

EU, India set up fund for investments

Investment boost: The mechanism will help promote European Union's investments in India.

European Union (EU) and India on Friday announced the establishment of an Investment Facilitation Mechanism (IFM) for EU investments in India.

"The mechanism will allow for a close coordination between the European Union and the Government of India with an aim to promote and facilitate EU investment in India," an official statement said.

Ramesh Abhishek, secretary, Department of Industrial Policy and Promotion (or DIPP -- the nodal body for foreign direct investment policy), said: "The IFM has been established with the key objectives of paving the way for identifying and solving problems faced by EU companies and investors with regard to their operations in India."

He added that the IFM will cover new investors as well as those already established in India. "The IFM is also going to serve as a platform for discussing general suggestions from the point of view of EU companies and investors with regard to ease of doing business in India, which I am sure, would boost and encourage the EU investors to avail the investment opportunities available in India," said Mr Abhishek.

Ease of doing business is a fundamental priority of the Indian Government's Make in India Campaign and the establishment of IFM for facilitating EU investments in India is another step to achieve this goal, he said.

The IFM builds on the Joint Statement of the 13th EU-India Summit held in Brussels in March 2016, where the EU had welcomed India's readiness to establish such a mechanism and leaders from both sides had reaffirmed their shared commitment to oppose protectionism and to work in favour of a fair, transparent and rule-based trade and investment environment, the statement said.

As part of the IFM, the EU Delegation to India and the DIPP will hold regular high level meetings to assess and facilitate "ease of doing business" for EU investors in India. This will include identifying and putting in place solutions to procedural impediments faced by EU companies and investors in establishing or running their operations in India. Invest India, the Indian government's official Investment Promotion and Facilitation Agency, will also be part of the IFM. It will create a single-window entry point for EU companies that need assistance for their investments at the central or state level. The DIPP will also facilitate participation of other relevant ministries and authorities on a case-to-case basis.

Tomasz Koslowski, Ambassador of the European Union to India, said, "the establishment of the IFM is a right step in the direction of strengthening the trade and investment ties between the EU and India. The EU is the largest foreign investor in India and this initiative helps ensuring a more robust, effective and predictable business environment for the EU investors."

Trade and Investment are key elements of the EU-India Strategic Partnership launched in 2004. Along with being the first trade partner in goods and services, EU is one of the biggest provider of foreign investment in India, with a stock exceeding \$81.52 billion (more than Rs 4.4 lakh crores) as of March 2017, the statement said. There are currently more than 6,000 EU companies present in India, providing direct and indirect employment to over 6 million people.

Such expenditure needs expeditious resolution of stressed loan problem: Crisil

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