



India- EU Trade and Technology Council

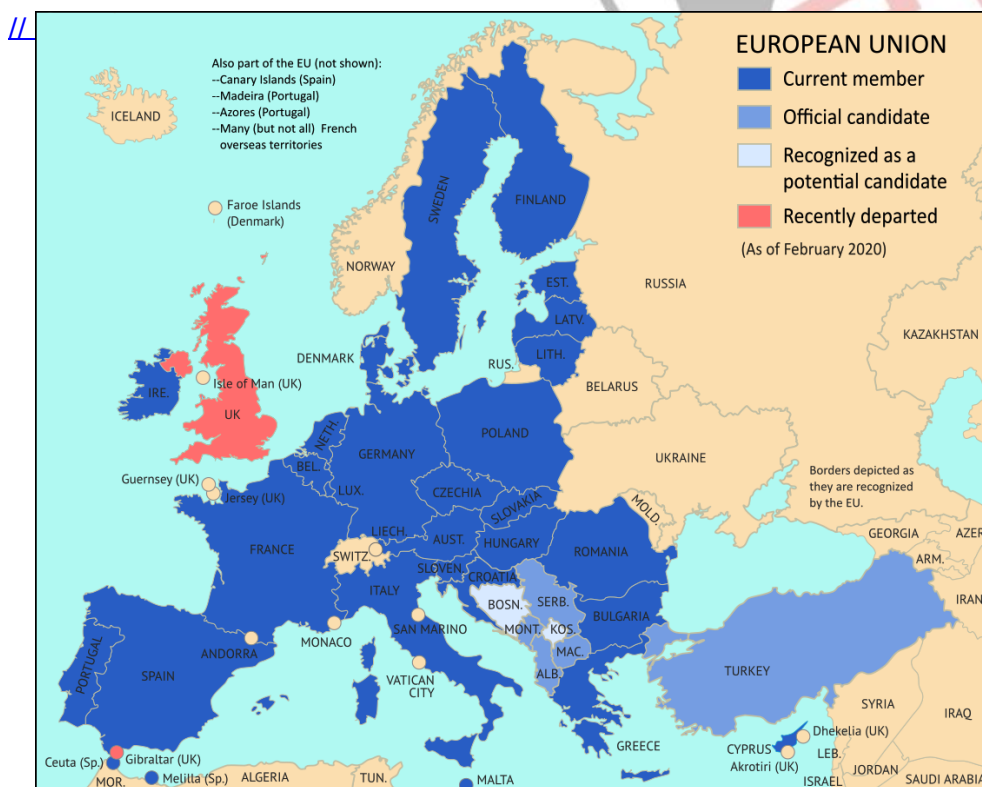
For Prelims: [Green and Clean Energy Technologies](#), [WTO](#), [FTA](#), [Artificial Intelligence](#), EFTA.

For Mains: India- EU Trade and Technology Council.

Why in News?

Recently, the 1st Ministerial meeting of the [India-European Union Trade and Technology Council \(TTC\)](#) took place, in Brussels, Belgium.

- The EU-India Trade and Technology Council is the **second bilateral forum for the EU and the first one established** with any partner for India. The EU and the US launched a TTC in June 2021.



What are the Key Highlights of the Meeting?

- The Meeting involved **discussions on roadmaps for future cooperation** under the three working groups:
 - Strategic Technologies, [Digital Governance](#), and Digital Connectivity
 - [Green and Clean Energy](#) Technologies

- Trade, Investment, and Resilient Value Chains
- The meeting aimed to **provide direction and lay the roadmap for cooperation between the two sides regarding:**
 - Addressing mutual market access
 - [WTO \(World Trade Organization\)](#) reforms
 - The ongoing negotiations for a [Free Trade Agreement \(FTA\)](#)
 - Cooperation in various areas of mutual interest
- India and the EU were also working to resolve a **looming issue in their trade relationship — the [E.U.'s Carbon Border Adjustment Mechanism \(CBAM\)](#).**
 - The E.U. describes the CBAM as a “landmark tool” which places a “fair price” on carbon emitted during the production of goods that are entering the EU and a mechanism to “encourage cleaner industrial “production outside the EU.

What is India-EU Trade and Technology Council (TTC)?

