

DIGITALEUROPE asks for a new, digital chapter in EU-India Relations

Brussels, March 2016

Ahead of the EU-India Summit later this month, DIGITALEUROPE would like to express its support for a stronger engagement in creating a new chapter in EU-India relations : we believe a revamped EU-India action plan should focus on areas of strong economic interest for both sides, notably ICT innovation and digital economy.

The European Commission with the lead of President Jean-Claude Juncker and the Government of India with Prime Minister Modi both decided to make the digital economy a priority of their respective working programme: the “Digital Single Market strategy” in the EU; and “Digital India” on the other side. In fact, the European Union (EU) and India share several objectives through an “umbrella” programme and a single vision: enable change and a new Industry, digitisation of society and businesses, digital inclusion and e-Skills, promoting entrepreneurship, job creation, Smart cities, and IT services.

Therefore, we believe a dialogue between the EU and India is crucial to boost jobs and growth, by creating more business-friendly environment, keeping existing operations and attracting new ICT investments in order to achieve digital inclusion and transformation. Both partners should work hand in hand to share the best practices and avoid unnecessary barriers to ICT development. The world is in the midst of a dramatic transformation from isolated systems to Internet-enabled devices that can network and communicate with each other and the cloud. Driven by the convergence of increasingly connected devices, the Internet of Things (IoT) is rapidly becoming reality, pushing manufacturing and automation industries to new levels of service and process integration.

In this regard, the upcoming initiative of the Commissioner Oettinger, ‘Digitalising European Industry’ to be announced in April as well as ‘Make in India’ initiative, provide yet another opportunity for cooperation. DIGITALEUROPE members welcomed the objectives of the “Make in India” campaign launched by Prime Minister Modi and designed to attract manufacturing to India and better integrate the country into global supply chains to boost exports. Digital Europe welcomes Prime Minister Modi’s initiative of ‘Start-up India’. There is a big potential for cooperation between EU and India for Indian start-ups to tap the knowledge and practices of European ICT industry. The ICT industry is an inherently global industry, and policies that attempt to artificially segment the manufacturing process will not necessarily lead to increased manufacturing of ICT products domestically. DIGITALEUROPE stands ready to work with the EU and India to address issues which could discourage global companies from manufacturing and operating in India, such as increase in duties on telecom and ICT products, mandatory in country testing, discrimination in public procurement. Those initiatives have an effect of increasing prices and decreasing availability of connectivity in India, and in a result they obstruct the goals of Digital India and potentially worsen a digital divide.

Those issues are detailed in the policy paper prepared by DIGITALEUROPE and annexed to this letter.

We strongly advise to adopt global standards and avoid local content measures which could have a strong impact not only on the local ICT producers, often suppliers of global tech companies, but also the users of the technology as well as local economy which strongly relies on global value chains and services, given that ICT is inherently global industry

India and the European Union, in coordination with other major regions and countries should continue to cooperate together and encourage partnerships on regulatory cooperation, e-skills, digital society and digital transformation.

In this context, we would see the participation of India to the expansion of the Information and Technology Agreement, and to the negotiations of the Trade in Services Agreement as a step in the right direction.

Finally, we ask the European Commission and the Indian Government to “bring back to life” the EU-India Free Trade Agreement. The European industry is in strong need for such an agreement that could settle many questions – notably on regulatory coherence, common standards, cooperation on research and innovation and on mode 4 (circulation of workers).

The European Tech Industry has been operating in India since many decades - some European companies for more than a century - and is committed to continue playing an active role in the country. DIGITALEUROPE stands ready to work with the European Commission and the Government of India to achieve a successful EU-India ICT cooperation.

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ABOUT DIGITALEUROPE

DIGITALEUROPE represents the digital technology industry in Europe. Our members include some of the world's largest IT, telecoms and consumer electronics companies and national associations from every part of Europe. DIGITALEUROPE wants European businesses and citizens to benefit fully from digital technologies and for Europe to grow, attract and sustain the world's best digital technology companies.

DIGITALEUROPE ensures industry participation in the development and implementation of EU policies. DIGITALEUROPE's members include 60 corporate members and 37 national trade associations from across Europe. Our website provides further information on our recent news and activities: <http://www.digitaleurope.org>

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National Trade Associations

Austria: IOÖ

Belarus: INFOPARK

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Cyprus: CITEA

Denmark: DI Digital, IT-BRANCHEN

Estonia: ITL

Finland: FFTI

France: AFNUM, Force Numérique, Tech in France

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Ireland: ICT IRELAND

Italy: ANITEC

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Netherlands: Nederland ICT, FIAR

Poland: KIGEIT, PIIT, ZIPSEE

Portugal: AGEFE

Romania: ANIS, APDETIC

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Slovenia: GZS

Spain: AMETIC

Sweden: Foreningen Teknikföretagen i Sverige, IT&Telekomföretagen

Switzerland: SWICO

Turkey: Digital Turkey Platform, ECID

Ukraine: IT UKRAINE

United Kingdom: techUK