

After the breakthrough: Charting the future of EU– India relations

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Table of contents

Introduction	3
Almut Möller	
Swift ratification and effective implementation will determine the EU–India FTA’s success	4
Luisa Santos	
EU–India economic ties are built on continuity, not breakthroughs	5
Sonia Prashar	
Engaging India: Demography, democracy and diversity	6
Pradnya Bivalkar	
What the EU–India FTA means for South Asia	7
Sajina Rai	
Bilateral momentum, multilateral potential?	8
Svitlana Taran, Elixabete Arrieta	
Advancing labour mobility in EU–India relations	9
Marianna Gorgerino	
The EU–India defence partnership marks a strategic shift	10
Rajnish Singh	
EU–India defence industrial cooperation	11
Shairee Malhotra	
From consumers to architects: EU–India and the renewable opportunity	12
Stefania Benaglia	
Deepening EU–India maritime security cooperation	13
Chris Kremidas-Courtney	
Beyond conventional security: towards an EU–India strategic maritime compact	14
Dattesh D. Parulekar	
Institutionalising India–EU space partnership	15
Tejas Bharadwaj	
EU–India: A partnership that must prove itself	16
Ivano di Carlo	

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Introduction



Almut Möller, Director for European and Global Affairs and head of the Europe in the World Programme at the European Policy Centre

Conventional wisdom holds that timing is everything. Arguably, the Free Trade Agreement (FTA) and Security and Defence Partnership (SDP), signed by the European Union and India in early 2026, arrived at exactly the right time. In a turbulent international environment, both sides needed good news – and proof that meaningful cooperation remains possible.

That should not be underestimated. At a time when military force is once again being treated as an acceptable way to pursue political interests, when economic coercion is becoming more entrenched in global trade, and when diplomacy, negotiation and compromise are increasingly dismissed, the fact that the EU and India have chosen to strengthen ties through a negotiated set of agreements designed to benefit both Indians and Europeans is a success in itself.

The images from the FTA signing ceremony in New Delhi in January 2026, and the honour accorded by the Government of India to EU Commission President Ursula von der Leyen and EU Council President António Costa by welcoming them as guests at the Indian national holiday parade, reinforced the sense of global relevance. The world's largest democracies, together representing around one quarter of the global population, stood side by side behind a constructive agenda.

Yet symbolism is only the beginning. What matters now is what comes next. Can the EU and India build a more ambitious relationship that delivers on this newly declared agenda – and perhaps even influences global affairs?

This publication seeks to take stock of expert views a few months after the signing of the agreements. The European Policy Centre (EPC) invited experts from Europe, India and South Asia to assess the prospects for the bilateral relationship in light of developments in

their respective fields. The resulting collection explores the evolving EU–India partnership across its economic, geopolitical, technological and security dimensions.

These texts are, of course, snapshots at a particular moment. But they do more than illuminate the context and significance of the new EU–India agenda. They also bring together expert communities willing to engage with this relationship both openly and critically.

Stronger exchanges between experts from the EU and India, across sectors and perspectives, can help make this ambitious agenda more likely to succeed.

One way of looking at the framework of agreements is as the creation of opportunity – but one that cannot be realised by governments and officials alone. If the FTA is to succeed once it is formally signed later this year in Brussels, business will need to step into the space it opens and turn political intent into practical reality.

Research organisations and think tanks also have a role to play. Stronger exchanges between experts from the EU and India, across sectors and perspectives, can help make this ambitious agenda more likely to succeed. Not only can they support with expertise and engagement, but they can also identify and address the divergent interests and goals that will inevitably shape this important bilateral relationship as it evolves.

Swift ratification and effective implementation will determine the EU–India FTA’s success



Luisa Santos, Deputy Director General at BusinessEurope

On 26 January 2026, the EU and India concluded negotiations on a long-awaited Free Trade Agreement (FTA). In a global environment shaped by uncertainty and fragmentation, the agreement is both timely and necessary. It provides a concrete framework for closer cooperation between two partners committed to openness and rules-based trade. Amid intensifying global competition, it will strengthen resilience, boost competitiveness and equip companies to navigate new geoeconomic challenges.

As a key pillar of the EU’s diversification strategy, the FTA will create significant opportunities for businesses on both sides. By eliminating or reducing more than 90% of Indian tariffs, the agreement will further open the Indian market to European companies and could generate savings of up to €4 billion annually. This is expected [to double](#) European exports to India, benefiting a wide range of sectors, from chemicals and machinery to automotive and aviation.

