



Confederation of Indian Industry

INDIA AND MEDITERRANEAN NATIONS: CROSSROADS OF COMMERCE

SEPTEMBER 2024



Copyright © 2024 Confederation of Indian Industry (CII). All rights reserved.

No part of this publication may be reproduced, stored in, or introduced into a retrieval system, or transmitted in any form or by any means (electronic, mechanical, photocopying, recording or otherwise), in part or full in any manner whatsoever, or translated into any language, without the prior written permission of the copyright owner. CII has made every effort to ensure the accuracy of the information and material presented in this document. Nonetheless, all information, estimates and opinions contained in this publication are subject to change without notice, and do not constitute professional advice in any manner. Neither CII nor any of its office bearers or analysts or employees accept or assume any responsibility or liability in respect of the information provided herein. However, any discrepancy, error, etc. found in this publication may please be brought to the notice of CII for appropriate correction.

Published by Confederation of Indian Industry (CII), The Mantosh Sondhi Centre; 23, Institutional Area, Lodi Road, New Delhi 110003, India, Tel: +91-11-45771000 | Email: info@cii.in | Web: www.cii.in

Contents

04 EXECUTIVE SUMMARY

07 INTRODUCTION

13 BILATERAL TRADE RELATIONS

14 EUROPE

41 WEST ASIA AND NORTH AFRICA

56 OPPORTUNITIES IN THE MARITIME DOMAIN

60 POTENTIAL AND EXISTING AREAS OF
COLLABORATION

70 RECOMMENDATIONS FOR A WAY FORWARD

74 CONCLUSION

76 INDIAN ECONOMY

Executive Summary

The region around the Mediterranean Sea is an important geoeconomic and geopolitical sphere for India. Age-old economic and cultural links impart shared connections and understanding between the two sides, which can be the basis for enhanced economic collaboration for a brighter future together.

The Sea, bordered by three continents of Europe, Africa and Asia, is one of the largest and busiest waterways in the world, transporting almost 20% of global maritime trade and is home to twenty-eight countries from the three continents which enjoy a collective GDP of USD 10.5 trillion¹.

Similarly, India is the world's fifth largest economy with a GDP of USD 3.5 trillion and is projected to be the world's fastest growing large economy in the coming year with a projected 8% growth in FY25². Therefore, both regions are significant components of the present and future global economy and increased bilateral cooperation will benefit the economies of both sides.

The Mediterranean rim countries represent a large bilateral trading partner of India, with a total merchandise trade value of USD 76.2 billion, or a 6.8% share of India's overall bilateral trade. For the purposes of this report, the Mediterranean countries are categorised into three sub-regions: countries belonging to Europe, those in West Asia, and the ones in the North Africa rim.

¹ <https://www.unep.org/unepmap/news/press-release/mediterranean-historic-milestone-MedSOxECA>

² Based on CII calculations



India is the world's fifth largest economy with a GDP of USD 3.5 trillion

The European economies are the largest the region and are India's largest trading partners in the Mediterranean with a value of USD 55.9 billion. France, Italy, Spain, Turkey, Romania, and Greece are represented in the top 10 Mediterranean trading partners of India.

The North Africa rim countries are the second largest trading partners of India with a total trade value of USD 10.3 billion. Egypt and Morocco are the largest individual trading partners of India in the North African region.

The West Asia countries of the Mediterranean are also a major trading partner of India and have a total trade value of nearly USD 10 billion, with Israel and Jordan being the largest individual trading partners of India in the region.

India has a diverse base of existing trading partners in the Mediterranean region which could be expanded through specific strategies and expansion of cooperation areas. India and the Mediterranean have several potential areas of collaboration:

- The India Middle East Europe Economic Corridor (IMEC) is a proposed logistics corridor between India and the Mediterranean region that could increase trade, digital, and energy linkages between the two regions
- Joint manufacturing of products or components of products in India by Mediterranean and Indian companies through incentive programs to integrate India in Mediterranean supply chains
- Increased participation and investment from Mediterranean nations in the development of India's defence industrial complex, which could improve defence cooperation
- Increased cooperation on digital technologies and technologies sharing partnerships including joint development of a multilateral digital platform modeled on the India Stack
- Joint development of submarine cables to secure and integrate telecommunications and improve digital connectivity between the Mediterranean region and India

- Increased emphasis on investing and developing the circular economy and smart cities in India in line with Sustainable Development Goals and climate initiatives in both regions
- Improved connectivity in the agricultural sector with development of Global Agricultural Value Chains (GAVC) linking the production, processing, and distribution of agricultural products in both the Mediterranean and Indian region
- Forming partnerships on renewable energy and joint research and development on alternative energy to decrease dependence on fossil fuels and increase adherence to climate goals in both regions
- Developing mobility partnerships between India and Mediterranean nations to address need for skilled labour in Mediterranean nations and facilitate skill development and technology transfer between India and the Mediterranean

Based on these areas of collaboration, CII recommends the following:

- India should consider bilateral Free Trade Agreements with key Mediterranean partners to increase economic cooperation and improve Ease of Doing Business (EODB)
- India and Mediterranean nations should cooperate more closely in the defence sector through joint development and technology sharing
- India can increase and diversify industrial linkages through special industrial corridors, plug and play infrastructure and logistics connectivity as well as a dedicated investment facilitation platform to attract more Mediterranean investors into Indian industries
- India and the Mediterranean should jointly develop more port infrastructure to diversify shipping linkages and increase security of the India Middle East Europe Economic Corridor (IMEC)

- Indian and Mediterranean telecommunications companies should collaborate on the development of submarine cables between the two regions
- India and Mediterranean countries should improve mobility through direct aviation routes as well as signing circular mobility agreements for high-skilled workers
- India and the Mediterranean should cooperate on circular economy projects and skill development initiatives to combat climate change
- India and Mediterranean nations should cooperate on the development and utilisation of green hydrogen and accelerate the adoption of renewable energy
- India and the Mediterranean should leverage the India Stack to create digital solutions for cross border payments between both regions
- India should invest significantly in technological improvement and integration with Global Agricultural Value Chains (GAVC)

India and the Mediterranean have closely cooperated over thousands of years and have the potential to collaborate closer in the sectors identified in this report in the coming years.





India has an overall trade value of USD 1.11 trillion with USD 437 billion of goods exports, USD 678 billion of imports

Introduction

The Mediterranean Sea geography has been a historically significant region throughout the ages and has served as a base of countless empires including the Roman, Egyptian, Greek, and Phoenician empires. In the present day, the Mediterranean stands as a significant component of the global economy and sits at the crossroads of the West and the East.

Likewise, India is also an ancient, historically significant region that is a rising economic power in the modern era. The South Asian nation stood as a key trading nation in historical times and evidence of its close economic relations with the Mediterranean countries abound on both sides.

The Mediterranean region is home to twenty-eight countries spread across three continents with a collective GDP of nearly USD 10.5 trillion, or nearly 10% of global GDP³. These countries stand at different positions on the development scale, including developed countries as well as developing countries.

India is currently the fifth largest economy in the world with a GDP of over USD 3.5 trillion and is the fastest-growing large economy with a projected growth rate of 8% in FY25⁴.

India has an overall trade value of USD 1.12 trillion with USD 437 billion of goods exports, USD 678 billion of imports, and a trade balance of USD -241 billion for 2023-24⁵.

³ https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?most_recent_value_desc=true

⁴ <https://www.cii.in/PressreleasesDetail.aspx?enc=Lb9p38qZwXtkOqh256skmZ4M7DhVI/7cNSN4TGAAj1M=>

⁵ <https://tradestat.commerce.gov.in/eidb/iecnt.asp>

Therefore, India presents a significant partner for both Mediterranean imports and exports. The historical linkages of the Mediterranean and India and their respective robust economies in the present serve as drivers for a future era of closer Indo-Mediterranean cooperation.

The Mediterranean rim countries can be sectioned into three distinct regions for convenience: Europe, West Asia, and North Africa. The economy of the region falling in Europe is the largest in the Mediterranean with a collective GDP of over USD 9 trillion⁶ and an annual trade value of USD 55.9 billion with India⁷. Italy, France, and Turkey are some of the largest economies in the region.

The North African countries around the Mediterranean enjoy a GDP of over USD 876 billion⁸ and annual trade worth USD 10.3 billion with India⁹. Egypt and Morocco are the largest economies and trading partners of India in the region.

Finally, the West Asian region has a GDP of USD 605 billion¹⁰ and has nearly USD 10 billion in annual trade with India¹¹, with Israel and Jordan being the largest individual trading partners from the region. Altogether, India and the Mediterranean countries have a total bilateral trade value of USD 76.2 billion¹².

As globalisation continues to bring the world together and goods are manufactured and sold across multiple geographies, bilateral and multilateral economic cooperation becomes more important for countries. India and the Mediterranean are important regions that could benefit significantly from deeper and closer cooperation across multiple sectors including agriculture, aerospace and defence, and submarine telecommunications.

Additionally, given the mutual threat of climate change, increased technological and scientific cooperation on areas like renewable energy and sustainable urban infrastructure would greatly support India's net zero goal by 2070 as well as Mediterranean nations' individual climate goals.

Furthermore, as India develops its manufacturing capacity and export competitiveness, lucrative opportunities for investment and joint ventures in the digital, marine, and manufacturing spaces are available for Mediterranean based companies.

India and the countries of the Mediterranean region can also leverage the contiguity of the seashore to develop trilateral partnerships for development. These could involve investments and funds for development projects and initiatives in the emerging regional countries and knowhow and technical capabilities from India. Such convergent partnerships would support the development of the region while offering opportunities to each of the partner nations.

Finally, as India and the Mediterranean increase economic, defence, and technological cooperation, dedicated land, marine, and air corridors will have to be created not only to support increased volumes of trade but also to make trade seamless and more efficient. In this regard, the India Middle East Europe Economic Corridor (IMEC), a proposed dedicated trade corridor that connects India, Middle Eastern and Mediterranean countries like Israel, Greece, Italy, and France, represents a strategic initiative that will provide immense opportunities to all participating nations. The IMEC promises to create new routes through transport, energy and digital links that will support greater trade and higher mutual investments. It would also help to develop closer strategic ties between the two sides.

⁶ <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>

⁷ <https://tradedstat.commerce.gov.in/eidb/default.asp>

⁸ <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>

⁹ <https://tradedstat.commerce.gov.in/eidb/default.asp>

¹⁰ <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>

¹¹ <https://tradedstat.commerce.gov.in/eidb/default.asp>

¹² <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>

Some of the potential areas of cooperation could include the blue economy, global value chains, aerospace and defence, wired telecommunications, circular economy, and urbanisation. This paper explores and elaborates

on the major bilateral relationships that India has with Mediterranean states as well as existing areas of collaboration and a potential way forward. It also highlights potential sustainability collaborations between both regions.

List of Mediterranean countries

Europe >>>



West Asia >>>



North Africa >>>



Table 1: Mediterranean countries GDP (2023) and respective total trade with India

Country	Mediterranean Overall GDP in USD billion	Total trade with India, USD million
France	3030	15112
Italy	2250	14562
Turkey	1110	10435
Spain	1580	7249
Israel	510	6533
Egypt	396	4678
Romania	351	2978
Jordan	51	2876
Morocco	141	2436
Greece	238	1940
Algeria	240	1734
Albania	23	1162
Slovenia	68	895
Libya	50	804
Tunisia	49	676
Malta	21	532
Lebanon	18	458
Bulgaria	102	416
Croatia	83	291
Cyprus	32	136
Serbia	75	126
Syria	9	82
North Macedonia	15	37
Montenegro	7	37
Bosnia and Herzegovina	27	34
Monaco	9	3
Palestinian National Authority	17	1
Andorra	4	0.4
Total	10506	76223

Source: Ministry of Commerce and Industry, Government of India, World Bank national accounts data

*Monaco's GDP calculated using most recent 2022 data¹³

*Syria's GDP calculated using most recent 2021 data¹⁴

*Palestinian National Authority GDP calculated based on World Bank West Bank and Gaza data¹⁵

¹³ <https://data.worldbank.org/country/monaco>

¹⁴ <https://data.worldbank.org/indicator/NY.GDPMKTCDD?locations=SY>

¹⁵ <https://data.worldbank.org/country/west-bank-and-gaza>

Table 2: European countries GDP (2023) and respective total trade with India

Country	GDP in USD billion	Total trade with India, USD million
France	3030	15112
Italy	2250	14562
Turkey	1110	10435
Spain	1580	7249
Romania	351	2978
Greece	238	1940
Albania	23	1162
Slovenia	68	895
Malta	21	532
Bulgaria	102	416
Croatia	83	291
Cyprus	32	136
Serbia	75	126
North Macedonia	15	37
Montenegro	7	37
Bosnia and Herzegovina	27	34
Monaco	9	3
Andorra	4	0.4
Total	9017	55945
% of Mediterranean	86%	73%

Source: Ministry of Commerce and Industry, Government of India and World Bank national accounts data

*Monaco's GDP calculated using most recent 2022 data¹⁶

¹⁶ <https://data.worldbank.org/country/monaco>

Table 3: West Asian countries GDP (2023) and respective total trade with India

Country	West Asia GDP in USD billion	Total trade with India, USD million
Israel	510	6533
Jordan	51	2976
Lebanon	18	458
Syria	9	82
Palestinian National Authority	17	0.8
Total	605	9950
% of Mediterranean	6%	13%

Source: Ministry of Commerce and Industry, Government of India, World Bank national accounts data

*Syria's GDP calculated using most recent 2021 data¹⁷

*Palestinian National Authority GDP calculated based on World Bank West Bank and Gaza data¹⁸

Table 4: North African countries GDP (2023) and respective total trade with India

Country	North Africa GDP in USD billion	Total trade with India, USD million
Egypt	396	4678
Morocco	141	2436
Algeria	240	1734
Libya	50	804
Tunisia	49	676
Total	876	10328
% of Mediterranean	8%	14%

Source: Ministry of Commerce and Industry, Government of India, World Bank national accounts data

¹⁷ <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=SY>

¹⁸ <https://data.worldbank.org/country/west-bank-and-gaza>

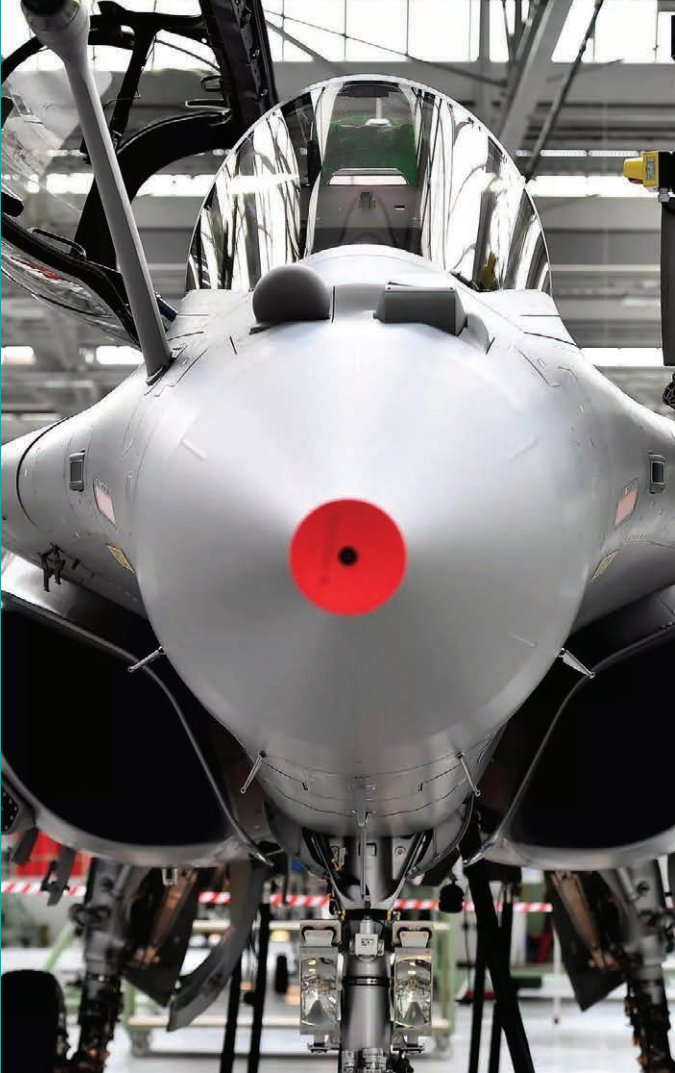


Bilateral Trade Relations



Europe

France



The India-France relationship has become strategically important for both countries. India is an important pillar in France's vision of its strategic autonomy and a multipolar world order. For India, France is an important defence partner as it is India's second largest source of military equipment and serves as a key ally in India's goal of closer cooperation with Europe and the EU. The relationship was further cemented during Bastille Day 2023 when President Macron and Prime Minister Modi signed "Horizon 2047" that promised to further integrate both countries by India's 100th anniversary.

According to the World Bank, France has a GDP of almost USD 3.03 trillion and a per capita GDP of USD 44,460¹⁹, with a projected GDP growth rate of 0.7% in 2024 and 1.4% in 2025²⁰. France's economy is dominated by the services sector, which accounts for over 71% of France's GDP and employs 78% of France's working age population²¹. Industry is also a prominent sector in France and accounts for 17% of France's GDP and 20% of France's working age population²².



