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## **An EU-India Free Trade Agreement**

P6\_TA(2009)0189

### **European Parliament resolution of 26 March 2009 on an EU-India Free Trade Agreement (2008/2135(INI))**

(2010/C 117 E/28)

*The European Parliament,*

- having regard to the India-EU Strategic Partnership Joint Action Plan of 7 September 2005, in particular the section on developing trade and investment, and its revised version,
- having regard to the joint statement of the 4th EU-India Business Summit on 29 November 2003 and especially the EU-India Joint Initiative for enhancing trade and investment,
- having regard to the conclusions of the 9th meeting of the India-EU round table in Hyderabad on 18-20 September 2005,
- having regard to the Report of the EU-India High Level Trade Group to the 7th EU-India Summit in Helsinki on 13 October 2006,
- having regard to the joint statement of the 9th EU-India Summit in Marseille on 29 September 2008,
- having regard to the joint statement of the 9th EU- India Business Summit in Paris on 30 September 2008,
- having regard to the World Trade Organisation (WTO) decision on the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) and Public Health adopted on 29 November 2005,
- having regard to its position of 1 December 2005 on the proposal for a regulation of the European Parliament and of the Council on compulsory licensing of patents relating to the manufacture of pharmaceutical products for export to countries with public health problems <sup>(1)</sup>,
- having regard to the Memorandum of Understanding on Bilateral Co-operation between the Office of the Controller General of Patents, Designs and Trade Marks and the European Patent Office, signed on 29 November 2006,
- having regards to the Organisation for Economic Cooperation and Development (OECD) Guidelines on Multinational Enterprises and the International Labour Organisation (ILO) Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy,
- having regard to the Commission communication of 22 March 2006 entitled 'Implementing the Partnership for Growth and Jobs: Making Europe a pole of excellence on Corporate Social Responsibility' (COM (2006)0136),
- having regard to the OECD Employment Statistics 2008/2007,
- having regard to the Commission communication of 5 February 2008 entitled 'A special place for Children in EU External Action' (COM(2008)0055),

<sup>(1)</sup> OJ C 285 E, 22.11.2006, p. 79.

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- having regard to the 2004 US-India Agreement: 'The Next Step Towards a Strategic Partnership' and the Civil Nuclear Deal negotiated during President George W. Bush's State Visit to India on 2 March 2006,
- having regard to its resolution of 4 April 2006 on the assessment of the Doha Round following the WTO Ministerial Conference in Hong Kong <sup>(1)</sup>,
- having regard to the Ministerial Declaration of the Fourth Session of the WTO Ministerial Conference, adopted on 14 November 2001 in Doha and in particular its paragraph 44 on Special and Differential Treatment (SDT),
- having regard to the EU-India Energy Summit held in New Delhi on 6 April 2006,
- having regard to the 3rd EU- India Energy Panel on 20 June 2007,
- having regard to its resolution of 29 September 2005 on EU-India relations: A Strategic Partnership <sup>(2)</sup>,
- having regard to the study on Human Rights and Democracy Clauses in the EU's International Agreements commissioned by Parliament's Subcommittee on Human Rights <sup>(3)</sup>,
- having regard to the Commission communication of 4 October 2006 entitled 'Global Europe' Competing in the World. A contribution to the EU's Growth and Jobs Strategy (COM(2006)0567),
- having regard to the Commission's report on the 2007 Customs seizures of counterfeit goods at the EU's external border published on 19 May 2008,
- having regard the qualitative analysis of a potential Free Trade Agreement (FTA) between the EU and India by the Centre for the Analysis of Regional Integration at Sussex,
- having regard to the Economic Analysis on the economic impact of a potential free trade agreement between the EU and India commissioned by the Centre d'études prospectives et d'informations internationales (CEPII) and the Centre d'initiatives et de recherches européennes en Méditerranée(CIREM) of 15 March 2007,
- having regard to the Global Analysis report and Draft Interim report for the Trade Sustainability Impact Assessment of the FTA between the European Union and the Republic of India conducted by ECORYS,
- having regard its resolution of 28 September 2006 on The European Union's economic and trade relations with India <sup>(4)</sup>,
- having regard to its resolution of 12 July 2007 on The TRIPS Agreement and access to medicines <sup>(5)</sup>,
- having regard to its resolution of 14 February 2006 on the human rights and democracy clause in European Union agreements <sup>(6)</sup>,
- having regard to its resolution of 1 February 2007 on the human rights situation of the Dalits in India <sup>(7)</sup>,

<sup>(1)</sup> OJ C 293 E, 2.12.2006, p. 155.

