

Mr. Ignacio Garcia-Bercero
Director - DG Trade C
European Commission
Charlemagne Building
170, rue de la Loi
1049 - Brussels
Belgium

Brussels, 5 December 2011

Subject: Commitments for European services industry must be significant in the EU-India FTA deal

Dear Mr Garcia-Bercero,

At this crucial stage in the EU-India FTA talks, I am writing to reiterate the importance that the European Services sector attaches to these trade negotiations.

While we are pleased by the progress that has been achieved thus far, we remain very concerned that key services sectors will not achieve the ambitious market openings that they have sought in these negotiations. While this is due in part to an inability to move necessary decisions or legislation through the institutions of the Indian government, we nevertheless feel it necessary to urge the Commission to safeguard the securing of broad services market access as a top priority. To this end, we encourage you to apply increased pressure, where possible, to help through key domestic reforms that will facilitate the Indian negotiators in binding services commitments in the trade agreement with the European Union.

While still regrettably unstable, the instinct of the Indian Cabinet to reduce FDI restrictions on Retail for single-brand and multi-brand is most encouraging and would be a very significant reform that we hope to see adopted and consolidated into India's FTA schedule of commitments. But this still leaves us with important decisions and legislative reforms to be made in a number of equally important sectors, including Banking, Insurance, Postal, Legal, Maritime, as well as in Accounting and Auditing services. Consequently, the current scenario is not satisfactory and guarantees must be made that other services sectors will benefit from this agreement. In this regard, you will recall that the European Services Forum has provided your services with a

position paper containing the priorities of the various services sectors in this trade agreement and we appreciate your careful consideration of it.

The private sector is aware of the difficulties posed by introducing and addressing domestic reform issues; however, we maintain that all must be done to ensure that the current window of opportunity does not pass us by without a considerable number of reforms being taken by the Indian government that are well known to be pivotal for European services companies in gaining access to the Indian market.

On the other hand, we believe that the EU should be ambitious in its offer on temporary movement of services providers (Mode 4) so as to capitalise on the win-win opportunities it offer. European services companies need access to specific personnel with specific high skills in order to maintain their competitiveness. In addition, India clearly sees tremendous value in gaining Mode 4 commitments from the EU and could therefore present the EU with an opportunity for achieving greater ambition from both sides.

We therefore ask that you carefully consider the concerns set out in this letter throughout the negotiations with India and we strongly support and hope for an ambitious lead into the Summit in February

Naturally we remain at your disposal should you seek further information.

Yours sincerely,



Pascal Kerneis,
Managing Director

The European Services Forum (ESF) is a private sector trade association that represent the interests of the European services industry in International Trade Negotiations in Services. It comprises major European service companies at the CEO level and European service sector federations covering service sectors such as financial services, tourism, telecommunications, maritime transport, business and professional services, distribution, postal and express delivery, IT services, energy services and the audio-visual industry (see full list of members on the web-site: www.esf.be). It is estimated that ESF membership covers approximately 80% of Extra EU services exports and investments. ESF members employ more than 90 million workers, are present in more than 200 countries and provide services to hundreds of millions of consumers in Europe and around the world. The European Union is by far the largest exporter of international trade in services (26% of world share).