France's economy is dominated by the services sector, which accounts for over 71% of France's GDP

¹⁹ <https://data.worldbank.org/country/france>

²⁰ <https://www.lloydsbanktrade.com/en/market-potential/france/economical-context>

²¹ <https://www.lloydsbanktrade.com/en/market-potential/france/economical-context>

²² <https://www.lloydsbanktrade.com/en/market-potential/france/economical-context>

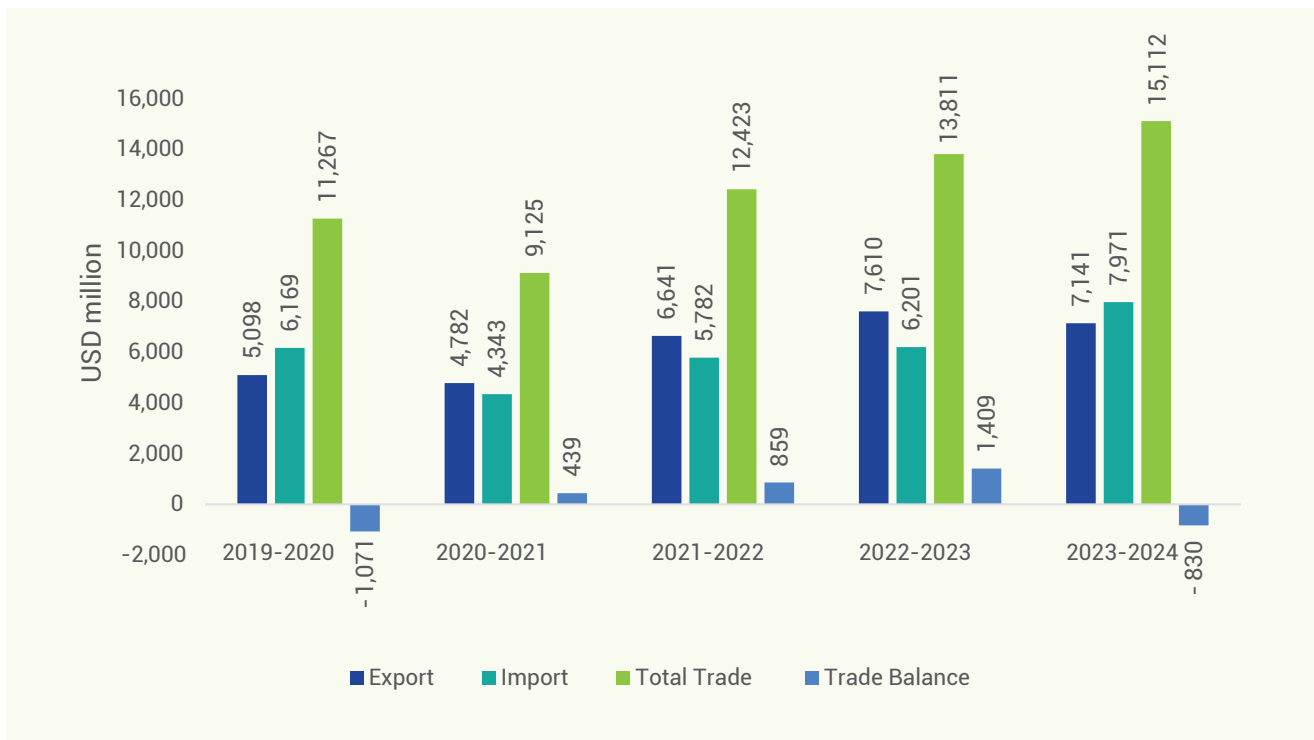
France's industry sector is highly diversified but globally competitive, with Airbus (Aerospace), Renault and Peugeot (Automotive), and LVMH (Consumer Discretionary) being some industrial stalwarts domiciled in France. Finally, the agriculture sector accounts for about 2% of France's GDP and working age population²³.

France is the 11th largest Foreign Direct Investor (FDI) in India with FDI inflows of USD 10.94

billion invested between April 2000 and March 2024²⁴. There are over 70 Indian companies with an active presence in France and over 750 French companies in India employing 450,000 people²⁵.

France is a highly developed, service-oriented economy, and a close industrial and technological partner for India.

Figure 1: India's Trade with France, USD million



Source: Ministry of Commerce & Industry, Government of India

France is India's largest trading partner in the Mediterranean. India's trade with France has grown at a Compound Annual Growth Rate (CAGR) of 7.61% over the past five years. India's trade balance with France was recorded at USD -830 million in 2023-24.

²³ <https://www.lloydsbanktrade.com/en/market-potential/france/economical-context>

²⁴ <https://dpiit.gov.in/publications/fdi-statistics>

²⁵ <https://investinfrance.fr/india-france-business-summit/>

Table 5: India's Top Exports to France, USD million, 2023-24

HS Code	Commodity	Exported Value (USD million)
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.	1,228
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	761
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	733
30	Pharmaceutical products.	535
62	Articles of apparel and clothing accessories not knitted or crocheted.	372
29	Organic chemicals.	369
71	Natural or cultured pearls, precious or semiprecious stones, pre-metals, clad with pre-metal and articles thereof; imit. jewelry; coin.	305
90	Optical, photographic cinematographic measuring, checking precision, medical or surgical inst. And apparatus parts and accessories thereof;	281
61	Articles of apparel and clothing accessories knitted or crocheted.	272
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.	226

Source: Ministry of Commerce & Industry, Government of India

Indian exports to France were valued at USD 7.14 billion in FY24 and have grown at a CAGR of 8.79% over the past five years. India's largest exports to France are mineral fuels (HS 27) at USD 1.2 billion, which is a 17.2% share of India's overall exports to France. This is followed by nuclear reactors and parts thereof (HS 84) at USD 761 million, electrical machinery (HS 85) at USD 733 million, pharmaceutical products (HS 30) at USD 535 million, and articles of apparel (HS 62) at USD 372 million.

India has imported approximately USD 7.97 billion worth of goods from France in FY24. Its largest import is aircraft, spacecraft, and parts thereof (HS 88) at USD 3.4 billion, which is 42.5% share of India's total imports from France. This is followed closely by nuclear reactors and parts thereof (HS 84) at USD 1.5 billion, electrical machinery (HS 85) at USD 542 million, optical, surgical apparatus and parts thereof (HS 90) at USD 255 million, and miscellaneous chemical products (HS 38) at USD 225 million.

Table 6: India's Top Imports from France, USD million, 2023-24

HS Code	Commodity	Imported Value (USD million)
88	Aircraft, spacecraft, and parts thereof.	3,387
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	1,538
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	542
90	Optical, photographic cinematographic measuring, checking precision, medical or surgical inst. And apparatus parts and accessories thereof;	255
38	Miscellaneous chemical products.	225
39	Plastic and articles thereof.	220
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.	187
29	Organic chemicals	176
33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations.	169
26	Ores, slag and ash.	102

Source: Ministry of Commerce & Industry, Government of India

Italy

During a virtual summit between Indian Prime Minister Narendra Modi and then Italian Prime Minister Giuseppe Conte, Italy and India established the 2020-2025 Action Plan that would expand the partnership between both countries in areas like energy, media, finance, and shipbuilding. During the 2021 G20 under then PM Mario Draghi's tenure, Italy and India announced the Strategic Partnership on Energy Transition and a Statement of Intent on Textiles Cooperation. Most recently during PM Giorgia Meloni's visit to India, India and Italy elevated the bilateral relationship to the level of Strategic Partnership in the fields of cyber security, innovation, defense, and space.

Italy has a GDP of USD 2.25 trillion and a per capita GDP of USD 38,373²⁶. The Italian economy is projected to grow at a rate of 0.7% in 2024 and 1.0% in 2025²⁷. Services are the largest component of Italy's economic activity, contributing 64.8% to GDP and 69.3% to employment²⁸.

Industry contributes 23% of Italy's GDP and employs 26.6% of Italy's working age population²⁹. Finally, agriculture accounts for 2% of Italy's GDP and 4.1% of employment.

Italy is India's 18th largest FDI investor with cumulative investments around USD 3.44 billion between April 2000 and March 2024³⁰. There are over 600 Italian companies present in India³¹ with Fiat, Olon, and Enel having a significant presence in the country.

²⁶ <https://data.worldbank.org/country/italy>

²⁷ <https://www.lloydsbanktrade.com/en/market-potential/italy/economical-context>

²⁸ <https://www.lloydsbanktrade.com/en/market-potential/italy/economical-context>

²⁹ <https://www.lloydsbanktrade.com/en/market-potential/italy/economical-context>

³⁰ <https://dpiit.gov.in/publications/fdi-statistics>

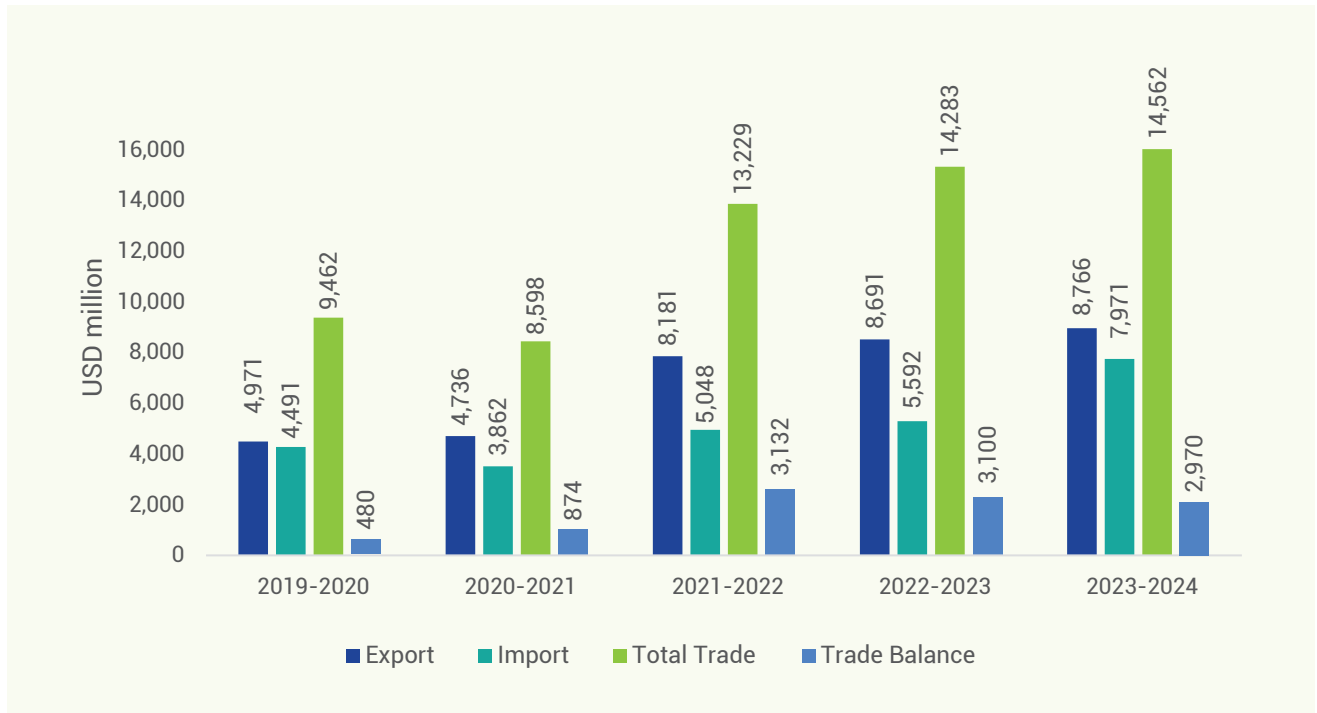
³¹ https://www.mea.gov.in/Portal/ForeignRelation/India-Italy_bilateral_brief_2024.pdf





The Italian economy is projected to grow at a rate of 0.7% in 2024 and 1.0% in 2025

Figure 2: India's Trade with Italy, USD million



Source: Ministry of Commerce & Industry, Government of India

Italy is India's second largest trading partner in the Mediterranean with a trade value of USD 14.5 billion during 2023-24. India-Italy trade recorded a CAGR of 11.4% during the five-year

period between 2019 and 2024. India's trade balance with Italy has consistently improved over the years in favour of India, standing at USD 2.97 billion in 2023-24.



Table 7: India's Top Exports to Italy, USD million, 2023-24

HS Code	Commodity	Exported Value (USD million)
72	Iron and steel.	1,896
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	1,070
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.	760
84	Nuclear reactors, boilers, machinery, and mechanical appliances; parts thereof.	686
29	Organic chemicals.	480
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.	325
73	Articles of iron or steel.	313
76	Aluminium and articles thereof.	230
71	Natural or cultured pearls, precious or semiprecious stones, pre.metals,clad with pre.metal and articles thereof;imit.jewelry;coin.	221
09	Coffee, tea, mate and spices.	217

Source: Ministry of Commerce & Industry, Government of India

Indian exports to Italy were valued at USD 8.7 billion in FY24, which constitutes 2% of India's overall exports. India's exports to Italy have grown at a CAGR of 15.2% over the last five years. India's largest export to Italy is iron and steel (HS 72) at USD 1.89 billion, which accounts for 21.6% of India's total exports to Italy. This is followed by electrical machinery (HS 85) at USD 1.07 billion, mineral fuels (HS 27) at USD 760 million, nuclear reactors and parts thereof (HS 84) at USD 686 million, and organic chemicals (HS 29) at USD 480 million.

Indian imports from Italy were valued at USD 5.8 billion in FY24, which constitutes a 0.86% share of India's overall imports. India's imports from Italy have grown at a CAGR of 6.58% over the past five years. India's largest import from Italy is nuclear reactors and parts thereof (HS 84) at USD 2.3 billion, which is a 39.2% share of India's total imports from Italy. This is followed by electrical machinery (HS 85) at USD 400 million, organic chemicals (HS 29) at USD 360 million, optical apparatus (HS 90) at USD 241 million, and plastics (HS 39) at USD 205 million.

Table 8: India's Top Imports from Italy, USD million, 2023-24

HS Code	Commodity	Imported Value (USD million)
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	2,276
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	400
29	Organic chemicals.	360
90	Optical, photographic cinematographic measuring, checking precision, medical or surgical inst. And apparatus parts and accessories thereof;	241
39	Plastic and articles thereof.	205
73	Articles of iron or steel.	188
38	Miscellaneous chemical products.	155
72	Iron and steel.	140
71	Natural or cultured pearls, precious or semiprecious stones, pre. metals, clad with pre. metal and artcls thereof; imit. jewelry; coin.	131
47	Pulp of wood or of other fibrous cellulosic material; waste and scrap of paper or paperboard.	121

Source: Ministry of Commerce & Industry, Government of India

Spain

Spain is the third largest economy in the Mediterranean region with a GDP of USD 1.58 trillion and a per capita GDP of USD 32,677³². This makes Spain a high-income, advanced economy.

According to estimates, Spain's economy is expected to grow at a rate of 1.7% in 2024 and 2.1% in 2025³³. Services are the largest component of Spanish GDP at 67%, employing 75% of Spain's working age professionals³⁴. Industry is Spain's second largest contributor to economic activity at 20.8% and employing 20.2% of working age professionals³⁵. Agriculture, like Italy and France, is the smallest contributor to GDP at 2.4%, but employing 4.1% of workers³⁶.

Spain is the 16th largest foreign direct investor in India with USD 4 billion invested since 2000³⁷ and over 280 Spanish companies are active in India across the renewable energy, automotive, and ceramics industries³⁸. Additionally, Indian companies have invested over USD 900 million in Spain predominantly in the IT services, pharmaceuticals, and logistics sectors³⁹.



Spain is the 16th largest foreign direct investor in India with USD 4 billion invested since 2000

³² <https://data.worldbank.org/country/spain>

³³ <https://www.lloydsbanktrade.com/en/market-potential/spain/economical-context>

³⁴ <https://www.lloydsbanktrade.com/en/market-potential/spain/economical-context>

³⁵ <https://www.lloydsbanktrade.com/en/market-potential/spain/economical-context>

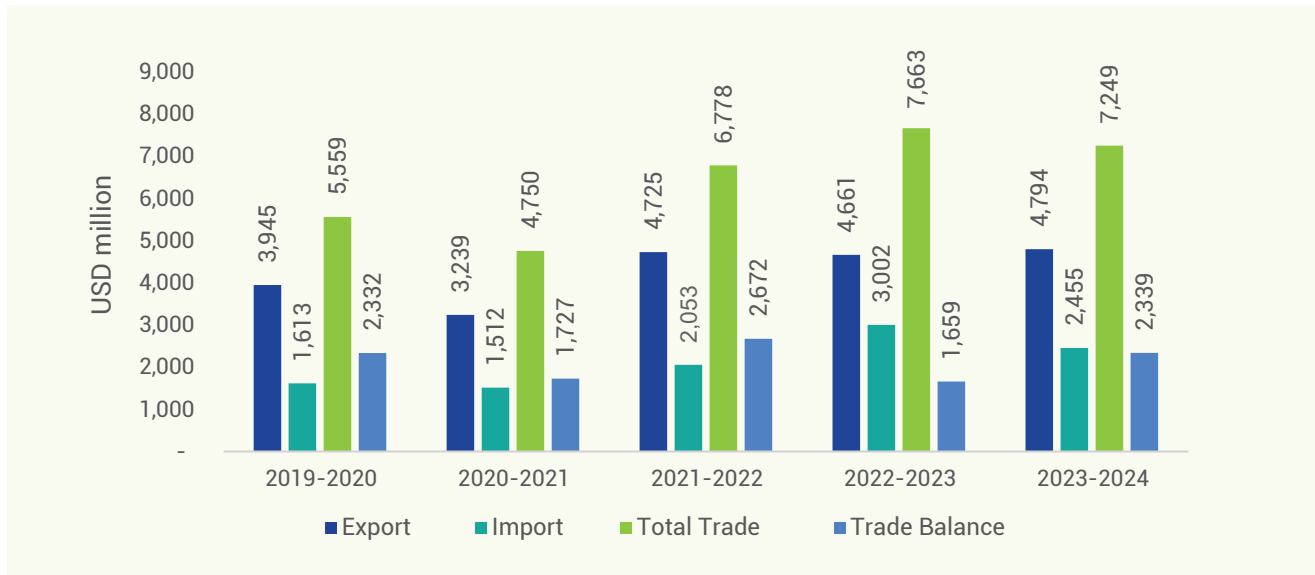
³⁶ <https://www.lloydsbanktrade.com/en/market-potential/spain/economical-context>

³⁷ <https://dpiit.gov.in/publications/fdi-statistics>

³⁸ <https://www.eoimadrid.gov.in/commercial-relations.php>

³⁹ <https://www.eoimadrid.gov.in/commercial-relations.php>

Figure 3: India's trade with Spain, USD million



Source: Ministry of Commerce & Industry, Government of India

Spain is India's fourth largest trading partner in the Mediterranean with a trade value of USD 7.2 billion. India-Spain trade has grown by 6.9% CAGR over the past five years. India's trade balance with Spain is currently around USD 2.3 billion.