<sup>(2)</sup> OJ C 227 E, 21.9.2006, p. 589.

<sup>(3)</sup> DGExP/B/PolDep/Study/2005/06.

<sup>(4)</sup> OJ C 306 E, 15.12.2006, p. 400.

<sup>(5)</sup> OJ C 175 E, 10.7.2008, p. 591.

<sup>(6)</sup> OJ C 290 E, 29.11.2006, p. 107.

<sup>(7)</sup> OJ C 250 E, 25.10.2007, p. 87.

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- having regard to its resolution of 22 May 2007 on Global Europe - external aspects of competitiveness <sup>(1)</sup>,
  - having regard to its resolution of 4 September 2008 on Trade in services <sup>(2)</sup>,
  - having regard to its resolution of 10 July 2008 on allegation of mass graves in Indian-administered Kashmir <sup>(3)</sup>,
  - having regard to its resolution of 24 September 2008 on the preparation of the EU-India Summit (Marseille, 29 September 2008) <sup>(4)</sup>,
  - having regard to the India Country Strategy Paper (2007-2013),
  - having regard to the visit to New Delhi by the European Parliament Delegation (composed of members of Parliament's Committee on International Trade) in November 2008,
  - having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on International Trade and the opinions of the Committee on Foreign Affairs and the Committee on Development (A6-0131/2009),
- A. whereas the European Union should continue to give priority to a rule-based multilateral trading system, established through the WTO, which offers the best prospects for fair and equitable international trade by establishing appropriate rules and ensuring compliance with them,
- B. whereas a successful and balanced conclusion of the Doha Development Agenda (DDA) is of crucial importance to both the European Union and India, and whereas such an agreement does not preclude bilateral WTO+ agreements which can be complementary to multilateral rules,
- C. whereas political relations with India are based on the 2004 Strategic Partnership, on the 2005 Joint Action Plan adopted at the EU-India Summit in September 2005 and revised at the 9th EU-India Summit in Marseille and on the 1994 Cooperation Agreement; whereas the FTA should build and expand upon the cooperation already foreseen in Article 24 of the Cooperation Agreement,
- D. whereas, the European Union is India's largest source of Foreign Direct Investment (FDI), with EUR 10,9 billion (10 900 000 000) invested in 2007; the European Union accounted for 65 % of all FDI flows into India in 2007; whereas India's FDI into the European Union increased from EUR 500 million in 2006 to EUR 9,5 billion in 2007,
- E. whereas India was the European Union's 17th most important trading partner in 2000 and ranked 9th in 2007; whereas between 2000 and 2006, EU trade in goods with India grew by around 80 %,
- F. whereas India's trade and regulatory environment still remains comparatively restrictive; whereas in 2008 the World Bank ranked India 122 (out of 178 economies) in terms of 'ease of doing business',
- G. whereas as stated in the 2007/2008 United Nations Development Programme's Human Development Report, India ranks 128 on the Human Development Index (out of 177 countries), 35 % of the Indian population lives on less than USD 1 a day and 80 % on less than USD 2 a day; whereas India ranks 62nd on the human poverty index for developing countries among 108 developing countries for which the index has been calculated; whereas India has one of the highest incidences of child labour,

<sup>(1)</sup> OJ C 102 E, 24.4.2008, p. 128.

<sup>(2)</sup> Texts adopted, P6\_TA(2008)0407.

<sup>(3)</sup> Texts adopted, P6\_TA(2008)0366.

<sup>(4)</sup> Texts adopted, P6\_TA(2008)0455.

