



OFFICIAL LAUNCH OF FEBI

The Federation of European Business in India (FEBI) was officially inaugurated on October 11, 2024, New Delhi, in a prestigious ceremony graced by *Hon'ble Minister Shri Piyush Goyal*, Minister of Commerce and Industry, and *H.E. Hervé Delphin*, Ambassador of the European Union to India. The event drew over 200 notable attendees, including EU Member State Ambassadors, European business leaders in India, senior government officials, including the EU-India Chief Negotiator, Satya Srinivas and leaders from bilateral chambers, Indian industry associations and sectoral councils.

During the event, FEBI announced the formation of Sectoral Committees and proudly welcomed Volvo as its 100th member, marking a pivotal moment for the Chamber's growth and prospects.



Shri Piyush Goyal, Hon'ble Minister of Commerce and Industry, Gov. H.E. Hervé Delphin, EU Ambassador to India, Remi Millard, President FEBI, Sanjay Tiwari, Vice President FEBI, Sonia Prashar, Secretary General FEBI



1 USD= INR 84.4
 1 EUR= USD 1.05

Snippets from the Launch

- 1 Union Minister Shri Piyush Goyal emphasized the potential for exponential growth in trade between Europe and India during the launch. He mentioned India's goal to become a developed nation by 2047, with the economy projected to grow to US \$ 35Tn, offering opportunities for European businesses.
- 2 About the free trade agreement (FTA) negotiations with the EU, the minister said that the focus should be on business and trade issues and not on extraneous items falling outside the remit of FTA, an official statement said. He added that two way trade between Europe and India can grow exponentially if both sides understand each other's concern and cooperate meaningfully.
- 3 Minister Goyal also remarked that with India offering a delta of opportunities in the trade, investment and manufacturing sectors, how FEBI can act as a facilitator in expanding the footprint of European companies in India, paving the way for shared prosperity and growth.
- 4 EU Ambassador H.E. Herve Delphin highlighted that the EU is India's largest trading partner and a major FDI source, accounting for 21% of total FDI. He emphasized the role of 4,500 European companies in India, which provide quality jobs to 6.7 million Indians, foster innovation, and drive economic growth through investment and talent development. FEBI announced its 100th member- Volvo
- 5 President FEBI, Remi Maillard, in his address said, as the collective voice of Europe, FEBI's mission is to harness the true potential of this dynamic relationship to the mutual benefit of Europe and India. FEBI will address transversal themes such as taxation, technical barriers and intellectual property as well as the specific needs of our member-companies. He added that FEBI is active in New Delhi and will also be active in the states to unlock the true potential of EU businesses in India. FEBI has reached out to the top ministries and departments of the Government of India to engage on our top priority matters. FEBI will endeavor to bring to all interactions a collaborative and solutions-driven approach.

Recently Concluded Events

- 1 **Interactive session on BIS and Quality Control Orders [November 8th, 2024]**, organized by FEBI with BIS in New Delhi, on November 8, 2024. The session addressed open questions of the EU businesses in India on notification and implementation of QCOs, as also the related BIS certification schemes - the Foreign Manufacturers Certification Scheme (FMCS). FEBI appreciates the steps being taken by the Government of India (GoI) to enhance the ease of doing business where initiatives on harmonization of standards, support in complying to the requirements of QCOs and adequate transition time will be crucial.



100+ participants



Sonia Prashar; Chandan Bahl; Petros Sourmelis



Alok Kesari; Sudhanshu Rai; Prabir Choubey; Varda Taneja



2 Breakfast meeting with the EU Chief Negotiator, Christophe Kiener for India-EU FTA [September 26th, 2024]

The India-EU Free Trade Agreement (FTA) represents a key milestone in boosting Indo-EU trade. Christophe Kiener, the EU Chief Negotiator, emphasized the potential to shape the narrative around our shared supply chains and value chains. With India representing 18% of the world’s population but only 2% of EU trade, FEBI is committed to advocating for stronger Indo-EU trade ties. The EU supports “Make in India” and encourages policies that ease business for European firms, which bring investment and intellectual property.



