



India-France Relations: Exploring New Horizons

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French President Emmanuel Macron paid his first official visit to India from 9 to 12 March 2018. During the visit, India and France held wide-ranging talks on issues of bilateral, regional and global importance and explored avenues for expanding bilateral and multilateral cooperation. The two countries signed 14 agreements/MoUs for widening cooperation in the areas of renewable energy, smart city, nuclear energy, environment and sustainable development, railways, prevention of drugs etc. Prime Minister Narendra Modi and President Macron co-chaired the founding conference of the International Solar Alliance (ISA) held on 11 March in New Delhi, which was attended by 23 Heads of States and governments. President Macron also visited Prime Minister Modi's parliamentary constituency, Varanasi, for participating in various events.

India and France share a dynamic and multifaceted relationship. Both countries signed a strategic partnership agreement in 1998. Frequent interactions at the highest political levels, comprehensive defence cooperation and dynamic cultural linkages have further contributed to maturing the partnership. Convergence of their views on multi-polar world order and their belief in multilateralism for addressing international challenges help them in developing greater political synergy at the global level.

India and France have been expanding their relationship amid changing regional and global dynamics. During his visit to India, President Macron noted that India's interactions with Europe would shift if the UK departs from the EU. He expressed his desire to make France "India's best partner in Europe," replacing the UK as New Delhi's "gateway to Europe." He told, "Your historical partner in Europe was the United Kingdom, and I want France to become the new partner." He added, "The first (objective of my visit) is to seal for the decade to come a strong pact around collective security in the region between our two democracies." French President Macron's wish reflects 'a deep sense of trust and mutual understanding' in the India-France relationship.

It seems India is cautiously watching how political and economic scenario unfolds in Europe. New Delhi seeks greater cooperation with European countries for facilitating economic growth, infrastructure development, investment and technological support for programmes such as 'Make in India', 'Digital India', 'Skill India', 'Swachh Bharat' etc. India's cooperation with Europe is also crucial for effectively dealing with global challenges, including climate change, international terrorism, trade protectionism and pitfalls of globalization. In the same vein, India and France have been taking initiatives to further expand their cooperation to facilitate infrastructure and socio-economic programmes. French companies have shown interest in these programmes. Defence cooperation with France is also seen as quite important in changing strategic dynamics in the Indo-Pacific. French support in multilateral forums, which saw India's accession, such as MTCR, the Wassenaar Arrangement and the Australia Group was crucial. France has also been supporting India's candidature for permanent membership of UNSC and membership of the Nuclear Suppliers Group.

Deepening Defence Cooperation

Defence cooperation is a crucial aspect of India-France strategic partnership. India considers France as 'one of (its) most trusted defence partners.'² There has been regular exchange of visits at the level of Services Chiefs between India and France. They have regular defence exercises such as Shakti - Army, Varuna - Navy and Garuda -Air Force. In addition to service-level staff talks, both countries have a High Committee on Defence Cooperation, which meets annually at the level of Defence Secretary and the French Director General of the Directorate of International Relations and Strategy. Various staff courses, training programmes etc regularly take place between the two countries.³ Before President Macron's visit to India, French Defence Minister Florence Parly visited New Delhi for holding talks on boosting defence and security ties. She discussed with her Indian counterpart Nirmla Sitharaman a host of issues such as co-development of military platforms, maritime cooperation, regional security situation, transfer of critical technology for various defence projects.⁴ During the visit of President Macron, India and France have taken important initiatives to enhance their security ties.

India and France signed the *Joint Strategic Vision of India-France Cooperation in the Indian Ocean Region*. The *Joint Strategic Vision* recognizes the strategic importance of India and France in the Indian Ocean. Both countries have shared concerns over the emerging challenges such as maritime traffic - terrorism and piracy, respect for international law by all States, fight against organized crime, trafficking, smuggling and illegal fishing, combating climate change and its consequences on security, natural disasters, etc. The two countries also agreed on logistics support, which would enhance cooperation between their armed forces, including the two navies. The *Joint Strategic Vision* states that France and India commit to utilizing every opportunity of their naval ships calling at each other's ports for holding passage exercises (PASSEX). New Delhi and Paris would be open to inviting strategic partner countries in the region to participate in their exercises.⁵ Prime Minister Modi described reciprocal logistics support agreement as a 'golden step'⁶ in the history of India-France defense cooperation.