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- H. whereas economic imbalances between India's States, and therefore an unbalanced distribution of wealth and national income, require the adoption of sound complementary economic policies, including tax harmonisation and focusing capacity building efforts on the poorest States, enabling them to use funds,
- I. whereas India is the single largest beneficiary of the Generalised System of Preferences (GSP) scheme; whereas the European Union's preferential imports from India increased in value to EUR 11,3 billion in 2007 compared to EUR 9,7 billion in 2006,
- J. whereas both parties reaffirm their commitment to tariff reductions, further liberalisation of establishment and trade in services,
- K. whereas market access needs to be accompanied by transparent and adequate rules and standards to ensure that trade liberalisation is beneficial,
- L. whereas market access is being hampered by non-tariff barriers to trade (NTBs) such as health and safety requirements or technical barriers, quantitative restrictions, conformity procedures, trade defence mechanisms, customs procedures, internal taxation, and a failure to adopt international norms and standards,
- M. whereas even more account should be duly taken of the elements on recognition, suitable and effective protection, implementation and enforcement of Intellectual Property Rights (IPRs), including patents, trade or service marks, copyright and similar rights, geographical indications (including marks of origin), industrial design and integrated circuit topography,
- N. whereas India is one of the major sources of counterfeit medicines seized by the customs services of the Member States, accounting for 30 % of the total; whereas substandard and counterfeit medicines promote drug resistance, and increase morbidity and mortality,
- O. whereas Article 1(1) of the Cooperation Agreement provides for respect for human rights and democratic principles; whereas it constitutes an essential element of the agreement,
- P. whereas according to the 2008 Global Hunger Index, India ranks 66 out of 88 nations (developing countries and countries in transition); whereas the India Hunger Index found that not a single State in India falls in the 'low hunger' or 'moderate hunger' categories; twelve States fall in the 'alarming' category; and four States – Punjab, Kerala, Haryana and Assam – fall in the 'serious' category,
- Q. whereas the FTA should include commitments on social and environmental standards and sustainable development and effective implementation of internationally agreed standards in the social and environmental domain as a necessary condition to support the promotion of decent work through effective domestic implementation of ILO core labour standards,
- R. whereas India has not signed the Non-Proliferation Treaty (NPT); whereas the Nuclear Suppliers Group lifted the embargo on India's nuclear trade and the US-India Nuclear Co-operation Agreement was approved by the US Congress,
- S. whereas a Horizontal Aviation Agreement was signed at the 9th EU-India Summit in Marseille and India was ranked 11th in terms of passenger traffic between the EU and non- EU countries; whereas the European Union and India adopted a revised Joint Action Plan extending the strategic partnership of 2005 to new areas, and whereas the European Business and Technology Centre in India has now been established,

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### **General issues**

1. Believes that the FTA should be balanced and compatible with WTO rules and obligations; considers that a successful DDA remains the European Union's trade priority and that negotiations with India on the FTA be thus complementary to multilateral rules;
2. Recalls that the EU-India Strategic Partnership is based on common principles and shared values, as reflected in the 1994 EC-India Cooperation Agreement and the 2005 Joint Action Plan; the new competitiveness-driven FTA should complement the 1994 Cooperation Agreement, to which it should be legally and institutionally linked;
3. Welcomes the outcome of the 9th EU-India Summit and the revised Joint Action Plan; encourages the negotiating parties to keep consulting with key stakeholders; recalls the pledge of the European Union and India to accelerate FTA talks and to make substantive and efficient progress towards the early conclusion of an ambitious and balanced, broad-based trade and investment agreement; is disappointed with the slow pace of negotiations; calls for both parties to conclude a comprehensive, ambitious and balanced FTA by the end of 2010;
4. Encourages Indian Federal and State Governments to synchronise policies and procedures to allow for potential gains to be maximised;
5. Based on the complementarities of both economies, points to the future potential for an increase in EU-India trade and investment and business opportunities arising from the FTA; considers the EU-India FTA overall as a win-win scenario but recommends that an evaluation be carried out of the existing sector-specificities; furthermore, emphasises that the FTA should ensure that increasing bilateral trade brings benefits to the widest number of people and contributes to India's achievement of the Millennium Development Goals (MDGs), including preventing environmental degradation;
6. Encourages the parties also to address the potential disadvantages of the FTA and the ways in which human development and gender equality may be adversely affected by the rapid opening of markets;
7. Asks the Commission to include an ambitious sustainable development chapter as an essential part of the FTA and subject to the standard dispute settlement mechanism;

### **Trade in goods**

8. Welcomes the results of many free trade simulations which show that the FTA would increase overall exports and imports for both the European Union and India; stresses that at the existing average growth rate, bilateral trade is expected to exceed EUR 70,7 billion by 2010 and EUR 160,6 billion by 2015;
9. Notes that India's average applied tariffs have decreased to levels that are now comparable to those of other Asian countries, notably, India's average applied tariff which is now 14,5 % compared to an EU average of 4,1 %;
10. Considers it important that the FTA confirms the provisions of the Agreement on Technical Barriers to Trade and the Sanitary and Phytosanitary Agreement; calls on the Commission in this regard to address outstanding issues such as animal welfare;
11. Notes that India is concerned about the lack of harmonisation of microbiological standards in the European Union, the implications of REACH, costly certificates for exporting fruit to the EU and costly conformity procedures for the CE mark, and stresses that these issues must be resolved in the FTA; calls on both parties to ensure that regulation and NTBs are managed in such a way that overall trade is not hampered; calls on both the European Union and India to work more closely in their different working groups towards a more transparent framework for technical regulations and standards; furthermore calls on the Commission to provide technical assistance to support Indian producers in their efforts to reach EU standards, in particular concerning the health, environmental and social dimensions of production, thus creating win-win situations;

