



## EU and India Set to Open a New Chapter in Their Strategic Partnership

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The European Commission's first-ever visit to India on 27-28 February signals the country's strategic importance to the EU. The potential for economic and technological cooperation between the two, the growing convergence in approaches towards China, and concerns over the unilateral policies of the Donald Trump administration in the U.S. create favourable conditions for strengthening the strategic partnership. To realise their potential, the two sides have vowed to conclude a free trade agreement by the end of this year and strengthen cooperation in defence and security and in critical technologies. Poland can use this growing convergence to launch new bilateral initiatives with India.

The visit to India by the new College of Commissioners was the first trip outside Europe by the new Commission and the first of its kind since the meeting with the African Union Commission in Addis Ababa in February 2020. In Delhi, President Ursula von der Leyen held talks with Indian Prime Minister Narendra Modi, while the Commissioners met with their counterparts to discuss cooperation in selected sectors. There was also a second meeting of the Trade and Technology Council (TTC), established in 2022. Although seen as a preparatory visit for a summit in the second half of this year, the meetings were significant in three areas—economic, strategic, and security.

**Economic Cooperation.** The most important outcome of the visit is the public declaration by EU and Indian leaders that an [ambitious free trade agreement](#), which has been under negotiation since 2007, is to be concluded by the end of this year. A trade deal between the second-largest (EU) and fifth-largest economies (India), with a combined population of almost 2 billion people, would create the largest free trade area in the world and the opportunity to unlock untapped trade potential. The value of trade in goods between them reached €124 billion in 2023 (up from €78 billion in 2019), and yet India is only the EU's ninth-largest trading partner (2.2%). For India, the EU is its second-largest export market (17.5%, behind the U.S.) and third-largest source of imports (8.9%, behind China and Russia), but the EU's share of India's

total foreign trade is steadily declining (from 22% in 2000 to 12.2% in 2023). Trade in services is growing rapidly (€58.9 billion in 2022), while cumulative EU investment in India reached €108 billion by 2022. Outward FDI stock is still significantly lower than with China (€247.5 billion) or Brazil (€293.4 billion), with customs and administrative barriers or the lack of an investment protection agreement standing in the way.

Setting such a relatively short deadline for the completion of FTA negotiations is an ambitious step, showing the determination of the parties, but may be difficult to achieve. It is intended to help break a deadlock in negotiations that, since resuming in June 2022 and after nine rounds, have failed to resolve key issues on market access, sustainability standards, or public procurement. Deadlines indicated in the past for reaching an agreement (most recently the end of 2023) have been repeatedly missed. India's position is that an FTA should only cover trade issues and therefore suggests a limited FTA with the Union, similar to those it has concluded in recent years, such as the EFTA (2024) and ones with the UAE and Australia (2022), or is currently negotiating with the UK and the U.S.

The negotiations may be spurred on by the strategic importance of an EU-India FTA in the face of Trump's trade wars. Also, since both the EU and [India see China as a systemic rival](#) and want to reduce their trade dependence

on it to build more reliable supply chains, that should make compromise easier. While India can offer a huge market of its own, with human capital and production capacity offering economies of scale, Europe offers high technology and financial capital. For these complementarities to be effective requires increasing the security of investment in India and creating a more conducive environment for foreign companies to operate there.

**Strategic Dimension.** Security has become a new priority in the discussion between the EU and India, including counterterrorism, maritime and digital security, and intelligence -sharing. Von der Leyen proposed that India sign a Defence and Security Agreement similar to those EU has with Japan and South Korea, and join PESCO. With Europe's plans to rearm and India's programme to modernise and diversify its armaments sources, defence industry cooperation has great potential. Already, some Member States (France, Germany, Spain, Sweden) are emerging as important arms suppliers to India, which provides a basis for stronger action at the EU level.

Cooperation on critical technologies such as artificial intelligence, 6G, semiconductors, electromobility, green energy from hydrogen, or space exploration also offers a strategic dimension. Combining the efforts of the EU and India can help them catch up with China or the U.S. These issues were discussed at the second meeting of the TTC and its three working groups. Despite these activities, the TTC's activities have not yet resulted in tangible successes. Indian experts point out that the India-U.S. cooperation through iCET (Initiative on Critical and Emerging Technologies) could be a model to follow.

The EU and India have also stressed that their common goal is to "shape a resilient multipolar global order". While [India's relationship with the U.S. during Trump's second term](#) appears to be in better shape than the transatlantic relationship, India too is concerned about unpredictable and unilateral U.S. policies. While India supports the U.S. rapprochement with Russia, it cannot be sure that Trump will not try a similar reset with China, which would leave India out in the cold. With the U.S. withdrawing from multilateralism, it is the EU and India that can play key roles in global negotiations on climate, trade, internet regulation, and AI. The EU and India have also reaffirmed their willingness to improve connectivity, including the implementation of the India-Middle East-Europe Economic Corridor (IMEEC).

**Conclusions and Recommendations.** The EC's visit to India has mainly a symbolic dimension—it sends a political signal of a willingness to build a new phase in a closer strategic partnership. At a time of aggressive Russian policy, an assertive China, and a deepening crisis in relations with the US, India is seen as a credible global partner for the EU. Even [India's different stance towards the war in Ukraine](#) and close relations with Russia has not deterred the Commission from

describing India as a "like-minded partner" committed to a "rules-based international order". Cooperation can be a stabilising factor in the international system and is crucial for reforming international organisations (WTO, UN), financing development, protecting free trade, and [stability in the Indo-Pacific](#). Economic and technological cooperation is gaining a strategic dimension, and new opportunities are opening up in the area of security.

At the same time, the lack of concrete results from the visit shows that progress on the ambitious plans will be neither easy nor certain. In a best-case scenario, the next EU-India summit in Delhi at the end of the year could see the signing of an ambitious FTA and the adoption of a joint strategic cooperation agenda until 2030. Therefore, the coming months will be crucial to translating the political will into concrete actions and results. However, it is possible that the lack of progress in the FTA negotiations and missing the next deadline will have a negative impact on overall cooperation, as was the case in 2012 when the previous cycle of trade talks was suspended. Reducing this partnership to symbolic gestures and further dialogue mechanisms will be disappointing and will weaken the positions of both partners.

To avoid an impasse in cooperation, the EU might consider concentrating efforts on adopting an investment agreement and a mutually beneficial but limited trade agreement focused on market access, similar to the one India is negotiating with the UK and may soon adopt with the U.S. It is also worth preparing pilot projects by the end of the year on defence industry cooperation (e.g., joining PESCO), or connectivity (e.g., in securing Global Gateway funding for a project embedded in the IMEEC initiative). The strategic dimension of the relationship will also be measured by the ability of the EU and India to propose joint diplomatic initiatives (e.g., in the context of the war in Ukraine or the Middle East), WTO reform, climate negotiations at COP30 in Brazil, or trilateral development projects in African or Asian countries. To make strategic technological cooperation more dynamic, they can draw on the experience with iCET, including transferring oversight of the TTC dialogue to the level of India's National Security Advisor and the new EU Defence commissioner.

Poland, which holds the presidency of the Council of the EU, can actively promote EU-India cooperation and use it to strengthen the bilateral strategic partnership with India signed last year. It should emphasise its role as a Central European leader and an essential link in the EU-India connectivity strategy. To this end, consideration could be given to inviting Prime Minister Modi and President von der Leyen to the Trilateral Summit in Warsaw on 28-29 April, showcasing it as part of the IMEEC initiative. Poland will also be interested in deepening cooperation between the defence industries of European countries and India, also by using additional funds from the EU.