India and France signed the government-to-government deal to supply 36 Rafale fighters in 2016. Prime Minister Modi and President Macron expressed their satisfaction at the progress in acquisition of Rafale fighters. Reportedly, the first aircraft is likely to arrive in India by 2019. Both the leaders also took note of the commissioning of INS Kalvari, the first Scorpene submarine made in India by Mazagon Dock Shipbuilders Ltd. in collaboration with French shipbuilder Naval Group under the Indian Navy 'Project 75' programme. To further enhance its defence cooperation as well as boost indigenous defence manufacturing base, India seeks greater French investment in its defence sector. Historically, India and France have successfully implemented joint defence projects. The Indian missile manufacturer, BDL, has manufactured more than 10,000 anti-tank Milan missiles with collaboration of France; HAL is producing the light helicopters, Cheetah and Chetak, with cooperation from France; under the P-75 contract, six Scorpène submarines are under construction; and French Safran and India's DRDO are discussing collaboration on fighter engines.⁷

Political synergies and past successful cooperation encourage India and France to explore further expansion of their cooperation in defence manufacturing and joint research & development. The Joint Statement notes that Prime Minister Modi and President Macron look forward "...to expand and deepen the ongoing defence manufacturing partnerships". They acknowledged that 'Make-in-India' provides opportunity for Indian and French defence enterprises for co-development and co-production of defence equipment in India, including through transfer of know-how and technologies.⁸

Expanding Economic Linkages

India's economic engagement with France is important. However, economic potential of Indo-French relations is yet to be realized. Their total trade in goods was 8.58 billion euro in 2016, which increased 0.49 per cent from the previous year. Positive signs in bilateral trade have been registered in 2017 as well. French companies have significant presence in India. Around 1,000 French companies are present in India. Their total turnover is US\$ 20 billion and they have provided employment to 3,00,000 people in the country. About 120 Indian companies are present in France and their estimated investment is Euro one billion. France is the ninth largest foreign investor in India. Its cumulative investment is US\$ 5.15 billion- 1.5 per cent of the total FDI inflows in India - between April 2000 to May 2016.⁹ Considering the strength of Indian and French economies and scope for cooperation, economic relations between the two countries remain low with Indian exports to France being a meagre 1.06 percent of France's total imports. Bilateral trade in services was around Euro 3.41 billion in 2015.¹⁰

Both India and France have been pursuing economic reforms. Business environment is constantly improving in India. The Goods and Services Tax implemented in 2017 makes the population of 1.2 billion people a single and unified market. To encourage export-driven growth, New Delhi aims to increase the share of global trade to 40 per cent of GDP by 2025. In France, despite protests and strikes by trade unions, President Macron has implemented labour and tax reforms. He advocates for an open and competitive France. Both countries seem to be keen to

harness economic potential to expand their economic ties. The Joint Statement says that India and France expressed their desire that growth momentum should be sustained with the aim of raising trade in goods to 15 billion euro by 2022. SMEs and mid-cap companies should be encouraged to play a greater role in the economic and commercial exchanges between the two countries." Business groups and multinationals are keenly exploring avenues for cooperation and investment opportunities. Major French companies Gobain, Veolia, Michelin, Capgemini, Sanofi, EDF, Airbus, Lactalis, Sodexo, Total, Renault, Saint are keen to expand their business in the country. Alstom has won a major project worth 3.2 billion Euro for manufacturing 800 locomotives in Madhepura, Bihar. India's Reliance, Tata, Mahindra and other big companies have tied up joint cooperation with major French companies like Dassault, SAFRAN, Thales and others in the defence sector. French infrastructure companies are looking forward to major opportunities in Indian projects, including in smart cities and renewable energy.¹² For example, a solar power plant was inaugurated in Mirzapur district in Uttar Pradesh during President Macron's visit. Built at a cost of around Rs 500 crore by French firm ENGIE, the 75 MW solar plant, which has some 118600 solar panels is the biggest in Uttar Pradesh province.¹³

Space Cooperation

Space cooperation is considered to be 'unique' and 'historical' in Indo-French relations. Their cooperation has expanded in various facets of space science, technology and applications and the Indian Space Research Organisation (ISRO) and the French National Space Agency (CNES) have successfully implemented two space missions. During the visit of President Macron, India and France issued a joint vision for space cooperation. India and France agreed to bring societal benefits of space technology, addressing global challenges, exploring solar system etc. They also agreed on expanding cooperation on international issues of common importance, including space security, safety and sustainability.¹⁴

