

PROTOCOL

7th Session of the India-Slovakia Joint Economic Committee

The Seventh Session of the India-Slovakia Joint Economic Committee (JEC) on Economic and Commercial Cooperation (hereinafter referred as the JEC) was held in Bratislava on July 11-12, 2013.

The JEC was co-chaired by H.E. Pavol Pavlis, State Secretary, Ministry of Economy of the Slovak Republic and H.E. Dr. D. Purandeswari, Minister of State for Commerce, Government of India.

The lists of the Slovak and Indian Delegations (hereinafter referred as Both Sides) are attached in Annex I and II to this Protocol.

During her stay in Slovakia, H.E. Dr. D. Purandeswari, State Minister for Commerce, Government of India met with H.E. Lubomír Vážny, Deputy Prime Minister, Government of the Slovak Republic and H.E. Peter Burian, State Secretary, Ministry of Foreign and European Affairs of the Slovak Republic.

The discussions in the JEC were conducted in bilateral trade, economic and financial issues, investments, innovation and SMEs development, standards & testing, science & technology, energy, industry, agriculture, tourism and visa issues.

The discussions of the JEC were held in an atmosphere of friendship and understanding, reflecting the principal objective of the JEC towards finding out ways and means to increase bilateral economic cooperation. Both Sides also exchanged information on their respective economies, trade policies and business environments.

The results of the deliberations of the JEC were as follows:

1. Bilateral Economic and Trade Relations

Both Sides reiterated the importance of the JEC towards the development of bilateral economic and trade relations through facilitating dialogue and enhancing cooperation on a wide range of issues of mutual interest.

Both Sides agreed on organizing the JEC meetings more frequently and with the participation of the representatives from the private sectors of the two countries.

Both Sides stressed the necessity of activating and supporting the Business Councils, holding Business Forums and participation of their private sectors to the fairs and exhibitions in their respective countries with the aim of establishing direct interactions between entrepreneurs of the two countries.

The leaders of the Slovak and Indian delegation reflected upon the current economic situation in respective countries in the context of overall world economic scenario. The leader of Indian delegation stressed the interest of India in the projects in Europe and India's emergence as a major investor in some of the EU countries. She also expressed India's keen interest to widen and intensify the scope of bilateral economic relations between India and Slovakia.

The leader of the Slovak delegation highlighted the current economic situation in Slovakia. He reciprocated Slovakia's keen desire for strengthening trade and economic relations with India and expressed the will to follow up this successful cooperation and excellent bilateral relations based on long tradition into the future.

Both Sides reviewed the bilateral trade over the last few years. It was noted that although there was a significant increase in the volume of trade in the last years between both countries the bilateral trade is far below their potential. It was agreed to make concentrated effort to promote and expand bilateral trade and find out the ways for cooperation in third countries' markets.

In order to facilitate speedy and accurate exchange of information, the two sides agreed to encourage direct cooperation between their trade promotion agencies and give this process the formal agreement base. The relevant institutions on Both Sides should be encouraged to sign Memorandum of Understanding.

India handed over a list of some major international trade fairs organized by the India Trade Promotion Organization (ITPO) and invited Slovakia to participate in them.

2. Financial Sector Cooperation

2.1 Double Taxation Avoidance Agreement

Both Sides stressed the necessity to finalize the process of conclusion and putting into force the new Agreement on Avoidance of Double Taxation between the Government of the Slovak Republic and the Government of India including renegotiation of certain sections as required.

2.2 New agreement between Eximbanka Slovak Republic and EXIM Bank of India

The Export – Import Bank of the Slovak Republic (Eximbanka SR) and the Export – Import Bank of India entered into a Cooperation Agreement in 2004 aiming to establish the framework of cooperation between two institutions supporting and encouraging trade between the Slovak Republic and the Republic of India, exchange of goods and services from their respective countries and strengthen cooperation and coordination with their respective export credit programmes including insurance, direct lending and guarantees. With the aim to improve mutual cooperation, India informed that EXIM Bank of India would be happy to consider reviving and modifying the said Cooperation Agreement and sign the new Agreement on Cooperation with Eximbanka SR as and when proposal is received from Eximbanka (SR).

