



EUROPE INDIA CHAMBER OF COMMERCE

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EICC-2023

Brussels, 2 August 2023

Ms. Stella Kyriakides
EU Commissioner for Health and Food Safety
Rue de la Loi 200
1049 Brussels

Dear Commissioner Ms. Kyriakides,

Re: "Milk & Milk Products" export and import between EU and India

Europe India Chamber of Commerce is the Apex Chamber of Europe which promotes trade and economic relations between EU countries and India. We are in the Transparency Register of the EU. As the voice of business, we advocate for free enterprise with European Parliament, European Commission, regulatory bodies such as WTO, governments around the EU countries, and in India. We are committed to propelling the EU-India trade relations to a new height.

The EU and India (fastest growing economy) are two of the world's largest economies, with a combined GDP of over \$25 trillion. In 2021, trade in goods between the EU and India totalled €88 billion (about 30% increase in the last decade). The EU is also a leading investor in India, with over €87 billion in foreign direct investment (FDI). A free trade agreement (FTA) between the EU and India would have the potential to significantly boost trade, investment, job creation between the two sides in addition to the economic benefits.

The EU is one of the largest exporters of Milk Products (specially Whey Protein) to India, which is a critical input for India's rapidly growing nutraceutical and protein supplement industry (15% estimated CAGR between 2023-2028). India with growing nutraceutical industry, biggest population (1.4B) and rising disposable income (163% in last 10 years) is witnessing a rapid expansion in its nutraceutical industry as more Indians look to fulfil their recommended protein intakes through protein supplements.

We are writing to you in connection with the likely disruption in export of milk and milk products from EU to India due to revised veterinary health certificate (VHC) rechristened as "integrated veterinary health certificate - IVHC" issued by Department of Animal Husbandry and Dairying (DAHD), Govt of India. The IVHC incorporates sanitary requirements of DAHD and food safety requirements of Food Safety and Standards Authority of India (FSSAI – Food Regulatory body of Govt of India), which needs to be complied with by all Milk/Milk Products exporting nations to India. *From the letters of DEFRA-Govt of UK and DAFM-Govt of Ireland, it is evident that the exporting countries are not yet fully aligned to the IVHC requirements of Govt of India.*

On a closer look at the VHC and IVHC, it is understood the issue may be around certain terms/words, as well as internal existing processes of the exporting countries example: process regarding who is authorized (Veterinarian, Food Safety Officer, or any authorized officer) in the exporting country to issue IVHC.

While negotiations for an FTA between the EU and India have been ongoing for several years, however, there is a growing sense of urgency on both sides to reach an agreement, especially in light of increasing competition from other countries (such as China), political and strategic implication, and critical role that EU can play in promoting stability and prosperity in the Indo-Pacific region. The EICC, on behalf of the industry, requests the EU, DAFM-Ireland & DEFRA – Govt of UK, to engage in further consultations with Indian government to expedite a long-term solution that aims to explore the possibility of either establishing a **mutually acceptable Veterinary Health Certificate (VHC) or eliminating the need for VHC altogether**. Your support in resolving this issue will undoubtedly bolster the industry's growth and facilitate seamless trade in this vital sector.

We look forward to your kind consideration.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'S. D. ...', written over a horizontal line.

Secretary General