

**Draft Agreed Minutes of the Fifteenth(15th) Joint Economic Commission
Between India and the Belgian-Luxembourg Economic Union (BLEU)
Luxembourg, 29thMay 2017**

1. Opening session and adoption of the agenda

The fifteenth session of the Joint Economic Commission (hereinafter: JEC) between India and the Belgian-Luxembourg Economic Union (BLEU) was held on 29thMay 2017 in Luxembourg.

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 Mr. Gaston Stronck, Ambassador, Director for European and International Economic Affairs of the Luxembourg Ministry of Foreign and European Affairs and Mr. Grégoire Cuvelier, Deputy Director General for Bilateral Affairs in the Belgian Foreign Ministry on the BLEU side and Ms. Anita Praveen, Joint Secretary, Department of Commerce, Ministry of Commerce and Industry, Republic of India on the Indian side. Luxembourg warmly welcomed all the participants and both sides reiterated the role of the JEC as a structure for further strengthening bilateral economic relations.

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

The fifteenth session of the JEC 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 indeed important partners of India. While economic exchanges between India and BLEU remain satisfactory, they nevertheless still offer 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 economic and trade relations further.

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

2. Economic developments in India, Belgium and Luxembourg

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

The European Commission has forecasted the growth of the Euro area at 1.6%, and the total EU growth at 1.8% for the period of 2015-2017. Economic growth is set to rise or remain broadly stable in most Member States over the forecast horizon.

Due to its international and diversified character, Luxembourg's economy has been performing even after the financial crisis in 2008. Real growth rate of GDP has been 4.8% in 2015 and 4.2% in 2016, while the GDP per capita remains by far the highest in Europe. The public budget showed a surplus of €268mn. and a debt of only 20% of the GDP in 2016. The government confirmed in its budget projections for the 2017-2020 period that it will maintain a public debt of around 23.6% of GDP, which is far below the 60% foreseen in the European Stability and Growth Pact. Luxembourg is indeed one of the few countries in Europe rated with an "AAA". The unemployment rate remains below the European average with 6,0% recorded in March 2017.

Meanwhile estimates for growth in Belgium are set at 1.4% for this year and 1.6% next year. Several positive developments were mentioned; the forecasts look promising as unemployment in Belgium is in decline and wages are on the rise, which will increase private consumption. Moreover, corporate investment is set to grow with 3% while the public debt will decline as of next year.

Brexit was brought up. Parties stressed that negotiations for the UK to leave the EU have not yet fully started and the UK will remain an EU-member for – at least – the coming two years. It is too soon to assess the full economic impact of the outcome of the UK leaving the EU, even though the IMF has warned that a possibility exists of a slowing down of global growth in the wake of the Brexit. However, parties expressed their confidence that the Indian business world will find that BLEU is an excellent gateway to, and its partner in Europe. Being situated in the heart of Europe and with a world class infrastructure, it constitutes a natural logistical hub in Europe and the world

1. The leader of Indian delegation stated that amidst unusual volatility in the international economic environment in recent times, the Indian economy has been stable. GDP during 2015-16 registered one of the highest growth rates

of 7.9% in the world and despite impact of demonitisation, grew at the rate of 7.1% in the last financial year. In the coming years, India is poised to grow at a steady pace as a result of the impetus provided by the recent initiatives and projects taken up by the Government of India such as ‘Startup India’, ‘Make in India’, ‘FDI Policy’, ‘Ease of Doing Business’, ‘Digital India’, ‘Smart City’, ‘Skill India’ and Demonetisation and Remonetisation.

2.

3. Macro-economic stability has been achieved by reducing inflation, current account deficit and fiscal deficit. Growth has been boosted through public investment in infrastructure, particularly, railways, roads and irrigation. The government’s agenda has been “reform to transform”. Reforms have taken place across the economy; ranging from macro-economic sector (e.g. reducing inflation) to financial sector (e.g. Jan Dhan Yojana), from governance (e.g. passing legislation on black money) to creating new institutions (e.g. NitiAayog), and from business environment (e.g. liberalizing FDI flows) to environment and climate change (e.g. launching a major push to increase renewable energy capacity). A number of steps have been taken to make it easier to do business in India. GST Bill has been passed by the Parliament of India and it is proposed to be rolled out from 1st July, 2017.

4.