Table 9: India's Top Exports to Spain, USD million, 2023-24

HS Code	Commodity	Exported Value (USD million)
72	Iron and steel.	573
29	Organic chemicals.	553
62	Articles of apparel and clothing accessories not knitted or crocheted.	420
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	383
27	Mineral fuels, mineral oils, and products of their distillation; bituminous substances; mineral waxes.	249
84	Nuclear reactors, boilers, machinery, and mechanical appliances; parts thereof.	238
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.	198
61	Articles of apparel and clothing accessories knitted or crocheted.	179
03	Fish and crustaceans, mollusks and other aquatic invertebrates.	175
73	Articles of iron or steel.	165

Source: Ministry of Commerce & Industry, Government of India

India's exports to Spain are currently valued at USD 4.8 billion. India's exports to Spain have recorded a CAGR of 5% over the past five years. India's largest export to Spain is iron and steel (HS 72) at USD 573 million, which is 12% of India's total exports to Spain. This is followed closely by organic chemicals (HS 29) at USD 553 million, articles of apparel (HS 62) at USD 420 million, electrical machinery (HS 85) at USD 383 million, and mineral fuels (HS 27) at USD 249 million.

India's imports from Spain are currently USD 2.4 billion, which is a 0.36% share of India's total imports. India's imports from Spain have grown at 11.07% CAGR between 2019-20 and 2023-24. India's largest imports from Spain are beverages, spirits, and vinegar (HS 22) at USD 410 million, nuclear reactors and parts thereof (HS 84) at USD 289 million, mineral fuels (HS 27) at USD 201 million, organic chemicals (HS 29) at USD 189 million, and plastics and articles thereof (HS 39) at USD 131 million.

Table 10: India's Top Imports from Spain, USD million, 2023-24

HS Code	Commodity	Imported Value (USD million)
22	Beverages, spirits and vinegar.	410
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	289
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.	201
29	Organic chemicals	189
39	Plastic and articles thereof.	131
32	Tanning or dyeing extracts; tannins and their deri. Dyes, pigments and other colouring matter; paints and ver; putty and other mastics; inks.	124
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	115
76	Aluminium and articles thereof.	93
38	Miscellaneous chemical products.	88
62	Articles of apparel and clothing accessories not knitted or crocheted.	78

Source: Ministry of Commerce & Industry, Government of India



Romania is one of the largest economies in eastern Europe with a GDP of USD 345 billion

Romania

India and Romania formally established diplomatic relations in 1948 and recently celebrated 70 years of diplomatic relations in 2018.

Romania is one of the largest economies in eastern Europe with a GDP of USD 351 billion and a per capita GDP of USD 18,419⁴⁰. Romania's economy is expected to grow at a rate of 2.8% in 2024 and 3.6% in 2025⁴¹. Services are the dominant contributor to Romania's GDP with a 57.5% share of the Romanian economy and a 51% share of employment in Romania⁴². Industry contributes 28.8% to Romania's GDP and employs 30.4% of Romania's labour force⁴³. Agriculture is the smallest contributor to Romania's GDP at 4.5%, but the sector employs 18.6% of Romania's working age population⁴⁴.

Romania has invested USD 13.17 million in India since 2000⁴⁵. Some Romanian companies with significant presence in India include Atlantia SPA, Jan Joost Kotte, and Simest SPA. Indian companies including Wipro, Infosys, and Sunwave Pharma have invested over USD 1-1.5 billion in Romania⁴⁶.

⁴⁰ <https://data.worldbank.org/country/romania>

⁴¹ <https://www.lloydsbanktrade.com/en/market-potential/romania/economical-context>

⁴² <https://www.lloydsbanktrade.com/en/market-potential/romania/economical-context>

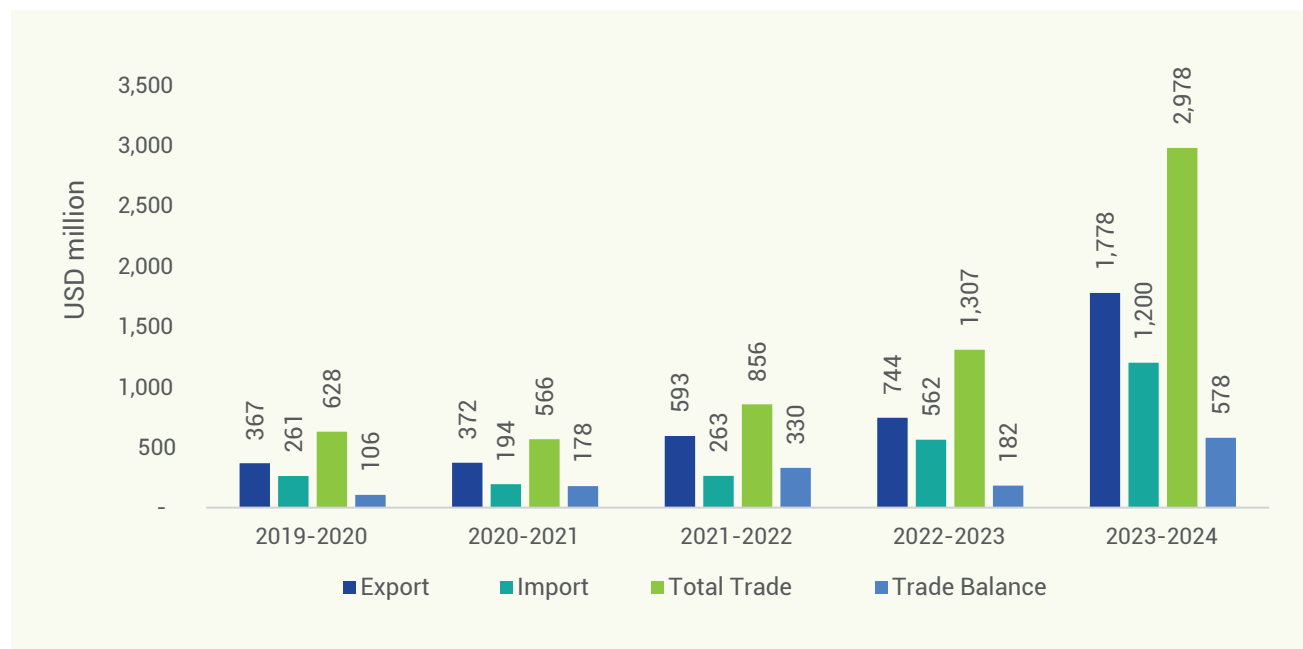
⁴³ <https://www.lloydsbanktrade.com/en/market-potential/romania/economical-context>

⁴⁴ <https://www.lloydsbanktrade.com/en/market-potential/romania/economical-context>

⁴⁵ <https://dpiit.gov.in/publications/fdi-statistics>

⁴⁶ <https://www.mea.gov.in/Portal/ForeignRelation/Romania.pdf>

Figure 4: India's Trade with Romania, USD million



Source: Ministry of Commerce and Industry, Government of India

India's trade with Romania has grown substantially over the past five years with total trade growing from USD 628 million in 2019-20

to USD 2,978 million in 2023-24. India's trade with Romania has grown by approximately 47.6% CAGR over the past five years.

Table 11: India's Top Exports to Romania, USD million, 2023-24

HS Code	Commodity	Exported Value (USD million)
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.	1,104
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	97
72	Iron and steel.	76
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	55
69	Ceramic products.	40
29	Organic chemicals.	37
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.	32
73	Articles of iron or steel	32
40	Rubber and articles thereof.	29
30	Pharmaceutical products	21

Source: Ministry of Commerce and Industry, Government of India

India's exports to Romania grew significantly and recorded a CAGR of 48.4% over the past five years from USD 367 million in 2019-20 to USD 1,778 million in 2023-24. India has consistently maintained a trade surplus with Romania over the years. India's trade balance with Romania more than trebled from USD 182 million in 2022-23 to USD 578 million in 2023-24, primarily on account of India's increasing exports to the country. India's largest export to Romania is Mineral Fuels (HS 27) at USD 1,104 million, which is approximately 62.12% of India's total exports to Romania. This is followed by nuclear reactors, boilers, machinery etc. (HS 84) at USD 97 million, iron and steel (HS 72) at USD 76 million, electrical machinery (HS 85) at USD 55 million, and ceramic products (HS 69) at USD

million after 40. India's total imports from Romania were valued at USD 1,200 million in 2023-24. Indian imports grew from USD 261 million in 2019-20 at a CAGR of around 46.4% over the last five years. India's largest import from Romania is animal or vegetable fats (HS 15) with a value of approximately USD 838 million, accounting for almost 70% of India's total imports from Romania. The next largest import from Romania is iron and steel (HS 72) at USD 136 million, followed by nuclear reactors (HS 84) at USD 59 million, electrical machinery (HS 85) at USD 51 million, organic chemicals (HS 29) at USD 34 million, and optical, photographic, cinematographic measuring (HS 90) at USD 31 million.

Table 12: India's Top Imports from Romania, USD million, 2023-24

HS Code	Commodity	Imported Value (USD million)
15	Animal or vegetable fats and oils and their cleavage products; pre. Edible fats; animal or vegetable waxex.	838
72	Iron and steel.	136
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	59
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	51
29	Organic chemicals.	34
90	Optical, photographic cinematographic measuring, checking precision, medical or surgical inst. And apparatus parts and accessories thereof;	31
73	Articles of iron or steel.	8
40	Rubber and articles thereof.	8
39	Plastic and articles thereof.	7
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.	4

Source: Ministry of Commerce and Industry, Government of India

Turkey

The Republic of India and the Republic of Turkey established diplomatic relations in 1948 after India's independence in 1947. Most recently, in 2022, President Recep Tayyip Erdogan met with PM Narendra Modi on the sidelines of the Shanghai Cooperation Organisation (SCO) Summit in Samarkand, Uzbekistan, where both leaders pledged to increase bilateral trade to over USD 20 billion. India provided critical aid to Turkey in 2023 through Operation Dost after earthquakes significantly damaged provinces in the southern regions of the country²⁶.

Turkey has a GDP of USD 1.1 trillion with a per capita GDP of approximately USD 12,985⁴⁶. Turkey's economy is expected to grow at a rate of 3.0% in FY24 and 3.2% in FY25, per estimates⁴⁷. Turkey's GDP is primarily derived from services with the sector contributing 51.2% to GDP and 56.3% to employment⁴⁸. Industry is the second largest component of Turkey's GDP contributing 31.9% to GDP and 26.5% to employment, agriculture accounts for around 6.5% of Turkey's GDP and 17.1% of employment⁴⁹.

Turkey has over USD 229 million invested in India mainly through joint ventures⁵⁰ since 2000. Some Turkish companies with a significant presence in India are Koc Holding, Soktas, and Hidromas. Indian companies, like Tractors and Farm Equipment, Tata Motors, and Mahindra, have invested approximately USD 126 million in Turkey⁵¹.

⁴⁶ <https://data.worldbank.org/country/turkiye>

⁴⁷ https://www.lloydsbanktrade.com/en/market-potential/turkiye/economical-context?vider_sticky=oui

⁴⁸ https://www.lloydsbanktrade.com/en/market-potential/turkiye/economical-context?vider_sticky=oui

⁴⁹ https://www.lloydsbanktrade.com/en/market-potential/turkiye/economical-context?vider_sticky=oui

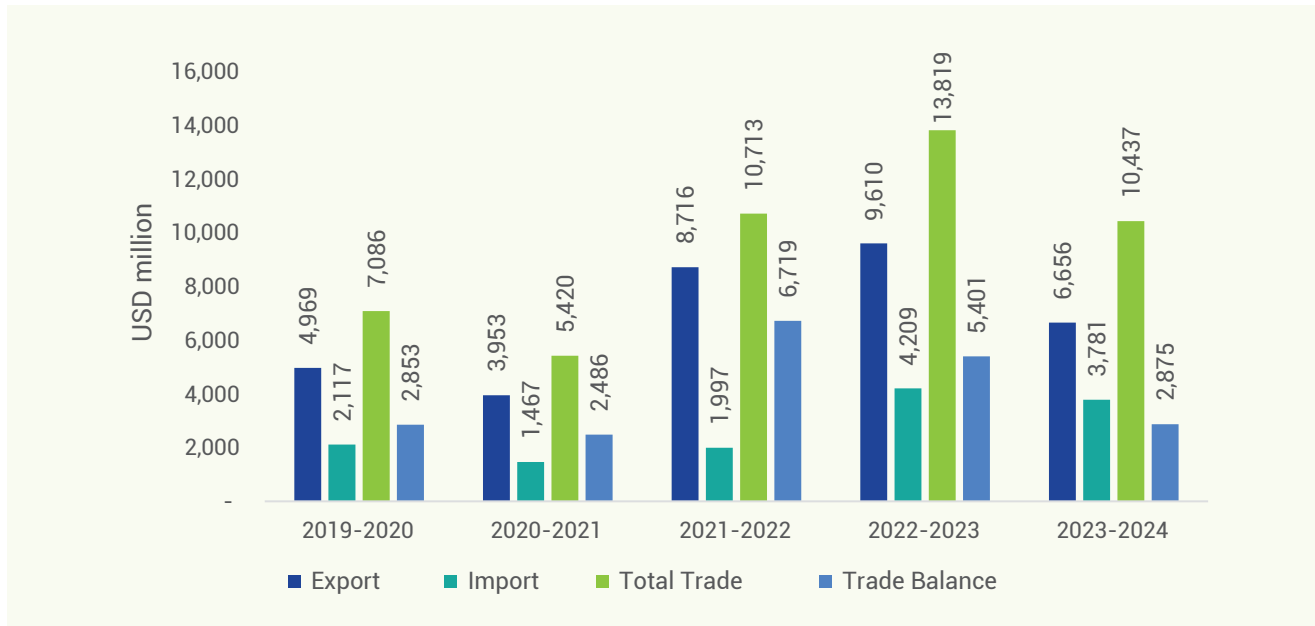
⁵⁰ <https://dpiit.gov.in/publications/fdi-statistics>

⁵¹ https://www.mea.gov.in/Portal/ForeignRelation/19_-08_-2023_Websits_India_-_Turkiye_Relations__1_.pdf



Turkey has over USD 229 million invested in India mainly through joint ventures since 2000

Figure 5: India's Trade with Turkey, USD million



Source: Ministry of Commerce & Industry, Government of India

Trade between India and Turkey has grown substantially between the last five years, from USD 7.09 billion in 2019-20 to USD 10.71 billion in 2021-22, reaching a peak of USD 13.82 billion during 2022-23 post-Covid, before moderating at USD 10.44 billion in 2023-24. Overall, India's

trade with Turkey has grown at a CAGR of 10.16% over the past five years. India has consistently maintained a trade surplus with Turkey which reached a peak of USD 6.72 billion during 2021-22 before declining to USD 2.87 billion in 2023-24.

Table 13: India's Top Exports to Turkey, USD million, 2023-24

HS Code	Commodity	Exported Value (USD million)
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.	996
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.	960
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	709
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	690
29	Organic chemicals.	431
72	Iron and steel.	427
54	Man-made filaments..	247
32	Tanning or dyeing extracts; tannins and their deri. Dyes, pigments and other colouring matter; paints and ver; putty and other mastics; inks.	221
55	Man-made staple fibres.	204
52	Cotton.	139

Source: Ministry of Commerce and Industry, Government of India

India's exports to Turkey increased from USD 4.97 billion in 2019-20 to USD 6.66 billion in 2023-24, recording a CAGR of 7.58%. India's largest export to Turkey are vehicles and parts and accessories thereof (HS 87) at USD 996 million, which is a 15% share of India's overall exports to Turkey. This is followed closely by mineral fuels (HS 27) at USD 960 million, nuclear reactors and parts thereof (HS 84) at USD 709 million, electrical machinery (HS 85) at USD 690 million, and organic chemicals (HS 29) at USD 431 million.

India's imports from Turkey were valued at USD 3.78 billion in FY24, growing by 15.61% CAGR over the past five years. India's largest import from Turkey is mineral fuels (HS 27), recording an import value of USD 1.82 billion and accounting for 48% of India's overall imports from Turkey. This is followed by nuclear reactors and parts thereof (HS 81) at USD 311 million, salt (HS 25) at USD 235 million, inorganic chemicals (HS 28) at USD 189 million, and, finally, animal or vegetable fats (HS 15) at USD 150 million.

Table 14: India's Top Imports from Turkey, USD million, 2023-24

HS Code	Commodity	Imported Value (USD million)
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.	1,815
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	311
25	Salt; sulphur; earths and stone; plastering materials, lime and cement.	235
28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, or radi. Elem. Or of isotopes.	189
15	Animal or vegetable fats and oils and their cleavage products; pre. Edible fats; animal or vegetable waxex.	150
71	Natural or cultured pearls, precious or semiprecious stones, pre. metals, clad with pre. metal and artcls thereof; imit. jewelry; coin.	133
72	Iron and steel.	121
08	Edible fruit and nuts; peel or citrus fruit or melons.	97
07	Edible vegetables and certain roots and tubers.	88
39	Plastic and articles thereof.	80

Source: Ministry of Commerce & Industry, Government of India



Greece has a per capita GDP of USD 22,990, which makes it an advanced, high-income country.

Greece

India's relations with the Hellenic Republic (Greece) began in 1950, with India opening its embassy in Athens in 1978. In August 2023, Prime Minister Mr. Narendra Modi visited Greece, the first visit by an Indian Prime Minister in nearly 40 years, where both leaders issued a joint statement encouraging the finalisation of a Mobility and Migration Partnership Agreement (MMPA) and saw Greece welcomed into the International Solar Alliance (ISA) and Coalition for Disaster Resilient Infrastructure (CDRI). Finally, Greece and India upgraded their ties to a Strategic Partnership.

Greek President Mr. Kyriakos Mitsotakis visited India in February 2024 and the two countries agreed to work closely on the joint production and development of military hardware and build closer cooperation in the eastern Mediterranean region through the India Middle East Economic Corridor (IMEC). Additionally, Greece agreed to join the Indo-Pacific Oceans Initiative.

Greece has a GDP of USD 238.21 billion⁵², which is projected to grow by approximately 2.0% and 1.9% respectively in 2024 and 2025⁵³. Additionally, Greece has a per capita GDP of USD 22,990⁵⁴, which makes it an advanced, high-income country.

