

Agreed Minutes of the 13th Session
of the India-Austria Joint Economic Commission

The 13th Session of the India-Austria Joint Economic Commission (JEC) was held in New Delhi on 11 September 2013. Both sides reiterated the role of the Joint Economic Commission as a structure for further strengthening the bilateral economic relations.

The JEC was co-Chaired by H.E. Sumanta Chaudhuri, Joint Secretary, Ministry of Commerce and Industry, Republic of India and by H.E. Bernadette Marianne Gierlinger, Vice-Minister, Federal Ministry of Economy, Family and Youth, Republic of Austria.

The composition of the two delegations is in Annex I. The Agenda for the Joint Economic Commission is in Annex II.

The discussions between the two sides took place in a cordial atmosphere reflecting the friendly relations between the two countries and their desire to strengthen and further develop bilateral economic and commercial relations on the basis of mutual benefit.

1. **Review of Protocol of 12th Session of India-Austria JEC**

Both sides reviewed the developments in their bilateral trade and noted the increase in the volume of trade since the last Session of the JEC. The two sides also confirmed that there was large potential for further increase in bilateral trade relations and economic cooperation.

2. **Exchange of views on Economic Situation**

The leader of the Austrian delegation highlighted the current economic situation in Austria. She underlined that while Austria has also suffered from the international financial crisis, the Austrian economy still performs rather well, especially compared to other European economies. She expressed Austria's keen desire for strengthening trade and economic relations with India.

The Indian side highlighted that when large economies are still unable to emerge from the global economic downturn, India has consistently posted a high GDP growth. The growth has been driven largely by a pickup in manufacturing, increased government expenditure, robust investments and farm output, although lately there are worrying signs that are emerging.

3. Trade Relations

3.1 Review of bilateral Trade

Both sides reviewed bilateral trade over the last few years. Since the last session of the JEC, the bilateral trade volume between India and Austria has increased by more than 17% and lies consistently above the one-billion-Euro mark. The two sides emphasized the role of businesses in expanding bilateral cooperation and noted that Governments need to facilitate such cooperation. Both sides agreed to create linkages between business associations and trade bodies on either side to promote bilateral trade.

3.2 Measures for enhancing bilateral trade & investment flows

3.2.1 Diversification of composition of trade

The two sides agreed to develop strategies to further increase and diversify the composition of bilateral trade on a mutually beneficial basis. Both sides noted that bilateral trade is concentrated in a few products, such as drugs & pharmaceuticals, transport equipments, machinery, gems & jewellery, readymade garments, professional instruments and electronic goods. The two sides emphasized the need to work towards trade diversification and to encourage businesses to explore new areas and sectors to widen and deepen the trade basket.

Both sides noted that in many sectors of the industry, there has been increase in Joint Venture activities between Indian and Austrian companies. The Indian side while highlighting the small amount of Austrian FDI in India also urged the Austrian side to make use of the favourable Indian investment climate and scale-up its FDI in India. Indian

side underlined cooperation possibilities in sectors like IT, Pharma, Light Engineering and Knowledge based activities and services. It also expressed desire to cooperate in areas of health infrastructure, leather, textiles and tourism.

Indian side expressed satisfaction on the bilateral cooperation in Space technologies and mentioned the launching of two Austrian nano-satellites TUGSAT-1/BRITE and UniBRITE by India from Sriharikota on 25th February 2013.

3.2.2 Participation in Fairs and Exhibitions

Recognizing the significance of Fairs & Exhibitions for the promotion of bilateral trade, the two sides re-iterated their desire to further support their companies and other organizations to participate in fairs and exhibitions in each other's country. Both sides noted with satisfaction that there have been more active participation of companies of both sides in fairs and exhibitions of both the countries since the last JEC with the proactive roles played by Government and Industry bodies of both the countries. Austria has been actively participating in specialized fairs in India since several years. 2012 witnessed group participation by Austrian companies in leading Indian exhibitions like PlastIndia 2012 as well as Wire & Cable 2012, with a record of 35 participants. Coffee board of India participated in the SCAE World of Coffee Exhibition Vienna, 2012.

The Indian side specifically invited the Austrian participation in the International Trade Fair held in New Delhi every year for showcasing their products in various sectors, technological advancement and in other fields.

