

**Agreed Minutes of the Fourteenth (14th) Joint Economic Commission
between India and the Belgian-Luxembourg Economic Union (BLEU)
New Delhi, 28th September, 2015**

The fourteenth session of the Joint Economic Commission (hereinafter: JEC) between India and the Belgian-Luxembourg Economic union was held on 28th September, 2015 in New Delhi.

This meeting is based on an agreement signed in March 1990 In New Delhi which finalized the cooperation between India and BLEU in the field of economy, commerce and science and technology.

The JEC was co-Chaired by Ms. Rita Teatota, Secretary, Department of Commerce, Ministry of Commerce and Industry, Republic of India and Mr. Geert Muylle, Ambassador, Director General for Bilateral Affairs in the Belgium Federal Public Service Foreign Affairs and Mr. Leo Faber, Deputy Secretary General of the Luxembourg Foreign Ministry. India warmly welcomed the participants from BLEU side. Both sides reiterated the role of the JEC as a structure for further strengthening the bilateral economic relations.

The composition of the delegations is attached as Annexure-I. The agenda for the JEC is attached as Annexure-II.

The fourteenth session of the Joint Economic Commission was an opportunity to highlight the excellent relations between India and BLEU and to identify areas of further cooperation in economic and commercial fields. Belgium and Luxembourg are important partners of India. Notwithstanding the current state of international commerce, economic exchanges remain satisfactory and offers opportunities for further intensification and diversification. The dynamic nature of commercial exchanges seen in the last few years is reflected in the increasing number of companies interested in establishing and gaining access to our respective markets.

The JEC Meeting offered an opportunity to the three countries to discuss areas of mutual interest to take these relations even further.

Both sides approved the agenda and discussions were held on the following:

1. Economic developments in India, Belgium and Luxembourg

Both sides briefed each other on their respective economic situation and the economic policies pursued by their governments.

Indian side mentioned that when large economies are still unable to emerge from the global economic downturn, India has consistently posted a high GDP growth. Indian economy is looking to enter a consistent 7-10% GDP growth phase. This growth has been largely estimated based on pickup in manufacturing, increased government expenditure, robust investments and farm output. India plans to spend USD 1 trillion on infrastructure which offers great opportunities to Belgium and Luxembourg companies.

India, with its inherent strengths like stable democracy, commitment to economic reforms, an open FDI regime makes it an ideal partner to BLEU. The Government of India in the recent times has taken various steps to ease business environment. The emphasis has been on simplification and rationalization of the existing rules and introduction of information technology to make governance more efficient, effective and user- friendly.

Indian side gave details of various new initiatives taken by the new Government such as Make in India, Digital India, Skill India, Clean India, Start-up India and Development of 100 Smart Cities in India. Both sides agreed to further explore and reinforce their cooperation in these areas.

As one of the most globalized and open economic areas in the world, Belgium has weathered the recent financial crisis well. The recovery is based on our intensive economic links with key partners, leading to a moderate economic growth in 2014 of 1,1% real GDP and a strengthening of its trade balance. Belgium is firmly imbedded in the common European efforts to modernize its economic structures in view of global challenges and reinforcing its credentials in the fields of research and development, as well as environment and renewable energies.

Thanks to its international and diversified character, Luxembourg's economy rebounded in 2010-11, returning to growth figures from before the financial and economic crisis: 4,4% in 2013 and 5,6% in 2014. The government budget showed a 0,6% surplus in 2014 and public debt of only 23,6% of the GDP, one of the lowest among European countries. The Grand-duchy is indeed one of the few countries in Europe with a "triple A" rating with unemployment remaining below EU average.

2. Bilateral Trade

Both sides reviewed the developments in their bilateral trade since the last meeting of JEC in July, 2013 and compared their respective trade statistics, including the partial figures for 2015. The balance of trade in favour of both Belgium and Luxemburg remains regular. India stressed to have a more balance trade. Both parties stressed the importance to ensure adequate measures to bring the bilateral trade to growth trajectory.

Diversification of Trade

Belgium and India acknowledged that the bilateral trade is heavily dominated by only one product category, diamonds. This acknowledgement led to the awareness that there is a need for diversification of trade basket and business of both sides needs to map new areas.

Luxembourg and India acknowledged a good diversity of bilateral trade but acknowledged that there is further room to increase its volume. In that context, Luxembourg reiterated its interest to organize a high level trade mission to India as soon as possible.

Besides services, areas of promise include pharmaceuticals, biotechnology, chemicals, energy, ports, dredging, construction, railways, electronics and software, chemicals and fertilizers and renewable energy.

It was also emphasized that there is room for further increase in bilateral trade between India and BLEU. This acknowledgement led to the conclusion that a more focused dialogue is necessary on intensifying economic cooperation.

3. Bilateral Investment

Indian side informed that Government is putting in place an investor-friendly policy on FDI, under which FDI, up to 100% is permitted, under the automatic route, in most sectors/activities, FDI policy is reviewed on an ongoing basis, with a view to making it more investor friendly. Significant changes have been made in the FDI policy regime in recent times to ensure that India becomes increasingly attractive and investor-friendly. Some of the policy decisions towards liberalization of FDI policy include allowing FDI in single brand retailing up to 100%; FDI in Telecom up to 100%; FDI in Defence up to 49%; 100% private and FDI investment in Railway Infrastructure; FDI in Insurance Sector up to 49%; easing of

area restriction norms, reduction of minimum capitalization and easy exit from project in Construction Development sector; allowing 100% FDI under automatic route for manufacturing of medical devices and allowing FDI in Pension Sector up to 49%.