⁵² <https://data.worldbank.org/country/greece>

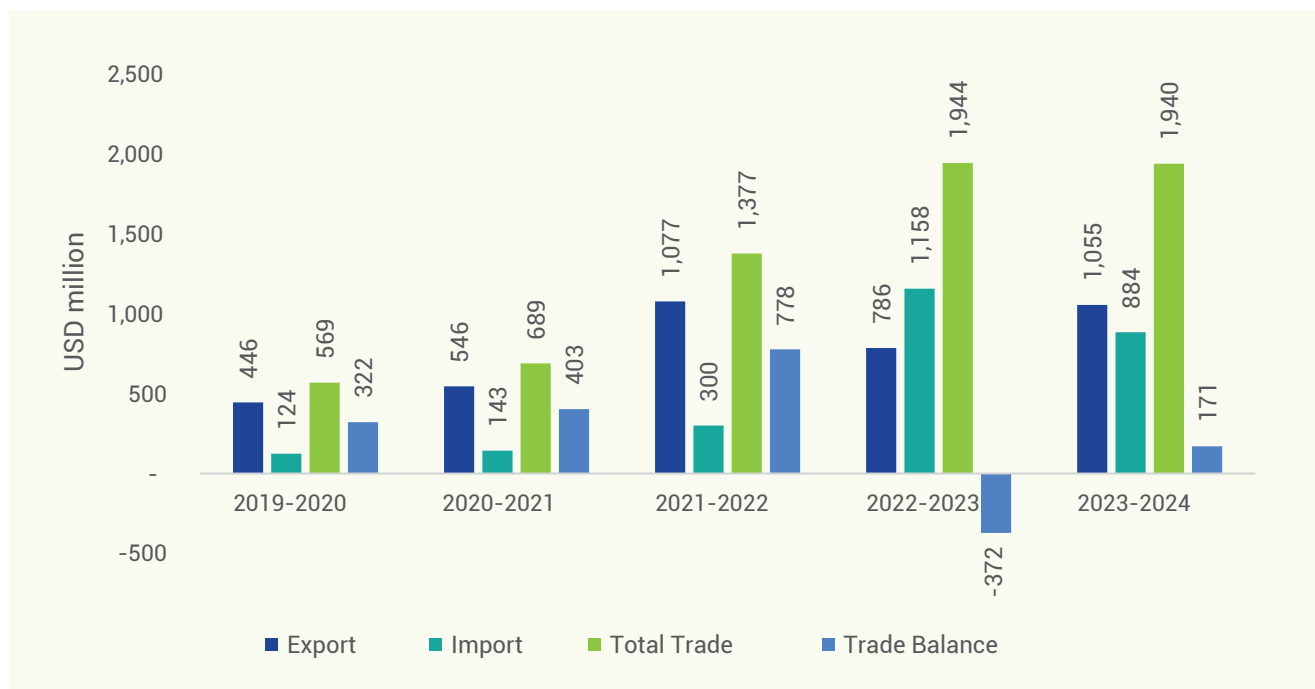
⁵³ <https://www.lloydsbanktrade.com/en/market-potential/greece/economical-context>

⁵⁴ <https://data.worldbank.org/country/greece>

Greece's GDP primarily comes from the services sector which contributes 67.1% to its GDP and employs 73.4% of Greece's working age population⁵⁵. This is followed closely by industry which contributes 16.8% to Greece's GDP and employs 15.3% of Greece's population⁵⁶. Like most European states, agriculture contributes the least to Greece's GDP at 3.9% but employs approximately 11.4% of Greece's population⁵⁷.

Greece's investments to India between April 2000-March 2024 period totaled USD 9.46 million⁵⁸. Additionally, GMR group has been selected to develop the Crete International Airport in Greece in a joint venture with Terna S.A, a Greek infrastructure company.

Figure 6: India's trade with Greece, USD million



Source: Ministry of Commerce & Industry, Government of India

India's overall trade with Greece was approximately USD 1.93 billion in 2023-24, which makes Greece the eighth largest trading partner of India in the Mediterranean region and the second largest trading partner in Eastern Europe. India's trade with Greece has grown at a CAGR of around 36% over the last five years. India has maintained a positive trade balance with Greece of USD 170 million in 2023-24.

India's overall exports to Greece were valued at USD 1.05 billion in 2023-24. India's exports to Greece have grown at a CAGR rate of 24.05% over the last five years with the largest export being aluminium and articles thereof (HS 76) at USD 244 million accounting for 23% of India's total. This is followed by electrical machinery (HS 85) at USD 134 million, organic chemicals (HS 29) at USD 116 million, iron and steel (HS 72) at USD 78 million and fish and crustaceans (HS 03) at USD 52 million.

⁵⁵ <https://www.lloydsbanktrade.com/en/market-potential/greece/economical-context>

⁵⁶ <https://www.lloydsbanktrade.com/en/market-potential/greece/economical-context>

⁵⁷ <https://www.lloydsbanktrade.com/en/market-potential/greece/economical-context>

⁵⁸ <https://dpiit.gov.in/publications/fdi-statistics>

Table 15: India's Top Exports to Greece, USD million, 2023-24

HS Code	Commodity	Exported Value (USD million)
76	Aluminium and articles thereof.	244
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	134
29	Organic chemicals.	116
72	Iron and steel.	78
03	Fish and crustaceans, molluscs and other aquatic invertebrates.	52
69	Ceramic products.	38
48	Paper and paperboard; articles of paper pulp, of paper or of paperboard.	28
62	Articles of apparel and clothing accessories, not knitted or crocheted.	28
73	Articles of iron or steel.	27
39	Plastic and articles thereof.	25

Source: Ministry of Commerce & Industry, Government of India

India's imports from Greece were valued at USD 884 million in 2023-24, accounts for 0.13% share of India's world imports. India's overall imports from Greece have significantly risen by 63.52% CAGR over the past five years. India's largest import from Greece is mineral fuels (HS 27) at USD 720 million, which comprises over 80% of

India's imports from Greece. The next largest imports from Greece are aluminium (HS 76) at USD 35 million, pulp of wood (HS 47) at USD 23 million, iron and steel (HS 72) at USD 16 million, and salt (HS 25) at USD 11 million.

Table 16: India's Top imports from Greece, USD million, 2023-24

HS Code	Commodity	Imported value (USD million)
27	Mineral Fuels, Mineral Oils and Products Of Their Distillation; Bituminous Substances; Mineral Waxes.	720
76	Aluminum and articles thereof.	35
47	Pulp of wood or of other fibrous cellulosic material; waste and scrap of paper or paperboard.	23
72	Iron and steel.	16
25	Salt; Sulphur; Earths and Stone; Plastering Materials, Lime And Cement.	11
08	Edible Fruit and Nuts; Peel Or Citrus Fruit Or Melons.	11
38	Miscellaneous chemical products.	10
74	Copper and articles thereof.	9
23	Residues And Waste from The Food Industries; Prepared Animal Fodder.	8
52	Cotton.	7

Source: Ministry of Commerce and Industry, Government of India

Other Countries

Albania

India and Albania established bilateral relations in 1956 and have enjoyed close relations since then. Albania has a GDP of USD 22.98 billion with expected growth rates of 3.1% and 3.4% in 2024 and 2025⁵⁹.

Bilateral trade between India and Albania was recorded at USD 1.16 billion in FY24. India's exports to Albania were approximately USD 1.15 billion in FY24, with mineral fuels (HS 27) being the largest export valued at USD 1.07 billion, with a 92% share of India's total exports to Albania. Indian imports from Albania recorded a value of around USD 8 million in FY24.

Albania's strategic location positions it as a crucial transit point for several trade routes linking India with Europe and there is thus great potential to strengthen economic ties between the two regions.



India's exports to Albania were approximately USD 1.15 billion in FY24

⁵⁹ <https://www.lloydsbanktrade.com/en/market-potential/albania/economical-context>

Slovenia

India and Slovenia established relations in 1992. Slovenia has a GDP of USD 68.22 billion with expected growth rates of 2.0% in 2024 and 2.5% in 2025⁶⁰.

India-Slovenia trade was approximately USD 895 million in FY24. India's exports to Slovenia were valued at USD 587 million and imports from Slovenia were recorded at USD 308 million.

Slovenia is at a strategic location in the Aegean Sea and recently opened a tender for construction of a new entrance for the Koper Port, where Indian and Slovenian infrastructure companies could collaborate.



India's exports to Slovenia were approximately USD 586 million

⁶⁰ <https://www.lloydsbanktrade.com/en/market-potential/slovenia/economical-context>

Croatia

India and Croatia established relations in 1992 after the dissolution of Yugoslavia with both countries engaging closely in the decades since.

Croatia has a GDP of USD 82.69 billion with an expected growth rate of 3.0% in 2024 and 2.7% in 2025⁶¹.

India and Croatia have a total trade value of USD 291 million and a trade balance of USD 175 million as on FY 24. India's exports to Croatia were approximately USD 233 million during the same period, and imports were recorded at USD 58 million.

Croatia is at a strategic point across from Italy in the Mediterranean and has ample coastal areas that could be developed into ports and in turn further link India and the Mediterranean region.



India's exports to Croatia were approximately USD 233 million

⁶¹ <https://www.lloydsbanktrade.com/en/market-potential/croatia/economical-context>

Cyprus

India and Cyprus established bilateral relations in 1962 with high level visits taking place.

Cyprus has a GDP of USD 32.23 billion with an expected growth rate of 2.7% in 2024 and 2.9% in 2025⁶².

Cyprus is the largest Foreign Direct Investor in India from the Mediterranean region with approximately USD 13.45 billion invested in India. Cyprus and India have a total trade of USD 136 million. Exports to Cyprus were approximately USD 95 million and imports were approximately USD 42 million.

Cyprus offers significant subsidies for companies incorporated in the country, as well as access to the European Union, which could be a significant catalyst in bringing India and the Mediterranean closer together.



**Cyprus and India
have a total trade
of USD 136
million**

⁶² <https://www.lloydsbanktrade.com/en/market-potential/cyprus/economical-context>

Bulgaria

The relationship between India and Bulgaria has been warm and multifaceted, with significant cooperation in areas such as tourism, cultural relations, and people-to-people contacts.

Bulgaria has a nominal GDP of USD 102 billion with projected growth in real GDP of 2.7% and 2.9% in 2024 and 2025 respectively⁶³.

Further, India and Bulgaria have a total trade of USD 415 million with exports amounting to USD 223 million and imports amounting to USD 192 million. Bilateral trade between India and Bulgaria has grown at a CAGR of 8.2% over the past five years reflecting a persistently enhanced engagement between the two countries.

With 41% of Bulgaria's land being used for agricultural activities⁶⁴, both countries can expand cooperation in sub-sectors of agriculture such as farm mechanisation and food processing.



India and Bulgaria have a total trade of USD 415 million

⁶³ <https://www.lloydsbanktrade.com/en/market-potential/bulgaria/economical-context>

⁶⁴ https://agriculture.ec.europa.eu/cap-my-country/cap-strategic-plans/bulgaria_en#:~:text=About%2041%25%20of%20Bulgaria's%20territory%20is%20agricultural%20land.&text=Rural%20areas%20represent%2022%25%20of,to%2013%25%20of%20the%20population.&text=The%20total%20number%20of%20registered,agricultural%20holdings%20was%20132%20742



India and Malta currently have a trade value of USD 531 million

Malta

India and Malta established relations in 1965 after Malta gained independence. Malta has a GDP of USD 20.96 billion, with a projected growth rate of 5% and 4% in 2024 and 2025 respectively⁶⁵.

India and Malta currently have a trade value of USD 531 million. India exports approximately USD 496 million of goods to Malta and imports approximately USD 35 million of goods from Malta. Therefore, while small, Malta is a significant trading partner for India in the Mediterranean. Malta's Marsaxlokk port could serve as a regional hub for India's trade with the Western European Mediterranean countries.

⁶⁵ <https://www.lloydsbanktrade.com/en/market-potential/malta/economical-context>



West Asia and North Africa



Israel's economy is expected to grow by approximately 1.6% and 5.4% respectively in 2024 and 2025

Israel

Relations between the Republic of India and State of Israel began in 1950; however, full diplomatic relations were only established in 1992. India's relations with Israel were upgraded to a strategic partnership after Indian Prime Minister Narendra Modi visited the country in 2017.

Israel has a GDP of approximately USD 510 billion and a per capita GDP of USD 52,261⁶⁶. Israel's economy is expected to grow by approximately 1.6% and 5.4% respectively in 2024 and 2025⁶⁷. Israel's GDP primarily comes from services, which contribute 72.4% of Israel's GDP and 82.1% of employment⁶⁸. This is followed by Industry at 17.2%, which employs 17% of Israel's working age population⁶⁹. Finally, agriculture is an extremely small portion of GDP at 1.3% and 0.9% of employment⁷⁰.

Israel is the 44th largest investor in India with USD 315 million⁷¹ invested. Large Israeli investors in India are Teva Pharmaceuticals, IDE, Netafim, and ADAMA. Notable Indian companies that have invested in Israel are TCS, Infosys, Tech Mahindra, and Wipro. Most notably, Adani Ports and Special Economic Zones in a joint venture with Israel's Gadot Chemicals Tankers and Terminals are developing Israel's Haifa port for USD 1.18 billion⁷².

⁶⁶ <https://data.worldbank.org/country/israel>

⁶⁷ <https://www.lloydsbanktrade.com/en/market-potential/israel/economical-context>

⁶⁸ <https://www.lloydsbanktrade.com/en/market-potential/israel/economical-context>

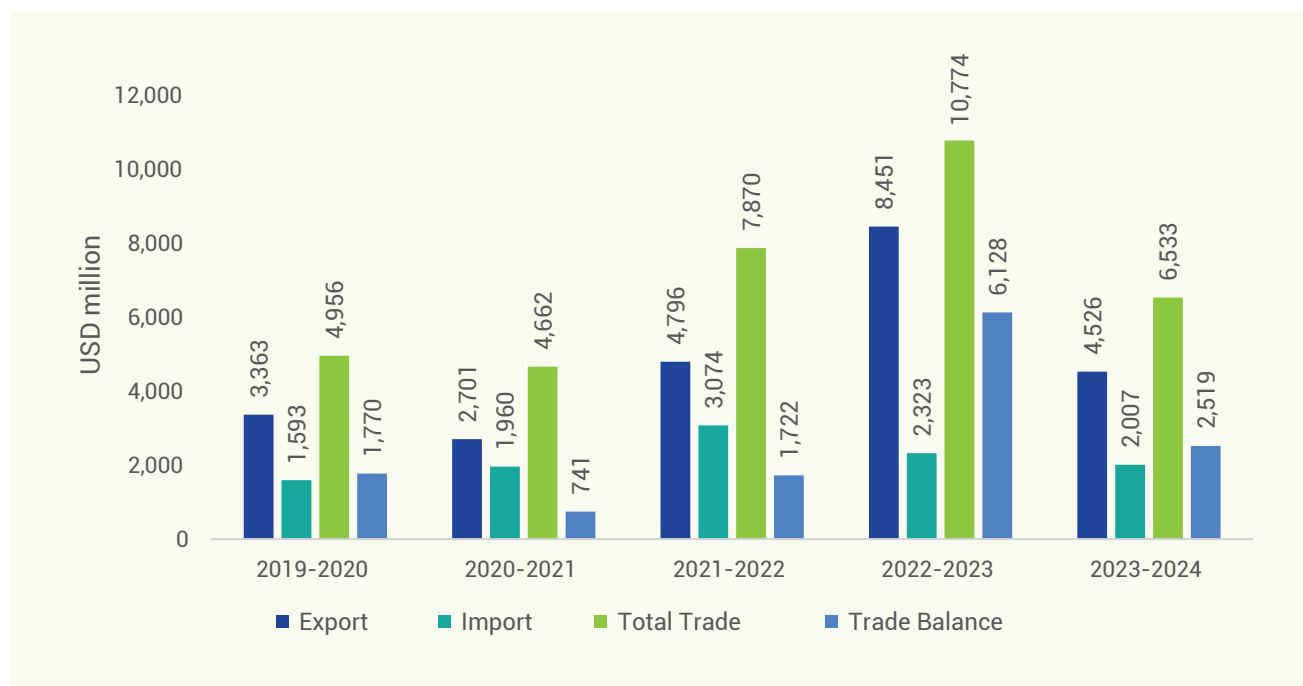
⁶⁹ <https://www.lloydsbanktrade.com/en/market-potential/israel/economical-context>

⁷⁰ <https://www.lloydsbanktrade.com/en/market-potential/israel/economical-context>

⁷¹ <https://dpiit.gov.in/publications/fdi-statistics>

⁷² <https://economictimes.indiatimes.com/industry/transportation/shipping/-transport/gautam-adani-says-to-keep-investing-in-israel-after-haifa-port-takeover/articleshow/97493999.cms?from=mdr>

Figure 7: India's trade with Israel, USD million



Source: Ministry of Commerce & Industry, Government of India

India's trade with Israel was approximately USD 6.5 billion in 2023-24 and Israel is India's fifth largest trading partner in the Mediterranean region and largest trading partner in the West

Asia region. India's trade with Israel has grown by about 7.15% CAGR over the past five years. India's trade balance has been positive for India at approximately USD 2.52 billion.

Table 17: India's Top Exports to Israel, USD million, 2023-24

HS Code	Commodity	Exported Value (USD million)
27	Mineral Fuels, mineral oils and products of their distillation; bituminous substances; mineral Waxes.	2316
71	Natural or cultured pearls, precious or semiprecious stones, pre. metals, clad with pre. metal and artcls thereof; imit. jewelry; coin.	792
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	186
29	Organic chemicals.	127
93	Arms and ammunition; parts and accessories thereof.	123
69	Ceramic products.	85
39	Plastic and articles thereof.	74
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	70
63	Other made up textile articles; sets; worn clothing and worn textile articles; rags.	66
10	Cereals.	63

Source: Ministry of Commerce & Industry, Government of India

India's exports to Israel are approximately USD 4.53 billion in 2023-24. India's exports to Israel have grown by 7.71% CAGR over the last five years. India's largest export to Israel is mineral fuels (HS 27) at approximately USD 2.32 billion, which is a 51% share of India's total exports to the country. This is followed natural or cultured pearls (HS 71) at USD 792 million, electrical machinery (HS 85) at USD 186 million, organic chemicals (HS 29) at USD 127 million, and, finally, arms and ammunition (HS 93) at USD 123 million.

