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IDENTIFYING FACTORS: CHANGES NEEDED IN INVESTMENT POLICIES TO ENHANCE TRADE & CAPITAL FLOWS BETWEEN EU & INDIA

We have to ask ourselves a question:-

When do relations between two countries or two blocks of countries become rock solid?

Possible answers:-

- 1. At which point any new issues which emerge get sorted out quickly. Both partners cannot afford these minor issues to linger on as the financial stakes are too high.**
- 2. Economic pundits say that when 20% of a nation's foreign trade is dependent on one block or country then that block becomes automatically the most favoured trading partner even without entering a treaty.**



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- 3. At this point non trade issues get marginalised and either side are eager to solve them quickly.**
- 4. This is the biggest success of European Union. Each of its member nations trade with other member nations and the trade is so important that all other issues are solved easily and relations remain harmonious.**
- 5. My question to the audience is, can India dream to attain this with EU countries? China has already done this since 2007 and you do not hear much complaint about China in EU member states.**

Total trade of EU (27 countries) in Trade & Services

Foreign Trade & Services	Euro 3.18 trillion
Out of which Imports	Euro 1.6 trillion
Out of which Exports	Euro 1.56 trillion

EU countries trade with China in 2009

Trade & Services	Euro 327.5 billion
Out of which Imports	Euro 227.7 billion
Out of which Exports	Euro 99.7 billion
Trade & Services surplus for China	Euro 128 billion
China's share of EU foreign Trade & Services	10.3%

EU countries Trade with India in 2009

Trade & Services	Euro 68.93 billion
Out of which Imports	Euro 32.78 billion
Out of which Exports	Euro 36.15 billion
Trade & Services deficit for India	Euro 3.37 billion
India's share of EU foreign Trade & Services	2.1%