EU Chief Negotiator- Christophe Kiener



FEBI Members

Section 1- India’s Bilateral Updates

Focus on EU and Independent Nations

1.1 EU-India relations

The European Union (EU) remains one of India’s most important trade partners, fostering bilateral economic engagement. Key trade figures include:

- **India’s exports to EU** in FY24 reached EUR 72.3 Bn, with a YoY growth of 1.45%. India’s exports to EU in H1FY25 (Apr-Sep) reached EUR 36.9 Bn, registering a growth of 6.87% over the same period in the previous year.
- **India’s imports from EU** in FY24 reached EUR 58.6 Bn, with a YoY growth of 0.7%. India’s imports from EU in H1FY25 (Apr-Sep) reached EUR 27.2 Bn, registering a decline of -11.06% over the same period previous year.
- Total EU-India **bilateral trade** stood at EUR 130.9 Bn in FY24 registering a growth of 1.2% over FY23.

At the **6th EU-India Water Forum**, held alongside the 8th India Water Week, the EU and India agreed to strengthen their collaboration in sustainable water management. The partnership will continue to focus on river basin management, including ongoing efforts in the Tapi and Ramganga River Basins, and will expand to key basins like the Brahmaputra under Phase III. Both regions have **jointly funded 7 research and innovation water projects**, totalling **EUR 37 Mn**, bringing together **743 participants** from the EU and India to drive forward technological advancements in water management.



1.2 India's Bilateral Relations with EU Member States

India has strong bilateral relations with all 27 European Union member states, showcasing a growth trajectory. Notable examples include:

I. India- France

India and France celebrate 25 years of a strong strategic partnership, marked by key initiatives shaping their future relations. The “**Horizon 2047**” roadmap sets the course for their bilateral relationship, aligning with India’s centenary of independence and **50 years of partnership**. Joint efforts like the **International Solar Alliance (ISA)** tackle climate change, with the **7th ISA Assembly** set for November 2024 in New Delhi. Recognizing the importance of innovation, 2026 has been declared the **India-France Year of Innovation**, with a roadmap to follow. Notably, France launched India’s **Unified Payments Interface (UPI)** at the Eiffel Tower in February 2024, further strengthening digital ties.

II. India- Sweden

Sweden, the **largest Nordic country** by landmass, population, and GDP, consistently ranks among the top two global economies in **innovation**. As strategic partners, India and Sweden work closely for mutual growth. This year marks the **11th India Sweden Innovation Day (ISID)**, reflecting the ongoing success of their collaboration. India’s commitment to this partnership is evident with the ministerial presence at ISID since 2021. In February 2024, Prime Minister Modi and President Ulf Kristersson launched **LeadIT 2.0**, furthering their collaboration. Additionally, India and Sweden have launched the **Industry Transition Platform (ITP)** to connect governments, industries, and researchers for sustainable innovation.

III. India- Denmark

Under the India-Denmark **Green Strategic Partnership**, collaboration has expanded into key areas like quality shipping, maritime training, piracy prevention, and green maritime technology. Denmark, a global leader in sustainable maritime solutions, is sharing its expertise to align with **India’s Sagarmala initiative and Maritime India Vision 2030**. Additionally, the Department of Science and Technology (DST) and Innovation Fund Denmark (IFD) have launched a joint call for project proposals in **cutting-edge hydrogen technologies**, in August 2024. This year, the two countries also signed the **Migration and Mobility Partnership Agreement** in February 2024, aiming to provide a framework to Indians looking to study and work in Denmark.

IV. India- Finland

This year marks **75 years of India-Finland diplomatic ties**, with a strong focus on education and skills development. In January 2024, both nations discussed deepening collaboration in school, vocational, and higher education, emphasizing student mobility and skills enhancement. Key initiatives include FICORE, GINTL, SPARC, and GIAN, with both sides committed to expanding academic **research partnerships**. Finland, a global leader in **4G/5G technology**, continues to engage with India through the **21st Joint Committee Meeting** in October 2024, exploring opportunities in sustainability, digital partnerships, education, and innovation.