Indian side also informed about 'Make in India' initiative which has been launched to make India a global manufacturing hub. This is a major drive to foster innovation, enhance skill development, protect intellectual property and build Best-in-Class manufacturing infrastructure. In Make in India initiatives, an effort has been made to facilitate, assist and hand-hold investors and ensure that they are able to establish and operationalize their industry and business in India without facing hurdles and systemic delays.

25 priority sectors have been identified for growth under the campaign viz. Automobiles; Automobiles components; Aviation; Aeronautics/Aerospace; Biotechnology; Chemicals; Construction; Defence manufacturing; Electrical machinery; Electronic systems; Food processing; IT and BPM; Leather; Media and entertainment; Mining; Oil and gas; Pharmaceuticals; Ports; Railways; Renewal Energy; Roads and highways; Space; Textiles and garments; Thermal power; Tourism & hospitality and Wellness.

Belgium and Luxembourg congratulated the Government of India for its ambitious reform agenda and welcomed the efforts to improve the business climate in the country. Belgium and Luxembourg encouraged the Government of India and the various State Governments to further work in that direction. In particular, reforms such as the Goods and Services Tax and the Land Acquisition Bill are seen as crucial by companies from Belgium and Luxembourg.

Indian Investment in Belgium and Luxembourg

Based on Indian figures, the Indian side informed that Indian investment in Belgium has exceeded Belgium investment in India mainly by way of acquisition of Belgium firms by Indian companies. Indian investment in Belgium was more than US\$ 1.5 billion.

Belgium Investment in India

Also according to Indian statistics, cumulative FDI inflows from Belgium were around US\$ 0.81 billion during the period from April 2000 to June 2015 which is

0.32% of total FDI inflows into India. Belgium ranks 22nd among investors in India. While Belgium's total outward investment is USD 450 Billion, its cumulative FDI into India being only USD 0.81 Billion indicates that there is significant potential for Belgium's investment in India.

Luxembourg Investment in India

According to Indian statistics, cumulative FDI inflows from Luxembourg were around US\$ 1.31 billion during the period from April 2000 to June 2015 which is 0.51% of total FDI inflows into India. Luxembourg ranks 16th among investors in India. While Luxembourg's total outward investment is USD 149 Billion, its cumulative FDI into India being USD 1.31 Billion indicates that there is significant potential for Luxembourg's investment in India.

Luxembourg's investment fund industry has established solid links with India. About 148 Luxembourg based investments funds have currently invested in India, and the potential for further growth in this sector remains strong.

Apart from Luxembourg domiciled investment funds, the Luxembourg Stock Exchange lists around 75 major Indian companies. Given the importance of Indian GDRs, the Luxembourg Stock Exchange launched a specific index – the Lux GDR India- representing the combined weighed value of those GDRs.

Indian side invited Belgium and Luxembourg participation through partnerships, referring to the positive investment climate and business friendly policies of the new Government.

4. Economic cooperation

4.1. Transportation and Logistics

Belgium, by force of its location in Europe and economic density, is a natural logistical hub. All three regions, Flanders, Wallonia and Brussels, enjoy an impressive transport network and high quality communication infrastructures.

With fast-flowing motorways interconnected to the European motorway network, Belgium has a dense mesh of communication channels. An area covering some twenty of Europe's largest cities lies only a day's travel away by road. Belgium's rail network is one of the oldest but also one of the densest in Europe. Its airports

are important hubs for passengers and freight and are entirely complementary to road and rail connections.

Important European financial and political centres are easily accessed from Belgium. Brussels is at the center of an ever-expanding European high-speed rail network: Direct flights also connect the city to multiple destinations in North America, Asia, the Middle East and Africa.

Logistics

Luxembourg shares with Belgium excellent transport infrastructures and strategic geographical location in Europe. It provides global companies with many strategic advantages for conducting successful business in the European Single market with its 500 million customers.

4.1.1. Air Transport

India and Belgium recognized the importance of direct passenger flights between India and Belgium, run by Jet Airways. Belgium expressed hope that Brussels will be maintained as a hub for its direct flights to Europe.

Luxembourg's international airport is one of the leading freight airports in Europe and home base of Cargolux, Europe's leading all-cargo carrier with a worldwide network of over 90 destinations. Cargolux has introduced full freighter services from Luxembourg to Chennai, thereby facilitating Indian high-value exports to Europe. Cargolux has introduced a second frequency to Chennai from 11th August 2015 and intends to expand its flights during 2015 to three weekly services with Mumbai planned as a new destination, from October, once all approvals have been received.

The Luxembourg airport cargo center, with its capacity of 1.2 million tons of freight a year, offers a high level of quality service including a dedicated temperature controlled center for handling and storing of pharmaceutical and healthcare products.

4.1.2. Railways

Indian side mentioned that MoU signed between the Indian Railways and the Belgian Railway on 2nd August 2012 for effective development and modernization of Railway Sector in India by availing the Belgian technical expertise in remodelling of railway stations is not gaining momentum. In view of the enormous potential of railways in India and the existing Belgian know-how, products and

services in this field, both parties agreed to start working on a new appropriate agreement between the concerned Indian and Belgian agencies and organisations.