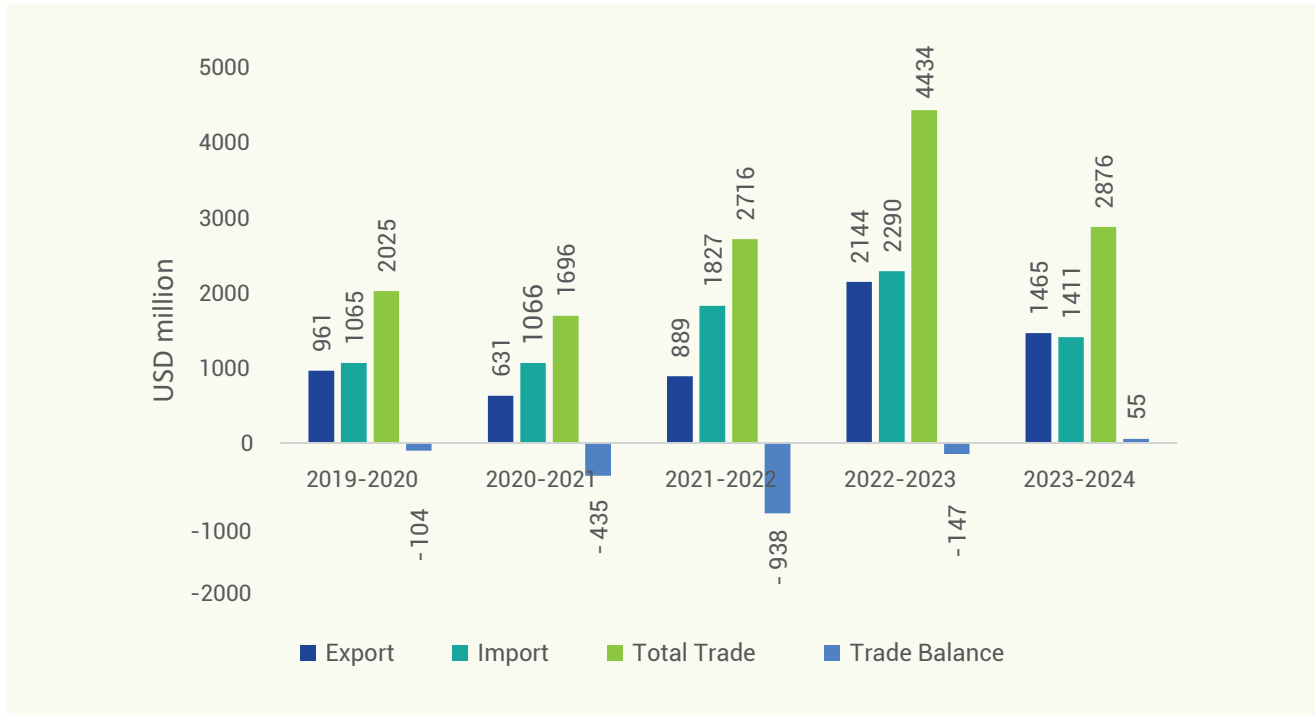
India's imports from Israel were approximately USD 2 billion in 2023-24 and have grown by 5.95% CAGR over the past five years. India's largest import from Israel is electrical machinery (HS 85) at USD 520 million, which is a 25.9% share of India's overall imports from Israel. This is followed closely by natural or cultured pearls (HS 71) at USD 477 million, aircraft, spacecraft, and parts thereof (HS 88) at USD 193 million, fertilisers (HS 31) at USD 145 million, and arms and ammunition (HS 93) at USD 104 million.

Table 18: India's Top Imports from Israel, USD million, 2023-24

HS Code	Commodity	Imported Value (USD million)
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	520
71	Natural or cultured pearls, precious or semiprecious stones, pre.metals, clad with pre.metal and articles thereof; imit.jewelry; coin.	477
88	Aircraft, spacecraft, and parts thereof.	193
31	Fertilisers.	145
93	Arms and ammunition; parts and accessories thereof.	104
90	Optical, photographic cinematographic measuring, checking precision, medical or surgical inst. And apparatus parts and accessories thereof;	101
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	92
38	Miscellaneous chemical products.	77
76	Aluminium and articles thereof.	63
39	Plastic and articles thereof.	33

Source: Ministry of Commerce & Industry, Government of India

Figure 8: India's trade with Jordan, USD million



Source: Ministry of Commerce and Industry, Government of India

Table 19: India's Top Exports to Jordan, USD million, 2023-24

HS Code	Commodity	Exported Value (USD million)
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.	750
10	Cereals.	89
02	Meat and edible meat offal.	80
29	Organic chemicals	74
30	Pharmaceutical products	49
09	Coffee, tea, mate and spices.	44
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.	44
52	Cotton.	25
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	24
33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations.	23

Source: Ministry of Commerce & Industry, Government of India

India's exports to Jordan amounted to USD 1.46 billion for FY24. Over the past 5 years, India's exports to Jordan expanded at a CAGR of 11% suggesting the robustness of India's exports and local manufacturing capabilities. Largely, India exports mineral fuels (HS 27) to Jordan as the commodity group accounts for more than 50% of India's total exports to Jordan. This is followed by cereals (HS 10) at USD 89 million, meat and edible products (HS 02) at USD 80 million, organic chemicals (HS 29) at USD 74 million, among others.

India's imports from Jordan were approximately USD 1.41 billion in 2023-2024 and increased at a CAGR of almost 7.3%; however, India's imports from Jordan declined by almost 38% over the last year. India's largest import from Jordan include inorganic chemicals (HS 28) which is almost 41% of India's total imports from Jordan. Other commodities imported from Jordan include salt & sulphur (HS 25) at USD 492 million, fertilizers (HS 31) at USD 267 million, aluminium (HS 76) at USD 17 million, among others.

Table 20: India's Top Imports from Jordan, USD million, 2023-24

HS Code	Commodity	Imported Value (USD million)
28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, or radi. elem. or of isotopes.	584
25	Salt; sulphur; earths and stone; plastering materials, lime and cement.	492
31	Fertilisers.	267
76	Aluminium and articles thereof.	17
47	Pulp of wood or of other fibrous cellulosic material; waste and scrap of paper or paperboard.	16
72	Iron and steel	7
74	Copper and articles thereof.	6
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	2
38	Miscellaneous chemical products.	2
78	Lead and articles thereof.	2

Source: Ministry of Commerce & Industry, Government of India

Egypt

The Republic of India and the Arab Republic of Egypt commenced bilateral relations in 1947 after India gained independence from Great Britain. India has enjoyed close bilateral relations with Egypt over the past few decades with multiple reciprocal visits by Heads of State. Egypt was invited as a Guest Country to the G20 Summit in New Delhi in September.

Egypt has a GDP of USD 396 billion⁷⁸, which is projected to grow at a rate of 3% in 2024 and 4.4% in 2025⁷⁹. Egypt's per capita GDP is approximately USD 3,512⁸⁰, which makes Egypt a developing, lower middle-income country.

Egypt's economy is largely derived from services, which contributes 51.4% of GDP and employment⁸¹. Industry contributes 32.7% to GDP and employs 29.1% of Egypt's working age population⁸². Finally, agriculture has the smallest share of the economy; however, it contributes 10.9% to GDP and 19.8% to employment⁸³.

Egypt has some investments in India with USD 11.18 million invested since 2000⁸⁴. As of 2022, over 450 Indian companies have operations in Egypt with a combined investment of over USD 3.15 billion⁸⁵. Some of these companies with a large presence in Egypt include TCI Sanmar, Kirloskar, and Dabur India.

⁷⁸ <https://data.worldbank.org/country/egypt-arab-rep>

⁷⁹ <https://www.lloydsbanktrade.com/en/market-potential/egypt/economical-context>

⁸⁰ <https://data.worldbank.org/country/egypt-arab-rep>

⁸¹ <https://www.lloydsbanktrade.com/en/market-potential/egypt/economical-context>

⁸² <https://www.lloydsbanktrade.com/en/market-potential/egypt/economical-context>

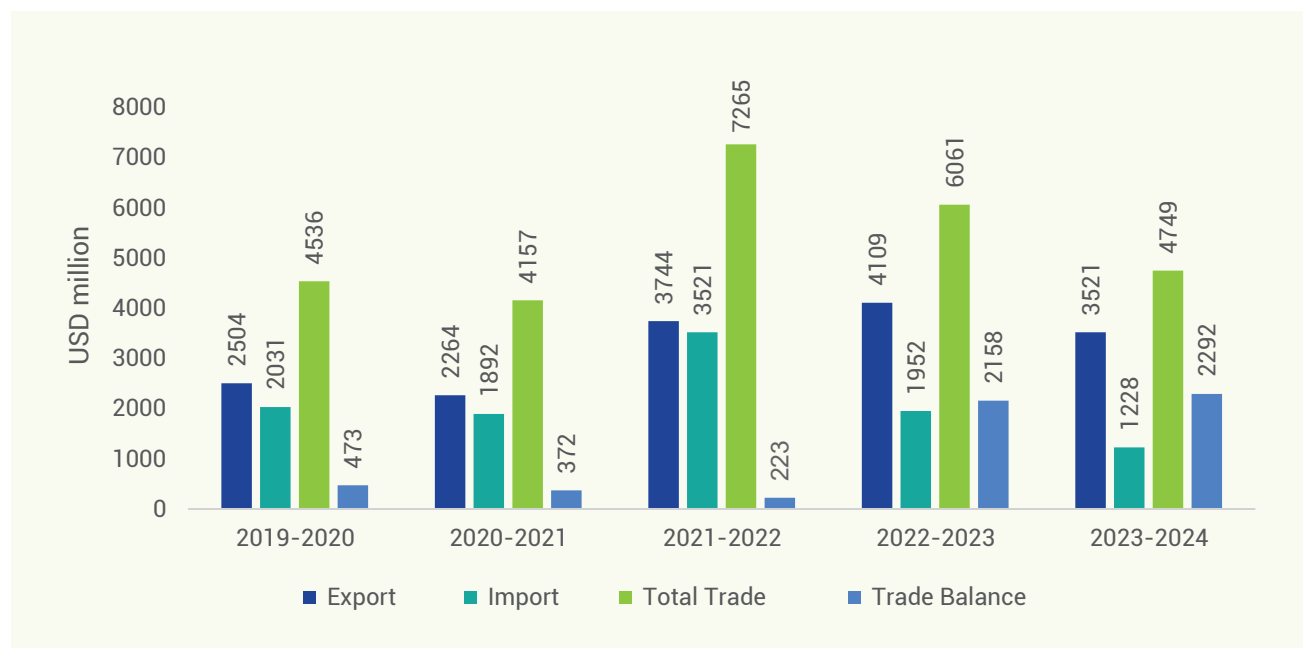
⁸³ <https://www.lloydsbanktrade.com/en/market-potential/egypt/economical-context>

⁸⁴ <https://dpiit.gov.in/publications/fdi-statistics>

⁸⁵ [https://egyptianstreets.com/2024/08/06/egypt-and-india-strengthen-economic-ties-with-new-investment-initiative/#:~:text=Currently%2C%20there%20are%20over%20450,billion%20\(EGP%20153.1%20billion\).](https://egyptianstreets.com/2024/08/06/egypt-and-india-strengthen-economic-ties-with-new-investment-initiative/#:~:text=Currently%2C%20there%20are%20over%20450,billion%20(EGP%20153.1%20billion).)

Egypt's per capita GDP is approximately USD 3,512, which makes Egypt a developing, lower middle-income country.

Figure 9: India's trade with Egypt, USD million



Source: Ministry of Commerce and Industry, Government of India

India's overall trade with Egypt is approximately USD 4.75 billion. India's trade with Egypt has grown 1.16% CAGR over the last five years. However, India's trade balance with Egypt is beneficial for India with a balance of USD 2.29 billion.

Table 21: India's Top Exports to Egypt, USD million, 2023-24

HS Code	Commodity	Exported Value (USD million)
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.	970
02	Meat and edible meat offal.	542
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	250
52	Cotton.	215
29	Organic chemicals.	214
72	Iron and steel.	164
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	106
39	Plastic and articles thereof.	106
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.	101
38	Miscellaneous chemical products.	85

Source: Ministry of Commerce & Industry, Government of India

India's exports to Egypt were approximately USD 3.52 billion in FY24, expanding by approximately 9% CAGR over the last five years. India's largest export to Egypt is mineral fuels (HS 27) at USD 970 million, which is approximately 27.6% of India's total exports to Egypt. This is followed by meat and edible meat (HS 02) at USD 542 million, nuclear reactors (HS 84) at USD 250 million, cotton (HS 52) at USD 215 million, and organic chemicals (HS 29) at USD 214 million.

India's imports from Egypt were approximately USD 1.22 billion, declining at a 11.82% CAGR rate over the last five years. India's largest import from Egypt is mineral fuels (HS 27) at approximately USD 617 million, which is a 50.25% share of India's total imports from Egypt. This is followed by salt (HS 25) at USD 186 million, cotton (HS 52) at USD 105 million, inorganic chemicals (HS 28) at USD 70 million, and, finally, fertilisers (HS 31) at USD 57 million.

Table 22: India's Top Exports to Egypt, USD million, 2023-24

HS Code	Commodity	Imported Value (USD million)
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.	617
25	Salt; sulphur; earths and stone; plastering materials, lime and cement.	186
52	Cotton.	105
28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, or radi. Elem. Or of isotopes.	70
31	Fertilisers.	57
08	Edible fruit and nuts; peel or citrus fruit or melons.	46
38	Miscellaneous chemical products.	19
53	Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn.	18
41	Raw hides and skins (other than furskins) and leather	14
15	Animal or vegetable fats and oils and their cleavage products; pre. Edible fats; animal or vegetable waxes.	11

Source: Ministry of Commerce and Industry, Government of India

Morocco

The Republic of India and the Kingdom of Morocco established formal diplomatic relations in 1957. Since 2015, there have been over 25 ministerial visits and 40 MoUs signed between both countries across multiple verticals including counter terrorism, cybersecurity, and space.

Morocco has a GDP of USD 141 billion⁸⁶, which is expected to grow at a rate of 3.1% in 2024 and 3.3% in 2025⁸⁷. Morocco has a per capita GDP of USD 3,672⁸⁸. Morocco is primarily a service-based economy with services contributing 52.3% to GDP and 42.6% to employment⁸⁹. Industry is also a significant share of Morocco's economy contributing 27.6% to GDP and 22.8% to employment⁹⁰. Finally, Agriculture contributes 10.7% to GDP and employs 34.6% of Morocco's working age population⁹¹.

Morocco has about USD 141 million invested in India since 2000⁹². Indian companies that have a significant presence in Morocco include HCL, which has a centre in Technopolis, Rabat, Tata Motors, and Ashok Leyland.


Morocco is primarily a service-based economy with services contributing 52.3% to GDP and 42.6% to employment

⁸⁶ <https://data.worldbank.org/country/morocco>

⁸⁷ <https://www.lloydsbanktrade.com/en/market-potential/morocco/economical-context>

⁸⁸ <https://data.worldbank.org/country/morocco>

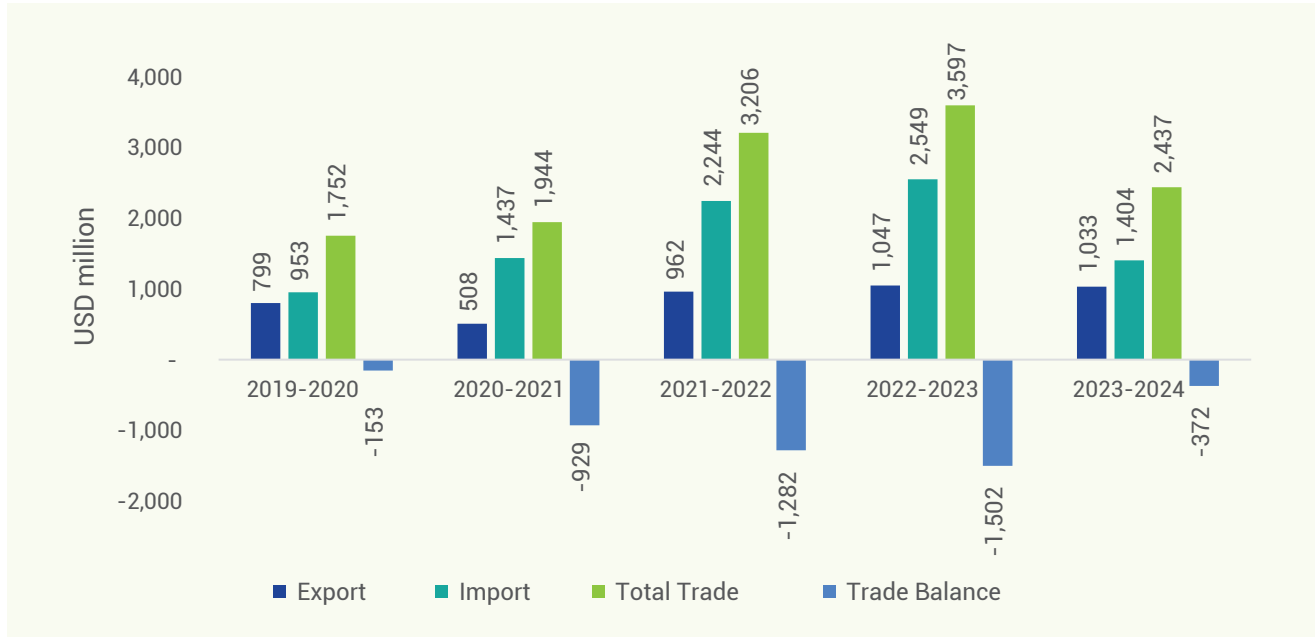
⁸⁹ <https://www.lloydsbanktrade.com/en/market-potential/morocco/economical-context>

⁹⁰ <https://www.lloydsbanktrade.com/en/market-potential/morocco/economical-context>

⁹¹ <https://www.lloydsbanktrade.com/en/market-potential/morocco/economical-context>

⁹² <https://dpiit.gov.in/publications/fdi-statistics>

Figure 10: India's trade with Morocco, USD million



Source: Ministry of Commerce and Industry, Government of India

India's trade with Morocco is approximately USD 2.4 billion in 2023-24. This has grown by 8.60% CAGR over the last five years. Therefore, India's trade with Morocco has grown at a slightly

slower rate than India's trade growth of 9% overall over the past five years. Additionally, India has a negative trade balance with Morocco of approximately USD 371 million.

Table 23: India's Top Exports to Morocco, USD million, 2023-24

HS Code	Commodity	Exported Value (USD million)
73	Articles of iron or steel.	156
87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.	119
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes.	90
30	Pharmaceutical products.	59
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof.	56
52	Cotton.	52
09	Coffee, tea, mate and spices.	50
54	Man-made filaments.	49
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	48
29	Organic chemicals.	37

Source: Ministry of Commerce and Industry, Government of India

India's exports to Morocco were approximately USD 1.03 billion in 2023-24. India's largest exports to Morocco are articles of iron and steel (HS 73) at USD 156 million, which is a 15.14% share of India's total exports to Morocco. This is followed closely by vehicles other than railway or tramway rolling stock (HS 87) at USD 119 million, mineral fuels (HS 27) at USD 90 million, pharmaceutical products (HS 30) at USD 59 million, and nuclear reactors (HS 84) at USD 56 million.