- **About:**
 - The formation of the TTC was announced by the Indian Prime Minister and **President of the European Commission** in 2022 with the objective of creating a High-level coordination platform to tackle strategic challenges at the nexus of trade, trusted technology and security.
- **Meetings:**
 - **Ministerial meetings of the TTC will be held annually**, ensuring regular high-level engagement between India and the EU.
 - These meetings will alternate in terms of **location, taking place in either India or the EU, to foster balanced participation** and strengthen bilateral cooperation.
- **Working Groups:** The TTC consists of three Working Groups (WGs) that report on roadmaps for future cooperation:
 - **WG on Strategic Technologies, Digital Governance, and Digital Connectivity:**
 - It will **work jointly on areas of mutual interest** such as digital connectivity, [Artificial Intelligence](#), [5G/6G](#), high performance and [Quantum Computing](#), [Semiconductors](#), cloud systems, [Cybersecurity](#), digital skills and digital platforms.
 - **WG on Green and Clean Energy Technologies:**
 - It will focus on **green technologies, including investment and standards**, with emphasis on research and innovation.
 - Areas to be explored could be clean energy, [Circular Economy](#), waste management, plastic and [litter in the ocean](#), waste to hydrogen and recycling of batteries for e-vehicles.
 - It will also foster cooperation between EU and Indian incubators, SMEs and **start-ups**.
 - **WG on Trade, Investment, and Resilient Value Chains:**
 - It will work on the resilience of supply **chains and access to critical components, energy, and raw materials**.
 - It will also work to resolve **identified trade barriers and global trade challenges** by promoting cooperation in multilateral fora. It will work towards promotion of international standards and cooperation on addressing global geopolitical challenges.
- **Significance:**
 - Recognising the evolving geopolitical landscape, both India and the EU acknowledge the importance of **establishing a strong collaborative framework**.
 - The TTC will not only **offer political guidance** but also **provide the necessary structure** to effectively implement political decisions, **coordinate technical endeavors, and ensure accountability** at the political level.
 - The TTC will help increase EU-India bilateral trade, which is **at historical highs, with Euro 120 billion worth of goods traded in 2022**. In 2022, EURO 17 billion of digital products and services were traded.

What is the Significance of the EU for India?

- **Employment:** The EU works closely with **India to promote peace, create jobs, boost economic growth** and enhance sustainable development across the country.
- **Financial Assistance:** As India graduated from a low to medium income country ([OECD 2014](#)), the EU-India cooperation also evolved from a traditional financial assistance type towards a **partnership with a focus on common priorities.**
- **Trade:** The **EU is India's 2nd-largest trading partner** (after the US) and **India's 2nd-largest export market.** India is the EU's 10th largest trading partner, accounting for **2% of EU total trade in goods.**
 - Trade in services between the EU and India reached 40 billion Euro in 2021.
- **Exports:** India's merchandise exports to EU member countries stood at about **USD 65 billion in 2021-22, while imports aggregated at USD 51.4 billion.**
 - In 2022-23, the exports aggregated at USD 67 billion, while imports stood at USD 54.4 billion in 2021-22.
- **Other Bilateral Mechanism:**
 - At the **2017 EU-India Summit**, **leaders reiterated** their intention to strengthen cooperation on the implementation of the [2030 Agenda for Sustainable Development](#) and agreed to explore the continuation of the EU-India Development Dialogue

What is the European Union?

- The European Union is a **group of 27 countries** that operate as a cohesive economic and political block.
- 19 of these countries use **Euro (€) as their official currency.**
 - 8 EU members (Bulgaria, Croatia, Czech Republic, Denmark, Hungary, Poland, Romania and Sweden) **do not use the euro.**
- The EU grew out of a desire to form a **single European political entity to end centuries of warfare among European countries** that culminated with [World War II](#) and decimated much of the continent.
- The EU has developed an **internal single market through a standardised system of laws** that apply in all member states in matters where members have agreed to act as one.

UPSC Civil Services Examination, Previous Year Question (PYQ)

Prelims:

Q. 'Broad-based Trade and Investment Agreement (BTIA)' is sometimes seen in the news in the context of negotiations held between India and (2017)

- (a) European Union
- (b) Gulf Cooperation Council
- (c) Organization for Economic Cooperation and Development
- (d) Shanghai Cooperation Organization

Ans: (a)

Q. In the context of bilateral trade negotiations between India and European Union, what is the difference between European Commission and European Council? (2010)

1. The European Commission represents the EU in trade negotiations whereas European Council participates in the legislation of matters pertaining to economic policies of the European Union.
2. The European Commission comprises the Heads of State or government of member countries whereas the European Council comprises of the persons nominated by European Parliament.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: (d)

Source: PIB

PDF Refernece URL: <https://www.drishtias.com/printpdf/india-eu-trade-and-technology-council>