3. Trade and investment

3.0. Bilateral Trade and diversification

Both sides reviewed the developments in their bilateral trade since the last meeting of JEC in September 2015 and the mid-term review in August 2016. They compared their respective trade statistics, including the partial figures for 2017. The balance of trade in favour of both Belgium and Luxemburg remains steady. Both parties stressed the importance to ensure adequate measures to bring the bilateral trade to a growth trajectory.

Luxembourg and India acknowledged a satisfying diversity of bilateral trade but recognized that there is further room to increase its volume, especially after the successful economic mission led by the Vice-Prime minister of Luxembourg to Delhi and Mumbai in March 2016.

Besides services, promising areas include finance, especially in the area of fintech, data centres, cybersecurity, ICT, space, biotechnology, renewable energy, ports, dredging, construction, railways and electronics.

It was also emphasized that there is room for a 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. Parties welcomed the frequent business and political visits and called to intensify them. Belgium in particular mentioned the importance of the upcoming State Visit to India of the Belgian Sovereigns in November 2017, accompanied by a large official, business and academic delegation, engaging in a wide range of activities aiming at broadening and deepening bilateral relations focussed on innovation.

Belgium and India acknowledged that the bilateral trade is heavily dominated by only one category of products, diamonds. Even if it remains essential to safeguard and indeed strengthen the diamond partnership, 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.

Areas of promise include pharmaceuticals, biotechnology, energy, ports, dredging, construction, railways, electronics and software, food processing, chemicals and fertilizers, renewable energy and clean tech.

The Indian side informed that the India Trade Promotion Organization (ITPO) is a Government of India enterprise, committed to trade promotion activities, and organizes trade fairs in India and participates in many overseas events. The Indian side invited BLEU side to participate in mega events, such as, India International Trade Fair (IITF), AAHAR – the international food and hospitality fair, India International Leather Fair (IILF) and International Security Expo.

The Indian side also informed that the Chamber of Commerce of the Grand-Duchy of Luxembourg has signed an MoU with the Confederation of Indian Industry (CII) which will facilitate joint promotion and development in areas of mutual interest.

3.1. Bilateral Investment

Luxembourg investment in India

Cumulative FDI inflows from Luxembourg to India were around US\$ 2.23 billion during the period from April 2000 to March 2017, which is 0.67% of total FDI inflows into India. Luxembourg ranks 15th among investors in India. While Luxembourg's total outward investment is USD 149 Billion, its cumulative FDI into India being only USD 2.23 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 investment funds have currently invested in India, and the potential for further growth in this sector remains promising.

Belgian Investment in India

According to Indian statistics, cumulative FDI inflows from Belgium were around US\$ 1.08 billion during the period from April 2000 to March 2017 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 1.08 Billion indicates that there is significant potential for Belgian investment in India.

Belgium recalled the importance of a stable and investment friendly environment, including in the fields of infrastructure and taxation.

Belgium expressed its concerns about the termination of the Bilateral Investment Treaty earlier this year and the protection of Belgian investment in India. Parties called for a speedy conclusion of India-EU BTIA negotiations. Since Investment is an integral part of BTIA, Parties look forward to also conclude a new and comprehensive investment agreement between India and the EU within this framework.

The Indian side underlined that there is a huge potential for the FDI flow from BLEU into India in light of the wide-ranging opportunities and a liberal FDI regime. Rationalisation and liberalisation of FDI Policy is the constant endeavour of Government of India. FDI up to 100% is permitted, under the automatic route, in most sectors/activities. Since government approval is needed in fewer sectors now, the Foreign Investment Promotion Board (set up in 1991 to approve FDI proposals) has been abolished to facilitate easier capital inflow.

The Government of India has taken several initiatives to facilitate ease of doing business in the country. Under Make in India, an effort has been made to facilitate, assist and hand-hold investors so as to ensure that they establish and operationalise their businesses in India without facing hurdles and systemic delays. Under Startup India, the Government intends to build a strong eco-system for nurturing innovation and start-ups in the country that will drive sustainable economic growth and generate large scale employment opportunities.

