (ECR / BE)
2. **Reference number:** 2021/2177 (INI) / [A9-0193/2022](https://www.europarl.europa.eu/doceo/document/A-9-2022-0193_EN.html) / P9\_TA(2022)0277
3. **Date of adoption of the resolution:** 5 July 2022
4. **Competent Parliamentary Committee:** Committee on International Trade
5. **Brief analysis/ assessment of the resolution and requests made in it:**

The resolution on EU-India future trade and investment cooperation expresses the views of the European Parliament regarding EU-India trade and investment relations, particularly in view of the resumption of bilateral trade negotiations and the launch of separate negotiations on investment protection and on geographical indications (GIs).

The resolution recognises the importance of India as a Strategic Partner and supports the improvement and deepening of EU-India bilateral relation based on shared values. It supports the conclusion of an ambitious, values-based, balanced, comprehensive and mutually beneficial trade agreement, underlining the economic and strategic importance thereof, as well as of a stand-alone investment protection agreement and a separate agreement on GIs. The resolution also supports finding solutions to long-standing market access issues in order to maintain the momentum to restart the trade negotiations. Additionally, the resolution welcomes the decision to establish an EU-India Trade and Technology Council (TTC).

The resolution considers that the existing negotiating mandate of 2007 is comprehensive and broad enough to restart the trade negotiations, and that it should be interpreted in line with modern standards. This notably implies that the trade agreement should include dedicated chapters on digital trade, raw materials and small and medium sized enterprises (SMEs). It should also have an ambitious and enforceable Trade and Sustainable Development (TSD) Chapter that takes into account the outcome of TSD Review, is aligned with the Paris Agreement, and includes provisions on sustainable food systems and gender. This should come in addition to chapters on market access for goods, services and government procurement, sanitary and phytosanitary (SPS) issues, technical barriers to trade (TBT) and intellectual property rights (IPR).

The resolution goes on to identifying in detail the European Parliament’s priorities for the various chapters of the trade agreement and for the institutional set-up, as well as for the investment protection and GI negotiations. In addition, the resolution pinpoints a number of related bilateral issues on which the European Parliament would like to see progress.

1. **Response to requests and overview of actions taken, or intended to be taken, by the Commission:**

The European Commission welcomes the European Parliament’s resolution on EU-India future trade and investment cooperation. The Commission is grateful for the resolution’s strong support for the three tracks of EU-Indian bilateral negotiations on trade, investment protection and GIs. It also welcomes the largely convergent approach to these negotiations between the Commission and the Parliament. The report will be an important point of reference for the Commission and will provide useful guidance in the course of the bilateral negotiations with India. As to the specific demands in the resolution in relation to the Commission’s work, the Commission would like to make the following remarks:

**Paragraph 1:** The Commission shares the view that all efforts should be made to improve the relationship between the EU and India, to deepen the Strategic Partnership based on shared values, and to promote a rules-based global order and effective multilateralism. The Commission considers that the relaunch of trade negotiations and the launch of separate investment protection and GI negotiations constitute a key dimension of this endeavour.

**Paragraph 2:** The Commission welcomes the resolution’s support for the EU-India Trade and Technology Council (TTC). It is working with India to agree on terms of reference for the TTC to make it a valuable contributor to the above-mentioned efforts to deepen the EU-Indian relations by providing political steer on strategic issues at the nexus of trade, trusted technology and security.

**Paragraph 5:** As a follow-up to the EU-India Leaders’ Meeting of 8 May 2021, European Commission Executive Vice-President Dombrovskis and Indian Commerce Minister Goyal officially relaunched trade negotiations and launched investment protection and GI negotiations on 17 June 2022 in Brussels. This was followed by a first round of EU-India bilateral negotiations covering all three tracks, which took place from 27 June to
1 July 2022 in New Delhi. A second round of negotiations is scheduled to take place on
3-7 October 2022 in Brussels.

**Paragraph 7:** In the context of the trade negotiations, the Commission will seek reciprocal market access for goods, including agricultural goods. Indian agri-food imports will continue to have to comply with the EU’s health and safety standards, similarly to agri-food imports from any other non-EU country, whether or not in the context of a trade agreement. The Commission will continue providing support to India in order to help it meet EU SPS standards, including reducing the use of pesticides, though these efforts are not related to either the current trade negotiations nor any future trade agreement between the EU and India; it is up to India to develop good agricultural practices with its farmers and to work on alternative solutions. The EU will also continue to seek cooperating with India on addressing food insecurity resulting from Russia’s aggression against Ukraine.

**Paragraph 10:** The Commission welcomes the resolution’s assessment that the existing negotiating mandate is broad enough and shares the European Parliament’s view that it should be interpreted in line with the Commission’s most recent approach to trade agreements. This is reflected in the 20 EU proposed texts already shared with India, which are state of the art. This approach will be further illustrated by the TSD Chapter, which is currently being prepared by the Commission.

**Paragraph 11:** As mentioned above, the TSD Chapter that is currently being drafted by the Commission will reflect the outcome of the TSD Review. The EU’s proposed TSD Chapter will include commitments based on the fundamental International Labour Organisation (ILO) principles and conventions and on multilateral environmental agreements, including the Paris Agreement, the United Nations Framework Convention on Climate Change (UNFCCC) and the United Nations Convention on Biological Diversity (CBD). It will be based on the outcome of the TSD Review, and more generally will be fully aligned with relevant EU policies. The Commission intends to table its text proposal on TSD as well as a revised dispute settlement chapter ahead of the second round of bilateral negotiations.

