



THE COUNCIL OF EU CHAMBERS OF COMMERCE IN INDIA

EU – India Business Insights
Monthly Newsletter of EU India Chambers
- October 2025

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THE COUNCIL OF EU CHAMBERS OF COMMERCE IN INDIA



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MONTHLY NEWSLETTER

PRESIDENT'S MESSAGE



Dear Members,

I hope this message finds you in good spirits. As we continue to strengthen our communication and engagement with you, I am pleased to share that, beginning this October, our newsletter will now be published monthly. This shift allows us to keep you better informed about ongoing initiatives, upcoming programs, and developments shaping EU–India business relations.

Our Chamber remains dedicated to fostering meaningful connections across industry, government, and diplomatic circles. Over the past months, we have welcomed esteemed diplomats from Slovenia and Cyprus, and deepened our engagement with key policymakers, including the Government of Maharashtra. These interactions continue to underscore the vital role our community plays in enhancing bilateral relations.

With the support of our vibrant Sector Committees, we are expanding programming across new regions. Whether you are based in Mumbai or beyond, we invite you to connect, collaborate, and contribute to this dynamic exchange of ideas. I am particularly pleased that our newsletter will now feature regular sections—including Legal Lexicon, Travel Bytes, and country-focused trade insights—bringing you practical, relevant information every month.

As we move forward, your feedback and participation remain invaluable. I encourage you to engage with us, share your perspectives, and help shape new opportunities for EU–India cooperation.

Thank you once again for your partnership and support.

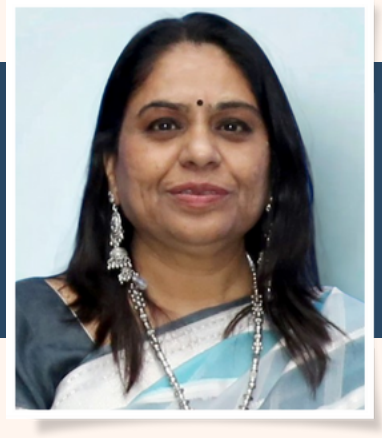
Warm regards,

Rajeev Sharma

President

The Council of EU Chambers of Commerce in India

DIRECTOR GENERAL'S DESK



Dear Members,

Bridging Ideas, Enhancing Connections

It gives me great pleasure to share the October 2025 edition of EU-India Business Insights—now published every month. This new frequency reflects our commitment to ensuring that our members and partners receive timely, relevant updates from the dynamic world of EU-India business relations.

At The Council of EU Chambers of Commerce in India, our guiding mission remains clear: to foster business, investment and trade, and build enduring partnerships between EU and India. Through knowledge exchange and strategic engagement, we continue to serve as a vital bridge connecting institutions, industries, and innovators across continents.

Our monthly issues will continue to bring you focused insights, including legal and regulatory developments, business travel updates through Travel Bytes, trends in bilateral trade and investment, as well as country-specific spotlights on EU member states. In addition, our Sector Committees will share expert perspectives, ensuring the content remains both practical and thought-provoking.

We believe EU-India Business Insights should not only inform but inspire. Each edition is designed to empower our members with actionable intelligence—helping businesses navigate change, identify opportunities, and strengthen their cross-border linkages.

As we begin this more frequent and interactive journey with you, your participation and feedback remain invaluable. I invite you to share your ideas, contribute insights, and join us in shaping the evolving narrative of EU-India cooperation. Together, we can continue to build stronger economic and cultural bonds that reflect the shared aspirations of our two regions.

Warm regards,

Dr. Renu Shome

Director General

The Council of EU Chambers of Commerce in India

FOLLOWING HURUMA'S SUCCESS STORY IN INDIA, KUALI FUND LAUNCHED TO DRIVE CLIMATE-RESILIENT FINANCE IN INDIA

16TH OCTOBER 2025

COFIDES, the European Union, GAWA Capital, and the Embassy of Spain have launched the Kuali Fund in India to mobilize over EUR 200 million for climate-resilient and low-carbon growth. Supported by AECID and the Green Climate Fund, it aims to help 250,000 smallholder farmers and SMEs while avoiding 1.2 million tons of CO₂ emissions over the next decade. The initiative builds on the success of the Huruma Fund, which enabled inclusive finance for smallholders in India and beyond. By collaborating with SIDBI, Kuali will boost green financing for MSMEs and strengthen India's role in sustainable innovation through a strong Europe-India partnership.

Source by - www.eeas.europa.eu

JOINT PRESS STATEMENT FOLLOWING THE FIRST TRADE COMMITTEE UNDER THE EU-NEW ZEALAND FTA

25TH OCTOBER 2025

The European Union and New Zealand convened the first Trade Committee meeting under their Free Trade Agreement (FTA) on 25 October 2025 in New Zealand. The ministers marked an 8 percent increase in trade, reaching a record \$21.6 billion since the FTA's entry into force, and reaffirmed their shared commitment to open, rules-based, and sustainable trade. They agreed to strengthen cooperation on labour rights, Māori trade, sustainable food systems, and environmental issues such as deforestation, climate change, and the circular economy. Both sides acknowledged New Zealand's sustainable agricultural and forestry practices and committed to minimizing undue impacts from the EU Deforestation Regulation. They pledged continued collaboration on WTO reform, pursuing agreements on fisheries subsidies, e-commerce, and investment facilitation, while upholding a stable multilateral trading system. The ministers also discussed cooperation on critical materials and minerals to support clean energy and industry, as well as digital initiatives including Digital Identity and cross-border digital credentials. The meeting followed the first EU-New Zealand Business Summit, which attracted around 500 business and political leaders to explore new opportunities under the FTA. Concluding on a positive note, the ministers agreed to further deepen their partnership and to hold the next Trade Committee meeting in Brussels in late 2026.

Source by - <https://ec.europa.eu/>

SPEECH BY PRESIDENT URSULA VON DER LEYEN IN THE EUROPEAN PARLIAMENT PLENARY DEBATE ON THE COMMISSION WORK PROGRAMME 2026

21ST OCTOBER 2025

President Ursula von der Leyen's speech to the European Parliament stressed that Europe must claim its independence in response to global instability and competition, highlighting that 80% of migrants with negative asylum decisions remain in Europe, a figure used to underline the need for stricter enforcement of migration rules. She set a clear deadline of 2028 for completing the Single Market and announced key initiatives such as the Circular Economy Act, Affordable Housing Plan, Small Affordable Electric Cars Initiative, and the Defence Readiness Roadmap 2030, all aimed at fostering economic security, affordability, and strategic autonomy in sectors like clean technology, AI, and batteries. Her message emphasized urgency, with new measures to support farmers, fair labor mobility, and to protect children from social media's harmful effects—reflecting a broad effort to reinforce Europe's values, democracy, and strategic capacity in the face of shifting global challenges.

Source by - <https://ec.europa.eu/>

UPGRADED EU-UKRAINE TRADE AGREEMENT ENTERS INTO FORCE

29TH OCTOBER 2025

The upgraded EU-Ukraine Deep and Comprehensive Free Trade Area (DCFTA) has entered into force, establishing a stable and permanent trade framework that supports Ukraine's economic integration with the EU Single Market. The revised agreement enhances trade liberalisation while protecting sensitive EU agricultural sectors, aligns Ukrainian production standards with EU rules, and introduces a safeguard mechanism to address market disruptions. It also encourages cooperation to expand Ukraine's access to third-country markets and strengthen global food security. This upgrade replaces temporary autonomous trade measures granted after Russia's invasion, ensuring a smooth transition to a long-term trade partnership.

Source by - <https://ec.europa.eu/>





WILL INDIA REJECT YOUR NEXT AI BREAKTHROUGH? WHAT THE FINAL CRI GUIDELINES MEAN FOR YOU?

Contributed by Legal & Regulatory Committee

India's 2025 revised guidelines for examination of Computer Related Inventions (CRIs) could redefine how AI-generated and other tech-driven inventions are treated in the country and could make or break your IP protection strategy.

Released by the Office of the **Controller General of Patents, Designs, and Trademarks (CGPDTM) on July 29, 2025**, the new guideline replaces the 2017 framework and incorporate significant changes, becoming one of the most structured public consultation exercises undertaken by the Indian Patent Office.

The revision process was not rushed. It unfolded in three key stages:

- **March 25, 2025** – Version 1.0 of the draft guideline was published, laying out a modernised framework for CRI examination in light of emerging technologies like Artificial Intelligence (AI), Machine Learning (ML), Blockchain and Quantum Computing.
- **June 26, 2025** – Version 2.0 of the draft guidelines was issued after analysing feedback from the first consultation round, incorporating substantial refinements and clarifications.
- **July 29, 2025** – The final Revised Guidelines for Examination of CRIs, 2025, were officially released, taking into account stakeholder inputs from written submissions and in-person consultations across all four Patent Office locations – Chennai, Delhi, Kolkata and Mumbai.

This iterative approach signals a strong regulatory intent to bring clarity, uniformity, and predictability in CRI examination while aligning India's practices with global standards.

For any business using AI to develop inventions, product designs, branding elements, or creative assets, this is a wake-up call – especially for foreign companies.

If you operate in the EU, the US, or any other innovation hub, this shift demands your attention today.

Why? Because your next big AI breakthrough could be rejected, denied or made unenforceable in India, simply due to missing disclosures, unclear inventorship, or failure to demonstrate technical effect.

What's Changed? India's New Ground Rules for AI-Driven and Emerging Tech IP

The new CRI Guidelines retain India's human-centric inventorship stance, but expanded coverage and guidance significantly, especially for Artificial Intelligence (AI), Machine Learning (ML), Deep Learning (DL), Blockchain and Quantum Inventions.

1. Human Inventorship is still mandatory

- You must name actual human contributors – those who supervised, curated, or materially contributed to the AI-generated output.
- AI systems cannot be named as inventors or authors.
- Failing to do so can lead to rejection at examination or challenges post-grant.

2. Step-wise assessment under Section 3(k)

The guidelines provide a detailed methodology (using flowcharts and 60 illustrative examples – 20 in the main body and 40 in the annex) to determine whether an invention falls under excluded subject matter such as:

- Mathematical records
- Business methods
- Computer programmes per se
- Algorithms

Each category now has clear, scenario-based examples showing what is patentable and what is excluded.

3. Comprehensive AI, Blockchain and Quantum Sections.

A new dedicated chapter explains how IPO examiners will handle inventions involving:

- AI, ML, DL (with guidance on sufficiency of disclosure and inventive step)
- Blockchain (focus on technical applications beyond ledger management)
- Quantum Computing (emphasis on hardware-software integration and real-world technical effect)

The chapter also lists what takes an invention out of the exclusion zone under section 3(k). For instance, demonstrating technical contribution, hardware-level improvement, or enhanced computational performance.

4. Does your invention have a 'Technical Effect'? Understanding the Patent office's test.

As reinforced by recent jurisprudence (Ferid Allani, Microsoft, Raytheon, Blackberry cases), all invention must:

- Solve a technical problem, or
- Provide a technical effect beyond ordinary computing processes Examples of recognised technical effects include:
 - Optimising power use in electric vehicles
 - Enhancing security protocols in financial transactions
 - Accelerating drug discovery through AI-driven molecular analysis.