India's imports from Morocco were approximately USD 1.4 billion in 2023-24. While there has been a significant downturn this past year, India's imports from Morocco are outpacing India's import growth over the five-year period. India's largest import from Morocco is fertilisers (HS 31) at USD 607 million, which is a 43.2% share of India's overall imports from Morocco. This is followed by inorganic chemicals (HS 28) at USD 483 million, salt, sulfur, etc. (HS 25) at USD 273 million, aluminium (HS 76) at USD 10 million, and iron and steel (HS 72) at USD 8 million.

Table 24: India's Top Imports from Morocco, USD million, 2023-24

HS Code	Commodity	Imported Value (USD million)
31	Fertilisers.	607
28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, or radi. Elem. Or of isotopes.	483
25	Salt; sulphur; earths and stone; plastering materials, lime and cement.	273
76	Aluminium and articles thereof.	10
72	Iron and steel.	8
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.	7
47	Pulp of wood or of other fibrous cellulosic material; waste and scrap of paper or paperboard.	3
39	Plastic and articles thereof.	2
12	Oil seeds and olea. Fruits; misc. Grains, seeds and fruit; industrial or medicinal plants; straw and fodder.	2
26	Ores, slag and ash.	1

Source: Ministry of Commerce & Industry, Government of India

Other Countries

Tunisia

India and Tunisia established relations in 1958, which have remained close in the subsequent decades. Most recently, an MoU was signed for setting up an 'India-Tunisia Centre for Innovation.

Tunisia has a GDP of USD 48.53 billion with an expected growth rate of 1.9% in 2024 and 1.8% in 2025⁹³. India and Tunisia have a trade of USD 675 million with exports to Tunisia at approximately USD 439 million and imports just over USD 236 million.

Tunisia is strategically located at the centerpoint of the North Africa Mediterranean, which could serve as an important base for India's trading activities with the Mediterranean.



India and Tunisia have a trade of USD 675 million with exports

⁹³<https://www.lloydsbanktrade.com/en/market-potential/tunisia/economical-context>

Libya

India and Libya have enjoyed close ties with India opening its diplomatic mission in Libya in 1969.

Libya has a GDP of USD 50.49 billion⁹⁴ with a projected growth rate of 7.8% in 2024 and 6.9% in 2025⁹⁵.

India and Libya have a trade value of USD 803 million with a trade balance of USD 326 million in FY24. India's exports to Libya were approximately USD 565 million and imports were USD 238 million this past year. Libya is a major energy exporter, therefore increased bilateral relations could help diversify India's energy suppliers.



**India and Libya
have a trade
value of USD 803
million**

⁹⁴ <https://data.worldbank.org/country/libya>

⁹⁵ <https://www.lloydsbanktrade.com/en/market-potential/libya/economical-context>



Opportunities in the Maritime Domain



Trade and Maritime Transport

Maritime transport is an integral component of global trade with an estimated 80%⁹⁶ of goods transported by sea, with the Mediterranean alone accounting for 20% of global shipping traffic and 27% of container shipping traffic⁹⁷. Additionally, maritime transport is integral to India's economy because 95% of India's trade by volume and 70% of trade by value occurs through maritime transport⁹⁸.

Thus, the Mediterranean is a critical node for global supply chains, and can also be a potential cornerstone of India's maritime strategy.

The largest port in the Mediterranean region is the Tanger Med port in Morocco with volumes just over 8.61 million twenty-foot equivalent units (TEU) in 2023⁹⁹. Additionally, the port is also home to 1,200 companies that employ 110,000 worker and contributes 20% to Morocco's overall exports¹⁰⁰. The port is projected to continue increasing capacity as an alternate route to the Red Sea.

The second largest port in the Mediterranean region, and the largest port in Western Europe, is the Valencia Port in Spain which processed 5 million TEUs in 2023¹⁰¹.



Mediterranean alone accounting for 20% of global shipping traffic and 27% of container shipping traffic

⁹⁶ <https://unctad.org/rmt2022>

⁹⁷ <https://www.iai.it/sites/default/files/iaip2207.pdf>

⁹⁸ <https://www.investindia.gov.in/sector/ports-shipping>

⁹⁹ <https://www.morocccoworldnews.com/2024/06/363203/moroccos-tanger-med-port-anticipates-record-breaking-traffic-in-2024>

¹⁰⁰ <https://www.reuters.com/business/moroccos-tanger-med-port-expects-exceed-nominal-container-capacity-2024-06-10/>

¹⁰¹ <https://blog.shipsgo.com/valencia-port-information-and-guide-2023/>

Volumes picked up in the latter half of the year after the Red Sea crisis with 18.72% growth YoY in November 2023 and 13.13% YoY growth in December 2023¹⁰².

The third largest port in the Mediterranean, and the largest port in Eastern Europe, is the Piraeus Container Terminal in Greece which processed almost 4.6 million TEUs in 2023¹⁰³. However, the Red Sea crisis has significantly impacted volumes at the port with larger tonnage, 10,000 TEU and above, halving since mid-December and a sustained double-digit drop in January 2024¹⁰⁴.

The strategic locations of these ports, supported by their advanced infrastructure, offer several opportunities for India in terms of enhanced trade and investments. The ports by acting as critical gateways to regions such as Africa and Europe can provide improved access to these markets and can also improve trade efficiency by reducing transit times and costs by offering enhanced connectivity through efficient trade routes.

Strengthening Global Value Chains

Global Value Chains (GVCs) have revolutionised product development and have a significant impact on national and international supply chains. With a large number of nations along the shore, the Mediterranean Sea is integral to the value chains of many products. Increased maritime cooperation between India and Mediterranean nations will benefit India's goal of deeper integration into global value chains

(GVCs) as well as improve bilateral economic cooperation between India and individual nations which could boost India's overall exports.

Given the scale of the opportunity in the Mediterranean maritime transport industry, India has started exploring initiatives to increase bilateral trade and investment within the region.

India and Greece recently upgraded bilateral ties to a strategic partnership with both countries discussing deeper cooperation in maritime transport. Greece is one of the largest players in the maritime logistics industry globally with half of the EU's merchant fleet, 31% of global tankers, and 25% of dry cargo vessels¹⁰⁵.

India's investments in Greek ports would help it to drive its exports in the Mediterranean region with the India-Middle East-Europe Corridor (IMEC) as an important pillar.

Another Mediterranean nation with a strategic maritime position is Israel. Israel has three major ports: Haifa, Ashdod, and Eilat. The largest of Israel's ports is Haifa, which directly borders the Mediterranean and handles more than 1.4 million TEUs per year, approximately 50% of Israel's shipping volume¹⁰⁶, and is owned by the Haifa Port Company, a joint venture between the Adani Group of India and Gadot Group of Israel.

The Haifa port serves as a base for India's exports in West Asia and greater Mediterranean region and could serve as an integral component of IMEC. However, after the breakout of the Israel-Hamas War, the efficiency of the port is threatened. Therefore, India and Israel must work together to address the logistical challenges from the conflict.

¹⁰² <https://www.hellenicshippingnews.com/valenciaport-closes-the-year-half-a-point-above-the-spanish-port-system-with-a-decrease-in-traffic-of-2-81/>

¹⁰³ <https://www.portseurope.com/piraeus-container-terminal-teu-traffic-2023/>

¹⁰⁴ <https://www.lloydlist.com/LL1148414/Red-Sea-Crisis-deals-blow-to-Piraeus-standing-as-East-Meds-transhipment-king>

¹⁰⁵ <https://www.enterprisegreece.gov.gr/en/news/press-releases/the-maritime-cooperation-between-greece-and-india-at-the-heart-of-an-enterprise-greece-online-event>

¹⁰⁶ <https://www.haifaport.co.il/wp-content/uploads/2019/05/booklet-en.pdf>

Finally, the Port of Barcelona is a key component of India's existing Mediterranean supply chain and is positioning itself as a strategic partner as India develops stronger connections with the region. The Port of Barcelona is the 54th largest port in the world¹⁰⁷ and one of the largest port in the Mediterranean with annual volume of 3.3 million TEUs in 2023¹⁰⁸. Additionally, the Port of Barcelona is the largest port of maritime trade between India and Spain, accounting for 41% of bilateral maritime trade by value of goods (€2.3 billion) or 130,000 TEUs¹⁰⁹.

Blue Economy

In addition to logistics, there is scope for Indo-Mediterranean collaboration in the greater blue economy. The Mediterranean is one of the largest fisheries in the world generating over 6 million tonnes of fish in 2019. The Mediterranean aquaculture yielded over USD 3 billion of revenue which was almost 58% of total aquaculture production in the Mediterranean countries¹¹⁰.

Similarly, India also has one of the largest fisheries industries in the world with marine exports of 1.7 million tonnes, and revenue of USD 7.38 billion¹¹¹ while also generating employment for almost 30 million people¹¹². Therefore, there is significant scope for collaboration between the Indian and Mediterranean fisheries industries.

India has increasingly focused on the role of fisheries in the blue economy in recent years with the Blue Revolution scheme launched in 2020 that aims to improve the capacity and earning potential of fishermen in India. This was followed by a draft national policy in 2021 that aims to increase the contribution of the ocean economy and preserve marine biodiversity with an emphasis on fisheries.

India has started to cooperate with Mediterranean nations on fisheries. For example, India signed a MoU with the Government of Morocco in 2014 to collaborate on training and scientific research related to fisheries and fisheries management.

Given the scale of the fisheries industry in both regions as well as increased emphasis on fisheries by the Government of India, there is significant scope for both nations to collaborate on joint research and development of their respective fisheries industries in addition to other components of the blue economy.

India and France recently brought out a road map on the Blue Economy and Ocean governance to increase cooperation between both countries on maritime affairs. This emphasises sustainable growth in fisheries management, coastal/waterways infrastructure, and greater scientific and technical collaboration in the marine sector.

Both countries plan to collaborate on marine research by organise a periodical knowledge summit that will increase knowledge sharing in areas such as genetic biodiversity mapping, ocean observation, and deep-sea exploration technology.

Such arrangements could be developed for several other countries as well, on a bilateral or plurilateral basis.



¹⁰⁷ <https://www.lloydslist.com/one-hundred-container-ports-2023>

¹⁰⁸ <https://container-news.com/port-of-barcelona-handles-3-3-million-teus-in-2023/>

¹⁰⁹ <https://www.portdebarcelona.cat/en/communication/news/port-barcelona-introduces-itself-india-strategic-ally-increasing-commercial#:~:text=The%20Port%20of%20Barcelona%20currently,value%20of%20EUR%202.3%20billion.>

¹¹⁰ <https://www.iemed.org/publication/aquaculture-in-the-mediterranean/>

¹¹¹ <https://pib.gov.in/PressReleasframePage.aspx?PRID=2026456>

¹¹² <https://www.investindia.gov.in/sector/fisheries-aquaculture#:~:text=India%20is%20the%204th%20largest,30%20Mn%20people%20in%20India.>



Potential and Existing Areas of Collaboration



India-Middle East-Europe Economic Corridor

The India-Middle East-Europe Economic Corridor (IMEC) is a proposed economic corridor that will integrate India, Europe, and the Middle East through the United Arab Emirates (UAE), Saudi Arabia, Jordan, Israel, and the European Union. IMEC was formally announced during the 2023 G20 Summit hosted in New Delhi, India. The signatories of IMEC are Saudi Arabia, the European Union, India, the UAE, France, Germany, Italy, and the United States of America.

IMEC is divided into two components: eastern component and northern component. The eastern component of IMEC would move goods from India to the UAE through established maritime shipping routes. Upon reaching the UAE, goods would then be transported via rail through the UAE, Jordan, and Saudi Arabia to Israel's Haifa port.

The northern component of IMEC would ship goods from the Haifa port to end destinations across the Mediterranean and further to the United States.

IMEC is an important component to India's maritime strategy because it reduces reliance on the Suez Canal and facilitates faster transport of goods due to use of railways in the eastern component of IMEC.



The eastern component of IMEC would move goods from India to the UAE through established maritime shipping routes

Besides the shipment infrastructure, IMEC will also integrate undersea data cables as well as long distance hydrogen pipelines, which would improve data connectivity between the regions as well as meet decarbonisation goals.

Despite geopolitical turbulence, IMEC has made rapid progress. After the G20 Meeting in New Delhi, President Emmanuel Macron of France appointed a Special Envoy of the President to IMEC in November 2023. During his visit, Prime Minister Kyriakos Mitsotakis of Greece discussed improving connectivity between India and Greece especially private sector flights. Ministers from the UAE and India met in May as part of the first Inter-Governmental Framework Agreement between the two countries concerning cooperation for the empowerment and operation of IMEC. During the 2024 Group of Seven (G7) Summit held in Rome in June, Italy and India launched the Indo-Mediterranean Initiative (IMI) which will support Italy-India cooperation across multiple areas including IMEC. Finally, during the G7 meeting in June 2024, the G7 nations pledged support for the IMEC.

Manufacturing

The Government of India has launched multiple schemes to promote manufacturing in India and increase its share in India's goal of becoming a USD 5 trillion economy. Make in India initiative, launched in 2014, aims to increase domestic manufacturing, incentivise foreign investment into the manufacturing sector, and improve ease of doing business in India.

In 2020, the Production Linked Incentive Scheme (PLI Scheme) was launched to scale India's domestic manufacturing capability by offering

incentives to foreign companies to invest and manufacture in India. Additionally, the scheme promotes India's export competitiveness. The scheme covers fourteen sectors including large scale electronics manufacturing, automobiles & auto components, and textile products. As of January 2024, 746 applications, across the fourteen sectors, have been approved with expected investment above INR 3 trillion¹¹³.

Countries in the Mediterranean have taken advantage of these schemes to integrate Indian manufacturing into their supply chains across multiple sectors. For example, France's Thomson Computing has partnered with India's Sahasra group to manufacture electronic goods under the PLI scheme initiative as well as launch their own products in the Indian market. Additionally, Israeli chipmaker Tower Semiconductor has proposed to invest USD 8 billion into a fabrication plant in India to manufacture 65 and 40 nanometre chips in India under the PLI semiconductor scheme¹¹⁴.

The area of manufacturing is a strong potential area of collaboration not only because of the high level of technical knowledge in several Mediterranean countries but also because it offers various strategic benefits to India, including enhanced access to new markets, technology transfer, and geopolitical advantages. Likewise, India is also a major consumer market for Mediterranean goods and services that also offers competitively priced labour and production costs, which could lower prices and inflationary pressure in these countries.



¹¹³ <https://pib.gov.in/PressReleaseframePage.aspx?PRID=1996964#:~:text=Incentive%20amount%20of%20around%20Rs,Processing%20and%20Drones%20%26%20Drone%20Components.>

¹¹⁴ <https://www.livemint.com/industry/manufacturing/israels-chipmaker-tower-semiconductor-proposes-to-set-up-8-billion-plant-in-india-report-11707645637871.html>

Industrial Defence Partnership

As part of the Make in India initiative, the Government of India has launched several schemes to promote native defence manufacturing in India. One of these initiatives is the Defence Acquisition Procedure 2020 (DAP-20) that prioritises procurement of capital items from domestic sources. The Government has announced 18 major defence platforms for industry led design and development as well as three 'Positive Indigenisation Lists' that cover over 3000 items.

The Government has liberalised Foreign Direct Investment in defence manufacturing and allows 74% FDI under the automatic route and 100% with governmental approval into the sector and established two defence corridors in Tamil Nadu and Uttar Pradesh. These initiatives are a part of the Government's target of producing USD 26 billion of defence equipment in India with over USD 5 billion of exports by 2025¹¹⁵.

With the liberalisation and prioritisation of the sector, certain Mediterranean countries have a wide range of opportunities to invest and develop defence materials in India. Likewise, Indian companies too can access defence product export opportunities in partner countries in the region.

India and Mediterranean nations have already begun collaborations within the defence sector. India and Israel signed a Vision Statement in 2022 to deepen India and Israel's defence ties including joint defence industrial cooperation and R&D. The same year, India and Egypt signed a Memorandum of Understanding (MoU) to strengthen defence ties including joint

manufacturing as well as transfer and localisation of technology to exploit capabilities and infrastructure available in both countries.

Following President Emmanuel Macron's visit to India for Republic Day 2024, India and France agreed to jointly produce defence equipment including helicopters and submarines for the Indian Armed Forces and other friendly countries. Greece and India signed the Military Cooperation Programme (MCP) in 2024 that will deepen cooperation across military training, technology exchange, and defence production.

As India continues to emphasise the development of a local military-industrial complex, there is significant scope for more engagement with Mediterranean companies for two-way trade and investments in defence supplies.



¹¹⁵ https://invest.up.gov.in/wp-content/uploads/2024/07/India_030724.pdf

Telecommunications

India has the second largest telecommunications industry in the world, with over one billion people subscribed to mobile plans and over nine hundred million subscribed to internet plans. The Government has stimulated the telecommunications industry through allowing 100% FDI into the sector as well as subsidising investments through the Telecom PLI scheme.

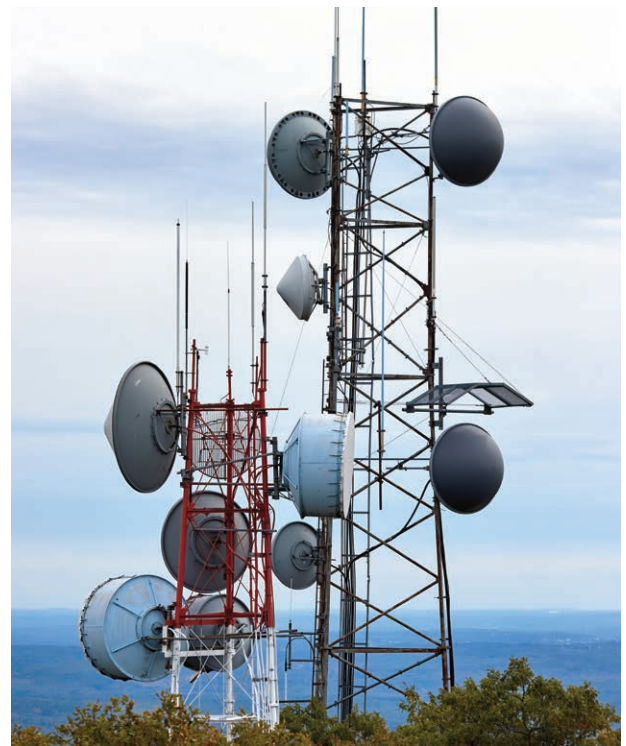
A major component of India's telecommunications infrastructure and a crucial component of India-Mediterranean connectivity are submarine cables. Submarine cables are cables laid on the ocean's seabed between land-based stations to carry telecommunications signals across oceans. Submarine cables are a critical component of global connectivity with over 99 percent of global internet traffic being sent through undersea cables. There are about 574 active and planned submarine cables across the world¹¹⁶, of which 17 are in India¹¹⁷, mostly in Mumbai and Chennai.