However, the agreement’s success will depend on what happens next. Swift ratification is essential if companies are to benefit without delay. On the EU side, faster progress could be supported by streamlining procedural steps where possible. In particular, completing the

ratification process on the basis of the negotiated English version of the text only, as recently proposed by the European Commission through its new ‘accelerated procedure’, could save up to one year and allow the agreement to enter into force by the end of 2026.

Implementation will be just as important as ratification. Both the EU and India must ensure the practical removal of remaining barriers to trade and investment. Clear guidance, transparency and awareness-raising will be key, particularly for small and medium-sized enterprises (SMEs). Ultimately, the success of the FTA will depend on its effective implementation and its tangible impact on trade and investment flows.

As a key pillar of the EU’s diversification strategy, the FTA will create significant opportunities for businesses on both sides.

EU–India economic ties are built on continuity, not breakthroughs



Sonia Prashar, Secretary General, Federation of European Business in India

The EU–India economic relationship has been shaped not by episodic breakthroughs, but by continuity. It has grown steadily through business-to-business engagement, long-term investments and sustained collaboration between companies, particularly small and medium enterprises (SMEs), which form the backbone of both the European Union and Indian economies. These may not be headline-grabbing transactions, but they are the foundations of durable economic integration.

EU companies have been present in India for decades – in some cases since the 19th century – operating across manufacturing, engineering, clean technologies, mobility, life sciences and services. Many entered the market early, adapted patiently and embedded themselves deeply in India’s industrial and skills ecosystem. Their approach has been incremental rather than transactional, rooted in long-term planning rather than short-term gain.

This also reflects the nature of the EU itself. As one of the world’s most complex regional integration projects, the EU does not operate with the speed or centralised decisiveness of a nation-state. Its strength lies elsewhere – in consensus, stability and regulatory credibility. While this complexity can sometimes be difficult to navigate, it has also helped create one of the world’s most predictable and trusted economic spaces.

For Indian businesses, engagement with the EU offers something uniquely valuable: Access, through a single framework, to 27 diverse yet integrated economies. For

European companies, India offers not only scale, but one of the world’s largest and most dynamic growth markets, with rising demand for quality, sustainability and technological sophistication. The relationship is therefore not asymmetrical; it is complementary.

European SMEs in particular have played a quiet but critical role by working with Indian suppliers, establishing niche manufacturing units, supporting skills development and co-developing products for global markets. Collectively, they shape supply chains, create employment and anchor long-term value creation.

With the conclusion of India–EU FTA negotiations, it is worth recognising that much of the groundwork has already been laid. Businesses on both sides are not starting from scratch; they are building on decades of operational familiarity and trust. For them, the value of any future framework lies less in symbolism than in its ability to simplify, scale and accelerate what is already working.

EU companies have been present in India for decades – in some cases since the 19th century.

Engaging India: Demography, democracy and diversity



Pradnya Bivalkar, Independent India Expert

The European Union's relationship with India, in light of shifting geopolitical realities, should be understood through three lenses: democracy, demography and diversity. Each offers opportunities but also presents challenges for deeper engagement.

Democracy is a shared principle, but it functions very differently in practice. India's majoritarian and electorally driven system prioritises regional socio-economic sensitivities through protectionist policies and state-led development, whereas the EU tends to favour a consensus-based regulatory approach. As a result, formal agreements such as the Free Trade Agreement (FTA) are continuously filtered and interpreted through domestic electoral considerations in India, limiting predictability for the EU.

Demography points to a strong potential complementarity. India's young, educated workforce contrasts with Europe's ageing population, creating opportunities in services, mobility and talent flows. However, even with a projected economic growth of 6–7%, India faces significant pressure to deliver employment at scale. This will likely reinforce a model of selective economic openness, balancing job creation, foreign investment regulation and protection of critical domestic industries, while granting EU stakeholders carefully managed market access. Economic logic will not always trump political constraints.

Diversity is one of India's strengths, but also a source of complexity. Its vast socio-political and economic heterogeneity, combined with the underrepresentation of marginalised groups, produces uneven policy implementation and an uneven distribution of gains. At the same time, strong nationalist narratives heighten sensitivity to perceived external influence. For EU engagement to be sustainable and effective, it must take seriously the diversity of India rather than treat the country as a single, uniform market or political actor.