3.2. Stock Exchange

The Luxembourg Stock Exchange (LuxSE), known for its international character, lists around 75 major Indian companies through Global Depository Receipts (GDR). LuxSE has been the first stock exchange globally to list Masala Bonds in 2008, and the first one to list a green bond in 2007 following the launch of the European Investment Bank's "Climate Awareness" bond. With 114 green bonds in 20 currencies from over 25 different issuers, LuxSE is now the premier venue for green bond listings in the world. The Luxembourg Green Exchange, a new platform dedicated exclusively to green securities, is an initiative to strengthen further the green bonds market.

The Indian side informed that none of the stock exchanges (equity and commodity derivatives) are involved in cooperation projects/agreement with the Belgium - Luxembourg Stock Exchanges. There is also no Memorandum of Understanding (MoU) or any cooperation agreement with BLEU in this area. The Indian side mentioned that Securities and Exchange Board of India (SEBI) is a signatory to IOSCO's Multilateral MoU concerning consultation and cooperation and the exchange of information for the purpose of regulatory enforcement.

4. Economic cooperation

4.1. Transportation and Logistics (air, railways, inland waterways..)

Luxembourg shares with Belgium the strategic geographical location in Western Europe and excellent transport infrastructures. With its multilingual working force, Luxembourg is an attractive business location for Indian companies seeking to strengthen their activity on the 500 million customers European Single market.

Luxembourg's international airport is one of the leading freight airports in Europe and home base to Cargolux, Europe's leading all-cargo carrier with a modern and efficient fleet of 26 freighters and a worldwide network of over 90 destinations. The Luxembourg airport cargo centre, with its capacity of 1.2 million tons of freight a year, offers a high level of quality service, including dedicated temperature controlled centre for handling and storing of pharmaceutical and healthcare products. It is also home to Luxaviation, a private jet charter and aviation services company now operating in New Delhi, to cover the Indian market.

In India, Cargolux flies to Mumbai twice weekly. Luxembourg asked whether the Indian side currently considers extending its airport facilities in Mumbai to accommodate rising demand for additional flights? The Indian side informed that the matter will be referred to the concerned Ministry for a feedback.

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. Twenty of Europe's largest cities are located only a day's travel away by road. Belgium's rail network is one of the oldest but also one of the most modern in Europe. Its airports are important hubs for passengers and freight and are entirely connected to the road and rail infrastructure.

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

India and Belgium recognized the importance of direct passenger flights between Indian and Belgium and welcomed the opening of direct flight Brussels-Mumbai by Brussels Airlines in March this year, based on the Horizontal Agreement on Civil Aviation between India and the EU. They expressed the common wish to reopen a direct flight between both capitals.

In view of the enormous potential of railways and railway stations in India and the existing Belgian expertise in this field, both parties renewed their willingness to explore the possibility of a new appropriate MoU between the concerned Indian and Belgian agencies and organisations.

4.2 Ports

Luxembourg informed about the activities in Indian ports of a Luxembourg-based dredging firm.

Belgium mentioned the frequent visits to India in the framework of the activities of the Port of Antwerp and its ever expanding connections and relations with India, including in the field of training. Having the largest port cluster in Europe, Belgium is the ideal partner in Europe to develop ports relations. Belgium has

moreover been actively developing and exporting its know-how related to port infrastructure and services through extensive partnerships, especially with India.

Indian side highlighted the possible areas of cooperation in the field of Inland Waterways as follows: -

- The Jal Marg Vikas (National Waterways-I: River Ganga) projects envisages to develop a fairway with 3 meters depth between Varanasi and Haldia (Phase-I) covering a distance of 1380 kms at an estimated cost of Approx. USD 1.0 billion, to be completed in six years with technical and investment support of World Bank.
- NW-Kharsuan-Brahmani River system, and
- Development of 106 new National Waterways (in progress) on PPP basis.

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

Luxembourg informed about the continuous interest of several Luxembourg companies like Boson Energy, L.E.E and Velcan Energy in the Indian market in fields as renewable energies or waste management. This is especially important in the context of the Make in India initiative. Luxembourg also briefly presented Eco-innovation as one of its main economic clusters and pointed out that it will host the second International Circular Economy Hotspot Event from 20th to 22nd June 2017, which will bring together international experts in the fields of eco-innovation, waste management and renewables energies.

During the previous session of the joint economic commission on September 29 2015, Belgium and India signed a MoU related to renewable energy. The areas of focus are wind energy, biomass, solar, smart grids, geothermal energy, marine energy, energy demand management, efficiency in renewable energy systems and sharing of good practices. However, Belgium mentioned the difficulty to activate the Joint Working Group, which is essential to achieve progress. Parties agreed to increase efforts in order to obtain tangible results in this important area.