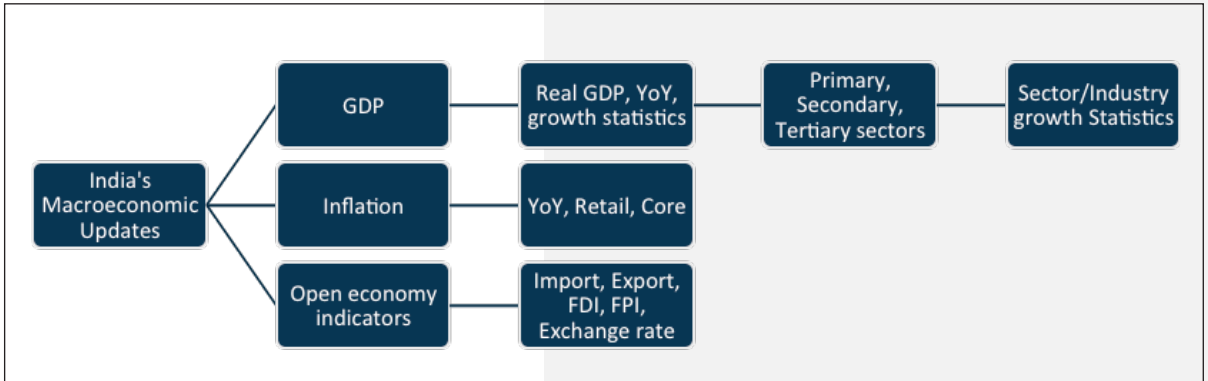
V. India- Germany

India and Germany share a strong and evolving partnership, with cooperation spanning key areas such as trade, technology, and sustainability. Ahead of Chancellor Olaf Scholz’s visit to India from 24-26 October 2024, Germany has unveiled its strategic document, “**Focus on India**,” signaling its intent to strengthen defense cooperation to promote stability in the Indo-Pacific region. Additionally, Chancellor Scholz’s cabinet has approved measures to simplify visa processes for Indian nationals, as Germany seeks to **attract skilled talent from India**. During discussions between India’s Pralhad Joshi and Germany’s Vice Chancellor, opportunities for collaboration in renewable energy were highlighted, particularly in green hydrogen, offshore wind, biogas, and solar waste recycling. India is expected to become a key supplier of green hydrogen to Germany in the coming years.



Section 2- India Policy and Macroeconomic Updates

2.1 Overview of India's Macroeconomic Environment



An overview of the content included in this section of the newsletter

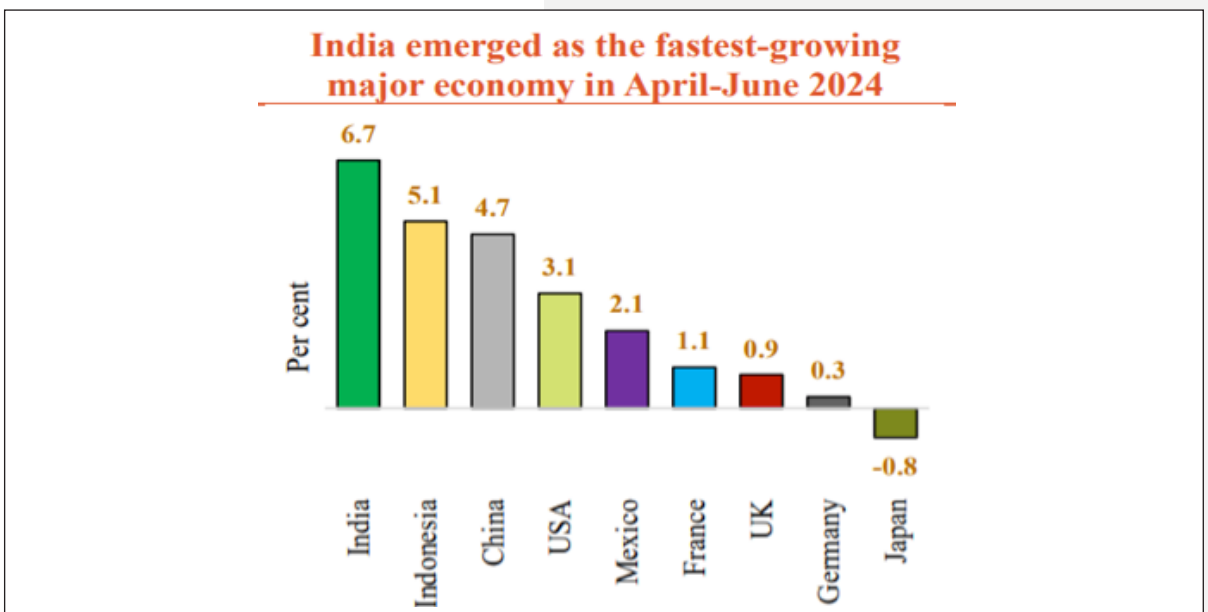
I. GDP Growth and Economic Outlook

India continues to lead as the **fastest-growing economy**, with real **GDP rising by 6.4%** from April to June 2024, driven by a 10% surge in the service sector. In Q1 of FY25, GDP at constant prices grew by 6.7%, reflecting broad-based expansion across non-agricultural sectors, all of which posted growth above 5%.

