

**Agreed Minutes of the Thirteenth Economic Joint Commission between  
the Belgian-Luxembourg Economic Union (BLEU) and India  
Brussels, 01 -02 July 2013**

The thirteenth session of the Economic Joint Commission between India and the Belgian-Luxembourg Economic union was held on 01 - 02 July 2013 in Brussels.

This meeting is based on an agreement signed in March 1990 in New Delhi which finalizes the cooperation between India and BLEU in the fields of economy, commerce, science and technology.

The composition of the delegation and the agenda for the meeting are appended to the present official statement.

The thirteenth session of the Economic Joint Commission was an opportunity to highlight the excellent relations between BLEU and India and to identify areas of further cooperation in economic and commercial areas. Belgium and Luxembourg are important partners of India. Notwithstanding a certain lull in the trade relations between India and BLEU this partnership continues to be valuable. The dynamic nature of commercial exchanges seen in the last few years is reflected in the increasing number of companies interested in establishing and gaining access to our respective markets.

The Economic Joint Commission Meeting offered an opportunity to the three countries to discuss areas of mutual interest to take this relationship even further.

Both sides approved the agenda and discussions were held on the following:

**1. Economic developments in India, Belgium and Luxembourg**

Both sides briefed each other on their respective economic situation and the economic policies pursued by their governments. Belgium and Luxembourg briefed on the measures taken to move forward to cope with the consequences of the current financial crisis.

Both sides noted that bilateral trade relations were developing with the balance of trade clearly in favour of both Belgium and Luxembourg.

Belgium and India acknowledged that the bilateral trade is heavily dominated by only one product category, diamonds. This acknowledgement led to the awareness that there is a need for diversification of trade.

India and Belgium touched briefly on their bilateral agenda for the year 2013. The highlights of this bilateral agenda are the visit of HE President Mukherjee to Belgium at the occasion of Europalia in October 2013 and the Belgian economic mission in New Delhi, Mumbai and Chennai, presided over by HRH Prince Philippe, in November 2013.

India and Luxembourg noted the improvement of their trade over the past years, and emphasized that there is room for further increase. This acknowledgement led to the conclusion that a more focused dialogue is necessary on intensifying economic cooperation.

In this respect, Luxembourg informed about the planned trade mission to India led by HRH Crown Prince Guillaume and his wife Princess Stefanie as well as H.E. Etienne Schneider, Minister of Economy and Foreign Trade, in November 2013 to New Delhi, Agra and Mumbai.

## **2. Multilateral aspects (BTIA EU-India)**

India-EU Broad based Trade and Investment Agreement

The Indian side briefed on the latest developments of a possible BTIA EU-India.

Belgium and Luxembourg highlighted the importance of a balanced, mutually acceptable and ambitious agreement that would provide a real plus in terms of access to the Indian market.

## **3. Investment issues**

### **3.1. Indian investments in Belgium and Luxembourg**

Between 2010 and 2012 the bilateral investment, between India and Belgium, as well as between India and Luxembourg increased significantly.

### 3.2. Belgian investments in India

On the Belgian side, Wallonia stressed the importance of investment in steel sectors focused on advanced materials, precision mechanics and subcontracting (products, maintenance and services) for heavy steel industries in India. New sectors benefit from the historical expertise in metal like aerospace and automotive spare parts. Wallonia also identified space industry (optoelectronics) and bio-pharma industries as key sectors for win-win relations with Indian partners.

The Flemish Region welcomed the fact that India is in the top 10 of Foreign Investors in Flanders. Important sectors for cooperation were the IT-sector, machinery, equipment, the petrochemical sector, diamonds, information technology, cleantech and renewable energy.

The Brussels Region stressed the fact that the investments were mainly taking place in the services sector (banking, financial systems, law). Brussels benefited from the fact of being an entry point for Europe (hence the importance of investments in ICT, banking, insurance and administrative offices).

### 3.3 Luxembourg investments in India

Luxembourg briefed the other delegations about Luxembourg companies having invested in India in various sectors, such as audiovisual, engineering, information technology and consulting, mechanical appliances as well as steel manufacturing. Apart from these investments, the Luxembourg financial centre also plays a key role in channeling foreign direct investments to India.

Currently, about 90 investment funds domiciled in Luxembourg are specifically targeting the Indian market. According to latest Luxembourg figures, the overall stock of these investments is estimated at about 28.1 billion EUR. This makes Luxembourg the 26<sup>th</sup> biggest foreign investor in India.

Apart from investment funds domiciled in Luxembourg, around 170 major Indian companies are listed at the Luxembourg Stock exchange through Global Depositary Receipts (GDR). Indian GDRs listed in Luxembourg reached a value of about 13 billion EUR in 2012 which represents about 27.5% of the overall value of all GDRs listed at the Luxembourg Stock Exchange.