The three regions of Belgium have been developing expertise in the different fields and clusters related to green technologies have been established. This is especially true in the areas of cleantech, waste recycling, sustainable construction and water treatment, where the Clean Ganga initiative offers ample opportunity for mutually beneficial cooperation.

India mentioned that the National Institute of Bio-Energy (NIBE), Kapurthala, under the Ministry of New and Renewable Energy is involved in R&D and related

activities for waste processing and treatment of urban waste, and the BLEU side may consider involving this institute for future cooperation in the sector.

4.4. Diamonds

Belgium reiterated the enormous 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 and its relation with especially Mumbai is one of the most successful forms of cooperation.

Belgium raised the issue of the import duties levied by India on cut diamonds. The Belgian side stressed that this measure has had a negative effect on bilateral trade. Belgium considers this measure to be inadequate for countering so-called 'round tripping' and asked for the measure to be undone.

Belgium welcomed the formal notification of May 22nd regarding the retroactive application of the exemption of the import duty and stressed the importance of legal certainty and predictability in the regulatory framework concerning the diamond trade.

Finally, the Kimberley Process was mentioned, where parties agreed on the importance to jointly tackle the challenges ahead.

Indian side informed that the Kimberley Process Certification Scheme (KPCS), was implemented in India from January 01, 2003. The implementation of KP system in India was reviewed to ensure a conflict free trade of diamonds by visits of KP review team in 2004, 2010 and 2016.

During the Plenary Meeting of the Kimberley Process Certification held in Dubai from 13-17 Nov, 2016, it was decided that India will be the Vice Chair of KPCS in 2018 and the Chair in 2019.

4.5. Aerospace and Satellites

Luxembourg noted that it has massively invested in its space industry since it became a European Space Agency member in 2005. Around 30 companies and several public laboratories are currently active in the Luxembourgish space sector. The added value of the sector rose by 16% in the five years to 2015, while the number of people working in the sector increased by 3.5% over the same period. The public research organisations report a similar trend, with over 80 staff engaged

in space-related research. 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, one of the most dynamic markets. Its main customers, Dish TV and Airtel, are broadcasting 600 TV channels on SES satellites reaching 31 million homes. SES works closely with ISRO and its sister agency Antrix to supply capacity to the Indian market.

Luxembourg made a presentation about new its new initiative, called SpaceResources.lu.

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), which gave rise to several initiatives and fruitful contacts.

Belgium mentioned that 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, inaugurated in August 2015, the ARIES 3.6 m Telescope in Nainital; and the Mount Abu 2.5 m Telescope for which AMOS submitted a commercial offer.

As far as the AMOS space Projects are concerned, the Belgian side, at the request of BELSPO, requested special attention to particular technical difficulties related to the use of the telescope due to delays in the implementation of the project.

India referred to Luxembourg's proposal for MoU in Space Cooperation and informed that the proposal under consideration of ISRO. The main area of cooperation suggested in the draft is satellite communication, in which Luxembourg authorized satellite operators and their affiliates desire to obtain authorization for Indian satellite systems. ISRO is of the view that in the absence of a single nodal agency/ body in Luxembourg to coordinate space activities, it would be practically difficult for them or Antrix to discuss with multiple satellite operators to implement the provisions of this MoU. The Indian side indicated its willingness to work on a broader framework MoU for cooperation in peaceful uses of outer space and accordingly requested Luxembourg to identify its nodal Ministry/ Department, which coordinates its national space activities. Luxembourg indicated that the Service des Médias (SMC) at the Ministry of State is the main contact point for the MoU.

4.6. ICT and e-government

Luxembourg has an outstanding international connectivity and excellent internet access at competitive prices. Luxembourg also hosts one of the best data parks in Europe, with a network of leading operators offering a full range of high quality data processing services. The presence of important international companies confirms that position. Luxembourg is also positioning itself as a hub for Fintechs and cybersecurity. Luxembourg briefly presented the aim the plan developed together with the American economist Jeremy Rifkin, according to which ICT - i.e. communication tools, the Internet, the Internet of Things, renewable energy and new means of transport ought to converge in a smart network. An increasing number of Indian companies have invested in Luxembourg's ICT sector and the trend is growing.

