



# On roads to mutual prosperity

Indo-French relations are growing with wide-ranging cooperation in political, economic and cultural fields and on defense, space, science & technology, and education. With the establishment of the strategic partnership in 1998, there has been significant progress in all areas of bilateral cooperation through regular exchanges at the head of state/head of government levels. The growing commercial exchanges include strategic areas such as defence, nuclear energy and space.

French President Francois Hollande's first visit to India is "clearly a message" of the importance that Paris places in its strategic ties with New Delhi. According to French ambassador to India, François Richier, the India-France strategic partnership was based on the "very strong perception that India will be one of the greatest powers in the world in the decades to come".

Paris supports India's bid to become a permanent member of the United Nations Security Council, and is also lobbying for India becoming a member of the Nuclear Suppliers Group, Wassenaar Arrangement, Australia Group and Missile Technology Control Regime.

France is ranked fifth in the list of India's trading partners among EU countries (after Germany, the UK, Belgium and Netherlands). Indo-French bilateral trade has been growing, although it has still not reached the 12 billion euros target set by both the governments during the French President's visit to India in January 2008. In 2011, bilateral trade had increased by 6% to 7.46 billion euros. In the first ten months of 2012, there has been a decrease of 3.71% in the bilateral trade over the same period of 2011.

Based on the annual data, the Indian exports of services to France have shown a growth in the last three years reaching 1.32 billion euros in 2011 while the imports from France fell to 0.66 billion euros in the same year. Today there are 800 French companies in India, employing some 1,50,000 people. French companies have also recorded intent of investing around \$8 billion by 2013.

In 2011, India was the 13th largest foreign investor in France in terms of project numbers. Indian investments in France have been growing and Indian companies have invested around 1 billion euros from April 1996 in different sectors like pharmaceuticals (Ranbaxy and Wockhardt), software (Tata Consultancy Services, Infosys & Wipro), wine (Kingfisher), steel (Tata, Electrosteel), plastics (Sintex), railway wagons (Titagarh Wagons), aerospace (Cades/Axis) & auto parts (Jyoti) etc. As many as 110 Indian-owned companies, including 27 greenfield investments, are present in France and are employing over 5,600 people.

France's technological strengths make it the leader in sectors such as aviation, space, food processing, transport, railways and agricultural research. However, its business interaction with India is not commensurate with its intrinsic economic capacity.

Infact, this was the first country with which India entered into an agreement on nuclear energy following the waiver given by International Atomic Energy Agency and the Nuclear Suppliers' Group, which enabled India to resume full civil nuclear cooperation with the international community. Today the relations are growing faster in important areas for the future, with wide-ranging cooperation in political, economic and cultural fields and in defence, space, science & technology, and education.

A landmark agreement on Civil Nuclear Cooperation was signed between India and France on 30 September, 2008 during the visit of Prime Minister Manmohan Singh to France. The civil nuclear energy cooperation is an important area for both countries. "We remain fully committed to our civil nuclear energy programme and also to taking the Jaitapur nuclear project forward. Discussions will take place on this between the two lead-

*The Indo-French strategic partnership is based on the very strong perception that India will be one of the greatest powers in the world in the decades to come, says French ambassador to India, François Richier*



French President Francois Hollande, left, and Indian Prime Minister Manmohan Singh shake hands during signing of agreements in New Delhi on Thursday. India and France have reviewed progress in negotiations on a multibillion dollar deal for French fighter jets for the Indian air force and a separate agreement to set up the world's biggest civilian nuclear power complex in western India

ers," say an official of the ministry of external affairs.

The Indo-French CEOs Forum, which was formed in 2009, was called upon to identify new avenues for cooperation and take initiatives to facilitate business links between both countries. The fourth meeting of India France CEOs' Forum was held in Paris on January 30-31, 2012. However, the member CEOs of the Forum decided to continue dialogue during the interval between the meetings and try to establish working groups to deal with specific sectors.