## **4. Economic cooperation**

### **4.1. Transport**

#### **4.1.1. Air Transport**

India and Belgium recognised the importance of direct passenger flights between India and Belgium, as organised by Jet Airways. Belgium made a strong plea for maintaining Brussels as a hub for its flights to Europe.

Belgium expressed the hope to increase the presence of Belgian companies in the aeronautics and aerospace sector in India. In this respect Belgium welcomed the MoU signed between SIATI (Society of Indian Aerospace Technologies & Industries) and FLAG/SKYWIN.

#### **4.1.2. Railways**

The Belgian side referred to the signature of a MoU in August 2012 during the visit of Minister Reynders to India. The Belgian agency Eurostation, which is the relevant body of the Belgian Railways, is in contact with the Indian Railways Ministry concerning projects for upgrading of several stations in India. Both sides expressed the hope to be able to announce the conclusion of an agreement in the coming weeks or months.

The various opportunities offered by the dedicated freight corridors and industrial corridors will be highlighted during the mission of the Crown Prince Philippe to India next November.

#### **4.1.3. Recognition of the Indian driving license in Belgium**

India underlined the problems being faced by Indian nationals. It was agreed upon that the Indian Embassy in Brussels would provide more information on this issue. Both sides agreed to address this issue in a time-bound manner.

## **4.2. Infrastructures (potential field for collaboration)**

Belgium indicated that Belgian companies had innovative solutions in construction and infrastructural works and that these companies were willing to explore various fields of collaboration. During the economic princely mission in November 2013 this potential for collaboration would be further explored.

A specific mention was made by the Belgian side of cold chain as a key area for further cooperation. Both sides will explore the possibility of cooperation in this area during the princely mission.

### **4.3. Ports** (review of existing cooperation & opportunities for further collaboration)

India and Belgium took note of the ongoing cooperation in the ports sector. The Belgian side was interested in the type of projects and incentives of the Indian Government.

Belgium announced its intention to organize a seminar, during the visit of HRH Prince Philippe to India (November 27 in Mumbai) about infrastructure and logistics.

Belgium expressed interest in cooperation in this area through a MoU on transport.

Luxembourg informed about the existence of its maritime flag and the contribution of a major Luxembourg-based dredging company to infrastructure projects (including ports) in India and the South Asia region.

### **4.4. Diamonds**

#### 4.4.1. Diamonds trade

The Belgian side stressed that diamond trade is a crucial pillar of its relationship with India. The difficult situation of the global diamond trade was also briefly touched upon.

In this respect, Belgium would like to explore further contacts between Indian and Belgian law enforcement authorities in order to smoothen the procedures.

#### 4.4.2. Kimberley process

The Belgian side briefed on the ongoing discussions between the Belgian Federal Public Service of Economy and the Gems and Jewellery Export Promotion Council (GJEPC) regarding a pilot project on the exchange of information.

The Belgian side expressed the hope of signing the MoU during the princely mission in November 2013 prior to the start of the data-exchange.

#### 4.5. Steel technology and engineering

Luxembourg informed about the importance of the sector of steel technology and engineering in its economic relations with India. Operators such as ArcelorMittal, Paul Wurth and Ceratizit have evolved from selling steel products towards transferring technology to Indian steel producers and greatly contribute to upgrade and improve the Indian steel sector.

#### 4.6. ICT

Luxembourg pointed out to its first-class ICT infrastructure, including Tier III and Tier IV datacenters and telecommunication networks, as well as a culture of trust and security reflected by an appropriate legal framework, which makes it home to key players of ICT businesses that use Luxembourg as a platform to access world-wide markets. Luxembourg encouraged Indian companies to take advantage of this favourable business environment.

#### **4.7 Customs**

India and Belgium agreed to explore possibilities for further cooperation on customs issues such as related to pharmaceutical products.

#### **4.8 Diversification of Trade and new areas of cooperation**

##### 4.8.1. Engineering goods, Chemicals and petroleum products

Indian side expressed that there is a need for diversification of trade basket with Belgium and Luxembourg. It pointed out that Belgium and India could focus on engineering goods, chemicals and petroleum products. Both sides decided to explore possibilities of enhancing trade in these sectors.

##### 4.8.2. Audiovisual

The Belgian authorities wanted to inform the Indian side about the set up of an attractive framework for film productions including foreign films. Flanders mentioned the importance of the audiovisual sector and showed its willingness to explore the possibility to sign a co-production agreement with India, in order to promote mutual cooperation.

Recognising the importance of enhancing the cooperation with India in the audiovisual sector, Luxembourg gave the example of RTL, Europe's largest

privately owned radio and TV broadcaster, which owns a subsidiary called FremantleMedia that is very successful in the Indian market.