4.2 Ports

Indian side welcomed the MoU signed between JNPT and APEC (Antwerp/Flanders Port Training Centre), Belgium on 12.02.2015 to establish a Regional Training Centre in India at JN Port area. Indian side also appreciated the objective of the project to develop this centre into a training hub not only for port officials in various major and minor ports in India but also to invite participants from South East Asia Nations and ultimately achieve self-sustainability.

India and Belgium welcome the ongoing cooperation in the ports sector. In 2013 Flanders Port Area was established as a cooperation platform between the seaports of Antwerp, Zeebrugge, Ghent and Ostend.

Indian side welcomed the MoU signed between JNPT and APEC (Antwerp/Flanders Port Training Centre), Belgium on 12.02.2015 to establish a Regional Training Centre in India at JN Port area. Indian side also appreciated the objective of the project to develop this centre into a training hub not only for port officials in various major and minor ports in India but also to invite participants from South East Asia Nations and ultimately achieve self-sustainability.

The Indian side stressed the need to renew the Letter of Intent (LOI) beyond December, 2015 in order to implement the MoU signed on 24.09.1997 between the Ministry of Shipping, Government of India and the Government of Flanders, Belgium for mutual cooperation on Maritime Transportation and Port Development between the Ministry of Shipping, Government of India and the APEC-Antwerp/Flanders Port Training Centre.

Indian side also mentioned that private sector participation including through Foreign Direct Investment is allowed in Indian Ports. FDI up to 100% under automatic route is allowed in projects for development of port infrastructure. As a matter of policy, investment for creation of supporting infrastructure like port channels, breakwaters etc. are made through public funds.

Now the third leading inland port in Europe, the Liège port complex boasts an annual level of traffic of over 18 million tonnes, a level that has been steadily

rising for several years now. Besides, a multimodal platform (120 ha area) along the Albert Canal is being built. This platform, called Liège Trilogoport, will be focused entirely on logistics to offer a home to European distribution centres in direct contact with the container terminal located along the Albert Canal which connects Liège to Antwerp (14 h navigation) and Rotterdam (24h navigation).

Luxembourg informed about the contribution from a major Luxembourg-based dredging firm in Indian ports.

4.3 (Renewable) energy, clean-tech, water treatment

Indian side welcomed the initiative taken to sign a MOU between Ministry of New and Renewable Energy (MNRE) and Belgium (Federal/Regional level for Energy) with the objective to establish the basis for a cooperative institutional relationship to encourage and promote technical bilateral cooperation on new and renewable energy issues. The areas of focus will be wind energy, biomass, solar, smart grids, geothermal energy, marine energy, energy demand management, efficiency in renewable energy systems and sharing of good practices. The MoU will be signed on the occasion of the present Joint Economic Commission on September 29th.

Flanders region of Belgium has an important expertise in the field of cleantech and has been a global leader in environmental technology for fifty years. We look forward to enhancing the ongoing collaborations already taking place in the field today and to further exploring the potential for collaboration, more in particular in the field of waste management, water treatment and sustainable energy.

The GreenWin Cluster in Wallonia region of Belgium and the GreenTech Cluster in Brussels – Capital region of Belgium are competitiveness instruments devoted to the new environmental technologies. They focus their action on improving product life cycles by saving materials and energy, recycling and using renewable resources and bring together, in a single network, small and large businesses, universities, research centres, training operators and communities, providing advice and guidance to companies active in environmental sectors. India offers huge business opportunities and potential partnerships in the green economy. That is the reason why GreenWin/GreenTech participated in the latest Economic mission to India led by HRH Princess Astrid in 2013. They have since built up partnerships with different Indian organizations dealing with environmental preoccupations. The GreenTech cluster focuses on the 4 priority sectors for the Brussels-Capital Region via 4 separate clusters: ICT, Sustainable Construction, Life Technologies and Green Technologies. It provides individual guidance

(support and development with Business Plans, Financial Plans, Market Studies, assistance with bringing products to an international market (technology offerings and demand), etc. The cluster also offers generalised guidance through the dissemination of strategic information and good visibility of the sector.

Finally, the Indian side also informed that Ministry of New and Renewable Energy is organizing RE-INVEST 2016 (Global Investors Meet and Expo) from 18-20th February, 2016 in New Delhi. Participation of both the countries at Government and private sector level is requested for the RE-INVEST 2016.

Luxembourg informed about the renewed interest of several Luxembourg companies in the Indian market, in the context of the Make in India initiative, in such fields as renewable energies and waste management or sewage water treatment.

Luxembourg has supported over the last years the development of leading eco-innovation businesses which include eco-construction and materials, transport and logistics. Several of these young and dynamic companies are now successful worldwide.

4.4 Aerospace

India remains a strong economic partner for the aerospace industry. In 2007, a Memorandum of Understanding (MoU) was signed between the Indian cluster SIATI and the aerospace cluster 'Skywin Wallonia' and another in 2008 between SIATI and the Belgian Aerospace (Skywin and its Flemish counterpart Flag). Several meetings took place and they agreed that a focus on a specific project or theme was required to take the Indo-Belgian partnership to the next level. They plan to work in the future on joint UAV (drones) projects, as these could involve many different technologies.

Besides, a delegation of several SIATI members visited Belgium over the last years for seminars and company meetings.