2.3 Cooperation between Eximbanka Slovak Republic and Export and Credit Guarantee Corporation of India

Further it was agreed that Eximbanka SR and Export Credit Guarantee Corporation of India Ltd. (ECGC) would explore the possibility to initiate and sign the Agreement on Cooperation regarding finance, insurance and guarantee support for goods and services which are exported from one country to another and for stimulation of trade between respective countries and the third countries as well.

3. Economic cooperation

3.1 Investments and projects identification

The Indian side informed that the FDI inflow from Slovakia is US 5.22 million which is negligible taking into account its overall investment abroad which is US\$ 4.309 billion. It was agreed that promotion of two-way investment flows is important for strengthening the bilateral relationship. The Indian side expressed interest in exploring the available technology in the areas of water management, sewage treatment, specialised machinery parts and biometrics.

Both Sides agreed that wide range of investment opportunities exists both for Slovak and Indian companies in the each other's country especially in information technologies, nano-technology, bio-technology, construction and renovation of infrastructure (participation of the Slovak companies in the National Highway Development Program in India and the highway construction infrastructure projects in consultancy and feasibility/DPR studies for highway construction projects, pollution control, emission norms and intelligent Transport System in the roads/transport sector, energy projects in India including, research and development, automotive related industry, electronic industry, construction, health services and tourism, in cooperation with the scientific research institutions of both countries.

Bilateral Investment Protection Investment Protection and Promotion Agreement (BIPPA) (was signed on 25 September 2006 and came into force on June 16, 2007). Both Sides stressed the necessity of information exchange regarding FDI incentives provided by respective countries including rules and conditions currently valid in the Slovak Republic and India, identifying the areas for investments in both countries including SMEs.

Both Sides also agreed to encourage cooperation in the field of joint investments in third countries.

4. Standards, Metrology and Testing

Both Sides expressed the necessity to enhance the cooperation between the national institutions of standards, metrology and testing. The Slovak Institute of Standards, Metrology and Testing is keen to establish the Expert Working Group (EWG) for negotiations of the issues regarding Standards, Metrology, Accreditation and Market Supervision to implement the "Quality Infrastructure System".

In this regard both sides expressed hope that Memorandums of Understanding (MOUs) between the Slovak Office of Standards, Metrology and Testing and relevant Indian bodies (Bureau of Indian Standards and National Physical Laboratory) are signed earlier, preferably in October 2013 during the IEC General Meeting in New Delhi.

5. Science and Technology

India expressed satisfaction that cooperation in S&T between India and Slovakia has been stable and need to be reactivated. Both Sides noted that the framework for cooperation is based on the Agreement on Cooperation in Science & Technology signed on 9 October 1996. A Joint Committee on Science & Technology had been constituted to implement this Agreement was set up in 2009 including declaration for further bidding procedure (last one was declared in 2010).

Agreement on Scientific and Technical Cooperation between the Slovak Academy of Science and the Council for Scientific and Industrial Research of India and the Indian National Academy of Science (INAS) was highly appreciated by Both Sides. Both Sides

agreed to encourage direct contacts and cooperation between the Slovak Academy of Science (SAS) and INAS, support the joint efforts of the two Academies at the relevant international forums including the Global Network of Science Academies (GNSA) and International Union of Academies (IUA).

6. Energy

India stated that Slovak Republic was invited to participate and invest in the power sector especially in Ultra Mega Power Projects (UMPP). Both Sides proposed to encourage cooperation in energy field, especially in nuclear, geothermal energy and coal sectors and also in renewable energy and energy efficiency. Both Sides expressed their interest in cooperation in the fields of construction and modernization of power plants, in coal mining technology particularly in deep coal mining and clean coal technology.

Both Sides agreed to consider establishing an "Energy Working Group" in order to exchange expertise and experience in these areas.

7. Defense Cooperation

The Slovak Side presented the possibilities for enhancing the cooperation in the area of defense. Defense industry is one of their strengths and they were willing to cooperate in the defense sector. Slovak Side indicated its interest in joint cooperation in defense manufacturing industry and looking for a new ways and means of cooperation.