#### 4.8.3 Cleantech /renewable energy

Belgium has an important expertise in this field – solar and wind power, biomass, geothermal energy, water treatment and waste management – This area is a top priority for the action of the Belgian Regions which will undertake concrete initiatives during the Princely Mission next November.

Luxembourg emphasized its interest to enhance its cooperation with India in the area of cleaner technologies and renewable energy.

#### 4.8.4 Tourism

India would welcome investment in tourism infrastructure from Belgium and Luxembourg.

On the Belgian side, Flanders welcomed the progress regarding a MoU on tourism between India and Flanders.

India and Luxembourg were looking forward to developing their relations in the tourist sector

### **5. Market access issues**

The issues raised by the Indian side including problems faced by State Bank of India due to 2012 Tax Code amendments in Belgium, insistence on sovereign rating for lending to and taking deposits from government and semi-government agencies, single window clearance for Indian investment proposals in educational sector, financial support to international schools, insistence on freshly issued birth certificates for Indian visa applicants, recognition of sea farer experience in non-EU countries for issuance of license to and registration of Logistics companies, permitting supervisory IT staff to visit Belgium with business visa, clarifications on social security issues. These issues will be further discussed on the basis of further information provided by the Indian Embassy.

Luxembourg noted that the introduction, in 2012 by the Bureau of Indian Standards, of a new regulation on the quality certification of steel imports may cause further problems for European steel producers, already affected by higher import tariffs.

The Belgian side mentioned several trade defence measures from the Indian side and was hopeful that the Indian authorities would ease these measures. The big problem remained dredging. The Flemish Region mentioned also the dredging sector. The Indian efforts to clear out customs issues were highly appreciated, but there still remained barriers for dredging companies. It was agreed that further work on this would be done through the Indian Embassy in Brussels.

## **6. Bilateral Agreements**

### 6.1.1. Update on Double Tax Avoidance Agreement

India and Belgium referred to the protocol on information exchange and expressed the hope that a definitive agreement on this would be within reach.

### 6.1.2. Update on Social Security Agreement

It was suggested that the Indian side would provide some additional information to Belgium regarding the insurance period fulfilled in India of some citizens who have worked in Belgium and India. Belgium sought further information on Provident Funds.

## **7. Higher education & skills development**

### 7.1. On the Belgian side:

A brief presentation was made on the purpose and the activities of India Platform/UGent. A specific attention was given to future urban planning as a promising avenue for cooperation.

A brief presentation was made on the purpose and the activities of India focus, K.U. Leuven. The key notion was interdisciplinary research.

A mention was made of the official inauguration of the "India House", which would coincide with the Europalia festival.

Flanders International has decided to organize the academic year 2013-2014 as the "India Year".

Wallonia-Brussels International (WBI) and Jawaharlal Nehru University of Delhi (JNU) decided in December 2010 to conclude an agreement to make available a lecturer from the French Community of Belgium to JNU to teach the French language and Francophone literature, cooperation in the fields of teaching and culture.



University of Liège, Banaras Hindu University and the University of Pondicherry have a project to promote the French language and the French culture.

In October 2012 a MoU was signed between l'Université Libre de Bruxelles (ULB) and the Jamia Islamia University of New Delhi. The subject of the agreement is the setting up of a scientific cooperation between the two universities.

On skills development, it was suggested to work further on this area in the framework of the Economic Mission. The Belgian side will liaise with the Indian Embassy in Brussels.

## 7.2. On the Luxembourg side

Luxembourg gave a briefing about the cooperation between the University of Luxembourg and 3 Indian universities, namely the PSG College of Technology in Coimbatore, the National Law School of India University (NLSIU) in Bangalore and the Great Lakes Institute of Management in Chennai.

## 8. Consular issues

All sides noted the importance of smoother visa procedures in furthering people to people contacts.

The Belgian side highlighted the fast-track procedures, whereby several supporting documents are being waived for *bona fide* Indian companies travelling often to BEL and representing a high economical interest.

Belgium and the Indian Embassy will exchange information on consular issues. Luxembourg informed about the upgrading, in a few months, of the consular section of its Embassy in New Delhi, allowing for delivery of Schengen visas in Delhi, Mumbai, Kolkata, Chennai, Bangalore and Hyderabad.

## 9. Points of information

### 9.1 India –Belgium Joint Science & Technology Commission

The third meeting of the Belgium-India Joint Committee on Cooperation in Science and Technology was held in Brussels on May 27, 2013 BELSPO informed about the 5 networking projects in the field of exact sciences and highlighted the awarding of post-doctoral fellowships to Indian researchers. A state of play of the construction of the ARIES DOT 3.6 telescope was

presented, and following the call in 2012, two networks of Federal Scientific Institutes are funded with Indian partners.