Indian largest telecom conglomerates are active in this space and operate or plan to operate undersea cables that connect India and the Mediterranean. Tata Communications operates the Tata Global Network Eurasia (TGN-EA) submarine cable that connects Mumbai, India to Marseille, France through Egypt. Tata Communications partners with Telecom Egypt for the landed portion of the cable system, which is an example of present collaboration between Indian and Mediterranean companies.

Similarly, Bharti Airtel invested and helps operate the Europe-India Gateway (EIG) submarine cable that connects India with Great

Britain through multiple Mediterranean countries including Egypt, France, Libya, and Monaco. Additionally, Bharti Airtel has also become a large investor into the SEA-ME-WE-6 undersea cable consortium that will connect Singapore with France, through India, and be one of the largest submarine cable systems globally. Reliance Jio is constructing the India-Europe-Xpress (IEX) that will connect Western India with the Mediterranean, specifically to Italy through North Africa.

There is significant scope for increased collaboration between Indian telecom conglomerates and Mediterranean telecom companies on jointly developing these submarine cables. The cables are also central to the digital connectivity component of the India-Middle East-Europe Economic Corridor (IMEC).



¹¹⁶ <https://share.america.gov/undersea-cables-keep-us-connected/>

¹¹⁷ <https://www.submarinenetworks.com/en/stations/asia/india>

Digital Corridor

With high penetration of smartphones and the internet in India as well as cost of data being one of the lowest in the world, India has significantly increased its digital presence and infrastructure. The India Stack is an application programming interface, upon which third parties can build software with access to government IDs, payment networks and data. This has allowed for a variety of technologies that increase digital connectivity to flourish in India.

One of these is e-KYC, which allows organisations to authenticate a customer's identity using their Aadhar (unique identification) number. This is used by logistics providers to verify international shipments from outside India to Indian addresses. Another technology based on the India Stack is the Unified Payments Interface (UPI), which transfers funds between two bank accounts through Peer-to-Peer and Peer-to-Merchant transactions over mobile phones. UPI has revolutionised payments in India with over INR 20 trillion transacted in July 2024 alone¹¹⁸.

Given India's prowess in digital infrastructure, Mediterranean countries have begun to integrate the technology into their own nations. For example, France announced that UPI would be accepted as a method of payment for tickets to the Eiffel Tower. India is also exploring UPI linkages with several other countries in the region which would enable wider use of fintech for transactions.

India and the Mediterranean have also increasingly collaborated on technology. In May 2023, India and the EU held the first Trade and Technology Council meeting in Brussels. After the discussions of Working Group on Strategic Technologies, Digital Governance, and Digital Connectivity, both parties agreed to deepen collaboration on Quantum and High-Performance computing research and development projects as well as in the Global Partnership on Artificial Intelligence (GPAI).

As India continues to develop, there are significant investment opportunities and technology sharing partnerships with Mediterranean countries.



¹¹⁸ <https://www.npci.org.in/what-we-do/upi/product-statistics>

Global Agricultural Value Chains (GAVC)

India is an integral component of global agricultural value chains (GAVC). It is the world's largest producer of milk, pulses, and spices and is the second largest producer of rice, wheat, cotton, sugarcane, farmed fish, mutton, fruit, vegetables, and tea. Agriculture is a significant component of India's economy with almost 45% of India's workforce employed in the sector¹¹⁹.

Likewise, Food Processing is also a significant component of India's economy with a market size that is expected to reach USD 535 billion by 2025-26 at a CAGR of almost 15%. Food Processing also has a dedicated PLI scheme designed to stimulate foreign investment into the sector. Under the scheme, 158 companies have been chosen to participate with nearly INR 71 billion invested, which is likely to increase expansion of the food-processing industry by nearly INR 300 billion and create employment opportunities for 250,000 people by FY27¹²⁰.

Given India's importance in GAVCs, there is significant collaboration and room for further collaboration between Indian and Mediterranean countries. In June 2023, India and Egypt elevated bilateral relations to a strategic partnership which paved the way for cooperation on multiple sectors including agriculture. Specifically, both parties discussed exchange programs, sharing best practices, and promoting agricultural research and development. India and Greece have signed an

MoU on cooperation on the field of Agriculture including the establishment of a Joint Subcommittee on Agriculture. In early December 2023, the European Union sent an agri-food business mission to Indian to promote EU agricultural and beverage products in India as well as stimulate linkages between agricultural producers in both nations.

The combination of increased diplomatic interest in agriculture along with increased investment incentives for food processing creates unique tailwinds to increase and deepen cooperation between India and the Mediterranean in the food sector.



¹¹⁹ https://dge.gov.in/dge/sites/default/files/2023-05/Employment_and_Unemployment_scenario_of_India_May_2023.pdf

¹²⁰ <https://www.investindia.gov.in/sector/food-processing>

Energy Partnerships and Sustainability

At COP26 in Glasgow, India announced a set of ambitious energy and emissions targets and pledged to cut emissions to net zero by 2070. In pursuit of this goal, the Government of India has started several initiatives to promote and scale the use of renewable energy in India.

One of these initiatives is the National Green Hydrogen Mission, which aims to make India a global hub for production, usage, and export of Green Hydrogen and its derivatives. The Government is investing INR 174 billion into the project until 2030 to help incentivise the manufacturing of electrolysers and production of green hydrogen¹²¹. Green hydrogen hubs and pilot projects to establish a supply chain are also underway in India.

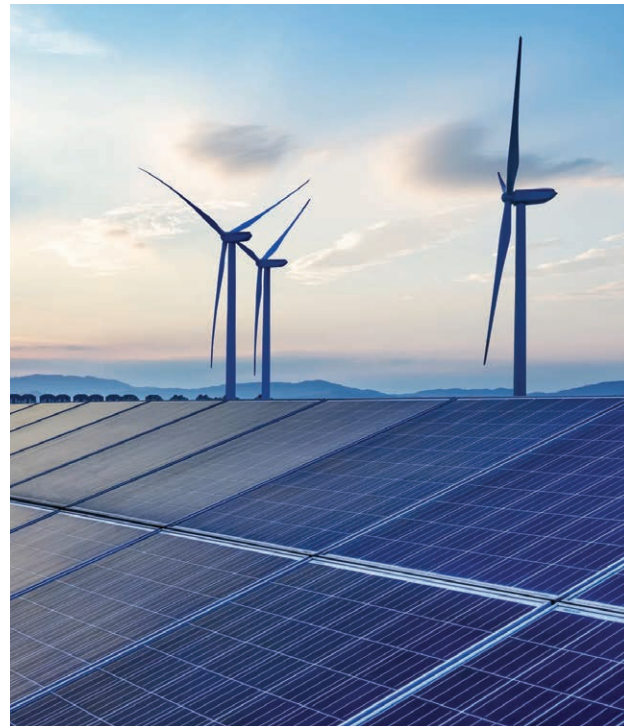
Another initiative is the International Solar Alliance (ISA), founded in 2015 to increase the utilisation of solar energy and reduce the cost of solar power generation. The ISA has 99 official member states including several Mediterranean states such as France, Italy, Cyprus, and Egypt. The ISA has launched initiatives seeking to scale energy storage systems that will in turn promote solar energy in the e-mobility sector as well as support low-cost financing for solar initiatives in ISA member countries.

Renewable energy in India is an area of significant potential investment and collaboration for Mediterranean companies.

Mediterranean countries have also significantly invested into renewable energy. Algeria has launched four pilot programs on the production

of green hydrogen with three of the projects being financed by state-controlled entities and one being a collaboration with a German company. Another Mediterranean nation investing significantly in Green Hydrogen is Morocco with over 6,000 square kilometres of land being set aside for Green Hydrogen projects. Indian company ReNew has also announced an investment into green hydrogen in Egypt.

There is significant synergy between India and Mediterranean countries on Green Hydrogen and multilateral investment agreements could be proposed to deepen collaboration across the region.



¹²¹ <https://mnre.gov.in/national-green-hydrogen-mission/>

Circular Economy and Urbanisation

India is becoming an increasingly urban country with an estimated 600 million people, or 40% of the population, living in urban areas by 2036¹²². Therefore, India is increasingly investing in developing sustainable urban infrastructure to accommodate the influx of people.

One initiative of the Government is the City Investments to Innovate, Integrate and Sustain (CIITIS 2.0), which will provide financial and technical support to 18 smart cities to fund scale-up interventions and to promote a circular economy that helps meet federal climate goals. The Atal Mission for Rejuvenation and Urban Transformation (AMRUT) has focused on water security in its second phase. Therefore, there is significant opportunity for potential collaboration on waste reduction and recycling in pursuit of a cleaner, and more environmentally friendly India.

India and the Mediterranean countries have already started collaborating on circular economy partnerships. India and the EU formed the India-EU Resource Efficiency and Circular Economy Partnership (IRECEP) in 2020, which has provided technical support to the Rajasthan State Pollution Control Board and Goa State Pollution Control Board as well as supporting ECOR's crop residue project through four awareness workshops, which were highlighted at the CII Sustainability Summit.

Another example of Indo-Mediterranean cooperation is the India-EU Partnership on Smart and Sustainable Urbanization (IEPSSU), which put forth a joint action plan in 2021-22 to promote investments in sustainable urbanisation, effective solid waste management, and effective water supply & sewage system. Therefore, there are already initiatives by blocs containing Mediterranean nations that could be expanded to countries across the region either jointly or through bilateral agreements.



¹²²<https://www.worldbank.org/en/news/opinion/2024/01/30/gearing-up-for-india-s-rapid-urban-transformation#:~:text=India%20is%20urbanizing%20rapidly,almost%2070%20percent%20to%20GDP.>

Tourism and Mobility Agreements

The Indian Government has taken initiatives to promote foreign tourism in India such as the e-Visa program which is currently available for citizens from over 170 countries including Morocco, Monaco, Italy, and Spain¹²³. Another initiative is the International Air Connectivity Scheme (ICAS) which seeks to support states in establishing direct connectivity with different states across the world, including the Mediterranean. Establishing reliable and direct air connections between India and Mediterranean states would increase cross-cultural exchange and increase the ease of doing business in both geographies.

India has also explored increased mobility with Mediterranean nations. It has entered into agreements with Greece and France for student mobility as well as worker mobility.

There is significant scope to increase education-based tourism between both Mediterranean nations and India.



¹²³ <https://indianvisaonline.gov.in/evisa/tvoa.html>

Trilateral partnerships

Trilateral partnerships effectively converge needs of developing economies in the region with Indian experiences, and expertise and funds from advanced nations. This can deliver great outcomes in areas such as agriculture, clean energy, health, manufacturing, and disaster preparedness.

India has undertaken various projects in partnership with other countries for development in third countries. The UK India joint project 'Supporting Indian Trade and Investment for Africa' or SITA is the UK FCDO's first trilateral partnership under its Aid for Trade program. SITA aims to leverage Indian knowledge, technology and capital to increase exports from Africa to India and other countries.

Similar projects have been undertaken by India for working in Africa, with Germany and Japan. The Asia Africa Growth Corridor agreed with Japan works on four pillars of development and cooperation projects, quality infrastructure and institutional connectivity, enhancing capacities and skills and people to people partnership.

With nations such as France, Italy, Israel and Spain along with financial hubs such as Cyprus being part of the Mediterranean geography, there is high scope for India to enter into partnerships for projects in lower income countries in West Asia and North Africa. These projects could be designed in areas such as skill development, public private partnerships for infrastructure, renewable energy, digital infrastructure and so on.



Recommendations for a Way Forward



∨
 ∨
 ∨
The world largest foreign arms importer, India will continue to remain a lucrative defence market for foreign manufacturers

- India should consider bilateral Free Trade Agreements with key Mediterranean partners to increase economic cooperation and improve Ease of Doing Business (EODB)**

As India develops and scales bilateral trade relationships with individual Mediterranean partners and trading blocs, tariffs act as a significant trade barrier that decrease the pricing competitiveness of Indian and Mediterranean exports. India should negotiate bilateral or multilateral Free Trade Agreements (FTA) with Mediterranean nations to reduce tariff barriers and promote more seamless economic activity between India and its trading partners.

An India-EU FTA would be a significant boon to the India Mediterranean relationship as half of India's top ten trading partners in the Mediterranean are EU countries. At the same time, India could also pursue bilateral trade agreements with other Mediterranean states including Israel, Turkey and North African countries.

- India and Mediterranean nations should cooperate more closely in the defence sector through joint development and technology sharing**

Increased emphasis and liberalisation of the defence sector in India presents a significant opportunity for both Indian and foreign defence manufacturers. Additionally, as the world largest foreign arms importer, India will continue to remain a lucrative defence market for foreign manufacturers. India's Make in India mission, bilateral defence cooperation agreements with Mediterranean nations, and competitively priced labour market offer significant incentives for foreign companies to invest in manufacturing hubs in India.

Therefore, India and Mediterranean partners could jointly research and develop military equipment and components for both the Indian market and abroad.

- **India should attract more Mediterranean investors into Indian industries**

The Production Linked Investment scheme (PLI) has attracted several foreign investors to manufacture in India across electronics, food processing, and automobile sectors. To stimulate domestic manufacturing, the Government of India could consider providing land in industrial corridors to investors from the partner region. Some examples of potential schemes in critical areas include green hydrogen, aerospace and defense, renewable energy, and artificial intelligence. By offering incentives to these industries, India will be able to diversify and upskill its manufacturing base through technology and monetary investment from Mediterranean investors and business partners.

- **India and the Mediterranean should jointly develop more port infrastructure to diversify shipping routes between the two regions and increase security of the India-Middle East-Europe Economic Corridor**

The India-Middle East-Europe Economic Corridor (IMEC) is integral to India's mission of increasing its export competitiveness and importance in global supply chains. One of the most important features of IMEC is its port infrastructure as goods will be transported across land and sea terminals in India and the Mediterranean. Therefore, India and the Mediterranean should increasingly prioritise and subsidise developing IMEC dedicated ports in key Mediterranean states to ensure smoothness in the corridor for goods going from India to the Mediterranean as well as those coming to India from the Mediterranean.

- **Indian and Mediterranean telecommunications companies should collaborate on the development of submarine cables between the two regions**

Submarine cables are an integral component of global data connectivity and networking infrastructure. As India plays an integral role on the internet and industries associated with it, data security and connectivity become a central component of India's economy as well as the global economy. Indian and Mediterranean countries could develop joint submarine cables like the EIG and IEX cables. Additionally, Mediterranean nations could cooperate with India on security issues related to submarine cables through bilateral defence agreements.

- **India and Mediterranean countries should improve mobility through starting direct aviation routes as well as signing circular mobility agreements for high-skilled workers**

India has one of the largest high-skill labour forces as well as one of the most successful diaspora groups in the world. There is significant value for Mediterranean nations that have an undersupply of high skilled workers to sign circular mobility agreements with India. These agreements would be mutually beneficial as these trained workers would come back to India with familiarity in cutting edge technologies and techniques present in Mediterranean nations which could be implemented back in India.

Additionally, direct aviation routes between India and Mediterranean countries would increase accessibility and efficiency in economic activity between both regions.

- **India and the Mediterranean should cooperate on circular economy initiatives to combat climate change**

Climate change is one of the most important global problems of the 21st century and multilateral cooperation is essential to combat and lessen the effects of it. India and the Mediterranean should form new partnerships on circular economy and maintain existing ones. Urbanisation could be a potential area of focus for both India and the Mediterranean where both parties share technology, research, and invest in green urban development. Joint developments of urban infrastructure in India could be a potential area of investment or joint venture for Mediterranean construction businesses.

- **India and Mediterranean nations should cooperate on the development and utilisation of green hydrogen to combat climate change and accelerate the adoption of renewable energy**

Fossil fuels are a key driver of worsening climate change, and countries are racing to replace them with alternative sources of energy. One of these sources is green hydrogen, a form of hydrogen produced from electrolysis of water and a key area of renewable energy investment in India and the Mediterranean. Joint development and research in green hydrogen and other sources of renewable energy would not only promote greater Indo-Mediterranean cooperation but also aid in the battle against climate change.

- **India and the Mediterranean should leverage the India Stack to create digital solutions for cross border payments between both countries**

India's application programming interface, also known as the India Stack, has significantly improved ease of doing business in India. UPI has allowed for Indians to seamlessly send and receive money from institutions and other users. Additionally, the ubiquity of smartphones and security of transactions has resulted in widespread adoption across the country. UPI could serve as a potential medium of transactions between India and the Mediterranean, which could significantly improve ease of doing business between both regions.

- **India should invest significantly in technological improvement and integration with Global Agricultural Value Chains (GAVC)**

India's agriculture industry is a significant component of India's overall economy as well as the world's agricultural economy. As a major exporter of wheat, rice, and cotton, India is critical to the supply of raw materials and food goods to the rest of the world. Therefore, India and the Mediterranean should invest in developing technology for the agriculture sector that could improve crop yield and improve the quality of food processing in both India and the Mediterranean. Additionally, a dedicated agricultural corridor could be created to transport agricultural products between India and the Mediterranean.



Conclusion



<<<
Mediterranean companies can enable regional connectivity and smooth bilateral and multilateral economic activity between the two regions.

The present report demonstrates the strong economic relationship that India and the Mediterranean have across all the subregions within the area. There is representation from all regions in India's top ten trading partners as well as potential growth in India's trading relationship with other Mediterranean nations.

India has collaborated with the Mediterranean across multiple disciplines including blue economy, global agricultural value chains, urban infrastructure, submarine wired communications, digital economy, renewable energy, aerospace and defense, mobility agreements, and manufacturing.

The India Middle East European Economic Corridor (IMEC) is a key facilitator of Indo-Mediterranean trade and partnerships between Indian and Mediterranean companies, which can enable regional connectivity and smooth bilateral and multilateral economic activity between the two regions. Specifically, Mediterranean and Indian infrastructure companies can work to jointly develop ports to secure the corridor and increase efficiency between the two regions.