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12. Acknowledges that India's standards regime is still evolving; calls on the Bureau of Indian Standards and the Central Drugs Standard Control Organisation to raise their standards in line with international standards and to increase transparency in the formulation of standards by improving their testing and certification procedures is concerned about the implementation and monitoring of sanitary and phytosanitary measures and standards; calls on the Commission to provide adequate support to strengthen capacity and boost qualified human resources within Indian regulatory bodies;

13. Stresses that the FTA includes a binding state-to-state dispute settlement mechanism, provisions on mediation on NTBs, on anti-dumping and countervailing duty measures and a general exception clause based on Article XX and XXI of the General Agreement on Tariffs and Trade (GATT);

#### ***Trade in services, establishment***

14. Recognises that services are the fastest growing sector of the Indian economy; notes that India has offensive interests in liberalisation of Mode 1 and Mode 4 in the General Agreement on Trade in Services (GATS); notes that the European Union would like to complete liberalisation in market access and national treatment in Mode 3 in most services;

15. Points out that service liberalisation must in no way hinder the right to regulate services, including public services;

16. Notes that according to the Federation of Indian Chambers of Commerce and Industry bilateral trade in services is expected to exceed EUR 246,8 billion by 2015, by the time the FTA in services will be implemented;

17. Notes that trade in services between the European Union and India is relatively unbalanced; the EU exports 1.5 % of its services to India, while India exports 9,2 % of its total exports to the European Union;

18. Encourages India to develop appropriate data protection legislation which would enable India to achieve the status of a country with an adequate level of protection thereby allowing or enabling the transfer of personal data from the European Union on the basis of and in compliance with EU legislation;

19. Notes that India is the fifth largest telecom services market in the world and that the telecom market has grown at a rate of about 25 % per year over the last 5 years; welcomes the relaxation of foreign ownership restrictions in telecoms, but regrets that domestic policy restraints still remain; calls therefore for a relaxation of the licensing restrictions on service providers and for the removal of uncertainty concerning the policy on tariff and interconnect regimes, and stresses the need to replace the old laws governing the sector with new forward-looking legislation that incorporates cyber laws and new licensing; considers that the telecom and IT sectors are major drivers of the Indian economy and that India is to be made a hub for telecom manufacturing by facilitating telecom specific Special Economic Zones; stresses that there are enormous opportunities in the manufacturing sector;

20. Concerning the satellite sector, calls on India to engage in dialogue with, and open its market to, EU companies in order to:

- (a) better support national development objectives and meet ever-increasing domestic demand for direct to home television and broadband services, and
- (b) overcome security concerns about mobile satellite services with new technical solutions that provide national authorities with more than adequate control over mobile satellite communications;

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21. Welcomes the Indian pledge to allow foreign law firms to operate in India as this opening will bring significant benefits for the Indian economy and legal profession, as well as for European law firms, who have expertise in international law, and for their clients; calls on the Commission to explore with Indian authorities the opportunity and the scope of liberalisation of legal services in the FTA;

22. Notes that the full ambition of the FTA cannot be fulfilled without commitments in Mode 4; stresses that there are huge benefits from nationwide and EU-wide accreditation of professional qualifications and agreements on mutual recognition and licensing requirements within professional services in both the EU and India, which could be easily covered by the FTA; nevertheless requests a thorough analysis in relation to the individual Member States;

23. Encourages India to gradually liberalise the banking and insurance sectors;

24. Encourages India to ensure that the upcoming revised draft postal bill will not reduce current market access opportunities for express service providers, and invites the Commission to seek full commitments from India on express services as well as on self-handling for express cargo carriers at airports, with a view to safeguarding market access opportunities also in the future;

25. Requests from India a more open approach in granting visas to citizens and business professionals and politicians from Member States, with multiple entries and a minimum one-year duration;

