

India-Luxembourg Relations

The diplomatic relations between India and Luxembourg were established in 1947. Since then, India-Luxembourg enjoy close, warm and friendly relations, rooted in shared commitment to democratic values, rule of law and commitment to development. The relations are characterized by a high degree of understanding and appreciation of each other's concerns and interests. There are no major political differences or areas of conflict in bilateral relations. India and Luxembourg enjoy excellent relations at multilateral levels and are committed to further deepening and widening the ties. In this regard Luxembourg opened its Embassy in Delhi in 2002.

Political Relations:

Bilateral Visits in the past:

Visits from India to Luxembourg include the following:

- Mrs Preneet Kaur, Minister of State for External Affairs on 18 April, 2012;
- Smt. Meira Kumar, Hon'ble Speaker of Lok Sabha led a high level Parliamentary Delegation from June 10-13, 2010;
- Mr. Vayalar Ravi, Minister of Overseas Indian Affairs from 29-30 September 2009 during which an Agreement on Social Security was signed; and
- Mr. Ram Vilas Paswan, Minister of Steel, Chemicals and Fertilizers, in September 2006.
- Sh K R Narayanan, Hon'ble President of India visited Luxembourg in September 1998.

Visits from Luxembourg to India include the following:

- Mr. Laurent Mosar, President of the Chamber of Deputies led a Parliamentary delegation to New Delhi from 28 February - 2 March 2012
- Mr. Jeannot Krecke, Minister of Economy and Foreign Trade, visited India from 9-14 January 2010 leading an economic delegation. He, earlier in April 2007 also, had led an Economic Mission to India;
- Mr. Luc Frieden, Minister of Budget and Treasury had visited in January 2007,
- Mr. Jean Asselborn, Deputy Prime Minister and Foreign Minister, in February, 2007;
- In January 1999, Mr Jean Claude Juncker, the Luxembourg Prime Minister had visited India (only PM of Luxembourg to have visited India).
- Current Grand Duke Henri visited India when he was the Crown Prince in May 1995;
- Mr Georges Wohlfart, Secretary of State for Foreign Affairs and Foreign Trade visited India in October 1995, May 1996 and April 1997.
- Previous Grand Duke Jean (father of the current Grand Duke Henri) visited India in March 1983 along with Grand Duchess.

Commercial Relations:

The economic and commercial relationship between India and Luxembourg, particularly investment relationship, has grown in recent years. Luxembourg is the 16th most important investor in India.

More than 170 Indian companies are listed on the Luxembourg stock exchange through Global Depository Receipts (GDRs) and Indian GDRs listed in Luxembourg reached a value of about Euro 13 billion in 2012 representing 27.5% of the overall value of all GDRs listed at the Luxembourg stock exchange. Luxembourg is home to one of the largest investment fund industry in the world and Luxembourg based investment funds hold a substantial banking and asset management market share in portfolio investments in India.

India and Luxembourg have had a longstanding cooperation in the steel sector. Luxembourg company Paul Wurth Company has been in India for the last two decades and playing an important role in upgrading the steel sector in India in collaboration with SAIL, TISCO, Jindal Steel, etc. Other Luxembourg based companies such as ArcelorMittal, John Zink International Luxembourg are also present and playing an important role in India.

Luxembourg, among other sectors, is giving special emphasis on its automotive sector. Its companies are increasingly becoming to be known for automobile components and are entering Indian market.

Another area where cooperation has been growing has been the civil aviation sector. Chennai is the Indian hub for Luxembourg's all-cargo airline Cargolux. Many Indian freight forwarders work with Cargolux to route their European exports efficiently and rapidly (garments, shoes, machinery, original spare parts for European car makers, etc.). An aviation agreement was signed in 2004 to formalize this relationship.

Dialogue mechanism:

India-BLEU (Belgo-Luxembourg Economic Union) Joint Commission Meeting (JCM) was set up on 31 October 1997 and it is working as a biennial forum for exchange of views on various issues of economic cooperation and to identify the areas of mutual economic interest and bilateral trade promotion. The meetings are held on a regular basis and the last JCM was held in July 2013 in Brussels and the next is scheduled in June/July 2015 in New Delhi.

Bilateral Trade:

Bilateral trade between India and Luxembourg stood at \$37.17 million in Jan-Sept 2014 with exports from India to Luxembourg at \$7.79 million and imports of India from Luxembourg at \$29.38 million. The bilateral trade has decreased compared to the same period in 2013 due to various factors including global economic slowdown.

Bilateral trade between India and Luxembourg stood at \$ 69.29 million in 2013 (January to December) with exports from Luxembourg to India at \$52.53 million and imports from India at \$16.76 million. The major items of India's exports to Luxembourg are textiles and garments, chemicals, engineering products, base metals, plastics and allied products. The major items of India's imports from Luxembourg are machinery and appliances, base metals, plastic and rubber products, articles of stone, cement & glass, textiles and garments, etc. The bilateral trade has decreased by 26% when compared to 2012 during which period it stood at \$ 84.32 million. During meeting of the 13th India-BLEU JCM has set a target of \$ 266 million to be achieved by 2015 for India Luxembourg bilateral trade.

Bilateral Investment:

FDI flows from Luxembourg to India between April 2000 and June 2014 are about US\$ 1043.24 million, making it the 16th most important investor in India and among EU member states it ranks 4th among the combined FDI and FII investors in India. The sectors that attracted maximum investments from Luxembourg include trading, computer software & hardware, services sector, agricultural machinery and chemicals. Around 90 investment funds domiciled in Luxembourg are specifically targeting the Indian market.

Indian community:

The Indian Diaspora in Luxembourg numbers around 1000. There are nearly 500 Indian passport holders who work in Arcelor-Mittal, IT, banking and other service sectors. Indian students also have started coming to Luxembourg for research and post-doctoral studies. Others have acquired various nationalities, including that of Luxembourg. Indians living in Luxembourg have a good social profile and there has been no perceptible presence of illegal immigrants from India in Luxembourg.

There is one Indian Association which coordinates cultural and other activities of the Indian community in Luxembourg. In March 2009, an Indian Business Chamber of Luxembourg (IBCL) was constituted to promote commercial relations between India and Luxembourg. The Chamber facilitates business activities and assists Indian companies in the setting up of business ventures in Luxembourg.

Useful Resources:

Embassy of India to Belgium, Luxembourg and the EU website:

<http://www.indembassy.be/>

Embassy of India, Brussels facebook page:

<https://www.facebook.com/IndEmbassyBrussels>

India Global-AIR FM Gold Program featuring India and Belgium relations:

<https://www.youtube.com/watch?v=j15LxlXnmw>

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