India and Belgium are in the process of elaborating an MoU on cooperation in the field of ICT and electronics. Parties called for a speedy negotiation in order for the MoU to be ready for signing during the State Visit to India. The Belgian side also mentioned that its companies and research institutes are keen on expanding their cooperation with partners in India in the framework of the Smart Cities and other initiatives.

The Indian side apprised the BLEU side of India's ambitious 'Digital India' programme and invited them to participate and invest.

4.7. Steel Technology and Engineering- heavy industries and infrastructure

India and Luxembourg have had a long-standing cooperation in the steel sector. Luxembourg Company Paul Wurth has collaboration with SAIL, TISCO, Jindal Steel along with other Luxembourg based companies such as Arcelor Mittal, John Zink International Luxembourg.

MECON has a 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.

Arcelor Mittal, headquartered in Luxembourg, is currently finalizing a Joint venture with Steel Authority of India (SAIL) in the field of new automotive technologies.

In that context, Luxembourg also recalled the successful visit of the Indian Minister of Steel, Mr. Chaudhary Birender Singh, in August 2016.

From its long steel history when Wallonia 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 and celebrates in 2017 its 150 years of existence. Concrete areas of economic cooperation and partnerships have emerged from many bilateral contacts. Wallonia remains a leader in innovation in heavy industry, and will highlight this during the State Visit to India.

Belgium mentioned the global challenge of overproduction and distorted market situations in the steel sector, and welcomed the common engagement of Belgium, Luxemburg and India in the Global Steel Production Forum under G20 auspices in order to tackle the problem. India's cooperation within the OECD Steel Committee's work is also highly appreciated.

The Indian side acknowledged the information shared by BLEU side and underlined that the Indian steel industry has entered into a new development stage from 2007-08, riding high on the resurgent economy and rising demand for steel. Rapid rise in production has resulted in India becoming the 3rd largest producer of crude steel in 2015 and the country was the largest producer of sponge iron or DRI in the world during the period 2003 to 2015 and was the 2nd largest producer in 2016 .

The Indian side also mentioned about the National Steel Policy (NSP), 2017 approved by the Union Cabinet on 03.05.2017 with the objective to create self-sufficiency in steel production by providing policy support and guidance to private manufacturers, MSME steel producers, CPSEs. The NSP also aims to cost efficient production and facilitating foreign investment.

4.8. Tourism

India and Luxembourg exchanged views for developing their relations in the tourism sector.

On the Belgian side, Flanders expressly urged the Indian side to proceed to the signing of the agreed Memorandum of Understanding between the Government of the Republic of India and the Government of Flanders on cooperation in the field of Tourism on the occasion of the upcoming state visit.

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. Parties note with satisfaction that tourism from India is on the rise and wish to develop initiatives to further promote the country.

India informed that Electronic Tourist Visa are being offered to the nationals of Luxembourg and Belgium since November 27, 2014.

India sought cooperation with the BLEU in tourism sector on following issues:

- (a) Exchange of Information
- (b) Familiarization Tours
- (c) Training
- (d) Joint Venture Investment

4.9 Audio visual Industry

Luxembourg participated in a range of in several film festivals all over India (Kolkata, Bombay, Bangalore, Chennai, Hyderabad) and continues to create new links between its Film Fund and its Indian counterparts.

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Belgium took note of the request by India to engage in a proposed MoU on Audio-visual Coproduction. This being an exclusive regional competence, it was requested that India elaborates further on the added value of an MoU on top of existing cooperation mechanisms.

4.10. Traditional Medicine, Ayurveda and Yoga

India mentioned that it has a rich heritage of Traditional Medicines. Mostly they form the first line of treatment in case of common ailments. Ayurveda, Yoga & Naturopathy, Unani, Sidda, Sowa-Rigpa and Homeopathy (AYUSH) are recognized systems of medicine in India and they have been integrated into the national health delivery system.

The health promotion, 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.

The Indian side requested BLEU side for recognizing Ayurveda as the medicinal method of treatment.

4.11. Agro- and Food Processing Industry

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.

investments.

Taking into account the large expertise in this field in Belgium and regarding the specific needs in that sector in India, food processing will be one of the Belgian industrial sector promoted during the State Visit in November.