#### **Investment**

26. Calls on the Commission to incorporate a chapter on investment in the FTA which could make provision for a system of a single point of information for investors;

27. Welcomes the establishment of the European Business and Technology Centre in New Delhi which aims to enhance business-to-business and technology cooperation between India and the Member States;

28. Recalls that in order for investment to be beneficial it needs to be accompanied by well-designed rules and regulations; reaffirms in this context its resolution of 13 March 2007 on corporate social responsibility: a new partnership <sup>(1)</sup>; therefore calls on the Commission to advocate rules for transnational companies in the FTA, designed to ensure that investors respect core ILO standards, social and environmental covenants and international agreements, so as to achieve a balance between economic growth and higher social and environmental standards;

29. Recalls that, while FTA investment chapters are often accompanied by commitments to liberalise capital movements and renounce capital controls, such clauses should be approached with extreme caution, given the importance of capital controls – especially for developing countries – in mitigating the impact of the financial crisis; urges the EU to promote in international forums greater corporate responsibility among foreign undertakings established in India, and at the same time advocates that an agreement be reached with the Indian Government to set up an effective system for monitoring workers' rights within domestic and foreign companies based in India;

30. Calls on the Commission to incorporate in the FTA a chapter on investment, being a significant part thereof, thereby enabling the process of investing in each other's markets to become much smoother by promoting and protecting investment deals while exploring immediate opportunities; proposes that such an investment agreement could provide for the setting-up of a system of single-point of information for investors in both economies, explaining to them the differences in investment rules and practices and providing information on all legal aspects;

<sup>(1)</sup> OJ C 301 E, 13.12.2007, p. 45.

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**Public procurement**

31. Regrets that India is not willing to include public procurement in the FTA; calls on the Commission to negotiate effective and transparent procurement systems; calls on India to apply transparent and fair procedures when awarding public contracts and to grant access to public procurement systems for European businesses;

**Trade and competition**

32. Encourages the implementation of the new Indian competition law; believes that the European Union should incorporate Articles 81 and 82 of the EC Treaty in the FTA so as to secure commitments on competition policy;

**Intellectual property rights, industrial and commercial policy**

33. Welcomes India's firm commitment to a strong IPR regime and to the use of TRIPS flexibilities to meet its public health obligations, particularly in relation to access to medicines; encourages its rigorous implementation and enforcement; calls on the Commission and the Indian authorities concerned to coordinate actions to address effectively the fight against counterfeiting and, in particular, against counterfeit medicines;

34. Calls on the European Union and India to ensure that commitments under the FTA do not preclude access to essential medicines whilst India is developing its capacity from a generic to a research-based industry;

35. Calls on the European Union and India to support measures and initiatives such as prize funds, patent pools and other alternative mechanisms in order to support access to and innovation in medicines, particularly for neglected diseases;

**Trade and sustainable development**

36. Recognises that a substantial development chapter is an essential part of any FTA and subject to the standard dispute mechanism;

37. Calls on the European Union and India to ensure that trade and FDI are not encouraged at the cost of lowering environmental, core labour or occupational health and safety legislation and standards, while allowing the adequate monitoring of observation of such standards;

38. Asks for the ratification and effective application of the basic conventions of the ILO;

39. Is concerned about the use of child labour in India, which is very often exploited in unsafe and unhealthy conditions; asks the Commission to address the issue during the negotiations on the FTA and asks the Indian Government to maximise its efforts to remove the underlying causes in order to end this phenomenon;

40. Acknowledges the introduction of a new Indian child labour law, implemented in 2006, which bans children under 14 from working as domestic servants or on food stalls, and calls on the European Union to continue to encourage India to ratify the ILO Convention 182 on the Worst Forms of Child Labour and Conventions 138 concerning the Minimum Age for Admission to Employment and 98 on the Right to Organise and Collective Bargaining, which would signify a positive step towards the eventual abolition of child labour;



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41. Underscores that the European Union should press the Indian Government to tackle the issue of bonded labour, which affects millions of people – largely from the Dalit and Adivasi community (indigenous tribes and peoples) – in India; observes that it is believed that this issue is not being adequately addressed due to a lack of administrative and political will;

42. Urges the EU to include a provision in its FTA with India which ensures that EU companies making use of Special Economic Zones cannot be exempted from respecting fundamental labour rights or other labour rights based on ILO Conventions that have been ratified by India;

