

India-France Comprehensive Economic and Commercial Brief
(as per January 10, 2025)

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1. Overview of the French Economy

France is ranked as the world's seventh largest economic power, just behind the United Kingdom and India (WEF, 2023). Since 2020, the economy in France, as in the rest of the world, has been marked by large-scale events that have profoundly altered its growth trajectory. While 2020 and 2021 were largely dominated by the COVID-19 epidemic and the health and budgetary responses to that, with cascading consequences for global supply chains, 2022 was the year of the energy crisis, the war in Ukraine and the return of inflation. The flattening of the GDP trajectory in 2022 therefore reflects a missed recovery, or even a form of 'recession' compared to the dynamic 'post-COVID-19' recovery that was expected. Although quarterly growth did not slip into negative territory, the scale of the shocks experienced (energy, geopolitical uncertainty and tensions, supply difficulties) cut France's GDP growth by -1.6 point (from 4.1% initially forecast in October 2021 to an actual 2.5%) in 2022, which in normal circumstances would have been diagnosed as a recession.

In 2023, with inflation still high (+5.2% in 2023 as in 2022) and a context marked by a sharp rise in the ECB's key interest rates, GDP growth will come in at 0.9%. 2024 should see falling inflation (+3.3% annual average and 2.3% year-on-year at year-end), but growth is likely to remain modest (+0.8%) as the hikes in key interest rates take full effect. According to our assessment, monetary policy is likely to reduce GDP growth by -0.9 point in 2024 (after -0.4 point in 2023).

The unemployment curve is likely to turn upwards in the second half of 2023, and above all in 2024, with joblessness rising from 7.2% at present to 7.9% by the end of next year. Sluggish economic growth and a partial recovery of past productivity losses would account for the strong momentum in employment seen in recent years. While the -2.5% fall in real wages between mid-2021 and mid-2023 weighed on household purchasing power, this effect was largely offset at the macro level by strong job creation and substantial fiscal support. Against a backdrop of rising unemployment in 2024, the possibility of full employment therefore becomes more remote. Despite the curtailing of support measures, the public deficit will

remain at 4.8% of GDP in 2023 and 2024, mainly due to sluggish growth, which will hit tax revenues.

Diverse economic structure: France's economy - one of the world's largest - has a mixed structure, with a significant presence of both private and State-owned enterprises. Key sectors include manufacturing, particularly in automation, aerospace and luxury goods, services - notably in tourism and finance - and a robust agricultural sector, renowned for wine and dairy products.

Growing financial role: Paris is one of the key financial centers in Europe - a role which has been strengthened since Brexit as some financial activity formerly in London shifted to Paris. Banks have reportedly relocated over 5,000 employees from London to Paris since the UK left the EU.

A key EU player: France is a founding member of the Euro zone and has adopted the euro (€) as its currency. The country is one of the leading voices in shaping EU policy, with the France-Germany political axis the bloc's most important driving force. President Emmanuel Macron - in office since 2017 - has advocated closer EU integration and strategic independence from foreign powers. More recently, Emmanuel Macron has thrown his weight behind the idea of EU enlargement into Southern and Eastern Europe.

Liberalizing reforms: Under President Emmanuel Macron, the French economy has been liberalized, with the labor market made less rigid, taxes cut, and unemployment insurance revamped. These measures have coincided with an acceleration in investment and the unemployment rate falling to an over-decade low in recent years. However, the changes have also provoked a backlash among large sectors of the population and generated significant social unrest. Some of the most high-profile protests were the 'Yellow Vest' movement in 2018 and 2019, and the strikes over pension reform in 2023. Moreover, this wave of liberalization appeared to reach an end after Macron's party lost dozens of seats in parliament in the July 2024 snap elections.

Multiple domestic challenges: The public debt ratio is among the highest in the EU at well over 100% of GDP, posing a risk to fiscal stability. Moreover, public resistance to structural reforms is high, often resulting in widespread protests that hamper economic activity. Additionally, regional disparities in economic development and integration of immigrant populations into the labor market remain ongoing challenges.

France's economic outlook: The forecasts for the French economy are underwhelming, especially given the country's strong demographics and business-friendly reforms in recent years.

The main economic sector in France is the services sector, which accounts for about two-thirds of GDP. This includes activities such as retail, tourism, financial services, and government spending. However, industry also plays an important role in the economy.

The economy is expected to grow in 2023 and 2024, and inflation is expected to come down from its current high levels. The government is also taking steps to reform the economy, which could help to boost growth in the long term. However, there are also some risks to the outlook, such as the war in Ukraine and flare-ups of social unrest.

The Paris Region, encompassing Paris and its surrounding areas, is the richest one in France. It is the country's economic powerhouse, contributing significantly to the national GDP, largely due to its dense population, high concentration of corporate headquarters, financial services, and its status as a global cultural and tourist destination.

Economic forecast for France

Economic activity in France is set to remain subdued in 2024 (0.7% annual growth) after a significant slowdown in the second half of 2023 but is forecast to gain momentum in 2025 (1.3%). Inflation is projected to decrease progressively over the forecast horizon (to 2.5% in 2024 and 2.0% in 2025, after 5.7% in 2023), favored by the decrease of energy and commodity prices. The public deficit is forecast to fall to 5.3% of GDP in 2024 and to 5.0% in 2025. Public debt is set to increase to almost 114% of GDP by 2025.