It is also recommended that India improve its manufacturing sector attractiveness through targeted policies to stimulate Mediterranean investment in India which, in turn, will bolster the manufacturing sector in line with the Make in India mission.

India and Mediterranean nations should also jointly develop and invest in technology in the areas of green hydrogen, aerospace and defence, food processing, submarine cables, and urban infrastructure.

Finally, Indian and Mediterranean countries can together implement circular mobility agreements and digital partnerships that leverage the strength of the India stack.

This report has outlined several areas of significant collaboration between India and the Mediterranean and recommendations to further strengthen the relationship between India and the Mediterranean region. This would revive the historical strong economic bonds between the two sides and facilitate a closer engagement for mutual benefit.

The image features a vibrant, blue-toned digital cityscape. In the foreground, several stacks of gold coins are visible, suggesting wealth and investment. The background is filled with tall, modern skyscrapers, some of which are illuminated with bright blue light. Overlaid on the right side of the image is a glowing blue line graph with multiple peaks and valleys, representing economic data or market trends. The overall aesthetic is high-tech and futuristic, emphasizing growth and economic progress.

Indian Economy: Rising Growth Trajectory



In the last couple of years, the world has gone through multiple crises and has added to the long list of existing flashpoints. Despite these challenges, global economic activity is rebalancing and is expected to grow at a stable pace in 2024, supported by a rebound in global trade and an anticipated soft landing in advanced economies. The optimism in the global economy is also reflected in many of the multilateral organisations upgrading their growth projections for the current year.

In its latest Global Economic Prospects (GEP) in June, the World Bank revised upwards the global growth projections by 20 basis points to 3.1% in 2024 and 3.2% in 2025. Concurrently, the International Monetary Fund (IMF), too, in its World Economic Outlook, released in July, projects the global economy to grow at 3.2% in 2024 and a tad higher at 3.3% in 2025.

The Indian economy has demonstrated remarkable resilience and strength, defying prevailing global economic and geopolitical headwinds. Registering an 8.2% growth in FY24, India has firmly established itself as the fastest growing major economy in the world for three consecutive years.

India's resilience is buttressed by robust macroeconomic fundamentals, thriving manufacturing and services sector, and buoyant domestic demand. However, the slowdown in government spending owing to general elections in June 2024 resulted in the GDP growth for first quarter of the current fiscal (Q1FY25) slowing to 6.7%, as compared to 7.8% in the previous quarter and 8.2% in the corresponding period last year.



Global economy to grow at 3.2% in 2024 and a tad higher at 3.3% in 2025.

From the supply side, the manufacturing sector activity continued to gain ground on back of improving domestic demand. Construction sector recorded a double-digit growth of 10.5% in Q1 FY25. However, the heatwave and delayed sowing posed a headwind to agriculture sector

growth which grew at a modest 2.0% during the said period.

From the demand side, private consumption marked a turnaround, growing at par with investments and reaching a seven-quarter high of 7.4% in Q1 FY25.

Figure 11: Demand side components of growth (y-o-y%)

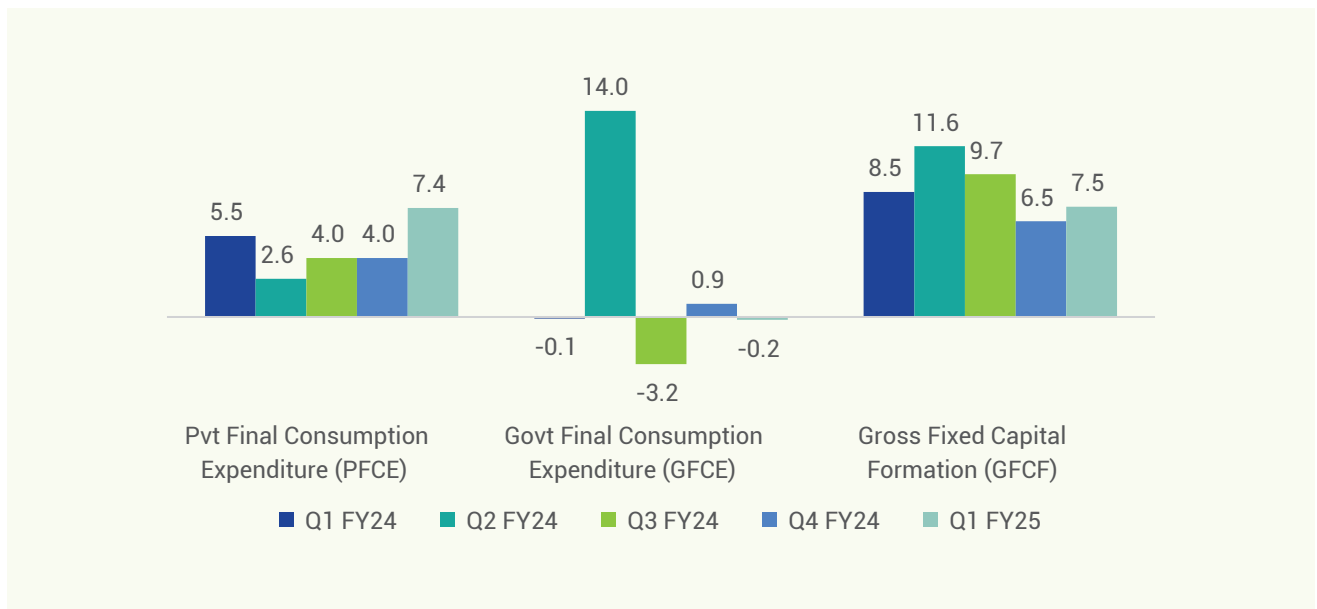
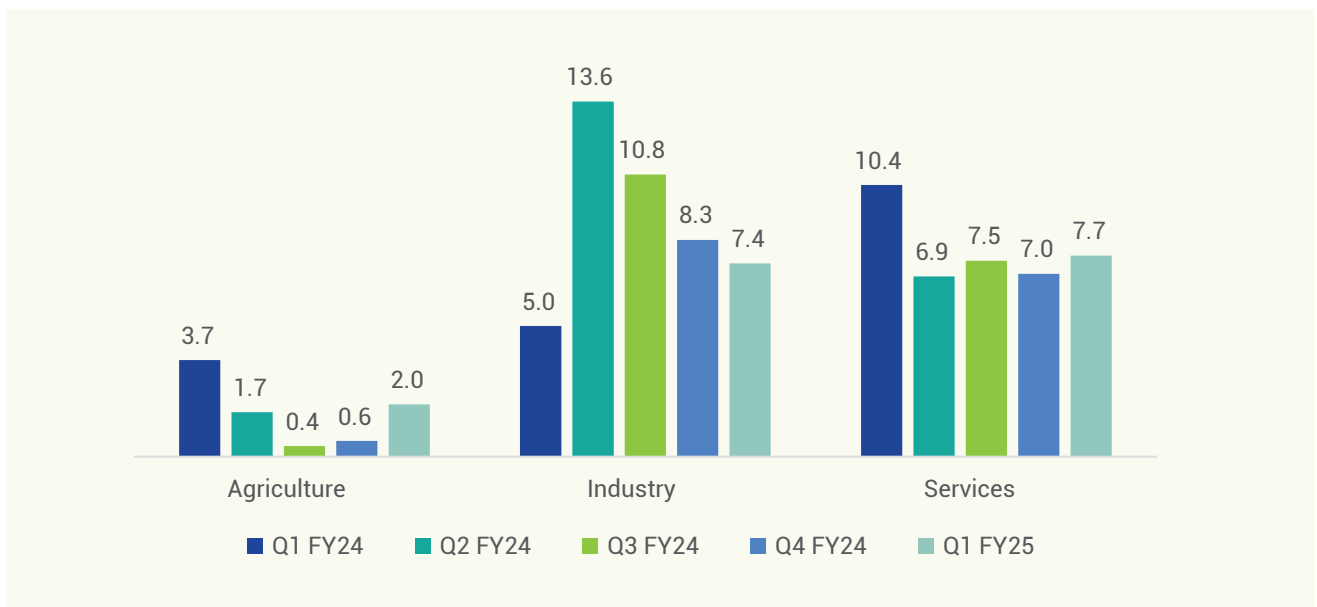


Figure 12: Supply side components of growth (y-o-y%)



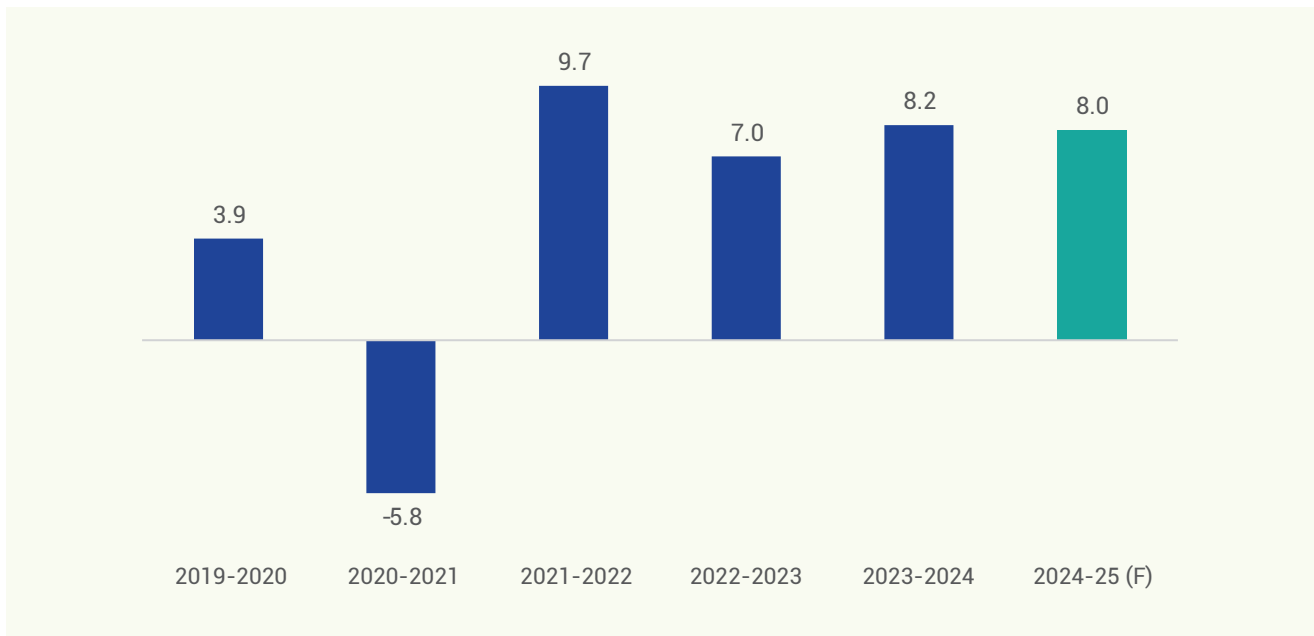
Source: CSO

The robustness of the economy is evident from a slew of high-frequency indicators such as GST revenue collections, bank credit, auto sales and air passenger traffic among others, which have maintained a continued uptrend since the start of the current fiscal year. Manufacturing and Services PMI have also maintained buoyancy. The revival in rural demand has also been encouraging, with rural FMCG growth, which was lagging the urban demand having picked up and now has been overtaking the urban demand in Q4 FY24 and Q1 FY25.

With this background, CII expects India to grow at a healthy rate of 8% in 2024-25, higher than the estimates of the RBI (7.2%) and IMF (7.0%)

for the current year. Our optimism stems from expectations of next-gen reforms pertaining to the factor market, being carried forward in mission mode. Apart from these next-gen reforms, the expectations of an above-normal monsoon and healthy kharif sowing which in turn will support improving rural demand, the government's continued thrust on capex while maintaining fiscal prudence, continued softening of inflationary pressures, and improvement in global trade prospects are the other key factors, which would support growth in the current fiscal. Having said that headwinds from geopolitical tensions, volatility in international commodity prices, geoeconomic fragmentation, and elevated food prices pose risks to the outlook.

Figure 13: India's real GDP growth trajectory over the years (y-o-y%)

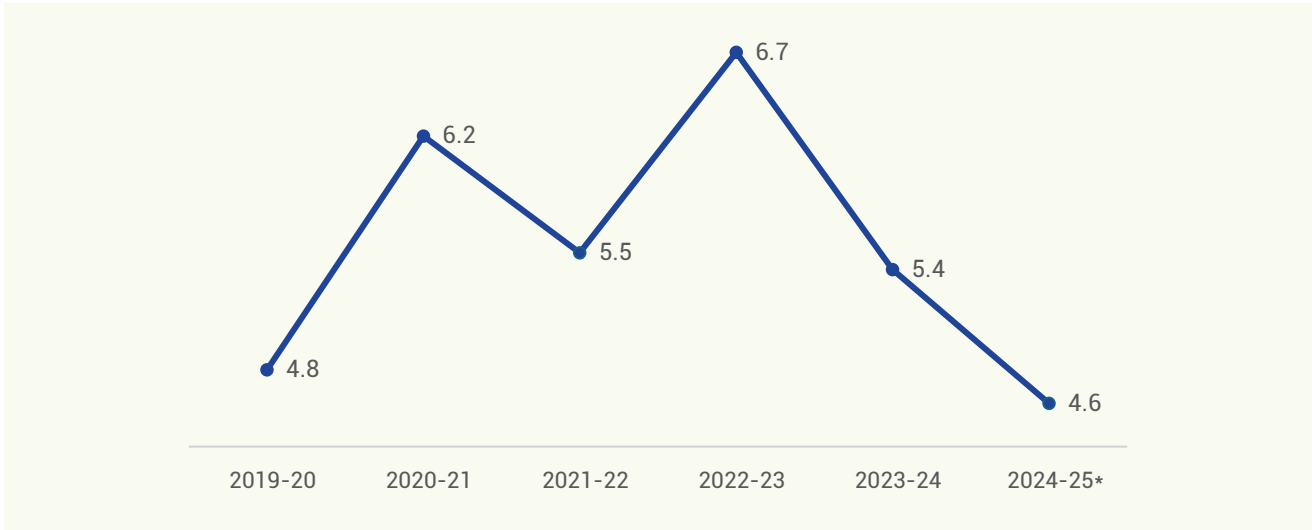


Note: 2024-25 is CII forecast
Source: CSO

Headline inflation as measured by the Consumer Price Index, has moderated from its peak but remains uneven. After averaging 5.4% in FY24, CPI inflation has remained steady at 4.6% in April-July 2024, with inflation moderating sharply to 59-month low of 3.54% in July. The reduction in inflationary pressures in July was significantly aided by favourable base effects, which are expected to continue impacting inflation in Q2. However, inflation is

projected to rise in Q3 as these base effects taper off. Factors such as the steady progress in monsoon, pick-up in kharif sowing, adequate buffer stocks of foodgrains and easing global food prices are expected to help contain food price pressures, thus aiding in bringing down the headline print near the RBI's target of 4%. Nonetheless, adverse climate events pose a potential risk to food inflation.

Figure 14: Annual CPI inflation print (y-o-y%)



Note: 2024-25 is for the period Apr-July
Source: CSO

RBI, on its part, which has maintained a status-quo on the key interest rates since February 2023 is widely expected to pivot to cutting rates in the second half of the year in tandem with improvement in transmission of the past rate hikes to the money market rates as well as with the global interest rates trending down.

On the external front, despite persistent global challenges, overall exports (merchandise + services) stood at USD 778.4 billion in FY24, largely driven by healthy outbound shipment of services. In the current fiscal so far, overall exports (merchandise and services combined) in April-July 2024 is estimated to exhibit a positive growth of 6.65 per cent over April-July 2023. While exports have maintained a steady momentum so far, there are imminent signs of a slowing global economy, which could have an impact on India's exports. Along with the slowing growth momentum in the US, the geo-political tensions and rising shipping costs, too, could also have an adverse impact on India's goods exports. While services exports are steady as of now, there could be some impact of a slowdown in the US on IT services.

Further, regarding external financing, India has seen robust Foreign Direct Investment (FDI) inflows in the recent years, supported by government's enabling policy reforms and attractiveness of robust economic fundamentals of the Indian economy. The country has attracted USD 22.5 billion worth gross FDI inflows in Q1 FY25, higher than USD 17.8 billion attracted in the corresponding period last year. Moreover, Foreign Portfolio Investments (FPI), too, have remained strong, aiding the emergence of a booming domestic capital market. Foreign Portfolio Investors invested about USD 19.7 billion in the country in 2024 (till August) as compared to USD 28.7 billion in full year 2023.

To conclude, despite the challenges emanating from the global environment, Indian economy's resilience and robust growth trajectory, supported by strong domestic fundamentals, has positioned it as a global growth leader.

We are optimistic that India's rich economic fundamentals and strong performance across the sectors will continue to impart resilience to the economy and take it to a higher growth trajectory.



Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, with around 9,000 members from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 365,000 enterprises from 294 national and regional sectoral industry bodies.

For more than 125 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness, and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Through its dedicated Centres of Excellence and Industry competitiveness initiatives, promotion of innovation and technology adoption, and partnerships for sustainability, CII plays a transformative part in shaping the future of the nation. Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes across diverse domains including affirmative action, livelihoods, diversity management, skill development, empowerment of women, and sustainable development, to name a few.

For 2024-25, CII has identified "Globally Competitive India: Partnerships for Sustainable and Inclusive Growth" as its Theme, prioritizing 5 key pillars. During the year, it would align its initiatives and activities to facilitate strategic actions for driving India's global competitiveness and growth through a robust and resilient Indian industry.

With 70 offices, including 12 Centres of Excellence, in India, and 8 overseas offices in Australia, Egypt, Germany, Indonesia, Singapore, UAE, UK, and USA, as well as institutional partnerships with about 300 counterpart organizations in almost 100 countries, CII serves as a reference point for Indian industry and the international business community.

Confederation of Indian Industry

The Mantosh Sondhi Centre
23, Institutional Area, Lodi Road, New Delhi – 110 003 (India)
T: 91 11 45771000
E: info@cii.in • W: www.cii.in

Follow us on:



[cii.in/facebook](https://www.cii.in/facebook)



[cii.in/twitter](https://www.cii.in/twitter)



[cii.in/linkedin](https://www.cii.in/linkedin)



[cii.in/youtube](https://www.cii.in/youtube)

Reach us via CII Membership Helpline Number: 1800-103-1244