5. Disclosure standards are higher

Patent applications must now fully and particularly describe:

- Architecture diagrams, flowcharts, and functional modules



- Best mode of implementation known to the applicant
- Hardware/software integration, if claimed.

Vague descriptions, speculative “use cases” or omitting the actual inventive step will almost certainly result in refusal.

What this means for foreign businesses?

Risks if you don't adapt

- Rejected Applications: Errors in naming inventors or failing to meet disclosure standards.
- Litigation exposure: Poorly documented inventorship or technical contribution can invite invalidation suits
- Lost enforcement value: IP rights unenforceable in India's courts have little commercial value/

Opportunities if you get it right

The revised guidelines bring uniformity, transparency, and predictability. If companies start adjusting to the new CRI guidelines early, they can get their patents examined faster, protect their ideas better, and find it easier to monetise their technology in India's booming tech market.

5-Point checklist to future proof your AI and tech patents in India

Before filing, ensure:

1. **Named Human Inventor** – all human contributors identified and documented
2. **Technical problem solved** – your invention's core is a technical effect, not a business rule or abstract algorithm
3. **Detailed enablement** – diagrams, process flows and hardware/software integration explained in full.
4. **Clear IP Agreements** – Contributor contracts address rights over AI training data and outputs.
5. **Local legal review** – Indian IP Counsel validates compliance with Section 3(k) and latest CGPDTM interpretations.

The Bottom Line

The revised CRI Guidelines 2025 mark one of the most significant changes to India's treatment of computer-related invention in nearly a decade.

They don't just codify the law – they set a technical, disclosure-driven standard that rewards innovation with genuine real-world impacts.

For AI, Blockchain and Quantum innovators, the message is clear: **Prove human inventorship, show a concrete technical effect, and disclose your inventions fully.** Failure of these will result in being left out of one of the fastest growing innovation markets in the world.

Allani Ferid v. Assistant Controller of Patents and Designs, OA/17/2020/PT/DEL

Microsoft Technology Licensing, LLC v Assistant Controller of Patents and Designs, C.A.(COMM.IPD-PAT) 185/2022

Raytheon Company vs Controller General Of Patents And Anr., C.A.(COMM.IPD-PAT) 121/2022

Blackberry Limited v. Controller Patents and Designs, .C.A. (COMM.IPD-PAT) 229/2022

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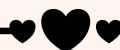
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EU LAUNCHES NEW DIGITAL BORDER SYSTEMS: WHAT TRAVELERS NEED TO KNOW FOR 2025-2026

Contributed by Tourism and Hospitality Committee

The European Union is introducing two important new systems to improve border management for travelers entering 30 European countries. The Entry/Exit System (EES) will begin rollout on October 12, 2025, followed by the European Travel Information and Authorization System (ETIAS) launching in late 2026. These changes aim to enhance security and streamline traveler processing but will also bring new requirements and checks for millions of travelers.

These new procedures will likely cause longer border processing times. Travelers and airlines should prepare accordingly and stay updated through official EU sources for smooth travel experiences.

This update highlights the major upcoming changes for travel to Europe beginning in late 2025.



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KEY POINTS TO KNOW

- EES replaces passport stamping with electronic records of entry, biometric data (fingerprints and facial image), and exit for non-EU travelers on short stays (up to 90 days) in 29 countries. It will fully launch by April 2026.
- All non-EU nationals, including UK citizens without specific residence documents, must comply with EES. Travelers will undergo extra border checks, including biometric scanning; some data may be pre-registered using an EU travel app if available.
- Airlines must verify traveler status via a new EU carrier interface starting April 2026, increasing operational complexity for airlines.
- ETIAS requires visa-exempt travelers to obtain online pre-travel authorization starting in late 2026, costing €20. It applies to short stays up to 90 days, with a transitional period allowing entry without ETIAS initially.
- Travelers must use only the official ETIAS website to avoid fraud. ETIAS does not grant long-term work or study rights, only short-term travel authorization.



COUNTRY SPOTLIGHT

INDIA-BULGARIA: EXPANDING ECONOMIC AND TECHNOLOGICAL HORIZONS

Source- [October 2025](#)



Overview

India and Bulgaria share a steadily deepening partnership rooted in mutual economic interest and innovation-led growth. As one of South-East Europe's most open economies, Bulgaria offers India a strong base within the EU, featuring a corporate tax rate of 10%, access to Schengen from March 2024, and a competitive ICT and renewable-energy ecosystem.

Bilateral trade between India and Bulgaria stands around US \$ 600-700 million (2024-25), reflecting a balanced exchange of goods and services. India's major exports include pharmaceuticals, chemicals, engineering goods, and auto components, while imports from Bulgaria largely consist of machinery, optical instruments, and electrical equipment. Several Indian firms are exploring joint ventures in IT, logistics, and manufacturing, complementing Bulgaria's strengths in technology and design.

The Embassy of India in Sofia, concurrently accredited to North Macedonia, continues to promote trade missions, business networking, and collaborations under the Make in India and Invest in Bulgaria frameworks. Indian companies such as Sun Pharma, HCL, and Tata Consultancy Services are expanding operations in the region, while Bulgarian start-ups are engaging with India's digital and fintech sectors.

Bulgaria's renewable-energy transition and EU-funded infrastructure projects in railways, healthcare, and transport present significant opportunities for Indian EPC and engineering firms. The growing focus on green hydrogen, waste management, and digital transformation aligns with India's sustainability goals and opens doors for technology transfer.

Cultural diplomacy remains a pillar of the partnership. Joint initiatives such as the International Day of Yoga, Indian Film Weeks, and Indo-Bulgarian start-up dialogues are strengthening people-to-people ties. Educational cooperation is also increasing, with universities in Sofia and Varna engaging Indian students and research scholars in ICT, medicine, and management.

In North Macedonia, a NATO member and EU candidate, India's engagement has expanded through trade facilitation, ICT partnerships, and investment promotion. Macedonian technology zones and liberal business incentives make it a complementary market for Indian companies seeking access to the Balkans.

The Embassy's September 2025 outreach focused on promoting India's innovation ecosystem, supporting local Chambers and academia, and facilitating participation in trade fairs across Sofia and Skopje. Upcoming initiatives include a seminar on the India-EU FTA, a renewable-energy b2B session, and collaboration with the Bulgarian Small and Medium Enterprises Promotion Agency.

India's cumulative investments in Bulgaria exceed €8 million, with rising interest in start-ups, tourism, and digital services. Likewise, Bulgarian firms are exploring India's renewable-energy and manufacturing sectors. Both sides continue to benefit from cultural familiarity and shared interests in education, science, and innovation.

As the EU and India advance their Trade and Technology Council agenda, Bulgaria's strategic location and reform-driven economy make it a natural bridge for Indian investors. The Embassy's consistent engagement—through commercial roundtables, industry visits, and public-diplomacy events—has helped transform bilateral relations into a partnership focused on innovation, sustainability, and entrepreneurship.





Overview

India and Cyprus share a longstanding partnership rooted in democratic values, cultural warmth, and expanding economic cooperation. Strategically positioned at the crossroads of Europe, Asia, and Africa, Cyprus serves as India's gateway to the eastern Mediterranean and the wider European Union.

The High Commission of India in Nicosia highlights that the relationship has matured into a multidimensional engagement spanning trade, investment, technology, and sustainable growth — reflecting shared priorities in digitalisation, innovation, and green energy.

Trade and Economic Relations

Bilateral trade between India and Cyprus reached €66.89 million during January–June 2025, with India's exports at €48.88 million and imports at €18.01 million, maintaining a strong surplus for India. In FY 2023–24, trade totalled US \$136.96 million, marking steady growth despite global headwinds.

India's exports include organic chemicals, machinery, ceramics, pharmaceuticals, and iron and steel products. Cyprus's exports to India consist mainly of metals, industrial machinery, and engineering equipment. This diversified trade profile reflects increasing collaboration in high-skill, technology-led sectors.

Investment and Business Climate

Cyprus continues to attract Indian companies with its transparent tax system, maritime expertise, and access to EU markets. The national agency Invest Cyprus has invited Indian investment in key projects such as Limassol Marina, Ayia Napa Marina, and Aphrodite Springs Resort, representing over €1 billion in opportunities.

While no new large Indian investments were recorded in 2025, interest remains strong in renewable energy, fintech, education, and tourism. India has historically been one of Cyprus's largest investors through financial and holding entities, while Cypriot firms are exploring India's renewable and real-estate sectors.

Key Engagements – September 2025

September 2025 featured several important business and cultural initiatives led by the High Commission:

- **Technology & Connectivity:** Talks with Cyta Business and Simplex Data Center on 5G, cloud, and cybersecurity.
- **Climate Research:** Collaboration with the Eratosthenes Centre of Excellence on climate and earth observation projects.

- **Education & Culture:** Engagements with University of Nicosia and European University Cyprus to expand student exchanges and host an Indian Film Festival.
- **Mission LiFE Drive:** A sustainability campaign launched with the Centre for Social Innovation to promote tree planting and water conservation.
- **Fiscal Dialogue:** The Ministry of Finance (VAT Division) studied India's GST framework for digital-tax reforms.
- **Maritime Cooperation:** A roundtable by Invest Cyprus explored ship-repair and blue-economy ventures; the visit of INS Trikanth to Limassol reaffirmed maritime partnership.
- **Business Promotion:** The Navigating India event by Bao Capital showcased India's digital economy to Cypriot investors.
- **Cultural Diplomacy:** The Namaste Cyprus Festival 2025, attended by over 1,200 people, became the island's largest Indian cultural event.

Emerging Opportunities

The High Commission identifies new areas for partnership:

- **Renewable Energy:** Cyprus seeks to reduce its 85% fuel import dependence, offering opportunities for Indian solar and wind companies.
- **Digital Infrastructure:** Rising demand for telecom and cybersecurity invites Indian collaboration.
- **Maritime Technology:** India's shipbuilding expertise complements Cyprus's strong maritime ecosystem.
- **Pharmaceuticals & Chemicals:** Indian exporters are expanding under EU-compliant standards.

Economic Context

Cyprus's economy remains stable, with inflation at –0.7% (Sept 2025) and growth led by tourism, professional services, and ICT. EU recovery funds support the island's shift toward a green and digital economy.

While energy dependence and ICT skill shortages remain challenges, Cyprus offers a transparent, English-speaking, and business-friendly environment, making it a natural hub for India–EU collaboration.

Culture, Education & Maritime Cooperation

Cultural engagement remains vibrant through Namaste Cyprus, International Day of Yoga, and Viksit Bharat Run. Educational partnerships are expanding, & plans for an India–Cyprus Friendship Scholarship aim to promote two-way student mobility.

The High Commission of India, Nicosia (Sept 2025) report reaffirms that the India–Cyprus relationship is forward-looking and multifaceted. Expanding trade, renewable-energy collaboration, and strong cultural linkages make Cyprus a vital partner for India in the EU.



Overview

Estonia, a digitally advanced Baltic nation of 1.3 million people, has emerged as one of Europe's most innovative economies. Globally recognised for e-governance, cybersecurity, and digital entrepreneurship, it offers Indian businesses a strategic entry to the Nordic-Baltic region and the wider European Union.

With transparent governance, low taxes, and a highly skilled workforce, Estonia complements India's Digital India and Make in India initiatives. Its focus on automation, clean energy, and technology-driven services makes it a valuable EU partner for India's sustainable development goals.