EU–India engagement will be shaped less by formal frameworks and more by India's domestic political realities. For the relationship to bear fruit, the EU will need strategic empathy, flexibility and a nuanced understanding of India's internal dynamics.

India's young, educated workforce contrasts with Europe's ageing population, creating opportunities in services, mobility and talent flows.

What the EU–India FTA means for South Asia



Sajina Rai, Program Director & Research Fellow, Asian Institute of Diplomacy and International Affairs

Signed in January 2026, the EU–India Free Trade Agreement (FTA), widely described as the ‘Mother of all Deals’, carries both opportunities and challenges for South Asia. The renewed engagement could catalyse economic transformation across the region – but also intensify competitive pressures on smaller economies. Deeper EU–India collaboration is likely to increase investment flows and strengthen supply-chain integration. This could benefit not only India, but also countries in the wider neighbourhood, as it prioritises joint investments in third countries through trilateral cooperation, technology transfer and the integration of European capital with South Asian production bases. If goods are produced in India at a lower cost, consumers in neighbouring South Asian countries could gain access to European brands at cheaper prices. In turn, smaller industries across the region could use this opportunity to improve their products and services and move closer to European standards.

However, these opportunities come with clear risks. Small industries in the region may struggle to compete with Indian firms backed by greater access to capital, technology and the EU market. Nepal offers one example.

Although Nepali exports remain limited, they currently benefit from duty-free and quota-free access under the Everything But Arms arrangement. If India begins exporting similar products at greater scale, and with higher quality or lower prices, Nepali firms could face serious competitive disadvantages that even threaten their survival.

The EU–India partnership therefore presents a double-edged sword for the wider region. Either South Asian countries take it as an opportunity to upgrade, collaborate and integrate into an evolving regional value chain, or isolate themselves and risk being left behind in an increasingly competitive landscape.

Deeper EU–India collaboration is likely to increase investment flows and strengthen supply-chain integration.

Bilateral momentum, multilateral potential?



Svitlana Taran, Policy Analyst at the European Policy Centre

Elixabete Arrieta, Junior Policy Analyst at the European Policy Centre



India's intensified negotiation over the past years and recent [conclusion of free trade agreements \(FTAs\)](#) signal a gradual shift towards a more outward-oriented economic strategy. This reflects geopolitical tensions pushing New Delhi to [expand export capacity, attract investment](#), secure market access and deepen cooperation with key partners in areas such as trade, technology transfer and defence. It also aligns with India's broader ambition to play a more active global role through a strategy of multi-alignment. This shift coincides with the EU's renewed focus on international partnerships and trade diversification, creating a convergence of interests that has helped revive the long-stalled EU–India FTA.

The recent breakthrough in EU–India relations raises the question of whether bilateral momentum could also translate into [closer cooperation](#) in international forums. So far, however, that has not been the case. As [recent WTO Ministerial Conferences have shown](#), the EU and India continue to differ in both emphasis and ambition when it comes to the international trading system. The EU advocates [for comprehensive WTO reform](#), 'flexible multilateralism' through plurilateral agreements, stricter rules on industrial subsidies and more targeted and needs-based treatment for developing countries. India, by contrast, prioritises preserving policy space for developing economies and consensus-based decision-making. It has also consistently opposed plurilateral agreements, including on investment facilitation and e-commerce, even despite their growing support among developing countries.

These differences do not rule out constructive engagement. Despite their diverging interpretations, both actors are [committed](#) to a rules-based international order and continue to see value in multilateral institutions. India has also played a proactive and stabilising role in fora such as the G20, seeking to preserve issue-based cooperation where consensus remains possible. The EU and India are also working together in multinational connectivity initiatives, including the India–Middle East–Europe Economic Corridor (IMEC).

Deeper cooperation on technology, sustainability, security and defence will not automatically produce multilateral alignment. It could, however, create opportunities to narrow existing gaps and prevent further weakening of the multilateral system, which remains essential for developing countries.

As recent WTO Ministerial Conferences have shown, the EU and India continue to differ in both emphasis and ambition when it comes to the international trading system.

Advancing labour mobility in EU–India relations



Marianna Gorgerino, Junior Policy Analyst within the European Migration and Diversity Programme at the European Policy Centre

The growing geostrategic importance of India for the EU has pushed migration to the forefront of [relations](#), with a dual focus on facilitating legal mobility and preventing irregular migration.