Subdued investment set to weigh on growth

In 2024, activity is projected to remain subdued over the first half of the year, with growth in the first quarter estimated at 0.2%. However, the moderation of inflation and the easing of financial conditions expected in the second half of the year are projected to allow for a progressive recovery. Private consumption is expected to be the main driver for growth, as real wages bounce back while investment from both households and corporations is set to slow down. Net exports are set to have a slightly positive contribution to growth as exports gather momentum, notably in transport equipment. The deficit-reducing measures announced by the government for which sufficient detail has been disclosed have been taken into account in this forecast and are also set to weigh on economic growth. Overall, real GDP is forecast to grow by 0.7% in 2024.

Labor market set to stabilize

The labor market remained dynamic in 2023. The unemployment rate reached 7.1% in 2023-Q1, its lowest level since 2008-Q1, while the employment rate reached a record high. The moderate rebound in unemployment throughout 2023 was mostly due to a very dynamic active population. Employment growth is set to slow down in 2024 and 2025 (+0.2% and +0.3% respectively, after +1.1% in 2023), as the effect of apprenticeship contracts on employment growth decreases, hours worked return to their 2019 levels and labor productivity bounces back. The unemployment rate is expected to increase to 7.7% in 2024 and 7.8% in 2025, as a strong growth of active population is expected, resulting mainly from the pension reform of 2023. and the relatively low unemployment rate.

Inflation expected to decrease significantly

After peaking at 7.0% in the first quarter of 2023, HICP inflation decreased gradually to reach 4.2% in the fourth quarter, largely thanks to declining energy and commodity prices. It fell further to 3.0% in 2024-Q1, as the slowdown in consumer prices became widespread, notably given the pass-through of energy and commodity prices to industrial goods. The downward trend in inflation is expected to continue, albeit at a slower pace given that wage increases are still set to feed services inflation. Thus, inflation is expected to average 2.5% in 2024, before slowing down to 2.0% in 2025.

Debt to trend up again on the back of high deficits

The general government deficit rose to 5.5% of GDP in 2023, mainly due to sluggish tax revenues on the back of lack lustre growth and declining inflation. On the other hand, the interest burden on public debt declined by 0.2 pps., to 1.7% of GDP, as lower yields on inflation-indexed bonds compared to 2022 outweighed the effect of higher rates on new issues. Energy-related measures amounted to 0.9% of GDP.

For 2024, the deficit is set to decline to 5.3% of GDP. The subdued economic activity is expected to keep weighing on tax revenues, although these are expected to be more responsive to economic activity after the sizeable revenue shortfalls in 2023. By contrast, the introduction of the exceptional tax on energy producers and financial profits is estimated to increase revenue by 0.1 pps. of GDP. Thus, the revenue-to-GDP ratio would remain broadly stable, at around 52%. In turn, the expenditure-to-GDP ratio is set to decline by 0.5 pps. This drop would be mainly due to the withdrawal of most energy-related measures to 0.2% of GDP, and to 0.3% of GDP expenditure savings adopted in February affecting public consumption, social benefits, subsidies, current and capital transfers. However, these deficit-reducing effects are expected to be partly offset by the projected brisk increase in interest payments on public debt to around 2.0% of GDP, pushed by higher rates on new issues.

In 2023, the GDP per capita was USD 47,386 (€ 42,884).

France is an important member of the G7, OECD and G20. Its technological strengths make it the leader in sectors such as aviation, space, food processing, transport, railways and agricultural research.

2. India-France Economic & Commercial Relations

The economic and commercial relations are an important component of India's bilateral relations with France. The economic relationship has been broadened over the years because of various factors including economic reforms process in India, thirteen Prime Ministerial visits from India to France in the period 1992-2023 (in 1992, 1995, 1998, 2003, 2005, 2008, 2009, 2011, 2015, 2017, 2019, 2022 and 2023), the visit of our President to France in 2000, the visit of the French Prime Minister to India in 2003, nine visits of the French President to India in the period 1998-2024 (in 1998, 2006, 2008, 2010, 2013, 2016, 2018, 2023

and 2024), and the growing French interest in establishing its presence in Indo-Pacific markets including in India. The series of high-level visits in the commercial and economic field reflects the growing interest of both the governments in expanding trade between the two countries. France considers India an important market for its products and is looking to increase the number of joint ventures and encouraging investments in and from India. Both countries are also moving to jointly develop technologies and integrate existing technologies. The Unified Payment Interface was launched at the iconic Eiffel Tower in January 2024. Several Indian companies have opened their innovation centers in France for joint technology development including Tata Technologies and L&T Technology Services. French technologies especially in renewable energies, sustainable manufacturing and urban infrastructure development are being integrated in India.

2.1 Bilateral Trade in Goods

The bilateral trade between India and France have remained steady in between USD 11-15 bn. range in last 5 years ending FY 2023-2024. The total trade for FY 2023-2024 has breached the USD 15 bn. trade mark for the first time, with exports from India crossing USD 7 bn. India's exports to France have increased from USD 5.09 bn. in 2019-2020 to USD 7.14 bn. in 2023-2024. The Indian exports have shown a constant growth over the period 2019-2020 to 2023-2024 with an exceptional decline of -19.01% in 2020-2021 on account of the impact of COVID-19 pandemic. India's imports from France have also increased but at a lesser extent from USD 6.16 bn. in 2019-2020 to USD 7.97 bn. in 2023-2024.