Bilateral Relations

Diplomatic engagement has strengthened since Estonia opened its Embassy in New Delhi in 2012 and India inaugurated its Mission in Tallinn in 2021. The visit of Vice President M. Venkaiah Naidu in 2019 marked a key milestone, leading to the first Estonia-India Business Forum and wider cooperation in ICT, cyber security, and logistics.

Estonia continues to encourage Indian enterprises to use Tallinn as a gateway for trade and services with Northern Europe, supported by excellent digital infrastructure and EU single-market access.

Economic and Fiscal Profile

According to the Embassy of India, Tallinn, Estonia maintains the lowest public-debt-to-GDP ratio in the EU (23.2%), compared with the EU average of 81.9%. Its government bonds remain highly rated, with the October 2025 issue of €500 million oversubscribed sevenfold—reflecting global investor confidence.

The economy balances fiscal discipline with innovation, funding infrastructure and digital transformation while keeping debt low and inflation stable.

Trade and Investment

Bilateral trade in 2024 stood at €270 million, modest but well diversified.

- **India's exports:** €81.9 million — mechanical appliances, electrical equipment, iron & steel, and chemicals.
- **India's imports:** €76.5 million — woodpulp, machinery, and electrical goods.

Trade in services reached €111.5 million, led by IT, consulting, and professional exchanges. Indian investment totals €8.6 million (March 2025). Reliance Industries' Jio Estonia OÜ, established in 2018, exemplifies growing engagement. Many Indian start-ups also register under Estonia's e-Residency Programme, attracted by its paperless business setup and neutral tax regime.

Industry and Labour Trends

A recent OSKA report highlights Estonia's industrial skill

shortages, particularly in automation and engineering, as 30 % of its skilled workforce nears retirement. This presents opportunities for India-Estonia collaboration in skill development, technical training, and education partnerships, aligning Skill India with Digital Europe.

Energy and Green Transition

Electricity prices fell 30 % in October 2025 to €0.078 per kWh on Nord Pool due to strong renewable generation. Estonia is expanding wind, hydrogen, and bioenergy capacity, aligning closely with India's National Green Hydrogen Mission.

The government's eco-tax reforms and energy diversification open avenues for Indian companies in clean-energy technology, battery storage, and smart-grid solutions.

Finance, Tax, and Cybersecurity

Estonia ranks first globally in the International Tax Competitiveness Index, taxing profits only when distributed. Its stable financial system—led by Swedbank, SEB, and LHV—supports start-ups and SMEs, reinforcing investor trust.

In 2025, Estonia allocated €3 million under the European Defence Fund to 19 domestic firms developing satellite, communication, and underwater-defence technologies—areas where collaboration with India's Make in India-Defence and iDEX programmes can deepen.

Emerging Areas of Cooperation

Future opportunities include:

- **Digital Governance** – combining Estonia's e-governance model with India's digital-scale platforms.
- **Green Energy** – joint work in hydrogen, offshore wind, and waste-to-energy.
- **Life Sciences & Biotech** – linking Estonia's research strength with India's pharma leadership.
- **Smart Manufacturing & Logistics** – aligning with India's PM Gati Shakti initiative.

Outlook

With bilateral trade exceeding €270 million and services expanding rapidly, the India-Estonia partnership has moved beyond traditional commerce to technology, green energy, and digital policy collaboration.

For EU Chambers members, Estonia represents a stable, transparent, and innovation-driven market—an ideal EU base for Indian businesses seeking northern access.

As both nations align priorities in digital transformation and sustainability, the India-Estonia partnership stands out as a model of smart, forward-looking cooperation within the evolving EU-India framework.

COUNTRY SPOTLIGHT

INDIA-HUNGARY: DEEPENING INNOVATION, TRADE & TECHNOLOGY PARTNERSHIP

Source- October 2025



Overview

Hungary has emerged as one of India's most important partners in Central Europe. Located at the crossroads of the EU with a highly skilled workforce and strong industrial capacity, it offers Indian companies an ideal base for regional operations. The Embassy of India in Budapest continues to promote collaboration in pharmaceuticals, ICT, renewable energy, and water management — areas where Indian technology complements Hungarian expertise.

Trade and Economic Relations

Bilateral trade has expanded steadily, reflecting growing business confidence.

- **Total trade (2024):** US \$ 1.3 billion, up from US \$ 1.2 billion in 2023.
- **As of July 2025:** US \$ 142.8 million — exports US \$ 73.7 million, imports US \$ 69.1 million.
- **Indian investment:** about US \$ 3.3 billion, showing strong long-term commitment.

India exports pharmaceuticals, auto components, tyres, and machinery, while imports from Hungary include industrial equipment and vehicles. The balanced pattern demonstrates technology exchange and mutual value addition.

Economic Environment

Hungary's economy remains stable within the EU Single Market. Growth revived in 2025 with inflation falling to single digits and exports strengthening. Supported by EU recovery funds, reforms target productivity, digitalisation, and green transition.

With a 9 percent corporate-tax rate — the lowest in the EU — Hungary attracts Indian investors through modern industrial parks, logistics links, and competitive costs, offering an efficient base for continental expansion.

Investment and Industrial Cooperation

India and Hungary share strong industrial partnerships across manufacturing, IT, and pharmaceuticals.

- **Tata Consultancy Services (TCS)** runs one of its largest European centres in Budapest with 2,500 employees.
- **Sun Pharma** operates a major EU manufacturing hub.
- **Wipro, Cognizant, and Tech Mahindra** deliver IT services from Hungarian offices.
- Hungarian majors such as **Gedeon Richter, Graphisoft, and MOL Group** collaborate with Indian firms in pharmaceuticals, design, and energy.

Hungary's "Eastern Opening Policy" complements India's Act East outreach, prioritising Asia as a key growth region.

Science, Technology & Innovation

The India-Hungary Joint Commission on Economic Cooperation (JCEC) and the Inter-Governmental S&T

Agreement drive collaboration in:

- Water management and flood control
- Renewable energy and hydrogen technology
- Biotechnology and medical research
- Artificial intelligence and automation

In 2025, both governments reaffirmed support for joint R&D and industrial innovation between Hungary's National Research, Development & Innovation Office (NKFIH) and India's Department of Science & Technology (DST).

Cultural and Educational Cooperation

Cultural ties date back to the Indologist Ervin Baktay and artist Amrita Sher-Gil, celebrated through the Amrita Sher-Gil Cultural Centre in Budapest, which hosts yoga workshops, film festivals, and exhibitions.

Educational exchanges flourish under the Stipendium Hungaricum Scholarship, enabling over 200 Indian students annually to pursue higher studies. Hungarian academics also engage in India's ICCR and GIAN programmes, deepening academic linkages.

Tourism and Outreach

Tourism and business mobility are increasing, supported by Hungary's Schengen access and central location. The Embassy, in partnership with VFS Global, has simplified visa procedures for business travellers and students.

In 2025, the Embassy organised Make in India and Invest India sessions in Budapest, encouraging Hungarian participation in IndusFood 2026, Bharat Mobility Expo, and the UP International Trade Show, while showcasing outcomes from India's G20 Presidency.

EU and Multilateral Cooperation

As an EU member, Hungary supports stronger India-EU ties through the Trade & Technology Council (TTC), emphasising digital transition, clean energy, and resilient supply chains. It also collaborates with India in the International Solar Alliance and ASEM, reinforcing sustainable development goals.

Conclusion

Hungary's investor-friendly climate, advanced industry, and EU connectivity make it a pivotal partner for India's growth in Central Europe. Conversely, India's manufacturing strength and digital innovation bring value to Hungary's expanding technology ecosystem.

Together, the two countries exemplify a partnership anchored in innovation, trade, and sustainability, contributing to a more resilient India-EU economic corridor.

COUNTRY SPOTLIGHT

INDIA-ITALY: BUILDING SUSTAINABLE AND TECHNOLOGICAL BRIDGES

Source- October 2025



Overview

Italy stands among India's most significant European partners, combining industrial excellence with a strong innovation ecosystem. The Consulate General of India in Milan notes that Italy is India's fourth-largest trading partner within the EU. Bilateral trade in FY 2024–25 reached US \$ 13.76 billion, with India's exports at US \$ 7.73 billion and imports at US \$ 6.03 billion, showing steady post-pandemic growth.

Northern Italy—particularly Lombardy, Veneto, Piedmont, and Emilia-Romagna—accounts for the majority of Indo-Italian trade and investment, underscoring deep industrial linkages.

Economic and Trade Landscape

Italy's diversified manufacturing base spans machinery, automotive components, fashion, textiles, design, and food processing. As an EU member, it follows the Common Customs Tariff and harmonised standards under the TARIC framework, providing clarity for Indian exporters.

Recent EU measures—under REACH, the European Green Deal, and the EU AI Act (2025)—are transforming trade in chemicals, fertilisers, and polymers. Indian industries are adapting through sustainability certification and compliance upgrades, ensuring continued competitiveness.

India's main exports include engineering goods, pharmaceuticals, gems & jewellery, leather, textiles, and organic chemicals. Italy's exports to India comprise industrial machinery, electrical equipment, precision instruments, design goods, and industrial inputs. This balanced mix reflects a shift from traditional trade toward high-technology and climate-aligned products.

Investment and Industrial Collaboration

Over 700 Italian companies operate in India, spanning automobiles, engineering, chemicals, and design. Major investors include Piaggio, Maire Tecnimont, Luxottica, and Ferrero.

Indian firms such as Tata Group, Mahindra, Sun Pharma, Larsen & Toubro, and Glenmark maintain a strong footprint in Italy, especially in engineering, pharmaceuticals, and IT.

Cumulative Italian FDI into India exceeds US \$ 4 billion, while Indian investment in Italy continues to rise in ICT, renewables, and manufacturing. Bilateral collaboration is supported by the India-Italy Joint Commission on Economic Cooperation (JCEC) and the Strategic Partnership on Energy Transition (2023), fostering work on hydrogen, biofuels, and circular-economy projects.

Highlights from September 2025

The Consulate actively promoted Indian participation in several international exhibitions:

- **Vicenza Oro Fair (5 Sept)** – Thirty Indian jewellers, under GJEPC, enhanced design partnerships and market access.
- **Gastech 2025 (9 Sept, Milan)** – Indian energy firms showcased LNG and hydrogen innovations.
- **Go International Fair (17 Sept, Milan)** – Expanded cooperation with AICE on export promotion.
- **Marmomac 2025 (23 Sept, Verona)** – Fifty-five Indian exporters displayed advanced stone-processing technology.

Science, Technology & Innovation

The Indo-Italian innovation corridor continues to expand. Meetings with NGV Italy and EPTA Refrigeration advanced work in hydrogen infrastructure and sustainable cooling. Cooperation with AIFA and AICA focused on smart manufacturing and automation.

Priority areas include: Green hydrogen and renewables, AI-enabled manufacturing, Water management and waste recycling, Advanced materials and life sciences.

Tourism, Education & Outreach

Italy remains a preferred European destination for Indian travellers, students, and entrepreneurs. In September 2025, the Consulate issued 14 tourist and 19 business visas, signalling continued recovery. Partnerships with Politecnico di Milano and Bocconi University are expanding academic mobility and research collaboration.

Through Italian travel associations, the Consulate also promotes Incredible India campaigns focused on heritage, wellness, and eco-tourism.