In that particular field as well, the company AMOS (Advanced Mechanical and Optical Systems) has developed over the years several large-scale projects with India, particularly the MAST (Multi-Application Solar Telescope) in Udaipur, completed in June 2015 and inaugurated in August 2015, ARIES 3.6 m Telescope in Nainital (the first light images were obtained in spring 2015); and the Mount

Abu 2.5 m Telescope: AMOS has submitted a commercial offer to PRL for this new project (decision awaited in Q4 2015).

As far as the AMOS space Projects are concerned, the Belgian side mentioned following initiatives: VSSC thermal-vacuum chamber in Trivandrum: (Project completion expected in Q4 2015) and Chandrayaan (Ahmedabad): Hyperspectral optics manufacturing in progress (project completion expected in first half of 2016).

4.5 ICT and Satellites

Indian side mentioned that Govt. of India encourages foreign IT companies to participate in the Indian market with a rollout of various incentives, including 100% FDI in Electronic & IT sector, Open Market policy, free access to Government contracts, robust IT Act/Policies facilitate protection of IP and easy mobility of foreign skilled personnel in India. Also India has a large market in government spending especially under National E-Governance Plan (NeGP, including electronic identity cards), Aadhar, etc. Indian side expressed hope for enhancing cooperation in this field. The Belgian side expressed its interest in cooperating with the relevant Indian Authorities to provide know-how and experiences.

Luxembourg has an outstanding international connectivity, highly secure data centres and the fastest internet access in Europe at very competitive connectivity prices. Luxembourg has also one of the best data parks in Europe, hosting a network of leading-edge operators offering a full range of high quality data processing services. The presence in Luxembourg of important international companies confirm that position. An increasing number of Indian companies have invested in Luxembourg's ICT Sector.

Luxembourg has invested heavily in its space industry since it became a European Space Agency member in 2005. Turnover in that sector rose by 21% to 2.3 billion EUR over the last years, while the number of people working on private sector space projects has risen by an average of 15% a year. Luxembourg is eager to increase its cooperation with India. Luxembourg is also home to the world's largest satellite operator of civilian telecommunication satellites SES which has currently five satellites covering South Asia and stands ready to expand its satellite capacity to serve India. Its main customers, Dish TV and Airtel, are broadcasting 600 TV Channels on SES satellites reaching 31 million homes.

4.6 Steel Technology and Engineering

India and Luxembourg have had a long standing cooperation in the steel sector. Luxembourg Company Paul Wurth has supplied all major Indian steel producers such as SAIL, TISCO, Jindal Steel etc. with modern steel-making equipment. Arcelor Mittal's greenfield investments have not been implemented due to a number of factors.

MECON is having Memorandum of Understanding (MoUs) with Paul Wurth S.A. Luxembourg to co-operate with each other in the field of Coke Oven batteries, Coke Oven machines, Stamp Charging machines, Coke Dry Quenching (CDQ) Plant, Coal Chemical Plant (By- Product Plant) for the projects in India and in other countries. The MoUs are valid till July 2017.

From its long steel history when Wallonia region of Belgium was world leader in that sector, it has kept a strong know-how in steel and engineering. The flagship company CMI based in Wallonia is also established in Mumbai. In November 2014 and a second time in March 2015 an economic mission with several state-of-the-art companies from Wallonia visited India and met state and private companies in the sector, particularly Tata Steel, SAIL, JSW Steel, etc. Concrete areas of economic cooperation and partnerships have emerged from these contacts.

The possibility of investment from BLEU in the steel sector in India with focus on advanced materials, precision mechanics and subcontracting for heavy steel industries may be considered if economic conditions are right.

Indian companies would be interested in technologies and engineering solutions for the steel industry which would be aiming at improvement in the process of manufacturing.

4.7 Diamonds

4.7.1 Diamonds (Kimberley Process)

Both sides appreciated the MoU signed between the Government of India and Belgium for Kimberley Process on 25th November, 2013. The system of data exchange concerning exports/imports of rough diamonds under KPCS is operational on day-to-day basis since then between GJEPC and AWDC. In the year

2014, data in respect of more than 20 thousand certificates was electronically shared between India and Belgium.

Belgium reiterated the importance of this sector in its bilateral trade relations with India and its will to consolidate the privileged and mutually beneficial relationship it enjoys with India in this field. Antwerp remains more than ever the central hub of world diamond trade. Belgium raised the issue of the import duties levied by India on cut diamonds and enquired about current Indian positions in the Kimberley Process framework.

Indian side mentioned that Indian origin businessmen in Antwerp have drawn attention to financing shortage faced by them due to closure of some banks and have requested for increase in financing by the Indian and Belgian banks to the diamond trade. They have also requested faster opening of bank accounts for Registered Diamond Dealers and provision of e-banking facilities. Both sides agreed to look into the matter with a view to facilitate trade.

4.8 Tourism

Indian side informed that since 27th November 2014, India is offering Electronic Tourist Visa to the citizens of Luxembourg and since 15th August 2015 to citizens of Belgium. This scheme has been launched in both countries with positive reactions.

India would welcome investment in tourism infrastructure from Belgium and Luxembourg.

On the Belgian side, Flanders welcomes the signing of a Memorandum of Understanding between the Government of the Republic of India and the Government of Flanders on cooperation in the field of Tourism. Both sides expressed the hope for its early signing.

