



# **DAILY EDITORIAL ANALYSIS**

**TOPIC**

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**EU-INDIA PARTNERSHIP SET  
FOR STRATEGIC UPGRADE**

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## EU-INDIA PARTNERSHIP SET FOR STRATEGIC UPGRADE

### Context

- Recently, the **European Union (EU)** released 'A New Strategic EU-India Agenda' in Brussels, outlining plans to upgrade ties with India across trade, technology, defence, security, and climate cooperation, and calling India a '**crucial partner**' in shaping a defining partnership of the 21st century.

### European Union (EU)

- It was formally established by the **Maastricht Treaty (1993)**, and it traces its roots to **post-WWII efforts** to foster unity and prevent future conflicts.
- Member States:** 27 Countries like Germany, France, Italy, and the Netherlands.
- Currency:** Euro (€), used by 20 of the member states, forming the **Eurozone**.
- Schengen Area:** Allows **passport-free travel** across **most EU countries**.

### India-European Union Relations



- Historical Background:** India's diplomatic engagement with the EU dates back to the **early 1960s**, when it became **one of the first countries** to establish relations with the **European Economic Community in 1962**.
  - It marked the beginning of a multifaceted partnership grounded in shared democratic values, rule of law, and multilateralism.

### India-EU Relation: Present Dynamics

- India and the EU maintain a robust and expanding strategic partnership, guided by the **India-EU Strategic Partnership: A Roadmap to 2025**, adopted during the 2020 summit. It outlines cooperation **across 31 dialogue mechanisms**, including:
  - Trade & Investment:** The EU is India's second-largest trading partner that has **grown over 90% in the past decade**.
    - In FY 2023-24, **Bilateral trade in Goods** with the EU stood at US\$135 billion (**Exports:** US\$ 76Bn; **Imports:** US\$ 59Bn).
    - Bilateral Trade in Services** stood at US \$53Bn (**Exports:** US\$ 30Bn; **Imports:** US\$ 23Bn).

- ♦ **Security & Defence:** Joint naval exercises in the **Gulf of Guinea (2023)**, **Gulf of Aden (2021)**, and cooperation under **Operation Atalanta** highlight growing maritime collaboration.
- ♦ **Climate & Sustainability: India – EU Clean Energy and Climate Partnership (CECP)** established in 2016 focuses on clean energy and climate-friendly technologies.
  - Green Hydrogen, offshore wind energy, development of gas infrastructure in India, and reduction of methane emission are emerging areas of cooperation.
  - EU is a partner organisation to the **International Solar Alliance (ISA)** since 2018 and joined the **Coalition for Disaster Resilient Infrastructure (CDRI)**.
- ♦ **Digital & Technology:** The establishment of the **India–EU Trade and Technology Council in 2022** marked a new era of cooperation in digital governance, AI, and cybersecurity.
- **High-Level Engagements: India and EU** have met on the sidelines of major global events including the **G20, G7, and several global forums**.
  - ♦ The EU College of Commissioners' visit to India in February 2025 further reinforced the strategic importance of the partnership.

### EU's Perspective on the Partnership

- The EU and India are accelerating negotiations on a **Free Trade Agreement (FTA)**, **Investment Protection Agreement (IPA)**, and **Geographical Indications (GI) Agreement**. Key highlights include:
  - ♦ Both are committed to **finalize the FTA and launch a new security and defence pact by the end of 2025** to elevate their strategic partnership.
  - ♦ **Market Access:** Strengthening India's integration into European value chains while improving EU exporters' access to Indian markets.
  - ♦ **Sustainability:** Embedding commitments on climate action, green technologies, and responsible supply chains.
  - ♦ **Digital Trade:** Cooperation on secure and open digital ecosystems.
  - ♦ **Strategic Autonomy:** Both aim to reduce dependency on single-source suppliers by diversifying trade.

### India's Standpoint

- India views the EU as a **reliable partner for technology transfer, green hydrogen, and digital innovation**. It includes:
  - ♦ **Job Creation:** Ensuring the trade pact supports India's manufacturing and service sectors.
  - ♦ **Atmanirbhar Bharat (Self-Reliant India):** Leveraging EU investments to boost domestic capacity in green energy, semiconductors, and critical technologies.
  - ♦ **SME Participation:** Promoting small and medium enterprises in accessing EU markets.
  - ♦ **Balanced Commitments:** Ensuring that intellectual property and sustainability clauses do not disadvantage India's developmental needs.

### Key Concerns & Challenges Ahead

- **Trade Negotiations & Tariff Barriers:** India's protective tariffs and EU's agricultural, cars, alcohol, and dairy products subsidies remain contentious.
  - ♦ The EU has raised concerns that **India's Qualitative Control Orders (QCOs)** may **act as non-tariff barriers**, especially if they disproportionately affect European exports like automobiles, dairy, and wine.
- **Russia Factor:** The EU has raised concerns over India's close engagement with Russia, citing **participation in the Zapad-2025 Military Exercises** and **continued purchases of Russian oil**.
- **Strategic Disconnect:** The relationship is often described as 'high on promise, short on delivery'.
- **Institutional Gaps & Coordination:** The **current India–EU Strategic Partnership Roadmap (2020–2025)** is broad but lacks operational clarity.
  - ♦ The newly formed **Trade and Technology Council (TTC)** is promising, but its working groups are still in early stages of coordination
- **Data Privacy Rules:** India's Digital Personal Data Protection Act (2023) and EU's GDPR need harmonization.
- **Climate Commitments:** Differences in pace and financing of energy transition.
- **Regulatory & Standards Alignment:** Differences in digital governance, data protection, and green standards pose hurdles to deeper cooperation.

- ♦ India seeks flexibility, while the EU pushes for stringent regulatory alignment, especially in areas like AI, cybersecurity, and sustainability.

### Way Forward

- **Renewal of Strategic Roadmap:** A new five-year roadmap is expected to be launched at the next India–EU Summit in **early 2026**, with **key focus areas** like **supply chain resilience, critical minerals, digital governance, and defence cooperation**.
- **Deepening Strategic Convergence:** Both sides are aligning on **China de-risking, Indo-Pacific engagement, and technology sovereignty**.
  - ♦ India's demographic dividend and EU's innovation ecosystem offer complementary strengths.
- **Institutional Strengthening:** Expansion of the India–EU Trade and Technology Council (TTC);
- **Balancing Domestic Priorities & Global Ambitions:** India's push for Qualitative Control Orders (QCOs) needs to be harmonized with EU standards to avoid trade friction.
  - ♦ The FTA is seen as a transformative pillar—both sides aim to conclude it by the end of 2025, though tariff issues remain contentious.

Source: TH

### Daily Mains Practice Question

Q. Discuss the factors driving the strategic upgrade of the EU–India partnership and evaluate its potential impact on global trade, security, and multilateral cooperation.