Regulatory & Sustainability Context

Italy's implementation of the Carbon Border Adjustment Mechanism (CBAM) and eco-design directives is reshaping bilateral trade. The Consulate is guiding Indian exporters on compliance, ensuring they benefit from new green-industry incentives.

Conclusion

The Consulate General of India, Milan (Sept 2025) confirms a resilient partnership grounded in shared innovation and sustainability goals. With trade exceeding US \$ 13 billion and collaboration expanding across renewables, AI, design, and manufacturing, India and Italy are driving the next phase of EU-India integration.

- For members of the EU Chambers of Commerce in India, Italy—especially its industrial north—remains a vital bridge linking Indian enterprise with European technology, design excellence, and green transformation.

CHAMBER'S ACTIVITIES

Meeting with Mr. Rakesh Kumar, Chairman – IEML & DG, EPCH (September 2025)



EU Chambers' senior leadership met Mr. Rakesh Kumar, Chairman of India Exposition Mart Ltd and DG of EPCH, to explore collaboration under the new International Market Access

Scheme for household textile products. The scheme focuses on boosting exporters' competitiveness through warehousing, global exhibitions, and e-commerce integration. Mr. Kumar offered Chamber visibility within IEML's premises and emphasized artisan-centric growth in Europe and Latin America. Both sides agreed to develop partnerships supporting sustainability, SME promotion, and women entrepreneurship. Meeting with Shri Rakesh Kumar.

Meeting with Ms. Tea Pirih, Economic Counsellor – Embassy of Slovenia (September 2025)



At the Embassy of Slovenia, Ms. Tea Pirih discussed Slovenia's focus on new technologies, defence, and logistics as priority areas for cooperation. She confirmed a new Ambassador's

assumption in September 2025 and pledged to facilitate engagement with the EU Chamber in Mumbai. Ms. Pirih announced an upcoming Slovenian business delegation to India and invited company profiles from the Chamber to plan activities jointly. The meeting reinforced strong bilateral goodwill, with both sides agreeing to deepen collaboration through the Ambassador's visit and trade delegation follow-ups. Meeting with Tea Pirih

Meeting with Ms. Inga Skruzmane, Head of Mission – Embassy of Latvia (September 2025)



The EU Chambers delegation met Ms. Inga Skruzmane, the new Head of Mission of Latvia, to introduce the Chamber's activities and explore enhanced cooperation. They invited her

as Guest of Honour at the 33rd AGM on 17 September 2025 in Mumbai and discussed organizing a business delegation to Latvia in October 2025. Ms. Skruzmane welcomed the proposal and assured full Embassy support. Both parties reaffirmed their commitment to strengthening EU-India-Latvia ties through trade, investment, and cultural exchanges under the Chamber's platform.

The EU Chambers' 33rd AGM, themed "Deepening EU-India Synergies in Sustainability, Smart Manufacturing & Skills," (September 2025)



Drew over 300 diplomats, government officials, and business leaders. Dr. Renu Shome presented the Annual Report, unveiling the 24x7 Shipping & Logistics Helpdesk. Key speakers included H.E. Mr. Benedikt Höskuldsson, Ambassador of Iceland), Ms. Inga Skruzmane, Deputy Head of Mission of Latvia, and Maharashtra Ministers Shri Ajit Pawar, Hon'ble Deputy Chief Minister of Maharashtra and Shri Indranil Naik, Hon'ble Minister of State, Industries, Public Works, Higher Education & Technical Education, Tourism, Soil & Water Conservation, Government of Maharashtra, Dr Santosh Bhosale, Joint Secretary (Strategic Advisor), Deputy Chief Minister (Finance & Planning) Government of Maharashtra

Two dynamic panels explored ESG, culture, smart manufacturing, with participation of stalwarts from European and Indian companies.

Meeting of Education Committee (October 2025)

The Education Committee met on 6 October 2025 to finalise preparations for the EU-India Education Summit 2025, scheduled for 21 November in Chennai. The meeting, chaired by Dr Uday Salunkhe and co-chaired



by Dr N Sastry, approved the theme "Learning Without Borders: EU-India Partnership for Education, Employability & Mobility." Members confirmed participation from leading EU universities and Indian institutions, along with an exhibition segment to promote academic collaborations.

CHAMBER'S ACTIVITIES

Tourism & Hospitality Committee Plans Conclave with OTM 2026 (October 2025)



The Tourism & Hospitality Committee of the EU Chambers met recently to discuss initiatives aimed at strengthening India-EU collaboration in travel, tourism, and hospitality.

Members proposed organizing a high-impact EU-India Conclave on Tourism & Hospitality in association with Outbound Travel Mart(OTM) scheduled for February 2026 in Mumbai. The conclave will feature B2B meetings, panel discussions on sustainable and experiential travel, and participation from European tourism boards, airlines, and hospitality brands. The initiative aims to promote two-way tourism flows and partnerships between Indian and European stakeholders, aligning with the Chamber's broader mission to deepen bilateral trade and cultural exchange.

Second Chair & Co-Chair Sector Committees Meeting (October 2025)



The EU Chambers convened its Second Chair & Co-Chair Sector Committees Meeting on 16 October 2025 at the Mumbai office. The session reviewed ongoing committee initiatives and emphasised timely completion of action points before the financial year-end. Key decisions included organising a seminar on the EU-India FTA and dispute resolution, an industry visit under the Manufacturing Committee, and enhanced engagement through the Shipping, BFSI, and Tourism Committees. Members also discussed collaboration opportunities with state governments and EU partners, reaffirming the Chamber's commitment to advancing sustainable, technology-driven business cooperation between European and Indian industries.



EU–India Partnership in a Changing Global Context

By Kiran Nanda, Research Consultant -- The Council of EU Chambers of Commerce in India

Introduction: A New Global Order Emerging

The world economy is in flux, with shifting trade flows, restructured supply chains, & the dual challenge and opportunity of the green transition. Tariff issues, energy security, and rapid advances in AI, quantum computing, and 5G are redefining competitiveness. In such a context, strategic partnerships play a central role. The EU–India relationship, rooted in democratic values & sustainability, seeks to shape an inclusive future beyond traditional trade.

Why the EU–India Relationship Matters Now

In 2024–25, India's bilateral trade in goods with the EU was \$137 billion (exports worth \$76 billion & imports worth \$61 billion), making it the largest trading partner for goods. The EU market accounts for about 17% of India's total exports, while the EU's exports to India make up 9% of its total overseas shipments. With the European commission's €300 billion Global Gateway complementing India's Gati Shakti programme and Viksit Bharat 2047 agenda. The partnership emphasizes trust-driven collaboration for sustainability, technology, and governance.

Global Forces Reshaping the Partnership

Resilient Supply Chains: The pandemic, Ukraine war, and logistics disruptions revealed vulnerabilities. India offers diversification, while Europe ensures advanced tech and logistics standards. **The Green Transition:** The EU's Carbon Border Adjustment Mechanism impacts India's metals. India is expanding renewable and hydrogen ventures critical to Europe's green.

Digital Transformation and Standards:

Europe leads in data ethics and protection, while India demonstrates scalable platforms like Aadhaar and UPI. Together, both can shape global digital governance.

Complementary Strengths

Europe contributes advanced technology, sustainable finance, and regulatory expertise, while India brings scale, a youthful workforce exceeding 500 million, and a resilient middle class. Shared commitment to transparency and rule of law fosters predictability in an uncertain order.

Synergies for the Future:

- **Smart Manufacturing:** India's EV and electronics hubs align with Europe's Industry 5.0.
- **Skills and Talent Mobility:** Europe faces demographic imbalances, while India's growing talent pool, supported by skilling hubs and exchanges, can bridge skill shortages, especially in green and digital sectors.
- **Sustainability:** From green hydrogen to circular models, Initiatives are scaling from pilot to impactful global projects.

The India–EU Free Trade Agreement: A Defining Step

The FTA under negotiation covers 23 chapters, aiming for conclusion by 2025. India seeks preferential access for textiles, chemicals, and IT mobility; the EU wants greater access in automobiles, agriculture, and IP. Challenges remain, but both sides see the FTA as a balanced trade framework prioritising progress.

From Aspiration to Execution

The focus now is on execution—mobilising investments, harmonising regulation, expanding skill development, and leveraging public–private partnerships. Concrete steps will turn vision into a model of sustainable global cooperation.

Conclusion: A Partnership of Purpose

EU–India ties stand at a historic crossroads. For India, they unlock finance and technology; for Europe, they provide scale, talent, and resilience. As India advances towards Viksit Bharat 2047 and the EU toward its Green Deal and Digital Decade, the partnership embodies shared purpose—turning uncertainty into opportunity and shaping inclusive global growth.



From ESG to ROI in the EU–India Corridor: Finance, Partnerships & Skills

By Kiran Nanda, Research Consultant -- The Council of EU Chambers of Commerce in India

Introduction: ESG Beyond Compliance

“When we think of soft power, we often imagine films, cuisine, or culture. But as our President and panel moderator Rajeev Sharma reminded us at the 33rd AGM, today finance, healthcare, and sustainable infrastructure are just as important for shaping India’s global influence.

In EU–India relations, the central question is also shifting—is ESG simply a compliance necessity, or is it a strategic opportunity?

The evidence increasingly points to the latter. ESG is no longer a burden that companies carry to satisfy regulators; it has become a driver of competitiveness, investor confidence, and market access. Across industries, firms that embed ESG principles deeply into their operations are not only more resilient but also more profitable. ESG has become the bridge between values and value creation—the pathway from aspiration to tangible ROI.

Nowhere is this transformation more significant than in the EU–India corridor, where sustainability, trust, and competitiveness intersect. Europe remains the world’s largest hub of ESG-driven capital, while India has emerged as a leader among developing nations in renewable energy, green bonds, and digital reporting frameworks. Together, the two economies are demonstrating that ESG is not just about compliance—it is about creating enduring growth and influence.

ESG as Competitiveness, Not Compliance

In its early phase, ESG was viewed mainly as a regulatory checkbox—companies disclosing carbon footprints or publishing sustainability reports to satisfy mandates. That world has changed.

- Investors now demand stronger ESG alignment and reward firms with lower cost of capital.
- Consumers increasingly choose brands that reflect ethical sourcing and low-carbon credentials.
- Governments tie market access to sustainability, as the EU has done with its Carbon Border Adjustment Mechanism (CBAM).

For India, ESG is not only a growth imperative but also a tool of **soft power diplomacy**. Transparency in governance, adoption of renewable technologies, and healthcare partnerships elevate India’s reputation as a credible global partner. For the EU, ensuring ESG across supply chains sustains its role as the world’s standard-setter.

The shift is clear: ESG is not a cost of doing business; it **is the key to staying competitive in the 21st century.**

Finance: Mobilizing Capital for the Transition

The transformation toward sustainability requires unprecedented levels of capital. Here, the EU–India corridor is emerging as a powerful platform.

Green Bonds and Blended Finance

India has become one of the largest green bond issuers among emerging markets, raising over \$20 billion in FY24. The EU, with its deep markets and ESG taxonomy, brings credibility and scale. Blended finance—combining public guarantees with private investment—has proven especially effective.

The €100 million climate credit line extended by the French development bank AFD to SBI GIFT City is a case in point. It shows how European development capital and Indian banking networks can work together to accelerate green investments.