Belgium wishes to promote itself as preferred tourist destination for citizens of India. All three Regions, Flanders, Wallonia and Brussels, actively welcome them for business as well as leisure holidays and short stays and constantly develop initiatives to enhance tourism. Experiencing tourism in Belgium is about discovering its major cities, its culture, heritage, gastronomy, and folklore. All three Regions of Belgium offer a large variety of activities and sightseeing. Just to name a few sites and visits that have already attracted or would interest Indian tourists: space camps at the Euro Space Center, the Domain of the Caves of Han and its wild animal reserve, the battlefield of Waterloo, the historic cities of

Flanders, Flanders' Fields, or the museums and sights of Brussels. Bruges, the film location of Rajkumar Hirani's 2014 hit film P.K., is an authentic treasure. Belgium is also famous for its numerous castles, breweries, chocolate makers, and other regional producers. All these different unique experiences are only one or two hours by road from each other.

Brussels is the capital for 500 million Europeans, and is one of the world's Power Cities, a metropolis with a personal touch, and internationally renowned for its pluri-cultural character and conviviality.

India and Luxembourg also exchanged views for developing their relations in the tourism sector. The number of Indian visitors to Luxembourg has been steadily increasing over the last years. Luxembourg sites and attractions include the fortress of Luxembourg, an UNESCO world heritage site; numerous castles and fortresses throughout the country, world-class museums and cultural events, the wine-making region Moselle with its award-winning white wines and the town of Schengen.

4.9 Audiovisual Industry

Indian side shared the template of the draft agreement to explore the possibility to sign a co-production agreement in the audio-visual sector to promote mutual cooperation. Belgium already provides a 'tax shelter' which allows for up to 150% tax exemption on profits for movies shot in Belgium and is willing to consider to enlarge the applicability to productions lacking a clear European character.

Wallonia region of Belgium aims to be a film region and enjoys an impressive number of high-quality professionals and digital post-production facilities. Besides, there are several offices in Wallonia whose main goal is to facilitate Belgian or foreign film productions. Their assistance consists of a wide range of services: location scouting, administrative support, casting organization, press relations management, contacts with local authorities, providing various information, etc. A locations database is freely accessible and enables private owners to offer filming locations for hire, and audio-visual producers to find ideal locations for their film projects.

In Brussels Capital region of Belgium, there is a variety of sources of finance for audiovisual projects. Brussels producers have access to the main European sources of financing and the tax benefits of the tax shelter. There is a film commission to

help you for locations, logistics and authorizations to film. In the area of technology, Brussels has developed a high profile in technology solutions.

Moreover, the Region is working on The mediapark.brussels project which involves the development of a new Brussels district that is creative, open and pleasant to live in, but it is also a strategic project to promote the development of broadcasting, the media and the creative industries in Brussels.

The goal is to strengthen the international position of Brussels relative to other European capitals and the neighboring regions, in a context of unprecedented change and growth in these sectors (media, information technology and communication, advertising, marketing, communication and graphic design agencies, news agencies, publishers, research and new technologies, music, broadcasting, and virtual and augmented reality).

Luxembourg is home to RTL group, the leading European entertainment network with interests in 55 television channels and 29 radio stations. It wholly owns the UK based FremantleMedia which is one of the largest creators, producers and distributors of television brands. After the opening of an on-the-ground production unit in Mumbai in 2009, it produced some major popular shows with tremendous success.

4.10 New Areas of Cooperation

Both sides decided to explore possibilities in new areas of cooperation like Sports Infrastructure and Traditional Medicine, Ayurveda and Yoga etc.

4.10.1 Sports Infrastructure

Both sides expressed the hope for enhanced cooperation in the field of Sports Infrastructure. India has the potential to exponentially grow as a key market for sports and allied sectors. India is willing to invest in state-of-the-art sports infrastructure and in need of multi-purpose sports facilities and stadiums, especially for upcoming sports like soccer. It is indeed set to host the FIFA Under-17 World Cup in 2017. This is one of the reasons why the Sports Technology Club of Belgium's high-tech industrial cluster AGORIA is planning a fact-finding mission to India in November 2015.

4.10.2 Traditional Medicine, Ayurveda and Yoga

Indian side informed that India has rich heritage of Traditional Medicine. The Indian systems of medicine have age old acceptance among the communities in India. Mostly, they form the first line of treatment in case of common ailments. Ayurveda, Yoga & Naturopathy, Unani, Siddha, Sowa- Rigpa and Homoeopathy (AYUSH) are recognized systems of medicine in India and they have been integrated into the national health delivery system. Of these, Ayurveda is the most ancient medical system with an impressive record of safety and efficacy. Yoga & Naturopathy are drugless systems which are popular and being practiced by the young and old alike, to achieve and maintain good health. Yoga has potential for improvement of health through improvement of blood circulation and inducing tranquility and serenity of mind. Recently, United Nations has declared 21st June as “International Yoga Day”. This signifies the importance of Yoga worldwide.

The health promotive, disease preventive, rehabilitative and revitalizing roles of the AYUSH system, coupled with their holistic approach are the key driving force behind resurgence of the systems which offer a wide range of preventive and curative treatments that are both cost effective and efficacious. Global interest for gentler and plant based treatment has been growing rapidly.

Indian side requested BLEU side for recognizing Ayurveda as the medicinal method of treatment in the European Union (EU). Both sides expressed the hope for enhanced cooperation in this field.