In recent years, [skills and labour shortages](#) in sectors such as information and communications technology (ICT), green technology and healthcare have prompted several member states, notably Germany and France, to pursue bilateral mobility agreements with India. These efforts have set the stage for expanded cooperation at the EU level. Meanwhile, India has called for a more coordinated and operational framework.

The [Memorandum of Understanding \(MoU\) on mobility](#), signed in January 2026, is an important step in that direction, even though it is not legally binding. One of its key pillars is the creation of a ‘Gateway Office’ in India. As a pilot initiative and the first of its kind globally, it signals the shift from intergovernmental dialogue to direct engagement with Indian nationals. Conceived as a one-stop hub, the Office will provide prospective candidates, including [students](#), with information on legal migration pathways across EU member states, initially focusing on the ICT sector. A complementary Brussels-based hub will also be created to support outreach to employers and member states. In the long term, the Commission hopes that the Office will become financially self-sustaining, with support from private-sector partners.

Compared to the more resource-intensive Talent Partnerships, the Gateway may attract broader participation from member states. If successful, it could be extended to other sectors and serve as a scalable model. Still, many of the same questions that have accompanied other EU labour migration initiatives remain. Member-state buy-in is not guaranteed, nor is the willingness of key stakeholders to support the initiative [financially and operationally](#).

Ultimately, the success of this framework will depend on how effectively it addresses practical challenges, such as qualification recognition and integration, while aligning migration management objectives with a longer term vision for mobility.

Skills and labour shortages in sectors such as information and communications technology (ICT), green technology and healthcare have prompted several member states, notably Germany and France, to pursue bilateral mobility agreements with India.

The EU–India defence partnership marks a strategic shift



Rajnish Singh, Media Outreach Executive at the European Policy Centre

The EU–India Free Trade Agreement (FTA) and the parallel Security and Defence Partnership (SDP), signed in January 2026, signal a decisive shift in the relationship towards strategic and security cooperation. Moving beyond trade alone, the aim is to deepen military–industrial ties, with Europe increasingly viewing India as a dependable partner in key defence sectors. This opens new economic and industrial opportunities for both sides.

The timing is significant. Europe’s defence ecosystem is under pressure: ammunition stockpiles have been depleted by support for Ukraine, while long-term capability expansion is now embedded in the EU’s €800 billion defence push. At the same time, there is growing momentum within Europe to reduce reliance on the US. India, meanwhile, is seeking to diversify away from Russia and attract Western technology and investment to advance its defence modernisation under its *Aatmanirbhar Bharat* (Made in India) strategy. This has already contributed to growth in Indian defence exports to Europe, particularly in ammunition, drones, explosives and components, as EU states replenish inventories.

The SDP is notably comprehensive for an EU partnership with an Asian country. It includes cooperation in maritime security, cyber and space domains, hybrid threats, counterterrorism, and defence–industrial collaboration, supported by an annual security dialogue. Concrete measures include deploying an EU liaison officer to India’s Information Fusion Centre in Gurugram and exploring joint naval operations from the western Indian Ocean to the Gulf of Guinea.

However, the industrial dimension – arguably the most transformative – faces challenges. Joint weapons development has proven difficult within the EU, where member states are reluctant to share control over production and technology. Disputes in major European programmes reflect ongoing tensions over intellectual property, operational requirements and industrial leadership. India has encountered similar difficulties in past collaborations, including Russia’s SU-57 fighter programme, from which it eventually withdrew.

Geopolitics add further complexity. The EU hopes India will reduce its defence ties with Russia, while India remains committed to strategic autonomy and wary about external entanglements. Export controls and end-use concerns also complicate closer cooperation.

Even so, the strategic gains remain compelling. With Indian firms potentially gaining access to EU defence funding and European industry seeking scalable, cost-effective production, the partnership offers clear mutual benefits – provided both sides can overcome long-standing political and industrial barriers.

Europe’s defence ecosystem is under pressure: ammunition stockpiles have been depleted by support for Ukraine, while long-term capability expansion is now embedded in the EU’s €800 billion defence push.

EU–India defence industrial cooperation



Shairee Malhotra, Deputy Director, Strategic Studies Programme, Observer Research Foundation (ORF)

The signing of the Security and Defence Partnership (SDP) in January 2026 marked a critical moment in EU–India relations. Among other initiatives, the [agreement](#) recognises the potential for Indian participation in “relevant EU defense initiatives”.