India-France Trade in Goods in the last 5 Years (in USD Millions):

Financial Year	Indian Exports to France	French Exports to India	Total Trade	Balance of Trade for India	Y-o-Y % Changes in Total Trade
2019-20	5,097.81	6,168.82	11,266.63	-1,071.00	-5.29
2020-21	4,782.18	4,343.22	9,125.40	438.96	-19.01
2021-22	6,640.91	5,782.10	12,423.01	858.81	+36.14
2022-23	7,610.06	6,201.05	13,811.11	1,409.01	+11.17
2023-24	7,141.09	7,971.16	15,112.25	-830.07	+9.42

Source: Ministry of Commerce & Industry, Govt. of India

Top 5 Exports from India to France (FY 2023-2024):

- i) Mineral fuels, mineral oils & products of their distillation; bituminous substances; mineral waxes (USD 1.22 bn.)
- ii) Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof (USD 760.78 mn.)
- iii) Electrical machinery and equipment & parts thereof; sound recorders & reproducers, television image and sound recorders and reproducers, and parts (USD 732.66 mn.)

- iv) Pharmaceutical products (USD 535.23 mn.)
- v) Articles of apparel and clothing accessories, not knitted or crocheted (USD 372.04 mn.)

Top 5 Imports by India from France (FY 2023-2024):

- i) Aircraft, spacecraft, and parts thereof (USD 3.38 bn.)
- ii) Nuclear reactors, boilers, machinery & mechanical appliances; parts thereof (USD 1.53 bn.)
- iii) Electrical machinery and equipment & parts thereof; sound recorders & reproducers, television image and sound recorders and reproducers, and parts (USD 541.88 mn.)
- iv) Optical, photographic cinematographic measuring, checking precision, medical or surgical instrument and apparatus parts and accessories thereof (USD 254.53 mn.)
- v) Miscellaneous chemical products (USD 224.94 mn.)

Source: Ministry of Commerce & Industry, Govt. of India

2.2. Bilateral Trade in Services

As per the annual data provided by the French Central Bank (Banque de France), the Indian exports of services to France in 2023 represented 1.34% of the world's exports to France. The Indian exports of services to France recorded a sharp increase of 40.91% compared to 2022, with the following five categories contributing significantly to this growth: i) travel (+235.80%), ii) building & public works (+130.76%), iii) maintenance & repair services (+105.50%), iv) manufacturing services supplied by physical inputs held by third parties (+70.58%) & v) cultural, leisure & personal services (+56.25%). In general, all categories registered a robust growth with one exception i.e. transport which decreased by 10.82%.

In 2023, French exports of services to India represented 0.85% of its exports to the world. Indian imports of services from France recorded a decrease of 20.73% from € 3.6 billion in 2022 to € 2.9 billion last year. However, some categories of services have shown a clear growth i.e. cultural, leisure & personal services (+127.27), telecommunication, computer & information services (+32.08), maintenance & repair services (+23.95%) and travel (+21.31%).

India-France Trade in Services over the last 5 Years (in Million €):

Year (Jan.-Dec.)	Indian Exports to France	French Exports to India	Total Trade	Y-o-Y% Increase/Decrease
2019	2,463	2,004	4,467	+1.82
2020	2,517	2,249	4,766	+6.69
2021	2,370	3,909	6,279	+31.74
2022	2,935	3,685	6,620	+5.43

2023	4,136	2,921	7,057	+6.60
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Source: French Central Bank (Banque de France)

2.3 French Investments in India

2.3.1 France has emerged as a major source of FDI for India with more than 1,000 French establishments already present in India. France is the 11th largest foreign investor in India with a cumulative investment of USD 11.36 billion (INR 72,481.67 Crore) from April 2000 to September 2024 which represents 1.60% of the total FDI inflows into India according to data provided by the Department for Promotion of Industry and Internal Trade (DPIIT).

Share of Top 5 FDI Equity Inflows from France from April 2000 to September 2024:

- i) Services sector (18.17%)
- ii) Cement & gypsum products (8.58%)
- iii) Air transport (including air freight) (7.04%)
- iv) Miscellaneous industries (6.90%)
- v) Petroleum & natural gas (6.56%)

The above-mentioned five sectors represent 47.25% of the total equity inflow from France from April 2000 to September 2024.

2.3.2 Most big French groups have their subsidiaries in India. There are also a few joint ventures and liaison offices of French companies in India. 39 of the 40 CAC 40 (French Stock Market Index) companies are present in India. Around 50-70 SMEs are also present in India essentially in the mechanical and pharma-chemical sectors. French companies are present in a wide range of sectors: services (BNP Paribas, Capgemini, Havas, Sodexo); pharmaceutical-chemical (Arkema, L'Oréal Paris, Sanofi, TotalEnergies); aerospace (Airbus, Dassault, Eurocopter, Safran, Thales); agro-food (Bongrain, Lactalis, Lesaffre, Pernod Ricard); electronics (Crouzet, Oberthur, Safran, STMicroelectronics, Thales); construction mechanics (Alstom, Cermex, Legris Group, Poclain, Sidel); electrical components (Hager, Legrand, Schneider Electric); automobile (Faurecia, Michelin, Plastic Omnium, Renault, Valeo).