4.10.3 Life Sciences

Belgium has a strong tradition in the life sciences, including biotechnology and pharmaceutical activities, and close cooperation between universities and industry is its unique strength. The Flanders Institute for Biotechnology (VIB) and the research institute FlandersBio are playing a key role in technology transfer and the creation of new clusters in Flanders region. The BioWin competitiveness cluster has been set up to pool all of the Walloon players in the field of innovation, research and training in the health sector. Bio.be is the federation of Belgian companies active in the biosciences. Both sides agreed to explore the possibility of creating a B2B platform which could allow small innovative companies of Belgium to identify an Indian partner for co-development or joint ventures.

4.10.4 Food Processing Sector

The food industry is the second most important sector in the Belgian processing industry after chemicals. FEVIA is the umbrella trade association of the Belgian food industry and represents all companies producing foodstuffs and/or beverages. Both sides agreed to explore the possibility of cooperation in this sector by creating a B2B platform which could allow companies of Belgium to identify an Indian partner for joint ventures.

4.10.5 Chemical Sector

The Belgian chemicals industry is one of the most diversified and integrated chemicals clusters in the world. Essenscia, the Belgian cross-sectoral federation of the chemical and life sciences industries, represents and promotes the interests of nearly 800 companies in the chemical and life sciences sector. Both sides agreed to explore the possibility of setting up of a B2B meeting platform for federations of companies in chemical sector of both countries.

4.10.6 Design

Businesses in Belgium nowadays embrace design as a factor of innovation and creativity. The regional organizations, Design Flanders, MAD-Brussels and Wallonie-Bruxelles Design/Mode promote designers and their work, and stimulate companies and the public to use design. Both sides agreed to facilitate exchange between relevant design institutions.

4.10.7 Waste recycling/treatment

Belgium has a number of companies specializing in waste recycling/treatment. FEBEM (federation of 200 environmental companies) represents enterprises engaged in all stages of the waste processing chain (waste collection, recycling, disposal, etc.). It also includes companies creating energy out of biomass-waste as well as professionals in the soil remediation sector. An organisation that can play a role in water treatment is VLAKWA (www.vlakwa.be). Both sides agreed to facilitate exchange between relevant institutions/industries.

5. Market access issues:

Indian side raised problems being faced by Indian Banks due to 2012 Tax Code amendments in Belgium causing higher tax liability, insistence on sovereign rating for lending to and taking deposits from government and semi-government agencies, difficulty in maintaining high quality liquid assets for branches of Indian banks required under Basel III due to their size. India will share a note in this regard. Both sides agreed to work together to address the issues faced by Indian Banks.

Indian side stressed that Indian IT Industry is facing difficulty in the EU in terms of mobility of their professionals. The work permit is so specific to the project site that movement of professionals from one project site to the other, of the same company, is difficult. Movement of skilled professionals both in terms of operations within an EU Member state or while moving from one Member state to other member state need to be made easy.

From the Belgian side, specific issues affecting Belgian exports were raised. The issue of the pet food certificate has recently been solved and this was welcomed. However, some technical impediments are still pending under the Food Safety and Standards Authority of India - FSSAI) regarding the import of certain food items following a strict interpretation of the Food Legislation. Another issue regards the methyl bromide treatment of plant products.

The parties exchanged information regarding other recent and pending cases with the aim of clarifying matters and working on suitable solutions.

6. Bilateral Agreements and procedures

6.1.1. Update on Double Taxation Avoidance Agreement

Bilateral negotiations between Indian and Belgium authorities are going on for finalizing a Protocol to amend the existing DTAA to update the Exchange of Information article to international standards. Both sides expressed the hope that the protocol would be finalized at an early date.

6.1.2 Update on Social Security Agreement

India is having Social Security Agreement with Belgium and Luxembourg in operation with effect from 1.09.2009 and 1.06.2011 respectively.

6.1.3 Update on mutual recognition of Indian driving licenses in Belgium

India underlined the problem being faced by Indian nationals. Both sides agreed to address this issue in a time-bound manner.

7. Cooperation in the field of Higher education & skill development

Both sides took note of the ongoing cooperation in the field of Higher Education and existing MoUs between the Indian Universities (like JNU, BHU, National Law School of India University etc.) and Universities of Belgium and Luxembourg.

Realising the importance of Skill Development the Government of India has launched the flagship scheme of Skill India. Both sides agreed to explore cooperation in this area.

Wallonia has developed a unique business development opportunity for Indian SMEs active in the field of technology and innovation wishing to settle and grow in Europe. This program is called WalloniaTech India. Every two years, a few of the most promising Indian companies are invited for specific seminars and meetings on innovation in Belgium/Europe. The aim for the Indian companies is to get a real feeling of the European market, access a wide network of partners, and develop collaborations with different players in Belgium. This year's program will take place from 28th September till 2nd October with 5 Indian companies in the ICT, Life Sciences and Cleantech sectors.

Flanders welcomes the ongoing activities and exchanges with India, mentioning especially the India Platform at the University of Ghent, the 'India House' in Leuven and the ICCR Chair at the 'Leuven Centre for Global Governance Studies' at the KU Leuven.

8. Multilateral economic and trade issues

India and BLEU are committed for resumption of talks on India-EU BTIA. Indian side requested BLEU side for help in early revocation of the recent ban by EU on generic formulations. Belgium and Luxemburg responded by reiterating the EU Commission's commitment to continue working towards the conclusion of an agreement that will be acceptable to both India and the EU and that it hopes that a solution can be found to the current deferral. The EU Commission stresses that the decision concerning a ban on 700 generic formulations was based in scientific and not trade considerations and in accordance with the advice of the scientific Committee of the European Medicines Agency EMA.