3.3 B-2-B Engagements

The Indian side informed that Indian industry bodies like CII and FICCI had organized successful events in Austria and efforts in this direction have to be continued regularly. The Austrian Federal Economic Chamber has also been successfully organizing for the last few years seminars on India in various Austrian cities focussing on special sectors of industry as well as on investment promotion. In October 2012, the Austrian Federal

Economic Chamber organized a high ranking trade mission to India on the occasion of the visit of the Austrian Federal Minister of Transport, Innovation and Technology, H.E. Doris Bures to India. The delegation focusing on transport, railways, shipping, roads and aviation visited New Delhi and Mumbai.

In October 2012, CAPEXIL delegation visited Vienna and hosted a Multi-product Exhibition cum B2B meetings on trade partners, Joint Ventures, Technical Tie Ups, Take overs of Plant & Machineries, possibility to open branch offices in Austria vis-à-vis inviting Austrian firms to have their representation in India. A delegation of six Indian tourism agencies under Incredible India! (Paris office) opened a stall at the holidays, travel and leisure fair "FERIEN MESSE Vienna" in January, 2013 at the Messe Center Vienna.

Both sides agreed that there should be exchange of Ministerial delegations, sectoral delegations and attending each other's exhibitions as important steps in enhancing B2B contacts. The two sides identified that participation in B2B meetings in sectors like Infrastructure, Construction, Automotive industry, Renewable Energy and Environment would go a long way in imparting upward momentum to the bilateral trade and economic relationship. It was also agreed to encourage the strong SME sector in Austria for establishing business relations with the SME sector in India and provide a strong foundation for economic relationship.

4. **Economic Cooperation**

4.1 **Bilateral visits**

During the last years, numerous high-level visits have significantly contributed to further strengthening Indo-Austrian political, economic and trade relations. The latest has been the visit of Austrian Minister for Transport, Innovation and Technology Ms. Doris Bures; Austrian Minister for Agriculture, Forestry, Environment and Water Management Mr. Nikolaus Berlakovich in 2012.

4.2 **Mechanical and Plant Engineering**

Supplies of machinery, industrial equipment and plant engineering are the backbone of the Austrian-Indian foreign trade. Nevertheless, this sector should be explored more and the presence of relevant Austrian companies in India should be increased.

4.3 **Automotive**

Austria as well as India are key players in the automotive industries. India boasts a considerable production of vehicles and Austria is an important supplier of machinery, components and engineering especially for the luxury car sector. It was agreed that this sector still has room for improvement and both sides will try to interest more companies.

4.4 **Infrastructure**

Both sides agreed that infrastructure projects are vital for the economic development of India and Austria emphasized its willingness to support this development. Many Austrian companies are already active in India and participate in tenders concerning e.g. construction of metro systems, tunnels, railway tracks and turnouts, bridges.etc.

Both sides confirmed that energy represents one of the important potential fields of cooperation between the two countries. Austria, - as a leading country concerning energy efficient technologies and renewable energies - would highly appreciate closer business cooperation in these areas.

Both sides have agreed to enter into talks concerning Smart City concepts for India with the involvement of the Austrian Institute of Technology (AIT).

4.5 **Railways**

During the official visit of H.E. PratibhaPatil, President of the Republic of India, to Austria in October 2011, a Memorandum of Understanding concerning the technology specific cooperation in the field of railways between the Federal Ministry for Transport, Innovation and Technology of

the Republic of Austria and the Ministry of Railways of the Republic of India was signed. In the framework of the 1st Joint Working Group meeting concrete areas of cooperation have been identified. The next Joint Working Group meeting will take place in Austria.

4.6 Road Transport, Shipping

During the meetings in New Delhi a Memorandum of Understanding was signed concerning the intensified cooperation in the Shipping sector. Both sides have already identified areas of cooperation such as River Information System, maritime safety, water management systems and inland waterways management. Both sides would nominate members for setting up a JWG which would meet at regular intervals. Both Ministers agreed that the 1st meeting of the Joint Working Group will take place in Austria and the Austrian Side will demonstrate to the Indian Side the River Information System (RIS) as well as other topics of interest.

A Joint Statement of Intent was signed between both sides to conclude a Memorandum of Understanding in the Transportation area with special focus on Intelligent Transportation Systems (ITS).

