

FICCI signs MoU with ICEX Spain Trade and Investments to strengthen bilateral trade and economic relations

NEW DELHI, November 11, 2014. In a bid to strengthen trade and economic relations with Spain, the Federation of Indian Chambers of Commerce and Industry (FICCI) today signed a Memorandum of Understanding (MoU) with ICEX Spain Trade and Investments.

The MoU was signed by **Dr. (Ms.) Jyotsna Suri, President Elect, FICCI** and **Mr. Francisco J. Garzón, CEO, ICEX Spain Trade and Investments.**

ICEX Spain Trade and Investments is mandated to organize and lend financial support to Spanish internationalization projects and attraction of foreign investments within the framework of the Government's economic policy.

In terms of the MoU, the signatories will take all necessary actions and activities within their competence to promote trade and investment relations between India and Spain and to constantly endeavor to improve cooperation between the two organizations.

The two parties shall regularly exchange information connected to laws and regulations related to economic and investment activities, business opportunities, publications and any other information that will strengthen bilateral economic ties.

They will encourage businesses in their respective countries to hold economic and trade exhibitions in each other's country and render all necessary help for promoting Indian and Spanish goods and services in each other's countries, respectively. They will also jointly organize visits of delegations, trade and economic missions for the purpose of activating relationship and expanding trade and cooperation between their respective members.

The two organizations shall exchange information about innovative and business initiatives in both countries. They will also jointly organize the investment seminars and business group meetings, and realize the business projects in both countries.

Economic and commercial relations between India and Spain have been growing steadily. Agreement on Avoidance of Double Taxation between the two countries was signed in February 1993 followed by a Bilateral Investment Protection Agreement in 1997.

India-Spain bilateral trade for the year 2012-2013 stood at USD 4.68 billion decreasing by around 2.6% from the year 2011-2012. The balance of trade has been in India's favour. Bilateral trade was impacted negatively in 2009 as a result of the financial/economic crisis of 2008-09.

Bilateral trade between India and Spain for 2013-14 stood at USD 4.72 billion. The drop in bilateral trade is mainly due to reduced imports by Spain in a time of economic downturn.

Spain ranks 42nd in value terms of bilateral trade with India, among all countries of the world, featuring above economic giants such as Canada, Sweden, Norway, Finland and Ireland.

Amongst countries exporting to India, Spain holds the 40th position. Amongst countries importing from India, Spain holds 30th position.

Spain ranks 12th in terms of investment with cumulative FDI inflows into India amounting to USD 1.86 billion (April 2000 – May 2014), accounting for 0.83% of total FDI inflows. (Inflows received through FIPB/SIA route RBI's automatic route & acquisition of existing shares). Only five years ago, in 2008, Spain occupied the 17th position. The improvement has been remarkable.

Indian investment in Spain has been growing and presently stands around USD 900 million. Around 39 Indian companies have an investment presence in Spain, through 100 subsidiaries including Telco, TCS, Ranbaxy and Infosys having a presence in the field of IT, automobiles, pharmaceuticals and road maintenance. Together they account for the creation of 10,000 direct jobs and a very significant amount of indirect employment.

FICCI MEDIA DIVISION