The **e-commerce industry** stands out as a key contributor to the service sector's strong performance, estimated to cross **EUR 334 Bn by 2030**. Meanwhile, **Private Final Consumption Expenditure (PFCE)** and **Gross Fixed Capital Formation (GFCF)** saw robust increases of 7.4% and 7.5%, respectively, during the same period. **Industrial growth** was equally impressive, with the **secondary sector** expanding by 8.3%, **supported by a 7% rise in manufacturing**.

Services sector continues to contribute significantly to India's growth, accounts for about **55%** of total size of the economy in FY24.

India has the **3rd largest Startup Ecosystem** in the world, with **0.15 Mn recognized startups**, creating over **1.55 Mn Direct Jobs**.



Source: MoSPI (for India)

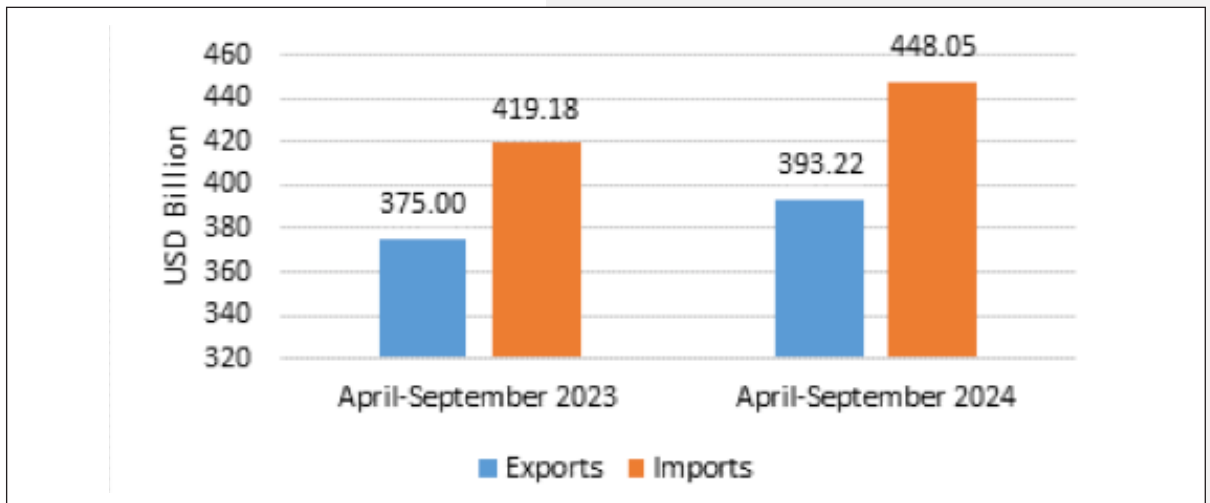


II. Inflation and Monetary Policy

India's inflation remains stable, with **retail inflation easing to 3.7%** in August 2024, supported by softer food and **core inflation. Core inflation remained low at 3.3%. Year-on-year inflation stood at 5.49%**, based on the All India **Consumer Price Index (CPI)**, for September 2024, down from 5.6% in August 2023. This reflects India's ongoing efforts to maintain economic stability while managing inflationary pressures.

III. Open Economy Indicators

India's growth continues to soar, with a ranking among the **top 100 nations** for Ease of Doing Business. As of March 2024, the country has received a cumulative FDI inflow of EUR 637 Bn, nearly 67% of the total FDI in the last 24 years. India remains a global leader, **supplying 60% of the world's vaccines**. In the first half of FY 2024 (Apr-Sept), total **exports reached EUR 375 Bn**, with **services exports** accounting for **44% of India's total exports** in FY 2024, reflecting a **growth of 4.8%**, while **imports grew by 6.8%** to EUR 427Bn. Key drivers of merchandise export growth include sectors like engineering goods, chemicals, plastics, pharmaceuticals, and textiles, with engineering goods exports rising by 10.55% and textiles by 17.3%.



