

## **Brief Embassy Report on Bilateral Relations – ITJ Division, DGCI&S, Kolkata.**

### **India-France Bilateral Relations**

#### **A. Introduction**

1. Indian Trade Journal (ITJ) division of the Director General of Commercial Intelligence and Statistics (DGCIS) brings out weekly publication on Embassy Profile Report providing information on recent policy changes and happenings in other countries that may be of interest to the Indian trading community. This is the Profile Report depicting the Embassy of France.

2. India and France have traditionally enjoyed close and friendly relations and share deep and enduring Strategic Partnership (SP) covering all aspects of bilateral cooperation. Launched on 26 January 1998, India's first-ever Strategic Partnership, embodied the core vision of both the countries to enhance their respective strategic independence by drawing upon a strong and enhanced bilateral cooperation. Defence & security, civil nuclear matters and space constitute the principal pillars of this strategic cooperation and now includes a strong Indo-Pacific component. In the recent years the partnership has broadened to include maritime security, digitalisation, cyber security and advanced computing, counter terrorism, climate change, renewable and sustainable growth and development among others.

3. Following Prime Minister's visit, President of the French Republic H.E. Mr. Emmanuel Macron paid a State Visit to India as the Chief Guest for the 75th Republic Day of India on 25-26 January 2024. This was President Macron's second State Visit to India and the sixth visit by a French Leader as Guest of Honour for the Republic Day. For the two leaders to be the Guests of Honour at the successive National days respectively, was unprecedented and a high point in the celebration of the 25th anniversary of the declaration of the Strategic Partnership between the two countries.

4. The core of the India-France long-standing partnership is underpinned by our shared democratic values, belief in multilateralism as a means to tackle global challenges, respect for international law, strong economic, cultural academic, and people-to-people ties. The year 2023 marked 25 years of India-France Strategic Partnership, when Prime Minister Modi paid an Official Visit from 13-14 July as the Guest of Honour at the French National Day. During the visit, both sides adopted a roadmap 'Horizon 2047', setting the course for the next 25 years, which will in-turn mark centenaries of India's independence and diplomatic relations between both countries and centenary of India's independence.

#### **B. Commercial Relations (Trade and Foreign Investment) – Recent facts & figures**

5. Within the European Union, France remains India's fifth-largest trading partner, following the Netherlands, Belgium, Italy, and Germany. Discussions during various high-level visits in 2024 focused on trade, technological advancements, energy security, and cultural exchanges, reflecting a commitment to deepening ties for mutual economic growth and global leadership. France considers India an important market for its products and is looking to increase the number of joint ventures and encouraging investments in and from India. Both countries are also moving to jointly develop

technologies and integrate existing technologies. The process of enabling Unified Payment Interface (UPI) has been a success. Several Indian companies have opened their innovation centres in France for joint technology development including TCS and L&T Tech Service. French technologies especially in renewable, sustainable manufacturing and urban infrastructure development are being integrated in India.

6. As per latest compiled and available statistics with DGCI&S, India’s Exports to France from 2023-24 stands at USD 7.14 billion and India’s imports from France stands at USD 7.97 billion with a resultant trade balance deficit for India of 0.83 billion US Dollars.

7. There has been growth in economic and commercial relations between India and France in recent years, especially in areas such as Textiles and apparel, Machinery and appliances, Vehicle and Transport materials etc. An account of Bilateral commodities trade in goods from 2019-20 to 2023-24 is as under:

**Export-Import statistics as per India’s Ministry of Commerce data bank from 2019-20 to 2023-24 are as follows :**

**Export-Import statistics from 2019-20 to 2023-24**

**(US Dollar Billion)**

S.No		2019-20	2020-21	2021-22	2022-23	2023-24
1.	Export	5.10	4.79	6.64	7.61	7.14
2.	Import	6.17	4.34	5.78	6.20	7.97
3.	Total Trade	11.27	9.13	12.42	13.81	15.11

*(Source: Doc, Ministry of Commerce & Industry)*

8. India’s main exports to France includes engineering goods, electrical machinery and boilers, petroleum products, pharmaceutical products, electronic equipment and readymade garment and main imports from France are aviation products, machine equipment, electrical equipment and chemical products.