8. MSME

In the meeting between the Indian Minister for MSME and Slovak Ministers of Economy and Defense in April in New Delhi 2012, Both Sides had agreed to sign an MoU for forging long term relations in the MSME sector. It is expected that once this MoU is signed both side will be benefited with each other's expertise and experience in MSME sector.

Both Sides, agreed to encourage and promote cooperation through sharing knowledge and experience including business delegations, information exchange on business opportunities SMEs, training programs etc.

In this respect, the Slovak Side provided the information regarding the situation in the Electro Mobility Sector in the Slovak Republic and its influence on further economic development in the country and its influence on the national economy (practicable utilization of the electro mobiles).

9. Agriculture

With the aim to improve the current level of cooperation in agricultural sector and increase the exchange of agricultural, food commodities and other products related to agricultural sector, Slovak Side indicated its interest in cooperation in forestry and wood processing industry, diversification of the commodity basket in relation to agriculture (deliveries of fertilizers, soil research, agricultural machines, etc) and start cooperation regarding water management (water irrigation and water sewage systems) and cooperation among universities and research and development.

10. Tourism

India stated that inbound tourist arrival from and departures to Slovak Republic are very limited. India recently has allowed 100% FDI on automatic route in Hotel and Tourism sector Faculty exchange programs can be organized between the HRD Institutes in India and Slovak Republic. Tour Operators in both the countries may explore possibilities for promoting more packaged tours.

Both Sides noted the potential for increasing bilateral trade in this sector. It was agreed that the way forward should include exchange of information on tourist arrivals, targets and projection, experience sharing in infrastructure facilities, destination management, management of heritage sites, mountain tourism, organizing of bilateral visits of business delegations from this sector, encouraging joint ventures in hotel industry and tourism infrastructural sector and participation in trade fairs and exhibitions.

11. Textiles

Indian side stated that Textile is an important sector where trade between both countries has shown an increasing trend over the years. With a view to boost cooperation in Textile & Clothing (T&C) sector, concerned Slovak authority in T&C may be indicated with which Indian EPCs and other bodies may interact. The Slovak side may also take advantage of investment opportunities in India where equity participation up to 100% through automatic route is permitted in the textile sector. Also major departmental stores, importer and retail chains based in Slovakia are invited to participate in the major textile fairs/exhibitions organized in India which would provide further momentum and optimize cooperation between two countries in Textile sector.

12. Pharmaceuticals

Both Sides noted this sector has potential for increased bilateral trade. Indian side informed that registration process of generic drugs in Slovakia should be expeditious as presently this takes substantial time thereby affecting Indian exports. Slovak side was requested to relook their FDA regime to address Indian exporters' concerns.

Indian side further suggested to increase cooperation between National Institute of Pharmaceutical Education and Research (NIPER) and its Slovak counterpart agency in the field of training of drug regulators, regulatory studies, exchange of technical information and joint research & development projects.

To move this process forward Indian side will prepare draft of the Agreement on Cooperation and Slovak side will respond as and when proposal is received from India.

13. Ayurveda and Traditional Indian Medicine

India suggested that the Indian traditional system of medicine and homeopathy be recognized and the required framework for practitioners of these systems of medicine to be created.

14. Auto and auto components

Recognising strength of both sides in this sector, the Indian side expressed its interest in areas of Auto and Auto Components and stated that India's auto sector was in a growth phase and it is expected to become a major contributor to the country's manufacturing GDP as well as to employment generation, which is a National priority. Development of the auto-component sector, which comprises small and medium industries was of particular interest to

India. India is aware of the strength of the auto-component industry in the Slovak Republic and its engineering capabilities. The Indian Side stressed the importance of joint endeavours, manufacturing partnerships, technical as well as financial cooperation, joint R&D etc to encourage engagement in this sector.

15. Other issues

15.1 VISA Matters

Both Sides noted the importance of facilitating travel to promote bilateral trade, investment and tourism in both directions through transparent and simple procedures so that visas are issued within a short and reasonable time period on reciprocal basis within the domestic system, so that investors in both countries would be encouraged if they had the confidence that they would be able to move managerial and skilled resources in a time-bound manner. Complexity of procedures and uncertainty regarding the time taken for issuance of long term visas and work permits can be a deterrent to investments.