The two sides exchanged views about the ongoing WTO negotiations in the light of recent developments. Both sides highlighted the importance of seeking balanced results at the MC 10 in Nairobi, which should pave the way for further progress towards the conclusion of all remaining issues of the Doha-Agenda. Both sides expressed their willingness to keep markets open and fight against protectionism.

9. Consular issues

India mentioned that their companies in Belgium (IT Companies, in particular) have raised following Visa/work permit related issues:

- i. **Six Months validity of legalised documents:** Belgium requires legalised birth, marriage and health certificates which are valid only for six months. Three level legalisation of documents in India - at district/subdivision level, state level and MEA-is time consuming and very cumbersome. India suggested that legalisation of documents for professional who come on job contract may not be necessary. Company certification may be a way out, as is the practice adopted by several countries. Further, legalised documents need not have a validity period or may have a longer period of five years.
- ii. **Time taken in processing application by Belgian side:** In case of family reunion visa, after submission of all required documents to Belgian embassy, it takes 6-9 months for processing in Belgian Embassy and Belgian Foreign office. India suggested a systemic solution has to be found by working with communes who are involved in issue of work permit. Indian company, Infosys, has offered to automate the entire process at Belgian side, without any fee.

iii. **Requirement of annual work permit and visa renewal:** The work permit and visa is required to be renewed every year, even if the job contract is for a much longer period. India suggested that the work permits of upto four years or co-terminus with job contract period would be helpful in running the business of IT companies. Belgium mentioned that the matter of work permits is a Regional competence and that all three Regions are aware of the urgency and importance of this matter.

Luxembourg informed that in May 2015, it has extended its network of VFS visa application centres from 6 to 16 centres all over India. This extension of the network aims to offer the best possible service to Indian citizens travelling to Luxembourg especially in view of the introduction of biometrics for Schengen visas on 2nd of November 2015.

10. Any other issues

On the Belgian side, the plan of an official visit by the Minister-President of the Government of Flanders to India from the 24th until the 29th of April 2016 was mentioned. During this visit, the Minister-President will visit the cities of Mumbai, Pune and Bangalore.

Luxembourg mentioned the intention to organise a high level trade mission led by the Grand-Duke of Luxembourg to India in February-March 2016 and requested the India-side to confirm a date as soon as possible.

11. Concluding remarks

11.1. It was agreed that the next session of the Joint Economic Commission between India and BLEU will take place in Luxembourg in 2017.

11.2 It was also decided to have a mid-term review after a year through diplomatic channels.

11.3. In the last meeting trade target of 15 billion Euros by 2015 between India and Belgium and 200 Million Euros between India and Luxembourg was visualized. Since different methodologies and criteria are used and statistics diverge, parties agreed that the trade target between India and Belgium has almost reached while the trade between India and Luxembourg should be further intensified. Both sides agreed to a balanced trade target as per the potential. Periodic reviews will be carried out at appropriate levels with various stakeholders to facilitate achievement of these targets.

11.4 India recognized the high technology potential of Belgium and Luxembourg, and emphasized the need to plug this to the development initiatives launched by the Government. India suggested that institutional mechanisms/platforms may be set up with BLEU to facilitate engagements at Government to Government (G2G) and Business to Business (B2B) levels in certain sectors - chemicals, life sciences, food processing, renewable energy, water recycling/treatment, aeronautics and space, ICT and ports - to help small innovative companies of Belgium and Luxembourg to identify an Indian partner for joint ventures/co-development. It would be mutually beneficial as Belgian and Luxembourg companies have technological advancement while Indian companies have the advantage of scale and potential of reaching out to a large market.

India welcomed the proposed visits of Trade Missions which would be helpful in promoting business links and development of joint ventures. To take these initiatives further, India suggested BLEU side to think of holding an exhibition in India, spread out over Mumbai, Delhi and Chennai in order to enhance their profile as technology providers in India.

11.5 The discussions between the two sides, the Belgian-Luxemburg Economic Union & India, were conducted in a warm and cordial atmosphere reflecting the traditionally close relations between the three countries.

Signed on the 28th of September, 2015 in New Delhi

For the Republic of India,



Ms Anita Praveen, Joint Secretary, Ministry of Commerce and Industry

For the Grand-Duchy of Luxembourg



Mr. Leo Faber, Deputy Secretary General of the Luxembourg Foreign Ministry

For the Kingdom of Belgium



Mr. Geert Muylle, Director General for Bilateral Affairs, Federal Public Service Foreign Affairs.