4.12. Eco- and green technology industry

4.13. Chemicals

The Belgian chemicals industry is one of the most diversified and integrated chemicals clusters in the world. Belgium remains the world's number one chemical country per capita. 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. The extensive relations in this sector with India were highlighted, including considerable investments by Belgian companies in India as well as Indian companies in Belgium. Parties agreed to investigate possible venues to intensify and further expand this cooperation.

The Indian side informed that the Industry Associations have been requested to propagate the matter down the line to the individual industry for promotion of B2B amongst India-Belgium Luxembourg.

Department of Chemical & Petrochemical in association with Industry bodies organized the following events in 2016.

- 3rd National Conference “Poly India-2016”, Polymers & Plastics, 29th January, 2016
- 2nd National Conference on “Plastics Packaging – The Sustainable Choice” 19th January, 2016, at FICCI, Federation House, New Delhi
- National Conference on Potential of Plasticulture in India, 13th May, 2016 at FICCI, Federation House,
- Indian Agrochemical Industry 2016, 19th July, 2016 at FICCI, Federation House, New Delhi

4.14. Life sciences

The Luxembourg Bio Health Cluster aims to strengthen and capitalise on the national strategy developed by Luxembourg’s government to achieve scientific excellence in molecular diagnostics, the cornerstone of personalised medicine. Its members are R&D companies, public research organisations, laboratories, hospitals and other actors (patients associations, service and capital providers, etc.) whose activities are related to health sciences and technologies. The main focus of the Cluster is personalised medicine, an area in which Luxembourg has identified niche areas of expertise where the country has strong potential to be competitive at a global level: digital health, neurodegenerative diseases, molecular diagnostics and immune-oncology.

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.

The Indian side stated that a Memorandum of Understanding was signed between the Department of Biotechnology, Ministry of Science and Technology, Government of India and the Research Foundation – Flanders (FWO), Regional Government of Flanders, Belgium for cooperation in the field of Biotechnology on May 2, 2016. The Indian side requested the Belgium side to take further necessary action for follow-up action/implementation of the MoU.

4.15. 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.

The Indian side informed that National Institute of Design (NID) represented India in the 1st edition of Fashion Days, Luxembourg from October 23 to 24, 2015. The Indian side invited the BLEU side to send their designers to participate in the Leather Designers' Fair held in India.

4.16. Sports Infrastructure

Belgium is aware of the enormous potential existing in India to upgrade its sports infrastructure. A special sectorial mission from Belgium explored this market in November 2015 but this did not yield specific results. Belgium invited India to provide information about this sector and its particular needs, in particular related to international events which India will host in the near future.

The Indian side took note of the request from Belgium side.

5. Market access issues

Belgium raised the problems related to its exports to India related to the requirement by India of the methyl bromide treatment of plant products. It also referred to the difficulties related to the import of pet food in India and the issue of the export of wine, spirits and beers and requested India to further look into these issues with the aim at finding satisfactory solutions. Belgium thanked India for the progress made in clarifying the regulation of import of chocolate products.

On the market access issues raised by Belgium, India informed that these have been brought to the notice of the Ministry of Agriculture and also referred to ongoing exchange with the EU side in these matters.

India mentioned about setting of Maximum Residue Level (MRL) for tricyclazole in rice to default level, effective from December 2017, and sought support of BLEU side in setting of import tolerance for tricyclazole in rice, for which Dow AgroSciences has already submitted an application.

India raised problems being faced by Indian Bank 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. This issue was earlier also raised during 14th Session and India shared a note in this regard. The Indian side again requested to address the issues faced by Indian Banks.

India mentioned the difficulties being faced by Indian IT Industry in the EU member states 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 needs to be made easy. This issue was earlier also raised during 14th Session. The Indian side again requested to address the issues faced by Indian IT Companies.

6. Bilateral Agreements and procedures:-

6.1. Update on Social Security Agreement

India has a Social Security Agreement (SSA) with Belgium and Luxembourg in operation with effect from 01.09.2009 and 01.06.2011 respectively.

Luxembourg is very satisfied to have a SSA with India since 1st June 2011 and encourages the administrations and competent authorities of both sides to work together more effectively, which is in the interest of private individuals, but also Luxembourgish and Indian companies.

The Belgian side urged India to implement the technical arrangements reached during the Belgian visit to India on April 26th, 2017, aimed at clarifying the implementation of its Agreement with India, in particular to send to the competent Belgian authorities copies of delivered Certificates of Coverage.