Long-Term Capital Flows

European pension funds and sovereign wealth funds are mandated to align with sustainability. For them, India’s renewable energy, water management, and waste treatment projects are attractive, offering scale and steady returns.

Macroeconomic Enablers

India’s GST reforms—reducing slabs, cutting rates, and exempting essentials—have lowered inflationary pressures and stabilized the investment environment. This backdrop makes ESG-linked finance even more attractive.

In essence, finance here is not just numbers—it is about trust, governance, and credibility. Companies that align with ESG enjoy better access to capital, smoother market entry, and stronger investor confidence.

Partnerships: The Heart of ESG Execution

Finance alone cannot deliver ESG outcomes. Partnerships across multiple stakeholders—governments, corporates, academia, and communities—are critical.

Corporate Alliances

Examples abound. Tata and Total Energies are co-developing renewable energy projects, while Mahindra and Volkswagen are collaborating on EV platforms. These partnerships leverage India’s scale and Europe’s technology.

Academic and Innovation Collaborations

Horizon Europe and Erasmus+ programs are enabling joint research on hydrogen, climate resilience, and circular economy solutions. Such academic partnerships generate intellectual capital that fuels real-world innovation.

Public–Private Partnerships (PPPs)

Green logistics corridors, renewable energy parks, and multimodal infrastructure projects depend on PPPs. They reduce risks, mobilise resources, and ensure faster implementation.

From ESG to ROI in the EU–India Corridor: Finance, Partnerships & Skills

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Partnerships also build soft power. India's CSR models—funding education, healthcare, and rural livelihoods—demonstrate how sustainability can deepen trust in EU–India relations. By embedding social impact into economic projects, partnerships create value far beyond balance sheets.

Skills: The Connective Tissue

No matter how much finance and how many partnerships exist, without skilled human capital the ESG transition cannot succeed. Skills are the connective tissue between vision and execution.

India's

With a workforce of more than 500 million, India has unmatched demographic scale. The government's Yogya Bharat Mission seeks to embed employability and entrepreneurial skills across the labour force, with a strong focus on digital and green technologies.

Europe's Challenge

Europe faces an ageing population: over 21% are above 65, creating a dependency ratio of 33.9%. Meanwhile, only 56% of adults have basic digital skills, far short of the EU's 2030 target of 80%.

Bridging the Gap

The solution lies in synergy. EU–India talent mobility partnerships and joint skilling hubs can help address shortages in Europe while providing India's youth with global opportunities. In healthcare, for instance, collaborations to tackle non-communicable diseases like diabetes and obesity not only improve patient outcomes but also strengthen India's role in health diplomacy.

ESG as a Source of Soft Power

As Rajeev Sharma's opening question highlighted, finance, healthcare, and sustainable infrastructure are no longer just economic levers—they are instruments of soft power. ESG enhances credibility, builds trust, and strengthens a nation's voice in global governance.

For India, adopting ESG strengthens its claim as a **responsible growth partner**. For the EU, partnering with India demonstrates that sustainability is achievable even in fast-growing, complex economies. Together, the two set a powerful example for the world: **that sustainability can be both ethical and profitable**.

Risks and Challenges

The ESG journey is not without hurdles.

- **Regulatory misalignment:** EU's CSRD deadlines move faster than India's BRSR framework.
- **Compliance costs:** SMEs often find reporting expensive and resource-heavy.
- **Greenwashing:** Without audits and traceability, ESG risks being reduced to branding.
- **Data quality issues:** Reliable employment & emissions data remain a challenge in India.

Acknowledging these risks is the first step towards building robust, credible ESG frameworks.

An Action Agenda for EU–India

Turning ESG into ROI requires practical steps:

- **Aligning taxonomies** between India's BRSR and the EU's ESG standards.
- **Launching an EU–India ESG Fund** that combines EU banks, Indian public finance, and private investors.
- **Scaling MSME** participation by providing tools and financing to integrate into ESG supply chains.
- **Building skilling hubs** focused on Industry 5.0, digital readiness, and green jobs.
- **Establishing guardrails for AI and data governance** to ensure technology supports, not disrupts, sustainability.

This roadmap can ensure that ESG commitments become execution platforms for shared growth.

Conclusion: ESG as the Backbone of Shared Growth

The EU–India corridor demonstrates how ESG has shifted from being a compliance burden to becoming the backbone of competitiveness, investment, and influence.

For India, this partnership unlocks capital, strengthens supply chains, and enhances credibility. For Europe, it provides a trusted partner with scale, innovation, and talent. Together, they can transform ESG into a new form of soft power—one that shapes global standards and creates inclusive prosperity.

As India advances towards Viksit Bharat 2047 and the EU deepens its Green Deal and Digital Decade, ESG is not just a bridge—it is the foundation of their shared future. Done right, ESG will define the EU–India partnership not as one of compliance, but as one of competitiveness, resilience, and global leadership.



Smart Manufacturing & Energy Transition: Electrify, Digitise, Localise

By Kiran Nanda, Research Consultant -- The Council of EU Chambers of Commerce in India

Introduction: Framing the Challenge

In moderating the panel on Smart Manufacturing & Energy at the EU Chambers' AGM, Robin Banerjee reminded us that the real question is not whether India and the EU can collaborate, but how quickly they can align their strengths in manufacturing, sustainability, and digital innovation. He highlighted a critical issue: GST touches every part of manufacturing—from logistics and energy to equipment and packaging—and yet, despite reforms, global competitors are moving faster. Can EU-India partnerships in electrification, digitisation, and localisation truly set a global benchmark, or do we risk being left behind?

This framing captures the essence of today's industrial transformation. Smart manufacturing and energy transition are no longer buzzwords—they are strategic imperatives. For India, they are central to achieving the vision of Viksit Bharat 2047. For the EU, they are key to maintaining global competitiveness while leading in sustainability. And for both, they represent the opportunity to shape global standards and supply chains at a time of disruption.

Smart Manufacturing: The New Imperative

Manufacturing remains the backbone of industrial strength. But in today's global economy, it is no longer enough to compete on cost alone. **Competitiveness now depends on innovation, sustainability, and resilience.**

India is positioning itself as both a production hub and an innovation hub. Its automotive clusters are producing EV prototypes, its semiconductor design labs are developing advanced chipsets, and its pharmaceutical.

- **Industry remains a global leader.** This diversification is attracting global firms not just for scale, but for co-creation.
- **For Europe, India offers an indispensable partner.** With high cost structures and demographic challenges, European manufacturing needs partners that can provide scale, cost efficiency, and talent. India's young workforce, strong democracy, and expanding infrastructure make it a natural fit. Together, EU and India can create globally resilient supply chains that balance competitiveness with sustainability.

Electrify: Powering the Transition

If manufacturing is the backbone, energy is the bloodstream. No industrial transformation is possible without clean, reliable, and affordable energy.

Europe's Green Leadership

Through the European Green Deal and its "Fit for 55" package, the EU has made decarbonization a core component of competitiveness. Renewable targets, emissions cuts, and energy efficiency standards are already reshaping Europe's industries.

India's Bold Moves

India has launched its National Green Hydrogen Mission, expanded solar and wind capacity, and rolled out one of the world's most ambitious EV adoption programmes. Its renewable energy goals are among the most aggressive in the developing world.

Areas of Synergy

- **Hydrogen:** India brings scale through giga-projects, while Europe provides electrolyser technology and financing.
- **Wind & Solar:** European firms like Siemens Gamesa are leading in India's wind market, while offshore wind is a frontier ripe for Indo-EU collaboration.
- **Electric Mobility:** Mahindra-Volkswagen partnerships and Stellantis' growing India footprint show how EU-India cooperation is shaping EV ecosystems.

Electrification is not only about climate—it is about **competitiveness and energy security**. By joining forces, EU and India can co-create energy ecosystems that are both green and globally competitive.

Digitise: Industry 4.0 and Beyond

Digitisation is the nervous system of smart manufacturing. **AI, IoT, robotics**, and 5G-enabled factories are now essential for predictive maintenance, efficiency, and innovation.

Digitisation is the nervous system of smart manufacturing. AI, IoT, robotics, and 5G-enabled factories are now essential for predictive maintenance, efficiency, and innovation.

India's Digital Advantage

Indian IT companies and Global Capability Centres (GCCs) already power European industries. From digital twins to AI-driven automation, Indian engineers are developing technologies that optimise operations in Europe.

Europe's Ethical Edge The EU leads in regulatory frameworks for AI governance and data protection. The landmark AI Act is a global first in balancing innovation with responsibility. The Risks Digitisation also brings challenges. Generative AI threatens to disrupt business models, while automation could displace traditional jobs. Without strong safeguards in data governance and cyber security, digitisation risks creating vulnerabilities instead of resilience.

Together, India and the EU can create a balanced model of digitisation—where innovation is supported by scale and efficiency, but also grounded in trust and ethics.

Localise: Building Resilient Supply Chains

The pandemic, wars, and tariff disputes have taught a hard lesson: overdependence on one geography is a strategic risk. Localisation has become the cornerstone of resilience.

Smart Manufacturing & Energy Transition: Electrify, Digitise, Localise

By Kiran Nanda, Research Consultant -- The Council of EU Chambers of Commerce in India

India's Logistics Transformation

- **The Dedicated Freight Corridors (DFC)** are already decongesting passenger lines and enabling faster cargo movement.
- **Multimodal Logistics Parks (MMLPs)** integrate rail, road, air, and water transport.
- **Sagarmala & Gati Shakti** initiatives are transforming ports into gateways for industrial clusters.

Europe's Diversification Needs

European companies, especially SMEs, require trusted alternatives to China. India offers scale, a democratic framework, and policy stability.

Practical Examples

- Indo-German Mittelstand firms in Pune now produce high-tech components for both Indian and European supply chains.
- European auto companies in Tamil Nadu are sourcing EV and battery parts locally, plugging Indian suppliers into global networks.

Localisation is about more than cost. It is about **building trusted, ESG-compliant supply chains that can withstand shocks**.

Policy Alignment: The GST Question

Robin Banerjee raised a crucial issue in the panel: GST has touched every part of manufacturing—from logistics to equipment, energy, and packaging. Do reforms truly accelerate Electrify-Digitise-Localise, or do we need further alignment?

The reality is mixed. GST rationalisation has simplified compliance and reduced working capital requirements, but questions remain:

- Are GST incentives fully aligned with renewable equipment and sustainable packaging?
- Do they adequately encourage advanced switchgear, logistics digitisation, or battery manufacturing?

These questions highlight the need for policy alignment with global standards to unlock India's full potential in smart manufacturing.

Barriers and Enablers

The path ahead is full of opportunity, but challenges persist. **Barriers**

- High capital costs for adopting AI, robotics, and IoT.
- Concerns about intellectual property protection.
- Workforce readiness gaps requiring urgent reskilling.
- Misalignment between EU's strict ESG mandates and India's evolving frameworks.

Enablers

Platforms like the EU-India Trade and Technology Council (TTC) that facilitate

Dialogue on digital transition, and trade standards.

- Blended finance reduce risks for early entrants. Joint
- standards development in EV charging, hydrogen safety, and AI governance.

Together, these enablers can turn barriers into stepping stones.

