

**Record of Discussion of the 3rd Meeting of the India-Colombia Joint Business
Development Cooperation
Bogota, Colombia
19th May, 2017**

The 3rd Meeting of the Joint Committee for India Colombia Business Development Cooperation was held in Bogota, Colombia on 19th May, 2017. The Delegation of the Republic of Colombia was chaired by the Vice Minister Mr. Javier Humberto Gamboa Benavides, Vice Minister of Commerce from the Ministry of Commerce, Industry and Tourism, Government of Colombia (VM). The Delegation of the Republic of India was chaired by the Secretary to Government, Department of Commerce, Government of India Mrs. Rita Teatia (CS).

2. List of participants from both sides is at Annex 1.

3. The agenda of the 3rd Meeting of the India Colombia Joint Committee for Business Development Cooperation (JCBDC) was adopted which may be seen at Annex 2. Discussions on the agenda items ensued, the details of which are as follows:

Opening remarks by Co-chairs

At the outset, VM welcomed the Indian delegation led by Ms. Rita Teatia, Commerce Secretary (CS), Department of Commerce, Government of India and the Indian Delegation, highlighting the important representation of the businessmen delegation.

In her opening remarks, the CS thanked the Colombian side for a warm welcome and stated that she looked forward to a fruitful discussion. She expressed her appreciation for the interest shown by Colombia in boosting economic and trade relations with India and mentioned that India was equally interested in cooperation with Colombia in all possible areas.

Exchange on global- bilateral economic scenario

The VM mentioned that we face a retraction of trade flows worldwide and the past years gave an alert to the world after the oil price went down as well as commodities prices. Diversifying the exports became an essential goal and enhancing internal valued added productions are of the utmost importance to ensure economic development and improving domestic economies. Therefore, enhancing non-mining exports are one of the key tools for Governments and in general for the global economy.

CS gave an overview of the global economic scenario. She mentioned that there has been unusual volatility in the international economic environment in recent times and global growth had slowed down. The trend has remained the same from 2008 and has had major impact on developed as well as emerging economies. In the recent months, there appears to be a sign of turnaround in the global scenario and India's exports have shown an upward trend recently.

Discussion on agenda items of economic cooperation

a. Review of Bilateral Trade / Investment

CS mentioned that despite uncertainties in the global economic scenario, the Indian economy has recorded a robust growth and has been stable due to the strong macro-economic fundamentals. The Gross Domestic Product (GDP) of India during 2015-16 registered one of the highest growth rates of 7.9% in the world. She also mentioned that advance estimates indicate that the Indian economy has grown at 7.1% during 2016-17. She mentioned that the Government's initiatives of promoting growth through various measures viz. Make in India, Startup India, Digital India, Skill India etc. are showing positive results.

On India - Colombia bilateral trade, she mentioned that Colombia is one of our important trading partners in LAC region. She further mentioned that the current trade is not commensurate with the potential and complementarities that exists in both the countries. Both the sides must look at diversification of trade basket as well as increase in volumes.

b. Possibilities of trade agreement

Both sides noted that India has an 'Observer status' in the Pacific Alliance. CS mentioned that India is keen to engage with the Pacific Alliance on a deeper basis as an Associate Member and seeks active support of Colombia in this regard during the forthcoming Ministerial to be held in July, 2017 under the Presidency of Colombia.

It was also agreed to assess the possibility of a parallel track.

On a bilateral front, both sides agreed to explore the potential framework to be adopted for a trade agreement. The two sides may discuss and formalize through a video-conference between the Vice Ministers on the 14th of June, 2017.

Ratification of the Bilateral Investment Treaty

India mentioned that the Joint Interpretative Statement (JIS) with Colombia is pending for finalization and awaits receipt of final text of the JIS from the Colombian side. After discussion, Colombian side mentioned that the text is finalized and final version will be communicated to Ministry of Finance, Government of India today. Both sides agreed to finalise mechanism for exchange of JIS on priority.

Discussion on areas of cooperation

Both sides expressed their commitment to explore different areas to work jointly aiming to find sectors to enhance and share mutual experiences, benefitting the current economic situations of both countries. India is one of the largest economy nowadays and Colombia is facing a very important challenge, which is the implementation of the peace deal agreements where trade could represent an essential key and therefore India can be an excellent partner.