43. Stresses that human rights and democracy clauses constitute an essential element of the FTA; is concerned by the continuing persecution of religious minorities and human rights defenders in India and the current human rights and security situation in Indian-administered Kashmir;

44. Calls on the Council, the Commission and India to ensure that the FTA is not harmful to disadvantaged groups such as Dalits and Adivasis, and that the potential benefits of the FTA reach all members of society;

45. Welcomes the commitments made by the European Union and India to cooperate in civil nuclear research; notes that India is not a signatory to the NPT and was given a waiver by the Nuclear Suppliers Group; calls on India to sign the NPT;

#### ***The European Parliament's role***

46. Expects the Council and the Commission to present the FTA to Parliament for assent under the second subparagraph of Article 300(3) of the EC Treaty;

47. Asks the Council and the Commission to confirm India's commitment to negotiating an EU-FTA with the incoming Indian Government after the forthcoming general election;

#### ***Other considerations***

48. Notes the rapid rise in inflation in India; recognises that, in order for India to remain competitive as a growing trading partner with the European Union, it will require substantial investment in infrastructure and a vast increase in power generation capacity; welcomes the government's plan to spend USD 500 billion in this area over the next five years, and calls on private and public bodies to cooperate fully in this huge project;

49. Welcomes the opening by the Indian Prime Minister of the new Srinagar railway line between Baramulla and Qazigund, which provides many thousands of new jobs for local people; believes that economic initiatives such as this will enhance the prospects of a more prosperous and peaceful future for the Kashmiri people;

50. Welcomes India's progress in becoming a donor as well as a beneficiary of development aid;

51. Values progress in cooperation on research and development, including through the EU-funded Framework Programme; welcomes the large numbers of Indian students studying at European universities through the Erasmus Mundus programme;

52. Points out that, if economic cooperation between the European Union and India is based on the Union's system of universal values, it may set a standard for cooperation with other countries;

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53. Welcomes the launching of the special action for EU-India cultural cooperation for the period 2007-2009, especially in the area of education, student exchange, training and inter-cultural dialogue;
54. Expresses concern about rising global commodity prices and their effect on the poorest populations, including in India, which pose a challenge to stable growth and increase global inequalities; calls on the European Union and India to coordinate a comprehensive strategy to tackle this issue in an integrated manner;
55. Welcomes the fact that India has made considerable progress towards achieving universal primary education, improving poverty eradication and increasing access to safe drinking water; notes, however, that India is still off target on most of the health-related MDGs concerning such matters as infant mortality, maternal health, child malnutrition and reducing malaria, tuberculosis and HIV/AIDS; is concerned that Dalits and Adivasis (indigenous tribes and peoples) experience the least progress towards achieving the MDGs and continue to face discrimination in relation to access to housing, education, employment, health care and other services;
56. Notes that, despite sustained economic growth, vast inequalities still persist, with more than 800 million people surviving on less than USD 2 a day; is particularly concerned about the situation of underprivileged sections of the population, in particular women, children, marginalised groups and victims of discrimination such as the Dalits and Adivasis, and the rural population; stresses the need to ensure that the FTA would not restrict powers needed by the Indian Government to address poverty and inequality; calls on the Council and the Commission to work together with the Indian Government to improve the situation of those groups and to examine future cooperation as to their contribution towards ending gender and caste discrimination with reference to its above-mentioned resolution on the human rights situation of the Dalits in India;
57. Stresses that increasing environmental destruction in India is a constantly growing problem with unimaginable economic, social and environmental consequences, particularly for the large number of Indians living in poverty, and thus stresses the particular need for continued EU cooperation with India in this field;
58. Is impressed by the development effects of economic growth in some regions of India, and calls on the Commission to support research into the main patterns and underlying national and sub-national policies responsible for such effects, in order to facilitate cross-regional learning and best practices;
59. Welcomes India's commitment to increase the share of its public spending on health, and encourages this trend with a view to ensuring adequate access to effective healthcare, particularly in rural areas;
60. Considers that the EU must pay special attention to the small and medium-sized enterprise (SME) sector in India, and therefore suggests that in all development cooperation programmes between the European Union and India, SMEs could be strengthened through measures to help finance market-driven local projects proposed by citizens;
61. Welcomes the emergence of the spread of microcredit throughout India, which has gained recognition as an effective way of creating grassroots-led development;

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62. Instructs its President to forward this resolution to the Council, the Commission and the governments and parliaments of the Member States and of India.
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