2.3.3 French investments cleared in 2023 and 2024 include among others Systra (urban & rail transport engineering), Eutelsat (satellite connectivity services), Compagnie de Lanmeur (holding), BNP Paribas (banking & financial services), Virbac (animal health), Opella Healthcare Group (pharmaceuticals, drugs & intermediaries) and Aéroports de Paris (civil aviation).

[According to the estimates from the Business France, public agency to promote trade, French companies employ around 300,000 persons in India and have a turnover of more than USD 20 billion and have a minimum stock investment portfolio of USD 19 billion].

Financial Year-Wise FDI Equity Inflows from France from April 2000 to September 2024:

Financial Year (April-March)	FDI Equity Inflow from France	
	(In INR Crore)	(In USD Million)
2000-01	455.35	104.32
2001-02	488.94	108.01
2002-03	533.72	111.64
2003-04	176.27	38.32
2004-05	536.78	117.54
2005-06	82.20	18.51
2006-07	527.77	117.28
2007-08	582.78	145.17
2008-09	2,098.05	466.64
2009-10	1,436.83	302.53
2010-11	3,348.63	734.22
2011-12	3,110.22	662.62
2012-13	3,487.10	646.18
2013-14	1,841.71	305.39
2014-15	3,881.43	634.62
2015-16	3,937.26	598.49
2016-17	4,112.19	614.00
2017-18	3,297.02	511.26
2018-19	2,890.36	406.35
2019-20	13,686.38	1,896.23
2020-21	9,641.62	1,291.63
2021-22	2,507.02	336.13
2022-23	3,019.28	378.29
2023-24	3,301.81	398.60
2024-25 (up to September 2024)	3,500.94	419.22
Total	72,481.67	11,363.17

Source: DPIIT



2.4 Indian Investments in France

Indian Businesses in France

2.4.1 Post-Brexit, several Indian businesses wanting to shift to mainland Europe are choosing France as their foremost place. According to the 'Business France Annual Report 2023', a public operator supporting French investors in India and Indian investors in France, there were 17 Indian investment projects in France in 2023, including 16 that enabled 309 jobs to be created, a 20% increase from 2022. Nearly one project in two concerned decision-making centers. More than half of projects were expansions of existing structures. In 2023, the top 3 business activities were: I) decision-making centers (8 projects), ii) manufacturing (3 projects) and iii) consumer services (2 projects).

Among the 17 investment projects recorded in 2023, pharmaceuticals and biotechnologies was the leading sector for Indian investment, with three projects and 14% of jobs. Investments in the IT services sector created the most jobs (17%).

Eight projects concerned decision-making activities, responsible for 40% of jobs generated, while three other projects were in production/manufacturing activities, generating 22% of employment.

Indian investments mainly targeted Île-de-France (Paris region) and Auvergne-Rhône-Alpes, with each receiving five projects, while more than half of jobs were created in these two regions (31% and 25%, respectively).

2.4.2 The latest investments coming from India to France in 2023 include:

a) Captain Fresh, This business is India's fastest growing, tech-led seafood distributor, specializing in the sourcing, manufacture, distribution and retailing of fish and seafood. Its proprietary technology platform forms the backbone of its rapid expansion, digitizing factories' production sites and improving the supply chain between fish and shrimp farmers and fishermen, on the one hand, and the many fish and seafood buyers in a highly fragmented global market, on the other. For each stage of the value chain, the firm offers software solutions to digitize activities. Captain Fresh has acquired the French company Senecrus SASU, which is based in Rungis (Paris) and specializes in cooked shrimp. Nearly 30 Senecrus employees' jobs will be maintained, and the group is working to expand the scope to develop the activity.

b) Lupin Limited, This pharmaceutical laboratory develops and markets a wide range of branded and generic formulations of biotechnology products in more than 100 markets worldwide. The business, which occupies a leading position in the cardiovascular and antidiabetic fields, acquired the French pharmaceutical firm Medisol, based in the Auvergne-Rhône-Alpes Region. Medisol has built a niche portfolio of generic injectable drugs in therapeutic areas, such as pain relief, anti-inflammatories, cardiovascular diseases and obstetrics, and markets its products in France to pharmacies, as well as in hospitals. Lupine Pharma's total investment amounted to € 18 million.

2.4.3 Top 3 Host Regions in 2023:

- i) Paris Region (5 projects)
- ii) Auvergne-Rhône-Alpes Region (5 projects)
- iii) Grand Est Region (2 projects)

As of December 31, 2022, the FDI stock of businesses from India in France (immediate investor) was around € 194 million (French Central Bank).