Amid profound disruptions to transatlantic relations and the ongoing Russia–Ukraine war, the EU faces acute pressure to rapidly scale defence production. The €800 billion ReArm Europe plan and the €150 billion SAFE instrument reflect the bloc’s urgency to diversify suppliers and reduce structural vulnerabilities. Meanwhile, India has built a competitive defence manufacturing ecosystem, offering cost efficiency, scalable production and a growing export track record. Indian 155mm artillery shells, for instance, [cost less than a third](#) of comparable Western European alternatives. Indian defence exports to Europe have [surged](#) from \$2.8 million before the war to \$135.25 million between 2022 and 2024.

The EU’s rearmament drive creates an opportunity for India to integrate into European defence supply chains, including through co-development and co-production, while also gaining potential access to advanced European technologies. For Europe, closer cooperation with India could diversify procurement and strengthen ties with strategic partners in the Indo-Pacific.

The SDP creates a framework to support this convergence through a dedicated Defence Industry Forum, an annual Security and Defence Dialogue, a pathway for Indian companies to access SAFE, and negotiations on a Security of Information Agreement (SoIA), which would unlock classified information exchange and future Indian participation in Permanent Structured Cooperation (PESCO) projects.

Yet challenges remain. India’s dependence on Russian military platforms, around 60% of inventory, and wider relationship with Russia raise European concerns over technology leakage and complicate sensitive transfers. Regulatory friction is another challenge. India’s indigenisation thresholds under the Defence Acquisition Procedure (DAP 2020) and SAFE’s rule that 65% of component costs must originate within the EU are difficult to reconcile. At the same time, pressure on both sides to “make and buy local” persists, while defence decision-making remains largely in the hands of member states rather than Brussels. This may limit what the partnership can deliver at the EU level, even as it adds momentum to India’s already robust defence ties with member states such as France, Germany, Spain, Italy and Sweden. Bridging these gaps will be a key test of the partnership’s credibility.

For Europe, closer cooperation with India could diversify procurement and strengthen ties with strategic partners in the Indo-Pacific.

From consumers to architects: EU–India and the renewable opportunity



Stefania Benaglia, Independent Researcher and Foreign Policy Adviser

The strategic case for renewables and sustainable food systems is today stronger than ever. The question for EU–India relations is no longer whether to act, but whether to lead.

The conflict in Iran is the latest reminder that dependence on fossil fuels is a geostrategic vulnerability, not an environmental footnote. Energy shocks ripple rapidly through oil markets, food supply chains and strategic calculations far beyond the immediate region. They affect not only industry and transport, but the fertiliser systems on which food production depends. Yet the problem is still misdiagnosed. Sustainable energy and food are not secondary environmental commitments; they are critical security infrastructure. A more strategic approach is overdue – and it demands a different narrative. The current politics of fear has not generated the will that transformation requires. A constructive, ambitious and forward-looking engagement may prove more effective.

The EU and India are placed to lead. The prominence given to the green transition and resilience in the [Joint EU-India Comprehensive Strategic Agenda](#) signals that ambition. Together, the two partners possess the

industrial base, technological depth and market scale to become architects of global renewable infrastructure rather than merely consumers of it. If these strengths are combined more effectively – including through a reformed Trade and Technology Council, where the second working group on clean energy remains stubbornly underused – the EU–India tandem could stop ceding ground to China and compete more credibly on technology, price and terms. Initiatives such as the India-Middle East-Europe Economic Corridor (IMEC) should reflect this ambition: they should become corridors for clean energy trade and the industrial partnerships that sustain it, rather than simply channels for fossil fuels and logistical efficiency.

The question for EU–India relations is no longer whether to act, but whether to lead.

Deepening EU–India maritime security cooperation



Chris Kremidas-Courtney, Senior Visiting Fellow in the Europe in the World Programme at the European Policy Centre

The new EU–India Security and Defence Partnership opens a timely window to shape the [security](#) of the Indian Ocean as geopolitical tensions increasingly disrupt the maritime routes that carry global trade. One key opportunity is to build a persistent cooperative maritime presence across a space that stretches from the Red Sea to the wider Indo-Pacific region.