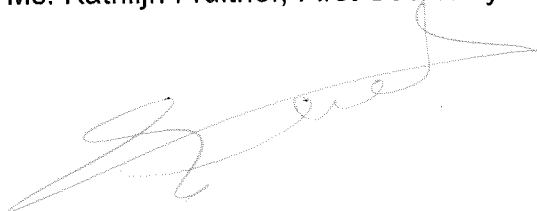


Mr. Koen Verlaeckt, Secretary General, Flanders Department of Foreign Affairs

Mr. Michel Kempeneers, Chief Operating Officer Overseas, Wallonia Export-Investment Agency



Ms. Kathlijn Fruithof, First Secretary Trade and Invest, Brussels Invest and Export



India BLEU Joint Commission, New Delhi from 28th – 29th September, 2015

List of Indian Delegation

1. Ms. Rita Teotia, Secretary, Department of Commerce, Ministry of commerce & Industry
2. Ms. Anita Praveen, Joint Secretary, Department of Commerce, Ministry of commerce & Industry
3. Shri Atul Chaturvedi, Joint Secretary, Department of Industrial Policy and Promotion, Ministry of commerce & Industry
4. Sh. Anurag Sachan, Executive Director, Ministry of Railways
5. Sh. R.P. SINGH, Director, Department of Commerce, Ministry of Commerce & Industry
6. Sh. Sudhir Shyam, Director, Department of Financial Services
7. Sh. K.S.Samarendra Nath, Director, Ministry of Steel
8. Sh. D.K Khare, Director, Ministry of New & Renewable Energy
9. Sh. Raman Kumar, Deputy Secretary, Ministry of External Affairs
10. Mohamed Farouk, Assistant Director General, Ministry of Tourism
11. Sh. Pawan Kumar, Under Secretary, Department of Commerce
12. Sh. Farhat Khan, Under Secretary, Department of Revenue
13. Sh. S.P Singh Teotia, Under Secretary, Ministry of Overseas Indian Affairs
14. Sh. Rajinder Sood, Sr. Consultant, Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH)
15. Dr. Farah Ahmed, Research Officer, Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH)
16. Sh. Shubham Saxena, Assistant Secretary, Ministry of Youth Affairs & Sports
17. Sh. Abhay Pandey, State Bank of India
18. Ms Priyanka Sethi, Manager Business Development, WAPCOS

Delegation from Belgium and Luxembourg

Belgium

1. Mr. Geert Muylle, Director General, Bilateral Affairs, SPF Foreign Affairs, Foreign Trade and Development Cooperation, Head of Delegation
2. H.E. Mr. Jan Luykx, Ambassador, Belgium to the Republic of India
3. Ms. Régine Vandriessche, Director, Asia Desk, SPF Foreign Affairs, Foreign Trade and Development Cooperation
4. Mr. Keon VERLAECKT, Secretary General, Flanders Department of Foreign Affairs, Brussels
5. Mr. Bart DE GROOF, Consul General, Consulate General of the Kingdom of Belgium in Chennai
6. Mr. Michel Kempeneers, General Inspector and COO Overseas Export-Investment, Wallonia Export-Investment Agency (AWEX)
7. Mr. Jozef De Proft, Advisor, SPF Economy
8. Mr. Marc E. De Mil, International tax expert, SPF Finance
9. Mr. Stijn Mols, Minister-Counsellor, Embassy of the Kingdom of Belgium in New Delhi
10. Mr. Antoine Delcourt, Economic Counsellor, Embassy of the Kingdom of Belgium in New Delhi
11. Mrs. Babette Desfossez, Customs attaché, Embassy of the Kingdom of Belgium in New Delhi
12. Mr. Alexis Bossuyt, Commercial Counsellor, Flanders Investment and Trade (FIT), Embassy of the Kingdom of Belgium in New Delhi
13. Mrs. Kathlijn Fruithof, First Secretary Trade and Investment, Brussels Invest & Export (BIE), Embassy of the Kingdom of Belgium in New Delhi

Luxembourg

1. Mr. Leo Faber, Deputy Secretary General, Ministry of Foreign and European Affairs, Head of Delegation
2. H.E.Mr. Sam Schreiner, Ambassador of Luxembourg in India
3. Mrs. Laure Huberty, Deputy Head of Mission, Embassy of Luxembourg in India
4. Mr. Charles Schmit, Consul, Embassy of Luxembourg in India
5. Mr. Daniel Sahr, Advisor, International Affairs, Luxembourg Chamber of Commerce

Annexure-II

14th Joint Economic Commission between India and the Belgium-Luxembourg Economic Union (BLEU), 28TH -29TH September, 2015 – New Delhi, India

(Venue:- Udyog Bhawan- 10:30 A.M)
Agenda

1. Opening session & Adoption of Agenda.
2. Overview of economic developments in India, Belgium and Luxembourg.
3. Trade and Investment
 - 3.1 Bilateral Trade
 - 3.1.1 Diversification of Trade
 - 3.2 Bilateral Investment
4. Economic cooperation
 - 4.1. Transportation and Logistics
(air, railways, inland waterways...)
 - 4.2. Ports
 - 4.3. (Renewable) energy, clean-tech, water treatment
 - 4.4. Aerospace
 - 4.5. ICT and Satellites
 - 4.6. Steel Technology and Engineering
 - 4.7. Diamonds (Kimberley Process)
 - 4.8. Tourism
 - 4.9. Audiovisual industry
 - 4.10. New Areas of Cooperation
 - 4.10.1 Sports infrastructure
 - 4.10.2 Traditional Medicine, Ayurveda & Yoga
5. Market access issues
(customs, non-tariff barriers, specific cases...)
6. Bilateral agreement and procedures
 6. 1. Update on Double Tax Avoidance Agreement

- 6.2. Update on Social Security Agreement
- 6.3. Update on mutual recognition of driving licences

7. Cooperation in the field of Higher Education and Skills Development

8. Multilateral economic and trade issues

9. Consular issues

10. Any other issues.

11. Concluding Session

12. Preparation of agreed minutes