4.7 Iron and Steel

Iron and steel are a very important Austrian export items, accounting for some 150 Mio. EUR in 2011. 2012 exports have fallen over two thirds to some 50 Mio. EUR and this tendency continues in 2013. Austria expressed concern over this development. The Indian side mentioned the large multi million euro orders given by Indian steel manufacturing companies to Austrian companies for increase in production capacity and stated that this was a welcome development.

4.8 Electricals and Electronics

India is a renowned provider of IT-services and it is positively noticed that more and more IT service providers from India are establishing themselves in Austria. Also some Austrian companies of this sector have

entered the Indian market but the potential on both sides is still to be explored. Indian side invited the Austrian side to participate in the 14th edition of IndiaSoft, India's premier IT fair, to be held in Mumbai on 25-26th November 2013.

4.9 Environment, environmental and renewable energy technologies

Environmental cooperation between the two countries has a long tradition. Already in 1994 a Memorandum of Understanding was signed between the environmental Ministers.

As the environmental situation has changed drastically, raising new challenges, Austria's Federal Ministry of Agriculture, Forestry, Environment and Water Management would appreciate to frame future cooperation through a new Memorandum of Understanding meeting the relevant mutual demands and interests. The Austrian side requested the Indian side for an early reaction to the draft MoU submitted by them. Intensified cooperation could focus on environmental technology and the renewable energy sector.

4.10 Consumer Goods/Food/Lifestyle Products/Beverages

The growing affluent Indian middle class and liberalizations of import procedures make the huge Indian market interesting for Austrian providers of lifestyle and luxury consumer goods, including foods and beverages. Austria is planning a series of events to promote this type of products to the Indian market in the coming two years.

4.11 Ayurveda and Traditional Indian Medicine

Indian side highlighted the holistic approach of traditional medicine in India and how it nurtures the immunity system to prevent diseases. It was highlighted that India has 700,000+ registered practitioners and how its usage is being integrated in the health treatment in India. It was pointed out that there would be substantial increase in cost of registration on account of the EU's requirement to register each ingredient, as most

Ayurvedic medicines were multi-ingredient products with combinations of both various herbal and animal products.

The Austrian side took note of the Indian side's wish to cooperate in the field of traditional Indian medicine and Ayurveda in particular. The Indian side also expressed interest of the Department of AYUSH in anMoU regarding traditional Indian medicine systems and Ayurveda. The Austrian side agreed to forward this information to the competent authorities in Austria.

4.12 **Presentation of the Austrian Export Credit System**

Austria presented the existing opportunities to Austrian exporters and investors within the Austrian export credit system for the implementation of projects in India.

Based on export and investment guarantees of the Republic of Austria interesting and sustainable projects can be financed on attractive commercial terms or on concessional terms according to OECD rules and regulations in the form of Soft Loans.

The Austrian side mentioned the substantial amounts provided by OeEB, the Development Bank of Austria, over the past two years in support of private sector projects through credit lines and technical assistance.

OeEB indicated its interest in a continued dialogue with the Indian private sector, with a view to explore the possibility of further engagements particularly in OeEB's strategic focus areas renewable energy, resource efficiency and MSME support.

The Austrian side underlined that an enhanced utilisation of all these instruments would contribute to a deepened economic and financial cooperation for the sake of a sustainable economic development in India.

The Indian side agreed to convey the information to the relevant authorities.

5. **Negotiations for a Broad Trade and Investment Agreement (BTIA) between European Union and India - State of Play**

Both sides noted that in the negotiations for the EU-India BTIA both sides are aiming to find solutions which are mutually acceptable, so as to achieve a balanced and ambitious outcome which would give an important boost to trade and investment between the EU and India. The Joint Economic Commission noted that the BTIA would strengthen India-EU economic and trade relations. Both sides expressed their interest in the successful completion of negotiations. The Joint Economic Commission agreed that achieving concrete progress would be important and a balanced outcome including the reduction of trade barriers would ensure that the proposed Agreement meets the expectations of stakeholders on both sides.

6. **WTO – State of Play**

The two sides exchanged views about the ongoing WTO negotiations in the light of recent developments, including the preparations for the Bali Ministerial Conference planned for December 2013. The Austrian side appreciates the Indian efforts to contribute actively to the Doha Development Round of WTO negotiations. Both sides highlighted the importance of seeking balanced results at the MC 9 in Bali, which should pave the way for further progress towards the conclusion of the Doha Development Round. They expressed their willingness to keep markets open and fight against protectionism.