The EU’s Coordinated Maritime Presences (CMP) provides a politically coordinated but nationally executed European [presence](#) that could be synchronised with Indian Navy deployment cycles to secure trade routes and deter criminal activity such as piracy and illegal fishing. This could include planned overlap periods for patrols, coordinated port visits and recurring joint exercises, creating operational continuity without the political friction of new command structures. CMP, in effect, could become Europe’s standing maritime interface with India in the Indian Ocean.

Maritime domain awareness is another opportunity under this new agreement. Linking EU naval information-sharing networks and CMP coordination cells with India’s Information Fusion Centre–Indian Ocean Region could enable reciprocal data flows and near-real-time picture sharing across key sea lanes. Rather than building a single fused system, this would enable common situational awareness from the Mediterranean and Gulf of Aden through the Arabian Sea and into the wider Indian Ocean.

Subsea infrastructure protection also stands out as a potential area for cooperation. The new partnership creates space for joint threat assessments, coordinated patrol patterns near cable routes and energy corridors, shared approaches to seabed monitoring and combined exercises focused on cable disruption scenarios. Given the Indian Ocean’s growing density of digital and energy links, this could become an important feature of EU–India maritime security cooperation.

Taken together, these strands could form a de facto Indo-European maritime security network capable of stabilising the world’s most economically vital ocean amid growing disruption along its key sea lanes.

One key opportunity is to build a persistent cooperative maritime presence across a space that stretches from the Red Sea to the wider Indo-Pacific region.

Beyond conventional security: towards an EU–India strategic maritime compact



Dattesh D. Parulekar, Assistant Professor at the School of International and Area Studies, Goa University

The recent inking of the broad EU–India Defence and Security Pact, alongside the conclusion of the bilateral Free Trade Agreement, marks an inflection point in the partnership. It suggests a shift towards a framework that integrates intellectual property, industrial collaboration and operational coordination, particularly in the maritime realm. With interoperable exercises already focused on situational awareness and de-confliction, the next step should be to move beyond tactical coordination and build a broader strategic compact. Such a compact would blend fiscal, industrial, military, technological and skills development approaches in support of maritime sustainability and resilience, within a sovereign framework that is neither US-led nor China-centric.

This cooperation is well suited to existing strategic frameworks. New Delhi’s MAHASAGAR and Indo-Pacific Oceans Initiative (IPOI) harmonise with European initiatives such as Enhancing Security Cooperation in and with Asia (ESIWA).

Together, they create scope for collaboration across five areas:

- 1) mitigating non-traditional security threats to good-order-at-sea;
- 2) building sound maritime infrastructure across coastal and island states alike;
- 3) advancing the blue-economy;
- 4) strengthening technological solutions for environmental and digital maritime and under-water domain awareness (MDA & UDA); and
- 5) promoting a more inclusive and non-antagonistic trans-oceanic maritime order.

Despite its ambition to act geopolitically, the EU remains above all a geo-economics actor, shaped by a preference for transparent, stakeholder-centric and rules-based outcomes. These values sit comfortably with India’s own strategic outlook, including commitments to democracy and strategic autonomy. New Delhi’s own maritime thinking – including its emphasis on small islands as large ocean states, the link between ocean health and ocean wealth, and the holistic advancement of maritime security and growth – ought to sit comfortably with Brussels.

The potential for EU–India third-country maritime development cooperation is particularly significant. So too is the EU’s possible engagement with sub-regional groupings such as the Colombo Security Dialogue in the Indian Ocean and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). These avenues could help advance shared goals in energy security, stable maritime trade and ecological resilience.

Despite its ambition to act geopolitically, the EU remains above all a geo-economics actor, shaped by a preference for transparent, stakeholder-centric and rules-based outcomes.

Institutionalising India–EU space partnership



Tejas Bharadwaj, Senior Research Analyst with the Technology and Society Program at Carnegie India

The space partnership between India and the European Union (EU) has seen strong convergence over the past two years. India's long-standing emphasis on strategic autonomy and the EU's growing focus on technological sovereignty have increasingly aligned in the space domain, as both partners seek to develop new supply chains, reduce dependencies and co-develop strategic space capabilities. By pooling the EU's research and development (R&D) capacity and expanded funding with India's legacy space capabilities, industrial base and talent, both partners are well placed to build on these complementarities.