2.2 Key Government Policies

Some notable updates on government policies include:

- 1. Ministry of Tourism launched a handbook to improve EoDB [27th Sep, 2024]** : for States/UTs to grant and implement Industry Status for the Tourism and Hospitality sector, on 27th September, 2024, to improve ease of doing business and attract private sector investments in tourism and helping them benefit from greater investments and job creation through tourism and hospitality.
- 2. Mandatory Quality Regulations to enhance Fire Safety in Furniture meant for non-domestic use [13th Sep, 2024]:** The Ministry of Textiles has issued a Quality Control Order (QCO) for upholstered composites and fabrics used in non-domestic furniture in public areas like offices, malls, airports, and hospitals. This also applies to imported furniture and sub-assemblies, with a relaxation granted until March 31, 2025, at the industry's request.
- 3. Ministry of Textiles introduces Quality Control Order for Medical Textiles to enhance Public Health and Safety [25th Sep, 2024]:** The Ministry of Textiles has notified the **Medical Textiles (Quality Control) Order, 2023**, to ensure stringent quality standards for key medical textile products, including sanitary napkins, baby diapers, reusable sanitary pads, and dental bibs. **Mandatory certifications** under this QCO aim to uphold essential safety and hygiene benchmarks, with **exemptions for small enterprises and Self-Help Groups (SHGs)**. The order mandates compliance with specific standards, covering critical tests such as **pH levels, bacterial bioburden, and biodegradability**.



4. **The Central Electricity Authority (CEA) has approved two major Hydro Pumped Storage Projects (PSPs) in Maharashtra [22nd Sep, 2024]** further strengthening India's renewable energy infrastructure. With a combined **storage capacity of over 15 GWh**, these projects are vital for enhancing grid stability and integrating renewable energy into the system. Supported by the **Central Water Commission, Geological Survey of India**, and others, the PSPs are **expected to be completed by 2028**, showcasing the growing role of private developers in India's energy transition.
5. **Cabinet Approves Rs.12,461 Crore (EUR 140 Mn) Scheme for Hydro Power Infrastructure [11th Sep, 2024]:** The Union Cabinet, chaired by Prime Minister Narendra Modi, has **approved modifications to the budgetary support scheme** for enabling **infrastructure in Hydro Electric Projects (HEPs)**, with an outlay of **EUR 1.4 Bn** from FY 2024-25 to FY 2031-32. The expanded scheme now covers transmission lines, ropeways, railway sidings, and communication infrastructure, in addition to roads and bridges. It supports projects over 25 MW capacity, including Pumped Storage Projects, aiming to accelerate hydro power development in remote areas, and attract fresh investments.
6. **Approval of PM E-DRIVE scheme with an outlay of EUR 1.2 Bn [11th Sep, 2024]:** The Union Cabinet, has approved the PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme, with a budget of EUR 1.2 Bn over 2 years to accelerate electric vehicle (EV) adoption in India. The scheme introduces e-vouchers to **simplify EV purchases** and offers significant **incentives** for e-2Ws, e-3Ws, e-trucks, and e-ambulances.
7. **CBDT extends specified date for filing of various reports of audit [30th Sep, 2024]:** for the Assessment Year 2024-25 in view of difficulties reported by taxpayers and other stakeholders in filing of audit reports for AY 2024-25 under the Income-tax Act, 1961, extended date from 30th September, 2024 to 07th October, 2024.
8. **Union Budget 2024-25 provided for an enhanced monetary limit for filing appeals related to Direct Taxes, Excise and Service Tax [24th Sep, 2024]** in various judicial fora, expected to significantly reduce the burden of tax litigation and expedite the resolution of tax disputes in alignment with Government's efforts to promote 'Ease of Living' and 'Ease of Doing Business'.
9. **TRAI Recommendations Enhance VNO Connectivity Flexibility [13th Sep, 2024]:** Telecom Regulatory Authority of India (TRAI) released recommendations aimed at improving connectivity for Access Service **Virtual Network Operators (VNOs)** with multiple **Network Service Operators (NSOs)**. The recommendations **eliminate the cap** on the number of NSOs from which VNOs can secure connectivity for wireline access services, promoting greater service flexibility. Additionally, VNOs can now source wireless access from one NSO and wireline access from others.
10. **Ministry of Textiles Implements Quality Control Orders for Construction Materials [4th Oct, 2024]:** In a crucial step to enhance safety and efficiency at construction sites, the Ministry of Textiles has **introduced Quality Control Orders (QCOs)** for ropes, cordages, geotextiles, and industrial textiles. These QCOs establish rigorous quality standards for these essential materials, aimed at protecting construction workers and improving operational effectiveness. The initiative, effective **April 1, 2025** (with an additional three months for SMEs), will ensure consistency and reliability in material selection, significantly reducing the risk of on-site accidents. Regular inspections.
11. **DPIIT introduces key relaxations [15th Oct, 2024]:** in the **Quality Control Order (QCO) for cookware**, utensils, and cans to boost **ease of doing business**. Relaxations include exemptions for very small micro-enterprises, **import of pre-filled cans**, and **goods for R&D purposes**.
12. **The Ministry of Road Transport & Highways (MoRTH) has approved US \$149 Mn [17th Oct, 2024]** for the construction of a 28.9 km, 4-lane access-controlled Northern Patiala Bypass aiming to reduce traffic congestion, enhance regional connectivity, and improve the movement of goods and logistics.
13. **Production Linked Incentive [14th Oct, 2024]:** 38 companies, including both global and domestic players, have applied in the **PLI Scheme for White Goods committing EUR 468 Mn in investments**, with 43% of the applicants being MSMEs. The scheme, aims at boosting the **manufacturing ecosystem** for components of **air conditioners and LED lights in India**, has attracted investments across 54 districts in 18 states.