Indian side mentioned that there was a meeting held with the Indian as well as Colombian Industry stakeholders on the 18th of May, 2017 in which 21 companies from India participated, including India's largest multinationals and Officials which reflects India's interest in Colombia. During the consultation, it emerges that the industry sees a great potential in Colombia in sectors like telecommunication, infrastructure development,

metals, hydrocarbons, information technology & industrial technology, pharmaceuticals, bio-technology products, chemicals, textiles, two wheelers, automobiles & auto-parts, mining of coal, gems & jewellery, minerals, machineries, non-conventional energy, etc. which have great promise for developing commercial relations between the two countries. CS mentioned that there are strong complementarities between the two countries in the Services sector also specially in IT, Education, Tourism, Financial Services, Health Care and Media. We are already engaging in these areas and India sees further unfulfilled potential in these sectors. CS expressed hope that further engagements in these sectors will be done for mutual benefit of the two countries. She also invited Colombia to join the Solar Alliance.

The outcome of the Joint Working Group (JWG) constituted under the aegis of the India Colombia Joint Business Development Committee which held its first meeting a day before the meeting of the Joint Committee for India Colombia Business Development Cooperation was discussed by both the sides. The potential for investments from both the sides was discussed in the areas of cooperation as mentioned above. As Colombia is exploring to diversify its export basket they have shown interest for cooperation in sectors of Agriculture and Food Processing.

The Indian side raised the matter of signing of a separate MoU for Cooperation in Traditional medicine between Ministry of AYUSH and Ministry of Social Protection of the Republic of Colombia which is under process. CS mentioned that AYUSH protocol is of tremendous mutual interest given the rich traditional knowledge of India as well as Colombia. The matter has been under discussion for a very long time and may be signed early. The Indian side shared the final version of draft MoU with the Colombian side with the request to forward the same to the Ministry of Health of Colombia for early action.

Indian side mentioned that India supplies quality medicines to a large number of countries globally in order to facilitate early access of these products to Colombia, it was requested to provide expeditious approval to products/ companies which have received regulatory approvals of USFDA, EU, Japan, UK-MHRA or TGA-Australia.

India also requested the Colombian side for relaxation of the domestic regulations which have made market non-competitive for two and three wheeler suppliers in Colombia.

Market Access issues

Colombia mentioned about the issues pertaining to fumigation of teak wood with Methyl Bromide in view of the availability of phosphine treatment protocol which is considered to be better. Colombian side mentioned that this treatment was adequate for the purpose. In response, India mentioned that this issue is under the consideration of the concerned agricultural authorities.

The Indian side requested that they have already sent the technical information to Colombia pertaining to cotton, waste cotton noil, *Muccuna bracteata* seeds and for rice (*Oryza sativa*) and requested that the concerned Ministry may be requested to expedite their response.

India highlighted its concerns on export of Indian agarbatti (incense sticks) to Colombia which is facing difficulties because of US\$ 400 registration fee being charged by INVIMA (agency for food and drug administration of Colombia) on each variety per consignment. India mentioned that they have at least 80 varieties of agarbattis of different fragrance and Colombia registration charge of US \$400 on each variety separately acts as a non-tariff barrier. India requested Colombia to consider levy of only one registration fee per consignment of agarbattis even if different varieties are there.

India also mentioned about the delay in grant of environmental clearances to some of its Indian companies. There are also clearances awaited for a large number of agro chemical products. India requested Colombia to convey the concern to ANLA to expedite the process of granting necessary environmental clearances early so that work could be commenced by these companies.

In the end, both sides reaffirmed their determination to continue deepening the excellent relations of friendship and cooperation between the two countries and expressed satisfaction at the successful completion of the 3rd Meeting of the India-Colombia Joint Business Development Cooperation.

CS also welcomed the upcoming visit of President of Colombia to India and mentioned that India looks forward to the visit which would strengthen the bilateral relations between the two countries.

Both delegations agreed to share information with each other so as to deepen bilateral interests and bring benefits to both the sides.

Signed on the day of 19th May, 2017, in two copies of identical content, in the English and Spanish languages.

For the Republic of India



Ms Rita Teaotia

Secretary of Commerce

For the Republic of Colombia



Vice Minister of Commerce