2.5 Issues related to Trade Protection/Rejection of Indian Goods, Sanitary and Phytosanitary/Technical Barriers and other Non-Tariff Barriers

2.5.1 The major issues for agricultural products that were highlighted in 2022 are as below:

a) Spices: EU in December 2021 applied new levels of minimum residue levels (MRL) for ethylene oxide which disqualifies large proportion of spices coming from tropical countries. Ethylene oxide synthesizes naturally in plants. The level of natural ethylene oxide is higher in tropical countries on account of higher metabolism due to high temperatures and moisture levels.

b) Basmati rice: It is not being recognized as GI product at the level of EU. Informally, the biggest rice importer of Europe shared that the rice association of France influenced the French Ministry of Agriculture to oppose the recognition of Basmati Rice as GI product.

2.6 Bilateral Mechanisms to promote Trade and Investments

2.6.1 India-France Joint Committee for Economic & Technical Cooperation (JCETC) was set up on January 26, 1976 through an exchange of letters between the Ministers of Commerce and Foreign Trade. Meetings are held at Ministerial level alternately in Delhi and Paris. This Joint Committee is the major institutional mechanism for cooperation in the economic and technical sector. The 17th session of the Joint Committee was held on October 24, 2017 in Paris. The entire gamut of bilateral economic and commercial relationship was reviewed at the meeting, and both sides agreed to continue and intensify cooperation. The 18th session of the India-France Joint Consultative Meeting (JCM) was held virtually on November 27, 2020. A joint announcement was also signed for setting up of a Fast-Track system for French companies in India and Indian companies in France which was to be made operational by the end of December 2020.

2.6.2 Joint Working Groups (JWGs) at the senior official level have also been constituted through MoUs to deal with specific aspects of economic cooperation, including for Agriculture and Food Processing, IT & Telecommunications, Roads, Sustainable Urban Development and Energy. During the visit of French President to India (14-15 February, 2013), the two countries further agreed to establish an annual bilateral Economic and Financial Dialogue (EFD) between the two Finance Ministries on economic and financial issues.

The status of different JwGs is as follows:

- a) The first such Economic and Financial Dialogue was held in Paris on October 29, 2013. No meeting post this took place.
- b) The 3rd JwG on Environment was held on 18-19 January, 2021 in New Delhi.
- c) The 15th JwG Meeting on Sustainable Urban Development was held virtually on 2-3 March, 2021. The 16th JwG on Sustainable Urban Development took place on 16 January, 2023 in New Delhi.
- d) The 9th JwG meeting on Agriculture including Food Processing was scheduled to take place virtually on March 25, 2021 but has been postponed. The 8th JwG on Agriculture including Food Processing was held on 6-7 December, 2016 in Paris.

3. Bilateral Agreements/Memorandum of Understanding (MoU)

3.1 India and France have signed a number of Agreements to facilitate the expansion of commercial relations.

3.2 Among these are the Double Taxation Avoidance Convention (DTAC) [where India has requested a protocol, to amend Article 28 to insert new disclosure norms on which bilateral consultations are continuing], MoU on cooperation in Tourism, MoU on Intellectual Property and a Social Security Exemption Agreement (SSA).

3.3 In October 2012, India and France signed an Agreement for cooperation in the field of Sustainable Urban Development. Another MoU on Bilateral Cooperation in Food Industries Sector was signed on October 24, 2012.

3.4 During the visit of French President to India (14-15 February, 2013), the two countries concluded a MoU between the Ministry of Railways of the Republic of India and the French National Railways (SNCF) on Technical Cooperation in the field of Railway Sector as well as a General Framework Agreement between Oséo (the French Innovation Promotion Agency) and Technology Development Board (TDB) of India to establish a collaborative framework under which Oséo and TDB may carry out activities related to the exchanging of best practices and the setting up of coordinated measures to foster technological exchanges and innovation collaborations between companies, organizations and institutions of France and India.

3.5 The following four agreements/MoUs were signed during the visit of Prime Minister Shri Narendra Modi to France on 10-11 April, 2015:

- i) MoU on cooperation in the field of renewable energy between the Ministry of New and Renewable Energy (MNRE), Government of India and the Ministry of Ecology, Sustainable Development and Energy, Government of France;
- ii) Railway Protocol between Indian Ministry of Railways and French National Railways (SNCF) on cooperation in semi high speed rail and station renovation;

- iii) MoU between National Skill Development Agency (NSDA), India and the National Commission for Vocational Qualifications (Commission Nationale de la Certification Professionnelle - CNCD);
- iv) Letter of Intent on Tourism

3.6 During French President François Hollande's visit to India in January 2016, MoUs were signed in the presence of Prime Minister Narendra Modi and Mr. Hollande in the field of smart and sustainable cities and helicopter production as also JV agreements and Letters of Intent in the field of renewable energy/wind energy.

India and France signed a MoU on civil aviation in April 2017 in New Delhi in the presence of Shri P. Ashok Gajapathi Raju, Minister of Civil Aviation, and Mr. Alain Vidalies, Minister of State for Transport, Marine Affairs and Fisheries, to strengthen India-France cooperation on transport.

3.7 Both countries signed a pact in March 2018 in New Delhi to deepen cooperation in the environment field while affirming their commitment to lead the fight against climate change. The pact was signed by the Minister of State for Environment, Shri Mahesh Sharma, and the French Minister of State, attached to the Minister for the Ecological and Inclusive Transition, Ms. Brune Poirson.