On defence cooperation, Indian and French defence forces share a very good cooperation. Visits to the defence establishments are carried on

## TECHNOLOGICAL STRENGTHS OF FRANCE MAKE IT THE LEADER IN SECTORS SUCH AS AVIATION, SPACE, FOOD PROCESSING, TRANSPORT, RAILWAYS AND FARM RESEARCH

a yearly basis. There have also been joint exercises between the army, navy and the air force. On MMRCA, Rafale was chosen after a rigorous, thorough and fair competition purely on merit. Negotiations are going on. The status of negotiations is likely to be discussed between the two leaders.

On space, both countries have also established very good cooperation and both countries are working towards further expanding in the coming years for mutual benefit. The Indo-French satellite Megha-Tropiques for studying tropical atmosphere was successfully launched by India's PSLV on October 12, 2011. At present, the data products are distributed to the global scientific community for validation.

Satellite with ARGOS and ALtiKa (SARAL) is another India-France joint satellite to study sea surface altitude, and it is also expected to be launched soon. Both these space joint ventures are seen as a significant contribution

to the global community's understanding of weather and climate change.

Another very important area of cooperation and collaboration between India and France is science and technology. Here the Indo-French Centre for Promotion of Advanced Research, it is called CEFIPRA for short, has established a strong partnership over the past twenty five years. It completed twenty five years last year. There are 800 PhD and post doctoral students who have benefited from this bilateral cooperation. The collaboration has led to 1162 research publications in peer-reviewed journals; and it has generated 18 patents. So this is an important area for exchange between the French and Indian scientists.

Education is another area where we want to expand our collaboration and cooperation further, higher education in particular. Both sides feel that there is good scope for such expansion of cooperation. IIT Rajasthan is one of the projects on which both India and France are working together and making progress. So that is another important bilateral collaboration between the two countries.

This year is also 100 years of Indian cinema during which India is looking forward to associating with a number of festivals in France. And it is going to be another year for promoting better understanding of India through our culture and through cinema.

The two countries have instituted a high-level, Strategic Dialogue at the level of National Security Advisors which provides both sides an opportunity to review key elements of the bilateral agenda between the two and particularly, the overall global security situation and emerging challenges. The 23rd round of the India-France Strategic Dialogue took place in Paris in September 2011.

Prime minister Manmohan Singh and French President Francois Hollande met on the sidelines of the G20 Summit in Los Cabos on 19 June 2012. This was the first meeting between the newly elected French President and our Prime Minister.

With a view to preparing for the visit of French President Francois Hollande to India, minister of external affairs of India, Salman Khurshid, vis-

ited France on January 10 and met his counterpart Laurent Fabius, French minister of foreign affairs.

Bilateral agreements augur well as far as future trade opportunities between India and France. As India labours towards amalgamating mutual areas of interests in the pursuit of accomplishing far-reaching foreign policy objectives, different verticals – be it cinema, culture, education, tourism or science & technology – will certainly emerge as a consequential beneficiary.

French investors like Sodexo and Capgemini employ around 30,000 employees each. In fact, Capgemini has more staff in India than it has in France. Other major investors include Schneider Electric, BNP Paribas, Sanofi, Alcatel Lucent, Steria, Renault Nissan, Alstom, Atos, Lafarge, Saint Gobain, Accor, Essilor, Technic, Michelin, Safran, L'Oreal, Dassault, Veolia and Air Liquide.

According to the Invest in France Agency (AFII), there are nearly 100 Indian companies in France. Indian companies have invested in different sectors like pharmaceuticals (Ranbaxy & Wockhardt as major investors), software (TCS, Infosys & Wipro Technologies), wine (UB Group), Railway wagons (acquisition of SPR by Titagarh Wagons), TV tubes (Videocon) & auto parts (Jyoti).

However, the investment is still small, given the overall outbound investment flows. The embassy of India commissioned a study on the investment potential for Indian companies in France.