Activities of regions and Communities were presented. Flanders Research Council expressed its interest for future S&T cooperation with India while Wallonie Bruxelles International informed about the setup of incubation parks for facilitating industrial cooperation among Indian and Belgian actors.

## **10. Concluding remarks**

10.1. It was agreed that the next session of the Joint Economic Commission BLEU-India will take place in India in 2015.

10.2. Both sides agreed to a balanced trade target of 15 Billion Euros by 2015 between India and Belgium and 200 Million Euros between India and Luxemburg. Periodic reviews will be carried out at appropriate levels with various stakeholders to facilitate achievement of these targets.

Signed on the 2nd of July 2013 in Brussels

For the Republic of India,



Sumanta Chaudhuri, Joint Secretary, Ministry of Commerce and Industry

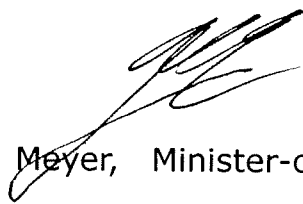
For the Kingdom of Belgium



Johan Van Dessel, Director-General Bilateral Affairs, FPS Foreign Affairs

This signature also commits the French Community, the Flemish Community, the German speaking Community, the Walloon Region, the Flemish Region and the Region of Brussels-Capital.

For the Grand-Duchy of Luxembourg



Jean-Claude Meyer, Minister-counsellor, Embassy of Luxembourg to Belgium

## **India BLEU Joint Commission, Brussels from 01-02 July, 2013**

### **List of Delegations**

#### **1. Belgium**

##### **A. Standing delegation**

###### **Belgian Federal Public Service Foreign Affairs**

Dirk ACHTEN, Secretary General

Jan VAN DESSEL, Director General Bilateral Affairs

Jehanne ROCCAS, Director Asia Department

Daniel DARGENT, Director Economic Interests

Jean-Paul WARNIMONT, Director International Transport

Christian DOOMS, Desk India, Asia Department

Philippe POTJES, Desk India, Asia Department

###### **Cabinet of the Belgian Ministry of Foreign Affairs**

Patrick Hermann, Head Bilateral Affairs, Foreign Trade and Economic Diplomacy Unit

###### **Belgian Federal Public Service Economy**

Valère VANGEEL, General Adviser

###### **Walloon Foreign Trade and Investment Agency**

Michel KEMPENEERS, Business development Manager Asia-Pacific

## **Flanders Investment and Trade**

Filippe DE POTTER, Deputy Director Inward Investment Asia, Africa, Middle East & Pacific

## **Brussels Export**

Mustafeen NAYANI, Project Manager Export Promotion *Technological Industries*

## **B. Experts for specific topics**

Karla BASSELIER, Antwerp World Diamant Centre, Senior Manager Head Public Affairs

Laurent SEMPOT, Federation of Enterprises in Belgium

Nele DEMEULEMEESTER, Belgian Foreign Trade Agency

Fabrice FORTI, Wallonia-Brussels International

Michael GEELHAND DE MERXEM, Flanders International, Policy Officer  
Philippe LEFEBVRE, Attaché, Directorate General of Consular Affairs, Belgian Federal Public Service Foreign Affairs

Simone GOETSCHALCKX, Internationalization officer, Flamenco, on behalf of VLIR, Flemish Interuniversity Council

Bart HENDRICKX, India Focus en India House, University of Leuven

Jakob DE ROOVER, Research Center Comparative Sciences of Culture, India Platform, Ghent University

## **2. Luxembourg**

Jean GRAFF, Ambassador, Director General of international economic relations, Ministry of Foreign Affairs Luxembourg

Jean-Claude MEYER, Minister-counsellor, Embassy of Luxembourg to Belgium

Rol REILAND, Head of economic relations with Asia, Ministry of Foreign Affairs Luxembourg

Christian GINTER, Desk India, Ministry of Economy and Foreign trade  
Luxembourg

Daniel SAHR, Attaché, Luxembourg Chamber of Commerce

### **3. India**

S.R. RAO, Commerce Secretary, Ministry of Commerce, India

Dinkar KHULLAR, Ambassador of India to Belgium, Luxembourg and the EU

Sumanta CHAUDHURI, Joint Secretary, Ministry of Commerce, India

Mrs Renu SHARMA, Deputy Chief of Mission, Indian Embassy

Upendra TRIPATHY, Adviser, Indian Embassy

R.P. SINGH, Director, Department of Commerce, Ministry of Commerce and  
Industry

Manharsinh YADAV, Second Secretary, Indian Embassy