Action Agenda: Executing Digitise-Localise

To translate aspiration into action, a focused agenda is needed:

- **Incentivise EU SMEs** to integrate into Indian clusters, not only through factories but co-located R&D labs.
- **Develop joint standards** in hydrogen safety, EV charging, and AI ethics.
- **Expand blended finance** under the EU's Global Gateway and India's National Infrastructure Pipeline.
- **Create EU-India skilling hubs** focused on Industry 5.0, integrating sustainability with digital skills.
- **Embed circular economy principles** into all collaborations, ensuring packaging, recycling, and carbon accounting become standard practice.

This is how the electrify-digitise-localise agenda becomes a real strategy for resilience and competitiveness.

Conclusion: A Shared Global Benchmark

Smart manufacturing and energy transition are not separate priorities—they are deeply intertwined. Electrification ensures clean energy, digitisation powers efficiency, and localisation secures resilience. Together, they form a triad that defines competitiveness in the modern era.

For India, collaboration with the EU brings access to advanced technologies, finance, and global markets. For Europe, India offers scale, cost efficiency, and a trusted democratic partner. For the world, the EU-India partnership provides a model for sustainable industrialisation in the 21st century.

As moderator Robin Banerjee reminded us, GST reforms and policy frameworks are important, but what matters most is execution. The challenge is not whether the EU and India can collaborate, but how quickly they can execute on their shared agenda.

If pursued with determination, the EU-India smart manufacturing and energy corridor can become a global benchmark—balancing growth with sustainability, efficiency with inclusivity, and innovation with resilience.



From Vision to Execution – Building Twin Hubs for the Future

By Kiran Nanda, Research Consultant -- The Council of EU Chambers of Commerce in India

Introduction: Turning Vision Into Action

At the 33rd Annual General Meeting, our discussions often circled back to one fundamental truth: India and the EU already share ambitious visions—but the time has come to turn those visions into reality. Whether in smart manufacturing, clean energy, or digital trust, the frameworks are in place. Yet the real test lies in execution.

The EU has set its course through the Green Deal and Digital Decade goals, while India has laid out its long-term strategy with Viksit Bharat 2047. Both are transformative in ambition, but neither can succeed in isolation. The challenge, therefore, is to build twin hubs of growth—India as the engine of scale and youth, and the EU as the anchor of standards and green capital—connected through purposeful action.

Why Execution Matters Now

Global uncertainty has made execution more urgent than ever. Supply chain disruptions, inflationary pressures, and geopolitical instability have all underscored the fragility of vision without delivery.

For India, execution means moving beyond intent to actual deployment—factories producing hydrogen equipment, ports operating as green corridors, and skills being embedded into the workforce at scale.

For the EU, execution means making financing flows faster, regulatory frameworks more adaptable, and partnerships more responsive to India's pace of growth.

Vision inspires, but execution transforms. Without it, opportunities risk slipping away.

The EU–India FTA: From Negotiation to Implementation

At the centre of execution lies the long-awaited EU–India Free Trade Agreement (FTA). Negotiations cover 23 chapters, ranging from goods and services to sustainability and dispute settlement. The FTA promises:

- **Preferential access** for Indian exports such as textiles, pharmaceuticals, and machinery.
- **Market entry** for EU firms in automobiles, wines, and agricultural products.
- **Alignment of ESG frameworks**, crucial for exporters to meet CBAM and other EU requirements.
- **Mobility gains** for Indian professionals, particularly in IT and consulting.

Yet, as Commerce Minister Piyush Goyal has noted, the search for “perfect” should not delay “progress.” Execution of even a pragmatic FTA can create momentum that is far more valuable than prolonged negotiations. For businesses on both sides, time lost is opportunity lost.

Aligning Scale With Standards

The EU and India differ in scale but converge in goals. Bridging that difference is the essence of execution.

India's Strength: Scale in production, youth workforce, and cost competitiveness. **EU's Strength:** Leadership in standards, ESG finance, and regulatory frameworks.

By aligning India's scale with Europe's standards, the partnership can create a trusted global value chain. For example, an Indian EV component supplier aligned with EU ESG standards immediately gains access to both markets. Conversely, a European SME partnering in India gains cost competitiveness without compromising sustainability. This alignment is where execution creates impact.

Finance: From Pledges to Projects

Much of the capital for the green and digital transition is already pledged. What remains is to channel it into projects that deliver measurable outcomes.

- **Blended Finance Platforms:** These can de-risk investment for European firms while enabling Indian infrastructure expansion.
- **ESG Funds:** Pooling capital specifically for Indo–EU projects in renewable energy, logistics, and digital infrastructure.
- **Sovereign and Pension Funds:** Europe's long-term capital, aligned with sustainability mandates, can find reliable returns in India's growth story.

The SBI–AFD climate credit line is one such model, but execution at scale requires many more such platforms. Finance must flow faster and with clearer pathways from boardrooms to building sites.

Skills: The Execution Engine

Skills are not an afterthought—they are the execution engine of every project. Without trained technicians, engineers, and managers, even the best policies fail in delivery.

India's Role

India's demographic dividend offers millions of workers who can be trained in renewable technologies, AI-enabled manufacturing, and ESG reporting. Programmes like the Yogya Bharat Mission are steps in this direction.

Europe's Role

Europe faces skills shortages across digital, manufacturing, and healthcare sectors. Talent mobility agreements with India can help fill these gaps while offering Indian youth global exposure.

Execution Gap

While pilot programmes exist, scaling them requires joint EU–India skilling hubs, aligned curricula, and industry participation. Execution here will determine whether visions of Industry 5.0 become reality or remain PowerPoint promises.

Policy Convergence: Removing Friction

Execution also demands policy convergence to remove friction in trade and investment.

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- **GST Alignment:** As panelists noted, GST affects every part of manufacturing and logistics. Aligning GST incentives with renewable equipment and advanced technologies will accelerate localisation. Regulatory Harmonisation:
- Aligning India's BRSR with the EU's ESG taxonomy can reduce compliance friction. Digital Standards:
- Collaboration on AI ethics, data governance, and cybersecurity can enable trust in digital trade.

Without policy convergence, even the best-intentioned investments struggle. Execution means closing these gaps.

Barriers to Execution

Recognising barriers is the first step to overcoming them.

- **High Costs:** AI, robotics, and green technologies remain capital-intensive.
- **Compliance Burden:** SMEs struggle with complex reporting requirements.
- **Data Quality:** Reliable employment, emissions, and trade data remain patchy.
- **Geopolitical Risks:** Shifts in global alignments could disrupt Supply chains.

Execution requires a realistic plan to address these bottlenecks, not just aspirations.

Enablers of Execution

At the same time, enablers are emerging that can accelerate progress.

- **EU-India TTC:** Provides a platform for dialogue on trade, technology, and sustainability.
- **National Logistics Policy:** India's efforts to streamline logistics reduce costs and delays.
- **Global Gateway:** The EU's €300 billion plan can finance cross-border infrastructure with India as a major partner.
- **Private Sector Initiatives:** Indo-EU corporate alliances in hydrogen, EVs, and digital solutions are already proving successful.

Harnessing these enablers is key to moving from frameworks to delivery.

A Joint Action Agenda

The time has come to define a joint action agenda focused on execution:

- Fast-track the FTA with pragmatic outcomes to build momentum.
- Launch an Indo-EU ESG Fund for green and digital infrastructure.
- Establish joint skilling hubs across India to prepare for Industry 5.0.
- Align taxonomies for ESG reporting to ease compliance for exporters.
- Develop joint standards in hydrogen safety, EV charging, and AI governance.
- Expand public-private partnerships in logistics and infrastructure.

This is not just a wish list—it is a roadmap for execution.

Conclusion: Building Twin Hubs of Growth

India and the EU are no longer asking “why” they should collaborate—the reasons are obvious. The question now is how fast they can execute.

India, with its scale, youth, and ambition, is poised to be the engine of production and innovation. The EU, with its standards, technology, and green capital, is set to be the anchor of trust and sustainability. Together, they can create twin hubs of growth that shape the future of global trade.

From vision to execution, from aspirations to action, the EU-India partnership has the potential to become not just a bilateral success but a global template for inclusive, sustainable development. The future will not be judged by the elegance of our frameworks but by the tangibility of our execution. The opportunity is here— the time to act is now.



PM Gati Shakti Plans Access to private sector will strengthen India's Infrastructure Grid

By Kiran Nanda, Research Consultant -- The Council of EU Chambers of Commerce in India

With the opening of the PM Gati Shakti to the private sector, the government is ushering in a new era of infrastructure intelligence. When strategically implemented, it can result in plethora of advantages for the government and the private sector. Importantly, it will have enormous positive implications for the nation's progress. Essentially, Gati Shakti has become not just a platform — it's a unique way of building India as a coordinated, connected, and collaborative nation.

In October 2021, the Government of India launched the PM Gati Shakti National Master Plan (NMP). This visionary plan was envisaged as a digital backbone for coordinated infrastructure creation — breaking the silos between ministries, speeding up project execution, and improving logistics efficiency. Gati Shakti is a government initiative to create a unified, data-driven approach for integrated infrastructure planning across multiple modes of transport like roads, railways, and waterways to improve connectivity and boost economic growth.

In a landmark step, the platform has been opened to the private sector on October 13, 2025. This step has allowed private companies, consultants, and researchers access to non sensitive data to help with infrastructure planning and investment. Private entities' access to comprehensive, multi-layered geospatial data is expected to enhance project planning, reduce logistics costs, and unlock private investment for building critical infrastructure. This move could redefine how infrastructure is planned, financed, and executed.

THE GAME-CHANGER: PRIVATE SECTOR ACCESS

Until now, this was a government-only tool — used by ministries and state departments for inter-agency coordination. Opening it to private players transforms it into a public-private digital commons enabling companies to plan investments with precision.

- Granting the private sector access to a centralized, integrated digital platform, will eliminate systemic inefficiencies and empowers data-driven planning.
- Use of geospatial data can be useful for more accurate ground surveys and identifying optimal project routes, which would minimize the costs and time over runs.
- Opening the integrated data to the private sector would lessen risks, like delays and rework.
- Through making the infrastructure landscape more transparent, the government can revive private investment.
- Public-Private Partnerships (PPPs) would get a push because of clearer data on project requirements, land records, and clearances.
- Participation of private sector would bring in expertise, advanced technology, and better operational efficiency, thereby leading to higher-quality infrastructure, lower cost and enhanced competitiveness.
- Access to a rich dataset would enable the private sector to develop innovative solutions for last-mile delivery, logistics, and smart city infrastructure, thereby fostering innovation.

WHAT IS PM GATI SHAKTI?

PM Gati Shakti is a Geographic Information System (GIS)-based platform integrating over 1,600 data layers from 30+ ministries — covering everything from national highways and rail networks to industrial corridors, power lines, natural resources, and social infrastructure.

The significant feature of Gati Shakti is the creation of a public-facing portal that allows private companies, consultants, and researchers to access strategic government data. Access to geospatial data implies query-based access to over 230 non-sensitive datasets from the National Master Plan (NMP), covering both physical and social infrastructure. Infrastructure asset data includes information on existing and planned railways, roads, ports, airports, logistics parks, warehouses, and telecom towers. These enabling tools allow users to perform site suitability analysis, plan for connectivity and alignment, and generate analytical reports for projects on the portal and beyond logistics. The data is intended to assist planning for sectors like healthcare, agriculture, and disaster management.