3.8 The following four MoUs were signed during the visit of Prime Minister, Shri Narendra Modi, to France in August 2019:

- i) MoU between the National Institute of Solar Energy (NISE), Ministry of New and Renewable Energy, and the French Alternative Energies and Atomic Energy Commission (CEA);
- ii) Administrative arrangement between the Ministry of Skill Development and Entrepreneurship, and the French Ministry of National Education and Youth, for Cooperation in Skill Development and Vocational Training;
- iii) Cooperation agreement between the Centre for Development of Advanced Computing (C-DAC), an autonomous scientific society of the Ministry of Electronics and Information Technology and Atos, a French multinational IT service and consulting firm;
- &
- iv) Implementing arrangement between ISRO and CNES (France) for Joint Maritime Domain Awareness.

3.9 The partnership agreement for migration and mobility signed on March 10, 2018 between France and India came into effect into force in October 2021. This France-India partnership is a positive response to the labor shortage in certain fields of activity in France. This agreement is part of the development of cooperation on free movement of people and the fight against illegal immigration and should boost mobility from India to France. Mission organized an event to promote and discuss the Migration and Mobility Partnership Agreement in partnership with CII. About 75 partners including professionals, recruitment agencies, companies based in France on November 26, 2022.

3.10 Agreement on Social Security

An Agreement on Social Security exemption was signed during Prime Minister's visit in September 2008. The Agreement has been ratified by the two sides and has come into force on July 1, 2011. The agreement will protect the interests of expatriate workers and the companies on a reciprocal basis. It helps workers by (i) providing for exemption from social security contribution in case of short-term contracts; (ii) exportability of pension in case of relocation to the home country or any third country; and (iii) totalization of the contribution periods.

3.11 VIE (Volontariat International en Enterprise)

Voluntary International Apprenticeship Program: Under this scheme, started in 2008, young French interns/graduates are sent to French companies in India as trainees for a period of one year. The cost is borne by the company utilizing the trainee, with Government defraying certain costs and offering tax subsidies to companies utilizing the scheme. At present there is a cap of 250 visas per annum under the scheme.

3.12 Indo-French CEO's Forum

3.12.1 During French President, Mr. Nicolas Sarkozy's visit to India in January 2008, it was decided to establish an India-France Foundation which could begin as an India-France High Level CEO's Round Table. The Indian side is headed by Mr. Hari Shankar Bhartia, Founder & Co-Chairman, Jubilant Bhartia Group (earlier by Mr. Dhruv Sawhney, Chairman, Triveni Engineering & Industries, and Mr. Narayana Murthy, Chief Mentor of Infosys). The French side is headed by Mr. Paul Hermelin, Chairman of the Board of Directors, Capgemini, and Special Representative of the French Government for Indo-French Economic Relations.

3.12.2 As of date, 12 meetings of CEO's Forums have taken place, alternatively in New Delhi and Paris. The 1st meeting of the Forum was held on 28-29 November, 2009 in New Delhi. Over the years, the Indo-French CEO's Forum has brought out its recommendations with relation to the Private-Public Partnerships, Corporate Social Responsibility, Sustainable Development, Education, Employability and Skill Development.

3.12.3 The 10th Indo-French CEO's Forum was held on March 10, 2018 in New Delhi during President Macron's official visit to India. The 11th Indo-French CEO's Forum took place on July 14, 2023 in Paris on the occasion of the official visit of Prime Minister Modi. It was co-chaired by Mr. Hari Shankar Bhartia, Founder & Co-Chairman, Jubilant Bhartia Group and Mr. Paul Hermelin, Chairman of the Board of Directors, Capgemini. The 12th Indo-French CEO's Forum was held on November 27, 2024 in New Delhi in the presence of Shri Piyush Goyal, Minister of Commerce and Industry, and Ms. Sophie Primas, Minister Delegate for Foreign Trade and French Nationals Abroad, and co-chaired by Mr. Hari Bhartia, Co-Chairman, Jubilant Life Sciences Limited, and Mr. Paul Hermelin, Chairman of the Board of Directors, Capgemini.

3.13 India-France Economic Cooperation through AFD (French Agency for Development)

Pursuant to signing of a MoU in September 2008 between Department of Economic Affairs (DEA) and the French Agency for Development, the AFD extends credit for various projects in India. The priority areas for AFD economic cooperation in India are (i) energy efficiency and renewable energy within the framework of the National Action Plan on Climate Change (NAPCC), (ii) urban infrastructure (public transport, water, etc., through sustainable development projects and infrastructure development programmes such as JNNURM), and (iii) the preservation of biodiversity. The current projects being supported by the AFD include (i) 'Reorganizing the Water Supply System of Jodhpur City in Rajasthan', Phase II worth € 71.1 million (ii) 'Forestry and Bio-diversity Conservation Project in Assam' worth € 54 million (iii) Credit Facility Agreement (CFA) for the Bangalore Metro Rail Project, Phase-I (iv) IREDA II and (v) Cochin Metro Project.