India mentioned about the stock taking meeting on the functioning and operationalization of the SSA held in Delhi on 15 February 2017. The Indian side stated that the issues raised during the course of the meeting on providing real time information is under active consideration of Government and a decision has already been taken by the EPFO to migrate to the electronic platform for the purpose of issuing the Certificates of Coverage. The operationalization of the process is underway.

6.2. Update on Double Tax Avoidance Agreement

The Indian side informed that the agreement for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income between India and Belgium was signed on 9th March, 2017. As per Article 4 of the Protocol, India completed the process of ratification and the Instrument of Ratification has been sent to CBDT on 12th April, 2017 requesting them to take necessary steps to bring the Protocol into force. CBDT have requested the Belgian side to complete the ratification process so that the Protocol can be brought into force.

The Indian side informed that, as regards India-Luxembourg NDTA, both India and Luxembourg have joined the Multilateral Competent Authority Agreement (MCAA). India can enter into bilateral arrangement with Luxembourg for exchanging information automatically in accordance with the MCAA.

Luxembourg suggested that the NDTA should include investment funds in order to give the most competitive framework for investment into India. The Indian side said that it was going to pass the message to the department concerned.

6.3. Update on mutual recognition of driving licenses

Belgium suggested to delete this item from the agenda since no progress has been made and progress is not likely in the near future.

India mentioned about difficulties faced by Indian professionals (usually coming on short term contacts) in getting local driving licence and who refer to the practice in the Netherlands where Indian Driving license is recognised, and also practice in Belgium is respect of driving license of some non-EU countries.

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 and Universities of Belgium and Luxembourg.

The University of Luxembourg has student exchanges with five excellent Indian universities: IIT Mumbai, National Law School of India in Bangalore, Great Lakes Institute of Management, IIT Chennai and IIT Kanpur.

Through various initiatives, the Belgian universities would like to further develop the existing ties with Indian universities.

In the field of science and innovation, research networks are being developed in the framework of 2 BELSPO-DST joint networking calls, paving the way for further institutional R&D cooperation in high potential science and innovation domains. The visit to Belgium of the Secretary, Department of Science and Technology, Prof. Dr. Ashutosh Sharma on June 6 to 8 was mentioned.

The Indian side mentioned the details of Pradhan Mantri Kaushal Vikas Yojana (Prime Minister's Skill Development Scheme), a flagship outcome-based skill training scheme launched by Government of India in 2015 and sought co-operation from BLEU side in the following areas:

- (i) Recognition of MSDE's NATIONAL SKILLS QUALIFICATIONS FRAMEWORK (NSQF) by a European Body/Organization
- (ii) Industry Specific Collaborations by companies of their origin in India for skills training.
- (iii) Signing of MoUs/Agreements/Arrangements between the India and the foreign government to enhance and develop our skills training monitoring and benchmarking system on the established European lines/standards.

Both sides agreed that the skill development sector has huge potential of collaboration and agreed to share the best practices adopted by each country.

8. Multilateral economic and trade issues:

India-EU Broad-based Bilateral Trade and Investment Agreement

Parties had a constructive exchange of views on the ongoing India-EU Broad-based Bilateral Trade and Investment Agreement, of which investment is an integral part. They called for early conclusion of the agreement, paving the way for more intense trade and investment relations.

WTO

The Indian side stated that in view of the current global economic and political situation, it is imperative that the multilateral trading system is strengthened. The first and most important step that can be taken towards this objective is to ensure implementation of Ministerial Decisions taken at previous WTO Ministerial Conferences in Bali and Nairobi. Ministerial Decisions relating to the issue of public stockholding for food security purposes and an agricultural Special Safeguard Mechanism for developing countries are vital for the protection of the poorest of the citizens in the developing countries. There is a need for outcomes on other issues in the Doha agenda, with special and differential treatment to the developing countries remaining at the core of any negotiations in the WTO.

The Trade Facilitation Agreement entered into force on 22nd February, 2017 when the WTO obtained the two-thirds acceptance of the Agreement from its 164 Members. India had ratified the TFA in April 2016.

Given the increasing importance of trade in services for the world as a whole, India has taken the initiative to launch discussions on an agreement for facilitating trade in services, as a counterpart of the goods-specific Trade Facilitation Agreement (TFA).