7. **Any other Matter Mutually Agreed**

Both sides agreed that air transport between Austria and India has a positive influence on the bilateral relations and contributes to the further development of the economic relations. The Austrian side highlighted the importance of the continuation of direct flight connections between the two countries.

The discussions between the two sides were conducted in a warm and cordial atmosphere reflecting the traditionally close relations between the two countries.

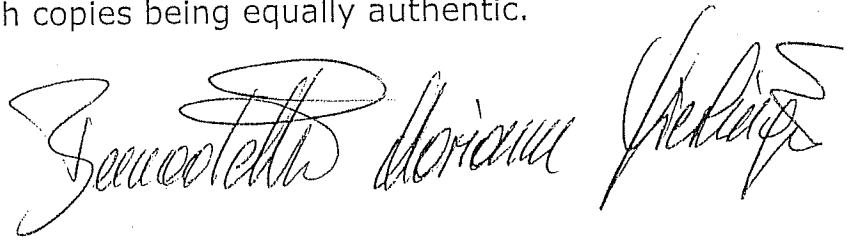
The two sides agreed to hold the 14th eighth session of the JEC in Vienna at a date to be agreed upon through diplomatic channels.

Done and signed in New Delhi on 11 September 2013 in two originals in English language, both copies being equally authentic.



(Sumanta Chaudhuri)

**Joint Secretary,
Ministry of Commerce and
Industry
India**



**(Bernadette Marianne
Gierlinger)**

**Vice Minister,
Federal Ministry of Economy,
Family and Youth,
Republic of Austria**

Composition of Indian Delegation

Shri Sumanta Chaudhuri	Joint Secretary (Europe), Department of Commerce, Ministry of Commerce and Industry Head of delegation
Smt. Sangeeta Godbole	Director, Department of Commerce
Shri. Alok Agarwal	Director, Ministry of Environment and Forests
Shri Jitender Singh	Director Special, Ministry of Railways
Shri A.D. James	Deputy Secretary, Ministry of Road Transport
Shri R.K. Sood	Deputy Secretary, Department of AYUSH
Shri. Padmanabhan	Under Secretary, Ministry of Shipping
Shri Narinder Paul	Under Secretary, Department of Commerce
Ms. Renuka Singh	Director, CII
Shri Rohit Sharma	Joint Director, FICCI

Composition of Austrian Delegation

H.E. Bernadette Marianne GIERLINGER Vice-Minister for Foreign Economic Policy and European Integration in the Federal Ministry of Economy, Family and Youth, Head of Delegation

Austrian Embassy in New Delhi

H.E. Bernhard WRABETZ Austrian Ambassador to the Republic of India

Mr. Raimund MAGIS Deputy Head of Mission

Federal Ministry of Economy, Family and Youth

Mr. Franz WESSIG Director General for Foreign Economic Relations

Mr. Michael LASCHAN Director, non-European Countries

Federal Ministry of Finance

Mr. Johann KINAST Director, Export Promotion, Export Guarantees, Restructuring of Loans

Federal Ministry for Transport, Innovation and Technology

Mr. Michael LEDERER Head of Technology Transfer, Staff Group for Technology Transfer and Security Research

Federal Economic Chamber

Mr. Wolfram MORITZ Commercial Counselor - New Delhi

**THIRTEENTH MEETING
OF THE INDIA-AUSTRIA JOINT COMMISSION
AT NEW DELHI, INDIA on 11th SEPTEMBER, 2013**

Agenda

- 1. Welcome and Introduction of the Two Delegations**
 - 2. Adoption of Agenda**
 - 3. Survey of the economic situation in Austria and Republic of India**
 - 4. Assessment of Bilateral Economic Relations**
 - 5. Proposed Areas of Cooperation**
 - Mechanical and Plant Engineering
 - Automotive
 - Infrastructure/Energy
 - Railways
 - Road Transport, Shipping
 - Iron and Steel
 - Electricals and Electronics
 - Environment, environmental and renewable energy technologies
 - Consumer Goods/Food /Lifestyle Products/Beverages
 - Ayurveda and Traditional medicine
 - Presentation of the Austrian export credit scheme
 - 6. Negotiations for a Free Trade and Investment Agreement between the European Union and India-State of Play**
 - 7. WTO-State of Play**
 - 8. Any other matter mutually agreed**
 - 9. Date and Venue of the next Session of the Joint Commission**
- Signing Ceremony of the Agreed Minutes**