Challenges remain. These include EU's complex regulatory landscape and Europe's apprehensions about India's long-standing defence partnership with Russia. But opportunities are considerable. Since India's space-sector reforms in 2020, some of the 330 Indian space companies and startups have begun entering the European space market and forging ties with European counterparts. EU defence-tech companies with a large presence in India are also showing interest in expanding into space tech.

Against this backdrop, the EU–India Space Dialogue, has emerged as an important mechanism for cooperation. Launched in November 2025, the dialogue convened officials from the European Commission's Directorate-General for Defence Industry and Space (DG DEFIS), the European External Action Service (EEAS), India's Ministry of External Affairs (MEA) and the Indian Space Research Earth Observation (ISRO). It focuses on cooperation across areas such as space-based navigation, Earth observation,

space traffic management, space commerce and space security. Its inclusion in the Towards 2030 Joint Strategic Agenda also suggests that both sides see it as a long-term framework to deliver tangible outcomes.

The Space Dialogue reflects two broader developments: First, the institutionalisation of long-standing space relations between India and Europe, while expanding cooperation into newer and more strategic capabilities. Second, an appetite to move beyond the agency-level ties that ISRO had built with the European Space Agency (ESA) and other national space agencies, and towards commercial cooperation involving start-ups, entrepreneurs and private-sector actors.

Future agendas for cooperation may include inter-planetary missions to the Moon and Mars, collaboration on next-gen launch services to diversify access to space and the creation of a joint innovation bridge linking private space ecosystems.

Since India's space-sector reforms in 2020, some of the 330 Indian space companies and startups have begun entering the European space market and forging ties with European counterparts.

EU–India: A partnership that must prove itself



Ivano di Carlo, Senior Policy Analyst at the European Policy Centre

At a time when headlines are dominated by geopolitical tensions and an increasingly fractured world order, moments of cooperation between major actors attract particular attention. The European Union (EU) and India are a case in point. Whether driven by genuine strategic convergence or by shared self-interest in a period of mounting global uncertainty, both are showing clear signs of renewed political and economic momentum.

The EU and India have strong incentives to deepen cooperation. Concerns over economic resilience, supply chain diversification, digital governance and connectivity, and regional security are drawing New Delhi and Brussels closer. But however promising these shared priorities may be, they must be translated into concrete action. Without delivery, ambitious strategies lose steam.

Trade remains one of the most promising areas of cooperation. The signing of the Free Trade Agreement (FTA) is an important signal that transcends the bilateral relationship itself. It reflects a strategic political initiative designed to advance wider geoeconomic objectives and shows that the EU and India are seeking to strengthen their position in the global game. The FTA is far from being comprehensive, and therefore moving forward will require political compromise, some technical flexibility and a willingness to address long-standing differences on issues such as market access, regulatory standards and sustainability requirements while engaging a wide range of stakeholders, including business and civil society. Successful implementation – and upgrading existing policies and platforms – would not only strengthen economic ties, but offer a tangible demonstration of mutual commitment.

Security cooperation presents another test of substance over symbolism. Both sides face evolving, and at times unpredictable, geopolitical challenges, from maritime security concerns to the broader implications of shifting global power balances. Concrete initiatives are already underway, and with the signing of the Security and Defence Partnership (SDP), both sides have laid the groundwork for more structured collaboration.

Yet a strong partnership cannot rest on trade and security alone. Unaddressed political differences may resurface and quickly strain the relationship. One of the central challenges in EU–India relations is how to manage different geopolitical views. For instance, India's long-standing ties with Russia have tested European expectations since the full-scale invasion of Ukraine. So far, the EU has responded with pragmatism, and both players have kept channels of communication open without allowing differences to dominate the relationship. Even so, concerns remain and addressing these as early as possible would help prevent unnecessary friction as the relationship deepens.

The trajectory of EU–India relations will eventually be shaped less by ambitious declarations than by the ability of both sides to deliver tangible results. Diplomatic enthusiasm and carefully worded joint statements can signal political will but are insufficient on their own to build a resilient and effective partnership. What should be avoided is creating a gap between expectations and reality, which could erode trust and credibility over time.

Ultimately, however, the relationship is not shaped by governments alone. It is also defined by the expectations, priorities, material conditions and political imaginaries of nearly two billion people on both sides. In the end, it is their needs, aspirations and perceptions that will determine its future.

Concerns over economic resilience, supply chain diversification, digital governance and connectivity, and regional security are drawing New Delhi and Brussels closer.

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