15.2 B-2-B engagement

Both Sides underscored the importance of holding the next Session of India-Slovak Joint Business Council meeting at an early date. Increased engagement at business level would impart momentum to the bilateral trade and economic relationship. Both Sides agreed to have regular meetings of the Joint Business Council.

Both Sides decided to hold the next session of the JEC in the Republic of India in 2014, on a date that will be mutually agreed through diplomatic channels.

Done and signed in Bratislava, on July 12, 2013 in two originals in English language, both texts being equally authentic.



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State Secretary
Ministry of Economy
Government of the Slovak Republic



Dr. D. Purandeswari
Minister of State for Commerce
Ministry of Commerce & Industry
Government of India

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The List of the Members of the Slovak side of the Joint Committee

Pavol Pavlis	President of the Slovak part of the Joint Commission State Secretary, Ministry of Economy of the Slovak Republic
Bruno Hromý	Advisor to the State Secretary, Ministry of Economy of the Slovak Republic
Branislav Javorek	Director General, Foreign Trade Section, Ministry of Economy of the Slovak Republic
Jozefa Čaplová	Director, Bilateral Trade Department, Ministry of Economy of the Slovak Republic
Dušan Novotný	Senior State Counsellor, Bilateral Trade Cooperation Department, Committee Secretary, Ministry of Economy of the Slovak Republic
Žigmund Bertók	Director, Economic Diplomacy Department Ministry of Foreign and European Affairs of the Slovak Republic
Miroslav Tomo	State Counsellor, Economic Diplomacy Department Ministry of Foreign and European Affairs of the Slovak Republic
Anton Matulčík	First Secretary Embassy of the Slovak Republic in New Delhi Ministry of Foreign and European Affairs of the Slovak Republic
Juraj Krúpa	Director, Bilateral Relations Department Ministry of Defence of the Slovak Republic
Veronika Kňazovická	State Counsellor, Bilateral Relations Department Ministry of Defence of the Slovak Republic
Milan Pakši	Director, Trade Policy Department, Ministry of Agriculture and Rural Development of the Slovak Republic
Zuzana Čižmárová	State Counsellor, Trade Policy Department, Ministry of Agriculture and Rural Development of the Slovak Republic
Milan Horváth	Deputy Director General EXIMBANKA SR
Igor Hladík	Director General The Slovak Standards Institute
Igor Junas	Director General, Kerametal, a.s. Bratislava Chairman, Bratislava Regional Chamber, Slovak Chamber of Commerce and Industry
Tibor Buček	Head of Department, Foreign Trade Department, Slovak Investment and Trade Development Agency SARIO
Michal Kardoš	Head of Department of Export Support Services, Slovak Investment and Trade Development Agency SARIO
Renáta Konrádová	Business Development Department, Slovak Investment and Trade Development Agency SARIO
Peter Reřkovský	Foreign Trade Department, Slovak Investment and Trade Development Agency SARIO
Matúš Braun	Foreign Trade Department, Slovak Investment and Trade Development Agency SARIO
Michal Křúčik	Foreign Trade Department, Slovak Investment and Trade Development Agency SARIO

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The List of the Members of the Indian side of the Joint Committee

H.E. Ms. Dr. D. Purandeswari	President of the Indian part of the Joint Commission, Minister of State for Commerce and Industry of the Republic of India
H.E. Rajiva Mishra	Ambassador of the Republic of India to the Slovak Republic
Mr. Sumanta Chaudhuri	Joint Secretary, Department of Commerce, Ministry of Commerce and Industry of the Republic of India
Mr. Gopal Krishna Dwivedi	Private Secretary To Minister of State, Ministry of Commerce and Industry of the Republic of India
Mr. Sugato Sen	Deputy Director General, Society of Indian Automobile Manufacturers
Mr. Sanjay Wadhwa	General Manager, Punj Lloyd
Ms. Sunita Kaul	Attache, Embassy of the Republic of India to the Slovak Republic