4. India-France Business Associations in France

a) France-India Chamber of Commerce and Industry (CCIFI, Boulogne-Billancourt) was created in 1984 as a non-profit organization that aims to promote bilateral commercial relations between India and France. It has as its members several Indian and French companies. The Mission has been working with CCIFI to promote bilateral relations through joint activities. The Chamber brings out a monthly newsletter in English which provides information in brief on various topics pertaining to economy, trade and industry.

b) With the support of the Mission, a France-India Business Club (Business Club France-Inde) was started in January 2014 in Marseille, the second largest city in France after Paris and the largest port, to assist Indian businesses, entrepreneurs and to generate interest about India among the French businesses in the Provence-Alpes-Côte d'Azur Region.

5. Activities for promoting Trade and Investment

5.1 Promotion of economic and commercial relations between India and France is a major priority for the Mission and the E&C Wing. The Mission works to promote Indian business and industry by encouraging trade and investment, assisting Indian firms with Government and private sector contacts, providing information, supporting and advising Indian companies about the French market.

5.2 Major commercial activities of the Mission include: (i) promotion of Indian goods and services in France, (ii) promotion of Brand India and corporate image of India, (iii) promotion of India as a foreign direct investment destination, and (iv) promotion of the 'Make in India' campaign. In each of these activities Mission's action mostly involve gathering and dissemination of information, outreach, coordination and facilitation. Some of the recent events include:

a) Visit to Dijon from 11-13 October, 2024 of Shri Chirag Paswan, Minister of Food Processing Industries, for a ministerial meeting in the run up to the 45th 'World Congress of Vine and Wine' organized by the International Organisation of Vine and Wine. In Paris, the Minister had meetings with Pernod Ricard Group (spirits) and Cooperl (pork).

- b) Visit to Lyon from 10-15 September, 2024 of Shri Jayant Chaudhary, Union Minister of State (Independent Charge) for Skill Development and Entrepreneurship & Minister of State for Education, for the 47th 'WorldSkills Lyon 2024 Competition', the biggest international skill competition promoting apprenticeship, professional training, mobility, youth and their skills.
- c) Visit to Paris from 12-13 June, 2024 of Dr. Ekroop Caur, Secretary, Department of Electronics, IT, Bt and S&T, to promote the 'Bengaluru Tech Summit' scheduled from 19-21 November, 2024.
- d) Visit to Paris from 17-18 April, 2024 of Shri D. Praveen, Joint Secretary, Ministry of Food Processing Industries and Shri Apoorv Bhatnagar, Deputy Director (Trade Fairs Secretariat), FICCI, to promote 'World Food India 2024' scheduled from 19-22 September, 2024 in New Delhi.
- e) Visit to Paris on February 29, 2024 of a 13-member delegation from the International Financial Services Centres Authority (IFSCA, Gandhinagar) led by Mr. K. Rajaraman, Chairperson, to create awareness about the business opportunities available within GIFT IFSCA. 56 participants attended the conference on 'Opportunities in India's first International Financial Services Centre at GIFT City, Gujarat'.
- f) Visit to France from 30-31 October, 2023 of a 20-member delegation comprising leading industry players from Gujarat led by Mr. Hareet Shukla, Secretary (Tourism), Government of Gujarat, to promote the 10th 'Vibrant Gujarat Global Summit 2024' to be held from 10-12 January, 2024 in Gandhinagar. The delegates met French companies and potential investors in order to present the attractiveness of doing business and investing in the State of Gujarat.
- g) Shri Piyush Goyal, Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution and Textiles, visited Paris from 10-12 April, 2023 for various events on the occasion of the celebration of 25 years of India-France Strategic Partnership including the 'India-France Business Summit' organized by the Mission and a round table luncheon meeting of CEOs from both India and France co-chaired by CIM, Shri Piyush Goyal, and the Minister Delegate for Foreign Trade, Economic Attractiveness and French Nationals Abroad, Mr. Olivier Becht, on April 11, 2023 in Paris. More than 50 CEOs from Indian and French companies participated in the CEO's round table. The Minister was accompanied by a CII delegation of 15 CEOs headed by Vice-President of CII and Chairman & Managing Director of ITC Limited, Mr. Sanjiv Puri.
- h) A round table luncheon meeting of CEOs from both India and France co-chaired by CIM, Shri Piyush Goyal, and the Minister Delegate for Foreign Trade, Economic Attractiveness and French Nationals Abroad, Mr. Olivier Becht, on April 11, 2023 in Paris. More than 50 CEOs from Indian and French companies participated in the CEO's round table.
- i) A mentorship event for the young Indian professionals by Indian professionals in senior positions in France, organized on February 11, 2023 in Paris. Almost 50 young professionals and 20 senior professionals participated.

- j) A networking event for senior professionals on January 17, 2023 in Paris
- k) An event on Migration and Mobility Partnership Agreement in partnership with CII including professionals, recruitment agencies, companies based in France on November 26, 2022 in Paris
- l) An event on Doing Business in India with National Chambers of France, MEDEF International and the bilateral chamber IFCCI on October 23, 2022 in Paris on the theme 'Doing Business in India'. 25 French companies and lawyers participated in this.
- m) An event on promoting trade and tourism between India and France was organized in Marseille on September 29, 2022. Almost 100 participants from the local government, companies based in the Provence-Alpes-Côte d'Azur Region and from diplomatic missions participated.
- n) Two consecutive events to promote 'Incredible India' followed by an event to promote tourism in the State of Madhya Pradesh were organized on September 21, 2022 in Paris. Almost 70 persons including tour operators, social media influencers, people from public relations and local chambers participated in the event.