**Paragraph 12:** The Commission welcomes the resolution’s support to finding solutions to long-standing market access issues, a process which the Commission has agreed with India to take forward in parallel to the trade negotiations.

**Paragraph 13:** The Commission welcomes the very detailed input provided by the resolution, chapter by chapter. The European Parliament’s priorities are already largely reflected in the EU’s text proposals, notably in relation to trade in goods, SPS, TBT, government procurement, subsidies, state-owned enterprises, SMEs, TSD, digital trade, services and investment, and cooperation in supporting the shift to a circular economy. On this basis, the Commission’s aim is to negotiate a *“balanced, ambitious, comprehensive and mutually beneficial”* trade agreement, as mandated by the EU India Leaders’ Meeting held on 8 May 2021. The Commission will notably seek ambitious commitments going beyond the parties’ existing World Trade Organisation (WTO) obligations.

**Paragraph 14:** The Commission welcomes the emphasis placed by the resolution on the necessity to improve the business environment for SMEs, including through the further development of digital tools, to which it is fully committed.

**Paragraph 15:** In the context of its proposed Digital Trade Chapter, the Commission will seek, inter alia, to promote bilateral data flows at all levels, in full respect of the EU legal framework, including in particular the EU’s General Data Protection Regulation (GDPR), the Data Governance Act and the approach laid down in the proposal for a Data Act and recognising that the protection of personal data and privacy is a fundamental right.

**Paragraph 16:** The Commission will pursue its efforts to step up collaboration with India on WTO files, building on the successful outcome of the 12th Ministerial Conference (MC12). Key areas of work between now and MC13 will be: i) the agreement on the second tranche of provisions on fisheries subsidies; ii) WTO reform; iii) agriculture; iv) the
e-commerce moratorium and work programme; and v) the possible extension of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) provisions agreed on Covid vaccines also to therapeutic and diagnostics. Engagement will in particular take place through the EU-India Senior Officials’ Working Group on WTO Issues, which was established as a follow-up to the EU-India Leaders’ Meeting of 8 May 2021.

**Paragraphs 18 and 19:** The Commission welcomes the resolution’s support for the negotiation of a stand-alone investment protection agreement as well as the European Parliament’s priorities in this respect, which are largely reflected in the EU’s text proposal.

**Paragraph 20:** The Commission welcomes the resolution’s support for the negotiation of a separate agreement on geographical indications (GIs). The GI list will be established on the basis of consultations with Member States in the Trade Policy Committee.

**Paragraph 21:** The Commission takes note of the resolution’s position on the right to food and access to food.

**Paragraph 23:** The Commission welcomes the resolution’s support to the progressive ban of all antibiotics and veterinary drugs that do not conform to the Codex Alimentarius food standards, which is largely reflected in the EU’s textual proposals.

**Paragraph 24:** The Commission confirms that the EU seeks to improve mutual cooperation with India on all areas covered by the 1994 Cooperation Agreement. Furthermore, the trade agreement under negotiation should contribute to improving respect, notably by India, of international standards, including in relation to social, environmental, health, safety and quality matters.

**Paragraph 25:** A sustainability impact assessment (SIA) of the EU-India trade negotiations was finalised in May 2009. However, the economic context has evolved significantly and the SIA may no longer provide an up-to-date assessment of the possible impact of the future trade agreement. Furthermore, the Commission's practice on SIAs have considerably evolved, notably with the incorporation of human rights. A new SIA, covering also the impact on human rights, will therefore be carried out by the Commission in parallel with the trade and investment negotiations. Preparations for the launch of the SIA are under way.

**Paragraph 26:** As other trade agreements negotiated by the Commission, the EU-India trade agreement will have to be fully compliant with EU legislation, including with respect to the import of non-authorised genetically modified organisms (GMOs) in foodstuffs, feed and seeds, EU maximum residue limits (MRLs) of pesticides, EU veterinary medicine drugs, the importation of agricultural products and foodstuffs produced using hormonal preparations banned in the EU, and the ban on the use of antimicrobial medicinal products for the purpose of promoting growth or to increase yield, or any medicinal product that contains an antimicrobial that is included in the list of antimicrobials reserved for treatment of certain infections in humans (Commission Implementing Regulation (EU) 2022/1255).

**Paragraph 27:** Regarding Indian sugar subsidies, the Commission would like to emphasise that domestic support in agriculture is not part of the bilateral negotiations.

**Paragraph 28:** While the EU-India Leaders’ Meeting held on 8 May 2021 decided to establish two new working groups on resilient value chains and on regulatory cooperation, these two groups have not yet been established. Developments in this respect will have to take into consideration the relaunch of bilateral negotiations as well as the decision to establish an EU-India TTC. As for the High-Level Dialogue on Trade and Investment, no date has yet been fixed by the EU and Indian for its next meeting. The Commission will keep the European Parliament informed of any meaningful development in this respect.

**Paragraph 29:** The Commission takes note of the resolution’s call for the establishment of consultations platforms between the EU and India to facilitate dialogue with representatives of wide range of stakeholders, including social partners and civil society organisations.

**Paragraph 30:** The Commission has not yet tabled a draft Chapter on institutional provisions for the trade agreement. The provisions of this Chapter will be finalised and tabled only once there is enough clarity from the various chapters under negotiations of the trade agreement’s actual institutional set-up. That said, the EU’s proposal for the trade agreement’s institutional provisions will follow the model of the most recently negotiated trade agreements. This will include appropriate structures for the involvement of civil society, in all its components, from both sides.