

EU - India Summit

An EU27 surplus in trade in goods with India of 2.1 bn euro in 2008 Surplus of 1.5 bn in trade in services

Between 2000 and 2008, **EU27** trade in goods with **India** more than doubled in value: exports rose from 13.7 billion euro to 31.6 bn, while imports increased from 12.8 bn to 29.5 bn. As a result, the **EU27** surplus in trade with **India** increased from 0.8 bn in 2000 to 2.1 bn in 2008. **India** accounted in 2008 for 2.4% of **EU27** exports and 1.9% of **EU27** imports, and was the **EU27**'s 10th most important trading partner.

In the first half of 2009 the value of **EU27** exports to **India** fell to 12.7 bn euro, compared with 15.7 bn in the first half of 2008, and imports decreased to 12.9 bn from 14.9 bn. As a result, the **EU27** trade balance with **India** moved from a surplus of 0.8 bn in the first half of 2008 to a deficit of 0.2 bn in the same period of 2009. It should be noted that the fall in the value of **EU27** trade with **India** recorded between the first half of 2008 and the first half of 2009 is in line with the general downward trend in the **EU27**'s total external trade over the same period.

On the occasion of the 10th **European Union - India** summit, which will take place on 6 November in **New Delhi**, **Eurostat**, the **Statistical Office of the European Communities**, issues data on trade and investments between **India** and the **EU**.

Germany and the United Kingdom largest EU27 trading partners of India

Among the **EU27** Member States, **Germany** (8.1 bn euro or 26% of EU exports) was by far the largest exporter to **India** in 2008, followed by the **United Kingdom** (5.1 bn or 16%), **Belgium** (5.0 bn or 16%), **France** (3.3 bn or 11%) and **Italy** (3.1 bn or 10%). The **United Kingdom** (5.2 bn or 18%) was the largest importer, followed by **Germany** (4.8 bn or 16%), **Belgium** (3.8 bn or 13%), **Italy** (3.4 bn or 12%) and **France** (2.9 bn or 10%).

The largest surpluses in trade with **India** were observed in **Germany** (+3.3 bn euro), **Belgium** (+1.2 bn) and **Sweden** (+0.8 bn), while the largest deficits were registered in **Spain** (-1.4 bn) and the **Netherlands**¹ (-1.1 bn).

More than 80% of **EU27** exports to **India** in 2008 were machinery and vehicles² and other manufactured articles², while other manufactured articles accounted for more than 50% of imports.

EU27 trade in goods with India

million euro

	Exports		Imports		Balance	
	Jan-Jun 08	Jan-Jun 09	Jan-Jun 08	Jan-Jun 09	Jan-Jun 08	Jan-Jun 09
EU27 trade with India	15 719	12 719	14 891	12 925	827	-206
Total Extra-EU27 trade	651 238	521 008	778 823	590 046	-127 585	-69 039
India / Total	2.4%	2.4%	1.9%	2.2%		

EU27 Member States trade in goods with India

million euro

	Exports		Imports		Balance	
	2000	2008	2000	2008	2000	2008
EU27	13 678	31 605	12 846	29 476	832	2 129
Belgium	3 467	4 982	1 732	3 765	1 735	1 217
Bulgaria	12	59	13	58	-1	1
Czech Republic	84	429	81	208	3	222
Denmark	166	370	203	460	-37	-89
Germany	2 084	8 140	2 298	4 808	-213	3 333
Estonia	2	15	9	16	-7	-2
Ireland	110	160	119	206	-9	-46
Greece	45	37	126	468	-81	-430
Spain	212	765	748	2 162	-535	-1 397
France	1 031	3 342	1 266	2 922	-235	420
Italy	1 007	3 091	1 626	3 429	-618	-338
Cyprus	2	7	29	46	-28	-39
Latvia	1	9	5	21	-4	-12
Lithuania	4	267	19	25	-15	242
Luxembourg	8	27	10	13	-2	14
Hungary	20	106	71	376	-51	-270
Malta	1	3	15	31	-15	-29
Netherlands ¹	549	1 609	929	2 722	-380	-1 113
Austria	131	639	97	262	34	377
Poland	52	203	152	489	-99	-286
Portugal	25	46	170	475	-144	-428
Romania	40	210	31	422	9	-212
Slovenia	18	53	24	131	-6	-78
Slovakia	57	68	25	56	32	12
Finland	318	529	66	162	252	368
Sweden	310	1 313	223	523	87	790
United Kingdom	3 920	5 123	2 759	5 219	1 161	-96
Total Extra-EU27	849 740	1 306 740	992 695	1 564 912	-142 956	-258 172
India / Total	1.6%	2.4%	1.3%	1.9%		