6. Recent Ministerial Visits from India to France

6.1 Shri Chirag Paswan, Minister of Food Processing Industries, visited Dijon for a ministerial meeting in the run up to the 45th 'World Congress of Vine and Wine' organized by the International Organisation of Vine and Wine from 11-13 October, 2024. In Paris, the Minister had meetings with Pernod Ricard Group (spirits) and Cooperl (pork).

6.2 Shri Jayant Chaudhary, Union Minister of State (Independent Charge) for Skill Development and Entrepreneurship & Minister of State for Education, participated at the 47th 'WorldSkills Lyon 2024 Competition', the biggest international skill competition promoting apprenticeship, professional training, mobility, youth and their skills, which was held from 10-15 September, 2024 in Lyon.

6.3 The Union Defence Minister, Shri Rajnath Singh, met with the CEOs of the top French defence companies (Mr. Eric Trappier, CEO, Dassault; Mr. Pierre-Eric Pommellet, CEO, Naval Group; Mr. Guillaume Faury, CEO, Airbus & Mr. Olivier Andriès, CEO, Safran) on 10-11 October, 2023 in Paris. The Union Minister also visited the Safran Engine Division's R&D Centre in Gennevilliers and also participated at the 5th Annual Defence Dialogue with the French Minister of Armed Forces, Mr. Sébastien Lecornu.

6.4. Participation of Smt. Nirmala Sitharaman, Minister of Finance and Corporate Affairs, at the 'Summit for a New Global Financial Pact' organized by the French Presidency on 22 - 23 June, 2023 in Paris.

6.5 Shri Bhupender Yadav, Minister of Environment Forest and Climate Change, visited France on 26-27 May, 2023 to participate at the High Level Sequence (HLS) and High Level Event

(HLE) organized by the Government of France at UNESCO prior to the Second Meeting of the Inter Governmental Negotiating Committee to develop an International Legally Binding Instrument on Plastic Pollution.

6.6. Dr. L. Murugan, Minister for Fisheries, Animal Husbandry and Dairying & Information and Broadcasting, visited France to take part at the 76th Annual Cannes Film Festival from 16-18 May, 2023 and to visit a Fish Auction in Boulogne-sur-Mer on 20 May, 2023.

6.7 Shri Piyush Goyal, Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution and Textiles, visited Paris from 10-12 April, 2023 for various events on the occasion of the celebration of 25 years of India-France Strategic Partnership including The India-France Business Summit organized by the Mission and a round table luncheon meeting of CEOs from both India and France co-chaired by CIM, Shri Piyush Goyal, and the Minister Delegate for Foreign Trade, Economic Attractiveness and French Nationals Abroad, Mr. Olivier Becht on 11 April, 2023 in Paris. More than 50 CEOs from Indian and French companies participated in the CEO's Round Table. Hon'ble Minister also held one to one meetings with Secretary General of the OECD, Director General of the International Energy Agency, CEOs of Danone, Roquette, Capgemini and BNP Paribas among others. The Minister was accompanied by a CII delegation of 15 CEOs headed by Vice-President of CII and Chairman & Managing Director of ITC Limited, Mr. Sanjiv Puri.

6.8 Shri Ashwini Vaishnaw, Minister of Communications and Electronics & Information Technology and Railways, inaugurated the India Pavilion at the 6th Annual Technology Conference, 'Viva Technology', on 15 June, 2022 where India was the 'Country of the Year'. The Indian delegation comprised over 100 CEOs and Digital Experts, 66 start-ups of which 15 were present at the India Pavilion at Porte de Versailles (Paris).

6.9 An Indian delegation led by Shri Anurag Singh Thakur, Minister of Information & Broadcasting, and Dr. L. Murugan, Minister of State of Information & Broadcasting, Fisheries, Animal Husbandry and Dairying, visited Cannes for the Annual Cannes Film Festival Market organized from 17-25 May, 2022 where India was the 'Country of Honor'. CII organized an India Pavilion at the festival. Mr. Abhay Kumar Sinha, Director General, Services Export Promotion Council, & Mr. Hirachand Damji Dand, Entertainment Committee Chairman, participated at the event to promote exports of 17 services sectors.

6.10 Shri Mansukh Mandaviya, Union Minister of Health & Family Welfare and Chemicals & Fertilizers, visited Evian-les-Bains from 6-7 April, 2022 for the Gavi Alliance Board Retreat Conference to discuss the vaccine sharing protocol for the countries of South.

6.11 External Affairs Minister, Dr. S. Jaishankar, attended the EU Ministerial Forum for Indo-Pacific Cooperation on February 22, 2022 in Paris, an initiative of the French Presidency of the European Council. He also had a meeting with his French counterpart, Mr. Jean-Yves Le Drian. He also presided the meeting of Indian Ambassadors in the EU on February 23, 2022 in Paris.

6.12 Apart from these visits, there were regular visits by Ministers from five States of Uttar Pradesh (December 2022), Karnataka (October 2022), Haryana (October 2022), Madhya Pradesh (September 2022) and Kerala (September 2022) to promote trade, tourism and technology ties between France and the respective State.