9. France is one of the largest investors in India with FDI inflow of \$659.77 million for FY 2022-23 (as of June 2023) and a cumulative FDI stock of \$10.76 billion from April 2000 to September 2023. There are over 70 Indian companies employing over 8000 employees in France and over 750 French companies invested in India employing over 450,000 people.

10. India and France prioritized five key areas for economic diplomacy in 2024:

- a) Advancing digital technology and innovation.
- b) Clean Energy Collaborations.
- c) Research and Development, Smart Manufacturing, and Critical Technologies, including defence.
- d) Enhancing India’s exports to France.
- e) Global Supply Chain Relocation Initiatives.

### **C. Other Major Areas of Cooperation :**

- Several Agreements/ Memorandum of Understanding (MOU) have been signed between India and France for cooperation in the fields of defense, economic and commercial links, technical cooperation and culture
- Both leaders have used the opportunities of multilateral summits to meet regularly and reviewed the progress of bilateral relations, in particular, the Horizon 2047 Roadmap, agreed between the two sides in July 2023. On 18 November 2024, both leaders met on the sidelines of G20 Summit in Brazil. On 14 June 2024, Prime Minister Modi held a bilateral meeting with President Macron on the sidelines of G7 Summit in Italy. Earlier to this meeting, President Macron made a congratulatory phone call to Prime Minister Modi on 06 June 2024, after the latter's re-election as Prime Minister of India.
- On 20 May 2023 in Hiroshima, PM held a bilateral meeting with President Macron on the margins of G7 Summit in Hiroshima and discussed a broad range of issues, including cooperation in trade and economic spheres, co-production and manufacturing in the defense sector, and civil nuclear cooperation.
- India and France have a strong and robust defense partnership with an increasing 'Atmanirbharata' element in it. The defense cooperation between the two sides is reviewed under Annual Defense Dialogue (Defense Minister level) and High Committee on Defense Cooperation (Secretary level) on major ongoing defense-related project which include the purchase of Rafale aircrafts and the P-75 Scorpene Project. Other potential new areas of collaboration being pursued are co-development of next generation engines for fighter planes.
- ISRO and CNES concluded a joint declaration for cooperation in future launch vehicle technologies and agreement for Cooperation in joint Earth Observation mission TRISHNA, Maritime Domain Awareness (Short-Term plan) and Space Situational Awareness.
- India and France have Cyber Dialogue mechanism to discuss cyber cooperation and related matters.
- The first International Energy Agency (IEA) Critical Minerals and Clean Energy Summit was held at the IEA Headquarter on 28 September 2023 in Paris. The Summit focused on measures to promote the secure, sustainable and responsible supply of raw materials that have a central role in the global clean energy transition.
- The Embassy organised cultural events and programs, throughout the year with local and India-based artists, in Paris and important cities around in France. The high point of the year was the Festival of India, 'Namaste France 2023' organized by Embassy of India in Paris with support of Ministry of Culture, Government of India at La Seine Musicale in Paris from 6-9 July 2023.
- As a follow up on the decisions taken during first bilateral held in October 2023 in Paris, India-France follow up dialogue on Blue Economy and Ocean Governance was held on 21<sup>st</sup> February 2024 in NITI Aayog, New Delhi. The Indian delegation was led by Shri B.V.R Subhramanyam, CEO, NITI Aayog and the French delegation was led by Mr. Olivier Poivre d'Arvor, Ambassador

for Poles and Maritime Issues. During the follow up discussions both sides reviewed and identified the status of the collaboration areas.

- The fourth meeting of Indo-French Joint Working Group on Environment was held on 10 July 2024. Recalling the richness of the bilateral cooperation in environment, climate change, biodiversity and pollution, the sides agreed to work under the Blue Economy Dialogue in the areas of coastal ecosystem and services, marine and coastal planning and in coastal ecology and environment.
- An **MoU between DST and ANR France was signed** during the 2nd Joint Committee Meeting on 18 January 2024 in New Delhi. Proposed funding from each side would be euro 1 million. Two areas selected for the calls under this MoU are: (i) Decarbonated Hydrogen (ii) Applied Mathematics towards digital AI.

*Source: Source: [www.mea.gov.in](http://www.mea.gov.in)*