Gati Shakti's central goal is simple yet transformative- to ensure that roads, ports, airports, power grids, and logistics hubs are planned in coordination rather than isolation. Such a unified approach reduces duplication, avoids cost overruns and ensures faster completion. For India, where infrastructure spending will cross ₹143 lakh crore under the National Infrastructure Pipeline (NIP) by 2030, the Gati Shakti would provide the visibility and intelligence needed to manage such a scale. It also aligns closely with the Viksit Bharat 2047 vision, which seeks to make India a globally competitive, inclusive, and sustainable economy

IMPLICATIONS FOR NATIONAL INFRASTRUCTURE GOALS

While the private sector gains analytical leverage, the Gati Shakti platform itself benefits from this expanded participation.

Private firms will generate data feedback loops as their new projects, logistics routes, and industrial developments can be integrated into the master database. This will make the platform more dynamic, constantly updating to reflect real-time ground realities.

The move also strengthens synergies with the National Logistics Policy, the Make in India programme, and the National Monetisation Pipeline (NMP) — together representing India's push toward world-class infrastructure and logistics competitiveness.

CHALLENGES AND SAFEGUARDS

- **Data security and access protocols** would require enforcing strict security measures, to protect sensitive data related to the nation's strategic infrastructure while finalizing clear guidelines on the extent and terms of data access for private entities.
- **Private companies will require enhanced capacity building** like training in using the GIS (Geographic Information System) tools and spatial analytics to maximize the utility of the platform. Many small and medium enterprises lack the expertise to interpret complex geospatial data.
- **Ensuring data accuracy and seamless integration** between the national portal and various state-level GIS systems would be critical for data integrity and interoperability.

Success will depend on the government's ability to ensure private investments translate into tangible outcomes, such as faster construction and better urban design, rather than just capital inflows.

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TOWARDS PREDICTIVE INFRASTRUCTURE PLANNING

Notwithstanding immediate benefits, Gati Shakti's private sector opening is a strategic investment in India's future competitiveness.

With private innovation layered over public data, the next phase could see the emergence of:

- **AI-based predictive infrastructure tools** — forecasting transport congestion on routes, logistics bottlenecks, or climate risks before they occur.
- **ESG-linked planning dashboards** — tracking carbon footprints of logistics corridors.
- **Real-time coordination** between central, state, and industry stakeholders.

India's infrastructure planning could evolve from reactive to predictive, mirroring best practices from digitally advanced economies.

IMPLICATIONS FOR PRIVATE SECTOR

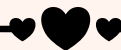
Opening the Gati Shakti move to the private sector will have a ripple effect across industries and investment domains.

- **Infrastructure Developers:** can now align projects with existing and planned assets. For instance, if a logistics park is planned near a multimodal terminal, developers can avoid duplication and synchronize construction timelines. Land acquisition risks — one of the biggest hurdles — can be minimized by understanding terrain, ownership, and connectivity before investment.
- **Manufacturing and Logistics Firms:** For manufacturers, especially those in sectors such as automotive components, renewables, and electronics, location decisions are increasingly data-driven. A firm can review Gati Shakti maps to find the best-connected industrial parks, access to ports or freight corridors, and power availability, thereby reducing logistics costs and lead times. Logistics firms, meanwhile, can plan hub-and-spoke networks that integrate road, rail, and coastal shipping, using multimodal visibility to optimize routes and fleet efficiency.

- **Investors and Financial Institutions:** Investors can assess infrastructure readiness and project viability before committing funds. Banks, infrastructure funds, and sovereign investors can use the data to conduct due diligence faster and with greater accuracy, enhancing confidence in project financing.
- **Technology and Startups:** By providing a geospatial APIs (Application Programming Interfaces) ecosystem, the platform opens opportunities for startups to develop AI-enabled planning tools, predictive logistics systems, and ESG (Environmental, Social and Governance) compliance trackers — turning raw data into actionable intelligence.

COLLABORATIVE NATION BUILDING

In sum, the opening of PM Gati Shakti to the private sector signals a decisive shift toward collaborative nation-building. It bridges the long-prevailing divide between policy planning and market execution — ensuring that national infrastructure growth gets fully aligned, accountable, and anticipatory. For the private sector, it's a chance to move beyond being project executors to becoming partners in laying down infrastructure strategies. For the government, it's an opportunity to crowdsource innovation, enhance transparency, and accelerate progress toward the Viksit Bharat 2047 vision. In one stroke, it has resulted in promotion of innovation, driving sustainable development, and turning India into a global powerhouse by utilising new-age technologies and facilitating adoption of a comprehensive



EU INDIA KEY UPDATES (October 2025)

By Kiran Nanda, Research Consultant -- The Council of EU Chambers of Commerce in India

Trade & Policy Developments

- **14th Round of FTA Talks Concluded:** India and the EU wrapped up the 14th round of Free Trade Agreement negotiations in Brussels (Oct 6–12), pushing to resolve remaining issues in time for a year-end deal.
- **New Strategic Agenda for EU-India:** The EU issued a Joint Communication laying out a “New Strategic EU-India Agenda” to elevate ties across investment, innovation, sustainability, and connectivity. Development Aid In the new EU-India strategic agenda, the European Parliament also focused on prosperity, technology, and security cooperation.
- **India-EFTA TEPA Takes Effect:** As of 1 October, the India– European Free Trade Association (EFTA) Trade & Economic Partnership Agreement (TEPA) active, aiming to reduce tariffs, liberalise services, and mobilise USD 100 billion in investment and 1 million jobs over 15 years.
- **EU Proposes Steel Import Protections:** The EU unveiled draft proposals to halve its tariff-free steel import quotas and impose a 50% tariff on excess imports—including from India—raising concerns over origin rules and competitiveness.

Trade & Market Signals

- **Indian Textiles Pivot to Europe Amid U.S. Tariffs:** Facing 50% U.S. tariffs on apparel, jewelry, footwear and shrimp, Indian exporters are offering discounts and aggressively seeking EU markets. The move underscores how India is fast-tracking trade diversification.
- **Exporters Raise Mobility & Non-Tariff Barriers with German Stakeholders:** India formally flagged issues of visa restrictions, professional mobility, and non-tariff barriers to German authorities as obstacles to smoother EU trade engagement

Finance, Infrastructure & Green Investment

- **EIB Commits to India's Energy Transition:** European Investment Bank (EIB) Global announced up to USD 60 million in fresh capital for the India Energy Transition Fund, targeting investment in renewables, EV infrastructure, energy efficiency, and circular economy projects. The deal was announced on October 14, 2025, in New Delhi by EIB Vice-President Nicola Beer and Subahoo Chordia, CEO of EAAA Alternatives.

- **Progress on India-EU FTA talks:** Union Commerce and Industry Minister Piyush Goyal held discussions with EU Trade Commissioner Maros Sefcovic on Oct 22, 2025. Goyal described the meeting as a “productive engagement focused on the positive resolution of the outstanding issues with respect to the India-EU FTA”

Cultural Ties

- **India inviting EU leadership as Republic Day chief guests:** Ursula von der Leyen (President of the European Commission) and António Costa (President of the European Council) reportedly invited for India's 2026 Republic Day celebrations.

Trade & Policy

- **FTA Talks Progressing but Cautious:** India and the EU continued intensive negotiations on the long pending Free Trade Agreement. Commerce Minister Piyush Goyal reiterated that India “does not do deals in a hurry or under pressure,” emphasizing a balanced, win-win outcome. Negotiators stayed on in Brussels to bridge gaps on rules of origin and market access.
- **Half of India-EU FTA chapters finalised:** Union Commerce and Industry Minister Shri Piyush Goyal stated that India and the European Union have concluded about ten of the ~20 chapters and made broad agreement on another four to five.
- **Germany Engagement Deepens:** Union Commerce and Industry Minister Shri Piyush Goyal's visit to Berlin marked 25 years of India-Germany strategic partnership. Discussions with German leaders focused on renewable energy, advanced manufacturing, and sustainable supply chains. Meetings with Mittelstand CEOs and the Federation of German Industries (BDI) aimed to expand investments and address India's \$8 bn trade deficit.
- **LT Foods Expands in Europe:** LT Foods India will acquire Hungary-based Global Green Europe Kft for €25 mn to strengthen its packaged foods presence in the EU market.

Investment & Industry

- **European Investment Bank (EIB) Boosts Green Finance:** The EIB announced expanded commitments to India's clean energy and mobility projects through the \$60 mn India Energy Transition Fund. Focus areas include battery storage, EV supply chains and circular-economy ventures to support India's netzero 2070 goal.

EU INDIA KEY UPDATES (October 2025)

By Kiran Nanda, Research Consultant -- The Council of EU Chambers of Commerce in India

- **IndiGo-Airbus Deal Strengthens Aviation Ties:** IndiGo converted options for 30 more A350-900 aircraft into firm orders, doubling its wide-body commitment to 60 planes powered by Rolls-Royce Trent XWB engines — further cementing India-EU aerospace collaboration.

Economic Context in Europe

- **Mixed Growth Signals:** German business activity hit a 2½-year high (PMI 53.8) while France's contracted to 47.1; Euro zone composite PMI rose to 52.2 signalling broad recovery.
- **Fiscal and Reform Focus:** The IMF urged the EU to make a "down payment on reforms" to boost growth by 3% over the next decade through lower energy costs and greater labour mobility. Italy continues to outperform on deficit targets, while France faces ratings pressures and budget strains.

Energy & Geopolitics

- **Sanctions on Russian Oil:** Analysts expect limited impact on India's macro stability and RIL's refining margins following new US/EU sanctions. RIL said it will comply with EU import guidelines while assessing implications.
- **IMF Outlook:** The EU is expected to maintain growth despite higher fiscal burdens from tariffs and energy subsidies; growth forecast remains ~1.1% for 2025.

Business & Tourism

- **Stripe Postpones India Relaunch:** Irish-American fintech Stripe delayed its return amid tighter licensing norms — a signal of the increasingly regulated digital-finance environment for EU-origin players.



INDIA-EU FTA: THE LAST MILE OF NEGOTIATIONS

By Kiran Nanda, Research Consultant -- The Council of EU Chambers of Commerce in India

The India-EU Free Trade Agreement (FTA), one of the most ambitious trade negotiations underway globally, is approaching a crucial juncture. Both sides have committed to concluding the long-pending deal by the end of 2025 — a target reaffirmed during the February 2025 meeting between Prime Minister Narendra Modi and European Commission President Ursula von der Leyen. The 14th round of negotiations, held recently in Brussels, signalled renewed momentum and political will to bring this comprehensive pact to fruition.

For India, the agreement represents more than market access — it is a gateway to technology, investment, and integration into global value chains. While India will have to make efforts to earn its place in the China+1 strategy[1], a favourable EU FTA can accelerate its momentum considerably. For the European Union, it offers a strategic foothold in one of the world's fastest-growing major economies — soon to become the world's 3rd largest economy — and a counterbalance in a multipolar trade landscape.

As global supply chains are redrawn amid geopolitical realignments, the India-EU corridor stands out as one of partnership and pragmatism — anchored in shared values and sustainability goals.

The road so far: Rebuilding Momentum

Talks for an India-EU trade deal first began in 2007 but were paused in 2013 due to differences over market access and regulatory issues. Talks resumed in June 2022 under a new geopolitical reality: post-pandemic diversification, energy transition imperatives, and the rise of regionalism.

