



November, 2012

Asian Europe Conference

Dear members and friends of Euronoroc,

This year Euronoroc has been very active in the matter of free trade agreement with India. It started with the initiative of former President Stefano Ghirardi supported by the Spanish President Manuel Sánchez and Belgian representative Stijn Renier. We had a meeting with the EU-Commission on Feb. 20, 2012.



The EU forwarded Euronoroc's statements to the EU Delegation in India in order to launch the appropriate actions, but many discussions did not lead to any success.

Thanks to Mr. Tevfik T Turker from our Turkish federation who has a deep knowledge about the stone trade EU/India we talked to nearly everybody who has something to say or decide on the subject. The situation is more than complicated. At the Asian-European-conference in Vientiane where we briefed one EU-colleague to promote our stone issue, we got the following feedback: everybody sees the necessity to increase the speed of negotiations. There is no other project in Asia that would have such a large impact on the relationships between Asia and Europe. The industry and all diplomats support it, but it is a tough procedure. This is the official side. The reality is different.

It is highly unlikely that the problems are solved until the EU/India summit in Brussels and the government meetings in Berlin in April, 2013. Our EU-representative told me that only Germany is keen on passing the agreement as soon as possible. The reason is that Germany is by far the largest partner of India in Europe. The free trade agreement would give the EU an highway into the country that is not only the most populated country on the world, but will become a global player in the world as well in the next ten years.

On the Indian side Mr. Som Mittal, the chairman of the federation of Indian Computer Industry said that he will not support the agreement as long as Indian IT-people are not allowed to work and travel freely in

Europe.

I am very proud that we managed to get our "natural stone" issue into the discussion as a lot of other issues from automotive industry and insurance companies were on the agenda as well. This was something.

The result was however chilling: the former Indian minister for trade, Mr. Kamal Nath, criticized heavily the EU policy on subsidies and subventions. He said that a French egg sold in Dubai is cheaper than an Indian egg in India. Why? Only because European agriculture is supported artificially which destroys the market for Indian exports. It is true that the Indian policy on natural stone is discriminating the international trade, but India does not want to be a saint while the EU is the devil. It may be that the Indian policy damages the internal Indian stone processing industry, but this is an internal Indian affair and not the business of the EU or Turkey.

The Indian commerce minister, Mr. Anand Sharma proposed a trimmed-down version of the agreement, but this would not include painful issues like our natural stone sector.

What shall we do?

End of of January I am invited to New Delhi to meet a lot of decision makers from the Indian Government and are asked to deliver a speech to the audience. For the moment this seems to me the most promising way to influence the internal Indian policy as the international negotiations have reached a dead end difficult to overcome. At least we are not in a position as Euronoroc to give the solution to the quarrelling parties.

Mr. Tevfik T Turker proposed a meeting on the issue on Friday, Nov. 16, 2012 in Istanbul. Please tell me or Mr. Turker directly whether you are willing to come. It will be only a one-day meeting. On the agenda will mainly be the strategy for the time to come. Euronoroc needs a unified strategy for the benefit of our members. We need to pool our resources in order to create a greater power against India's tactic of delay.

Prof. Dr. Gerd Merke - Secretary General-