A draft text of such an agreement has been tabled by India on 23 February 2017 in the various relevant bodies of the WTO. The objective behind India's proposal is to comprehensively address the numerous border and behind-the-border barriers across all modes of supply, as well as procedural bottlenecks, which are impediments to the realization of the full potential of services trade. These impediments limit the benefits of trade in services especially for SMEs and small exporters worldwide.

There is a need for constructive engagement on these issues in the WTO. As trade partners, India, Belgium and Luxembourg need to work together to prevent protectionism and ensure a development oriented outcome in MC11 scheduled in December, 2017 in Argentina.

In background of the above, the Indian side sought support of Belgium and Luxembourg on TFS in WTO.

9. Consular issues

Belgium mentioned that the legislation to implement in Belgian law the EU Directive of a single permit combining and facilitating stay and work permits, also for Indian nationals working in Belgium, has not been concluded and that it would be premature to determine a date of its entry into force in Belgium. India was invited to inform Belgium on particular administrative difficulties encountered by Indian nationals working in Belgium, which it would try to address within the existing legal framework.

Belgium expressed its great satisfaction that negotiations to finalize a Mutual Legal Assistance Treaty on Criminal Matters progressed well after the visit of a negotiating team to New Delhi early May, and that the signing of the Treaty is a real possibility during the State Visit.

India referred to the issues raised in the last meeting and thanked Belgium for resolving some of them. India specifically requested Belgium to consider following consular/work permit related suggestions received from Indian IT professionals:

(a) Need for short term Work Permit in Belgium and interrupted stay considering the onsite / offshore business model of Indian IT Companies

The Indian side stated that currently in Belgium, the only option for Indian IT Companies is the Type B work permit which entitles associates to work for a period of 1 year. There is a requirement of minimum salary threshold for Type B work permit. However, as per the business model of Indian IT Companies, sometimes there is a need for work permit for a shorter period during transition with onsite and offshore. The Indian side suggested to introduce a short term work permit with simpler and minimum documentation that will allow talented associates to work for 3 months in Belgium.

(b) Introduction of ICT permits

Indian side also suggested for introduction of ICT permit to address issues of associates coming in for long term period (for eg: upto 3 years). This would help as the IT Companies as they would not have to get the Work permit renewed on a yearly basis.

(c) Reporting to the Town Hall within 8 days of arrival and receipt of residence card

The Indian side stated that as per the Law of 15 December 1980 concerning access to the territory, the residence, the establishment and the deportation of aliens, after arrival in Belgium, Non-EEA nationals are required to register with the municipal authorities within 8 days after their arrival. Most of the Indian IT associates are unable to fulfil this requirement due to following reason: For registration with municipal authorities, registration with commune is required to be completed first. It usually takes at least 2 - 3 weeks to find a house and thus obtain letter from the commune. In addition, certain communes give an appointment only after 1-3 months. The entire process for obtaining a residence permit takes 3 - 4 months. The Indian side requested if the Town Hall may expedite registrations and processing the Resident Card. Alternatively, the decree can be relooked for a waiver.

10. Any other issues

11. Concluding remarks

It was agreed that the next session of the Joint Economic Commission between India and BLEU will take place in Delhi in 2019 at a mutually convenient time.

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

12. Signature of agreed minutes

For the Republic of India

**Mrs Anita Praveen, Joint Secretary, Department of Commerce, Ministry of
Commerce & Industry, Government of India**



For the Grand Duchy of Luxembourg

**Mr. Gaston Stronck, Director for European and International Economic
Affairs, Ministry of Foreign and European Affairs**

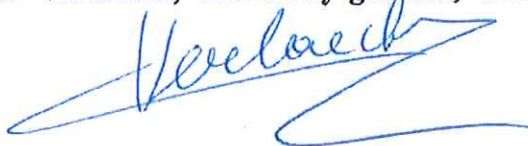


For the Kingdom of Belgium:

**Mr. Grégoire Cuvelier, Deputy Director-general Bilateral Affairs, Federal
Public Service Foreign Affairs**



**Mr. Koen Verlaeckt, Secretary-general, Flanders Department of Foreign
Affairs**



Mr. Laurent Paquet, Wallonia Export Investment Agency



Mr. Reinout Van Hullebus, Brussels Invest and Export