EU27 trade in goods with India by product

million euro

	Exports		Imports		Balance	
	2000	2008	2000	2008	2000	2008
Total	13 678	31 605	12 846	29 476	832	2 129
Primary goods:	944	1 742	1 928	5 213	-983	-3 471
<i>Food & drink</i>	57	177	1 207	1 842	-1 150	-1 666
<i>Raw materials</i>	463	1 367	680	1 044	-217	323
<i>Energy</i>	424	199	40	2 326	383	-2 128
Manufactured goods:	11 795	28 804	10 848	24 038	947	4 766
<i>Chemicals</i>	1 276	3 049	1 141	3 318	135	-270
<i>Machinery & vehicles²</i>	4 067	13 942	1 206	5 017	2 861	8 925
<i>Other manuf'd goods²</i>	6 452	11 813	8 502	15 703	-2 049	-3 890
Other	939	1 059	70	225	869	834

Continuing EU27 surplus in trade in services with India

In 2008, the **EU27** exported 9.0 bn euro of services to **India**, while imports amounted to 7.4 bn meaning that the **EU27** had a surplus of 1.5 bn in trade in services with **India**, compared with a surplus of 1.5 bn in 2006 and 2.5 bn in 2007. The surplus in 2008 was mainly due to transportation (+1.1 bn) and other business services³ (+0.8 bn). The largest deficits were observed for travel (-0.9 bn) and computer & information services (-0.3 bn). **India** accounted for 1.7% of total extra-**EU27** trade in services.

EU27 trade in services with India

million euro

	Credit			Debit			Net		
	2006	2007	2008*	2006	2007	2008*	2006	2007	2008*
Total	7 259	9 555	8 962	5 769	7 020	7 415	1 490	2 535	1 547
of which:									
Transportation	2 254	2 743	2 796	1 426	1 545	1 667	828	1 198	1 130
Travel	960	924	884	1 792	2 026	1 746	-832	-1 102	-862
Other services	4 043	5 884	5 218	2 548	3 448	3 979	1 495	2 435	1 240
of which:									
<i>Communications services</i>	132	152	196	177	215	221	-45	-63	-25
<i>Construction services</i>	207	353	302	90	149	151	116	204	151
<i>Insurance services</i>	87	57	67	38	47	46	50	10	20
<i>Financial services</i>	283	349	344	93	97	99	190	252	245
<i>Computer and information services</i>	369	544	763	730	1 064	1 099	-361	-520	-337
<i>Royalties and license fees</i>	210	355	295	30	46	34	181	310	261
<i>Other business services³</i>	2 501	3 778	3 025	1 322	1 731	2 226	1 179	2 046	799
<i>Personal cultural and recreational services</i>	41	97	35	13	17	23	27	81	13
<i>Government services other</i>	214	199	191	56	83	79	158	117	112
Total extra-EU27	447 080	498 523	520 479	378 555	414 399	445 044	68 525	84 124	75 435
India / total extra-EU27	1.6%	1.9%	1.7%	1.5%	1.7%	1.7%			

* Provisional data

Fluctuating FDI flows between EU and India

EU27 Foreign Direct Investment (FDI) in **India** grew from 2.5 bn euro in 2006 to 5.4 bn in 2007, then fell to 0.9 bn in 2008, while **Indian** direct investment into the **EU27** increased from 0.5 bn in 2006 and 0.9 bn in 2007 to 2.4 bn in 2008.

EU27 FDI flows with India

(million euro)

	2006	2007	2008*
EU27 FDI in India (outward)	2 503	5 392	852
Indian FDI in the EU27 (inward)	456	879	2 380
Net EU27 FDI flows (outward minus inward)	2 047	4 513	-1 528

* Provisional data

1. Dutch imports and therefore the trade deficit are over-estimated because of the "Rotterdam effect" where goods destined for the rest of the EU arrive and are recorded in harmonised EU external trade statistics in Dutch ports. This then has a positive effect on the external trade balances with India of those Member States to which the goods are re-exported as these shipments would be recorded as intra-EU trade with the Netherlands rather than extra-EU trade with India.
2. **Machinery and vehicles** includes power generating and industrial machinery, computers, electric and electronic parts and equipment, road vehicles and parts, ships, airplanes and railway equipment.
Other manufactured goods include leather, rubber, wood, paper, textiles, metals, building fixtures and fittings, furniture, clothes, shoes and accessories, scientific instruments, clocks, watches and cameras.
3. **Other business services** comprise merchanting and other trade-related services, operational leasing services and miscellaneous business, professional and technical services.

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