Since then, 14 rounds of negotiations have taken place, covering 23 policy areas. These include trade in goods and services, investment protection, customs facilitation, intellectual property, competition, and sustainable development.

Statements from both sides underscore optimism. EU Executive Vice-President Maroš Šefčovič noted that “major democracies in an uncertain world have much to gain by working together,” while India's Commerce and Industry Minister Piyush Goyal emphasised the need for a “balanced, fair, and win-win” partnership. Importantly, both leaders agree that perfection should not delay progress — “one should not make the perfect the enemy of the good.”

Trade and Tariff: Status & Expectations

Recent adjustments in the European Union's import framework have altered India's trade dynamics with the bloc. Beginning January 1, 2023, several Indian export categories that previously enjoyed tariff exemptions under preferential trade schemes have become liable for customs duties, though the EU has not publicly detailed the specific product list or percentage of reduction. This shift reflects the EU's broader policy of periodically revising tariffs and quotas to protect domestic industries and manage competitive pressures.

Over the past year, Brussels has introduced a series of sector-specific measures—ranging from countervailing duties on optical fiber cables to new safeguard mechanisms for steel imports—indicating a trend toward tighter trade controls. While these steps could limit India's market access in some segments, ongoing India-EU Free Trade Agreement negotiations are expected to address such barriers by modernising tariff structures, improving transparency, and ensuring more predictable market access in the years ahead.

What's on the table: Scope and Priorities

The FTA is designed as a comprehensive economic partnership that goes well beyond tariff reduction. The key elements under negotiation include:

- **Trade in Goods and Services:** Simplifying customs procedures, reducing tariffs, and facilitating logistics and transport linkages to improve trade efficiency.
- **Investment and Market Access:** Creating transparent dispute-resolution mechanisms and predictable frameworks to attract long-term capital flows.
- **Rules of Origin and Technical Standards:** Aligning certification and product-origin rules to smoothen exports in sectors like textiles, auto components, and electronics.
- **Sustainability and ESG Alignment:** Integrating climate-related standards, circular economy practices, and fair labour principles.
- **Digital Trade and Intellectual Property:** Establishing frameworks for securing cross-border data flows, innovation protection, and fair technology transfers.

For businesses across the EU and India, progress in these domains promise more predictability, fewer non-tariff barriers, and easier participation in each other's domestic markets.

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STAKES FOR INDIA : Access, Advantage & Adjustment

For India, the FTA is an opportunity to strengthen its manufacturing base and secure preferential access to one of the world's largest and most affluent consumer markets. Priority areas include:

- **Labour-intensive exports** such as textiles, apparel, and leather goods, which employ millions and can benefit from reduced EU tariffs and other measures.
- **Capital- and technology-intensive sectors** like machinery, chemicals, pharmaceuticals, and metals, which seek to integrate more deeply with European supply chains.
- **Professional services and mobility**, where India seeks easier visa norms for temporary workers, IT professionals, and engineers to deliver services seamlessly.
- **Carbon Border Adjustment Mechanism (CBAM) relief**, particularly for steel and aluminium exports, where India is requesting exemptions similar to those granted to the US. India argues for a level playing field, stating that similar flexibility should be extended to India's industries during the EU-India FTA negotiations.

India's broader aim is clear — to make “Make in India” globally relevant by plugging into sustainable, high-value global value chains.

STAKES FOR THE EU: Markets, Modernisation, and Mutual Growth

For the European Union, India represents both opportunity and diversification. With a young population, robust consumption, rising industrial capacity and a target to become a developed country status at the earliest, India is a natural partner for EU firms seeking growth beyond traditional markets.

The EU's priorities in the FTA include:

- Greater access for automobiles, wines, spirits, and agricultural products such as dairy and poultry.
- Investment protection, ensuring a stable legal framework for European investors.
- Technology and sustainability partnerships, aligned with the EU Green Deal.

Crucially, the EU also views India as a pillar in its strategy of “Open Strategic Autonomy” — building resilient trade links that reduce overdependence on any single region.

THE ECONOMIC RATIONALE: Numbers that matter

Trade data underscores the relationship's scale and potential. In FY 2024-25, bilateral goods trade between EU and India stood at USD 136 billion — India exported USD 76 billion and imported USD 61 billion.

The EU remains India's largest trading bloc, accounting for nearly 17% of India's exports[1]. Analysts estimate that a successful FTA could boost bilateral trade by 30-40% within five years, driven by lower tariffs, improved logistics, and increased investments.

CHALLENGES AND STICKING POINTS

Despite encouraging progress, several complex issues remain to be resolved:

- **CBAM and Climate Costs:** Indian exporters, particularly in steel, aluminium, cement and fertilizers fear higher costs due to the EU's carbon border tax, starting January 2026.
- **Autos and Alcohol Tariffs:** India's high duties on imported vehicles and wines remain politically sensitive and economically contested.
- **Non-Tariff Barriers:** Technical standards, certification requirements, and sanitary regulations[1] can impede trade even when tariffs fall.
- **Agricultural Market Sensitivities:** Both sides are cautious — Europe over standards and India over farmer livelihoods.

These differences, though significant, are not insurmountable. As Minister Goyal noted, “Every negotiation involves give and take to ensure fairness and balance.”

SECTORAL OPPORTUNITIES: Where collaboration can scale

Beyond the negotiating tables, the FTA promises tangible opportunities for cross-sector partnerships.

- **Auto Components and EVs:** India's component manufacturers can benefit from greater EU integration, while European firms gain a competitive production base for Asia. The FTA could catalyse joint ventures in EV platforms and green mobility.
- **Green Hydrogen and Renewables:** Indian energy conglomerates, like Reliance and Adani, are investing in giga-scale hydrogen projects, where European firms bring electrolyser technology and finance.

INDIA-EU FTA: THE LAST MILE OF NEGOTIATIONS

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- **Pharmaceuticals and Healthcare:** Harmonising intellectual-property regimes and regulatory approvals can open new pathways for Indian pharma exports and EU biotech collaborations.
- **Textiles and Leather:** With sustainability and traceability becoming key trade determinants, India's exporters can leverage EU partnerships to green their value chains.
- **Logistics and Supply Chain Modernisation:** Rationalised GST structures and India's Gati Shakti initiative are improving logistics efficiency, making cross-border supply-chain integration more feasible for EU companies.

For businesses on both sides, this translates to new markets, lower transaction costs, and opportunities for co-innovation.

THE OUTLOOK: From Negotiation to Transformation

The India-EU FTA is more than a trade deal — it's a statement of strategic convergence. Both sides are betting on openness, sustainability, and long-term growth in a world drifting toward fragmentation.

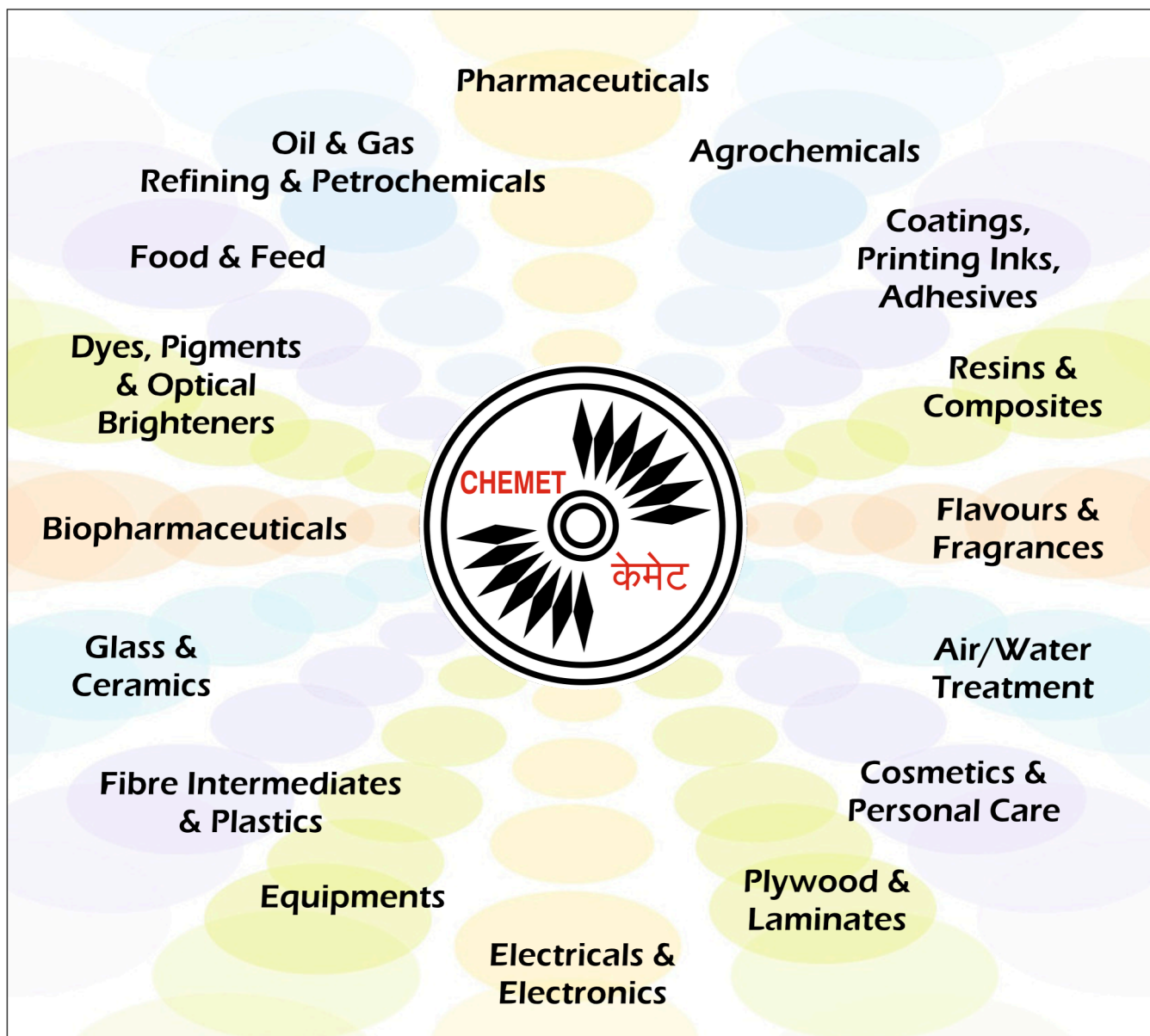
The coming months will be decisive. The political will is evident; the challenge lies in aligning technical details with economic aspirations. If concluded successfully, this agreement could serve as a model for equitable globalisation, demonstrating how regions can craft trade frameworks that blend competitiveness with climate responsibility.

For European businesses, India represents a dynamic, innovation-driven market that complements the EU's advanced capabilities. For Indian firms, Europe offers credibility, capital, and cutting-edge technology and exporters are pinning hopes on EU FTA to mitigate the adverse impact of stiff tariffs.

As Minister Goyal aptly said, "The possibilities being unlocked through this process are immense." If the next rounds of negotiation can convert goodwill into action, the India-EU FTA will stand not only as a commercial milestone — but as a defining partnership shaping the future of global trade.



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**To know more about lifestyle modifications, consult your physician/specialist



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