14. **Scheme Guidelines for EUR 5.6 Mn ‘Innovative Projects’ [11th Oct, 2024]:** Under the PM-Surya Ghar Muft Bijli Yojana, EUR 5.6 Mn has been allocated to **promote advancements in rooftop solar technologies**, business models, and integration techniques, with a focus on innovations like blockchain-based peer-to-peer **solar trading**, smart materials, and EV-battery integration. MNRE will **invite proposals**, encourage joint research, and international collaborations. Selected projects will **receive up to 60% financial assistance**.
15. **A Joint Call for Proposals to develop Electric Vehicle (EV) subsystems [21st Oct, 2024]:** Launched by MeITY and MHI to Indigenous EV technologies and promote Atmanirbhar Bharat. This **initiative invites research institutions, startups, and industry players** to submit proposals focused on key innovations such as EV chargers, battery management systems, and telematics. Selected projects will receive financial support from MeitY and testing assistance from MHI.
16. **TRAI organizes Symposium on ‘Emerging Trends and Technologies in Broadcasting Sector’ [17th Oct, 2024]:** featuring three sessions on **Immersive Technologies, D2M and 5G Broadcasting, and Digital Radio Technology**.
17. Union Minister Dr. Jitendra Singh announced that **EUR 113 Mn** has been **allocated for a Venture Fund to support space startups [6th Oct, 2024]**. 100% Foreign Direct Investment (FDI) is now permitted in the space sector, boosting entrepreneurial efforts.

Section 3- India Investment Bulletin

1. **CCI approves acquisition by Naspers Ventures B.V. (Netherlands) in Vastu Housing Finance Corporation Limited [17th Sep, 2024].**
2. **Tata Skill Development Centres** launched in Delhi and Bengaluru, established under joint partnership of Tata STRIVE and Airbus.
3. **Jaguar Land Rover** expands global innovation network; **launches hub in India**
4. Qualcomm, Alphabet team up for automotive AI; **Mercedes inks chip deal**
5. **Mahindra** inaugurates 2 new **testing facilities in Tamil Nadu**.
6. India needs **EUR 32 Tn (32 Lakh Crore) investment in renewable by 2030**: IREDA CMD said, shifting focus towards developing the necessary infrastructure to support a fully decarbonized economy by 2030.
7. **JSW Energy inks pact with SECI** for 700 MW solar project, the power purchase agreement (PPA) is signed for **25 years**.
8. **BSES** has inaugurated India’s largest and 1st utility-scale **Battery Energy Storage System**, setting a benchmark for future energy storage projects in India.
9. A **green loan of EUR 85 Mn** has been secured by **Ampin Energy Transition**, from Standard Chartered Bank for its 200 MWp **hybrid project in Rajasthan**. The energy generated would be supplied to 74,486 households.
10. Govt studies **tariff cuts** under efforts to spur green hydrogen, considering **tariff cuts on imports of machinery** needed to manufacture green hydrogen.
11. **Inpipe Sweden AB** set to slash Indian infrastructure costs with **new culvert technology** promises massive savings. The company’s **UV-cured glass-fiber-reinforced liners** present a revolutionary alternative, promising to save millions in taxpayer money while significantly reducing environmental impact.
12. **Tata Steel** signs contract with **Italy-based Tenova** for electric arc furnace at Port Talbot plant in Wales.
13. Rate rationalization exercise: **Luxe bags, cosmetic treatments** may be moved to **28% GST Slab**.

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