Cultural Cooperation

Cultural interaction, people-to-people contacts, migration, mobility, tourism etc have assumed greater significance in today's world. Vibrant people-to-people interactions and tourism enrich not only political relations but also contribute to growth of the local economy. Prime Minister Modi himself said that "the most important dimension for a bright future of our bilateral relations is our people-to-people contacts, especially among our youth." "Namasté France" festival to highlight Indian culture and arts was organized in 41 cities of France in 2016. 'Bonjour India' was also organized in 33 Indian cities.¹⁵

India and France signed bilateral partnership agreement on migration and mobility, which will facilitate student and professional mobility between the two countries by simplifying the conditions for entry and long term stay in the two countries. "France-India Programme for the Future", which is a French initiative aimed at fostering youth exchanges, are useful initiatives for future growth of India-France ties.¹⁶

India and France want to promote tourism. India registered a growth of over 15.7 per cent in foreign tourist arrivals in 2017. About 5.67 million foreign tourists have visited during the first seven months of 2017 compared to 4.9 million guests recorded in the corresponding period of 2016.¹⁷ France - one of the most attractive destinations of the world is also keen to attract more tourists. India and France have also taken the help of Bollywood to generate more awareness about each other.

India, France and Regional & Global Issues

India and France discussed a range of issues of regional and global importance, including the Iran Nuclear Deal, Syrian crisis and the global connectivity projects. Both countries supported full implementation of the Joint Comprehensive Plan of Action (JCPOA, known as Iran nuclear deal) signed between Iran and the E3+3 in 2015. The two countries supported 'all-inclusive Syrian-led political process' for comprehensive and peaceful resolution of the Syrian conflict. The French President has been proactive in mediating as well as defusing crises in the Middle East. The Joint Statement underlines the importance of global connectivity projects. President Macron visited China in January 2018. In an interview with the China.org.cn, President Macron said "it (connectivity) can play a major role in structuring the Eurasian region and that it represents a real opportunity to create bridges, through exchange, between countries and civilizations, just as the ancient silk routes once did. It's also important to work for better connectivity between Europe and Asia."¹⁸ He added, "France is ready to play a leading role in this. We must identify concrete projects to implement together in Europe, in Asia and in third countries." He also said in Xi'an, "The ancient Silk Roads were never only Chinese." He further said, "By definition, these roads can only be shared. If they are roads, they cannot be one-way."¹⁹

The India-France Joint Statement acknowledged the importance of connectivity in the globalised world. It underlines 'key principles of international norms, good governance, rule of law, openness, transparency, social and environmental standards, principles of financial responsibility, accountable debt-financing practices' to be basis for connectivity initiatives. It further mentions that connectivity projects "must be pursued in a manner that respects sovereignty and territorial integrity."²⁰ The European Union too has underlined some of these principles for international connectivity projects. Vice President of European Commission Jyrki Katainen stressed principles including openness based on market rules and international standards, complementary to existing networks and policies, transparency and sustainability in the scheme connecting Asia and Europe.²¹

Conclusion

India and France share a multifaceted and dynamic strategic partnership. Their political relations are vibrant, defence cooperation is deep and growing and their economies offer greater opportunities for reciprocal engagement. India's infrastructure development and socio-economic programmes provide long-term opportunities for greater technological cooperation and investment. Growing cultural interaction with special focus on youth would contribute to further

developing social understanding about the two countries. President Macron's visit has contributed to expand bilateral cooperation in the political, economic and defence realms. Given the mutual understanding between the two countries as well as between Prime Minister Modi and President Macron, bilateral relations are likely to be more substantive and would further deepen in the future. Both countries have taken steps to expand their cooperation to deal with emerging challenges in the Indian Ocean. Respect for international norms and rules are crucial for ensuring peace and prosperity in the Indian Ocean. India-France agreement on logistics support is considered to be an important step in ensuring peace and prosperity in the region. Convergence of their views on issues of global importance is crucial for dealing with them in the multilateral framework.

It would be pertinent to note that the India-France strategic partnership is significant from a European perspective as well. The French role is going to be crucial in shaping the future of EU reforms and its directions. French President Macron has proposed a slew of reform measures to strengthen European integration and enhance the role of Europe in global affairs. The EU is an important partner of India. During the French President's visit to New Delhi as well as at the 14th India-EU Summit, an urge for enhancing India-EU cooperation and their economic interface has been noticed.

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Disclaimer: The views expressed are that of the Researcher and not of the Council.

Endnotes

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