India-Italy Joint Strategic Action Plan

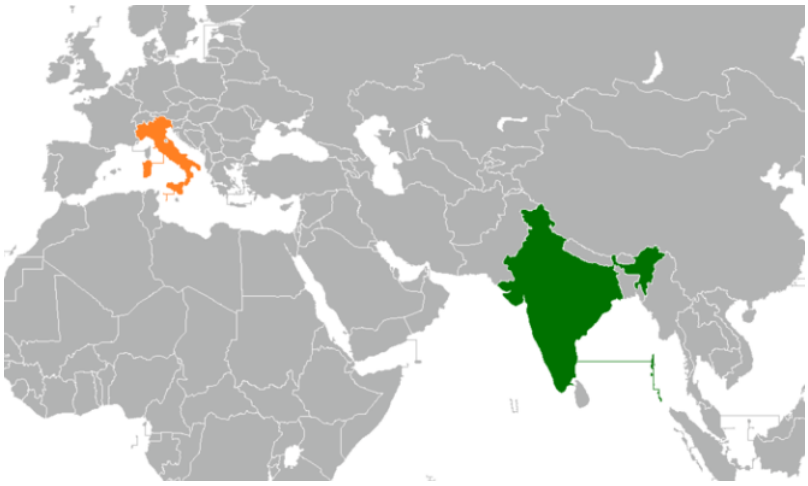
Why in news?

India and Italy announced an ambitious five-year joint strategic action plan 2025-2029 to widen the ambit of economic cooperation during their meeting at the G20 Summit in Rio de Janeiro, Brazil.

What is the history of India-Italy bilateral relationship?

- India and Italy are ancient civilizations with rich cultural heritage.
- **Ancient connection** - Italian port cities were important trading posts on the ancient spice route.
- **Medieval connection** - The Venetian merchant Marco Polo, during his travels to the east, travelled to India in the 13th century and wrote about his experiences.
- Diplomatic relations between India and Italy were established in ***1947***.

In 2023, both countries celebrated the 75th anniversary of establishment of diplomatic relations.



- **People to People connect** - The two countries enjoy strong people-to-people connect propelled by a large Indian diaspora and long standing Indological Studies tradition in Italy.
- **Political relations** – In October 2021, Prime Minister visited Italy to attend the G20 Summit in Rome.
- Both sides announced a Strategic Partnership on Energy Transition and a Statement of Intent on Textiles Cooperation.
- **Strategic Partnership** – India Italy relations were elevated to a Strategic Partnership in 2023.
- **G20 2023** - PM Meloni participated in the G20 Leaders' Summit in New Delhi in

September, 2023 and both sides agreed to enhance cooperation in defense & new and emerging technologies.

- **Energy transition and IPR** - A Letter of Intent for cooperation in Energy Transition as well as an MoU on Industrial Property Rights were signed in 2024.
- **Plurilateral initiatives** - Italy joined several India-led several India led plurilateral initiatives such as
  - International Solar Alliance (ISA)
  - Coalition for Disaster Resilient Infrastructure (CDRI)
  - India-Middle East-Europe Economic Corridor (IMEEC)
  - Global Biofuels Alliance (GBA)
  - Indo-Pacific Oceans Initiative (IPOI)
- **Economic Relations** – Italy is India's 4th largest trading partners in the EU after Germany, Belgium and Netherlands.
- **Bilateral trade** – In 2023-24 it reached US$ 14.56 billion with our exports at US$ 8.76 billion.
- India accounts for 1.2% of Italian imports with the balance of trade remains in India's favour with Euro 3.98 billion.
- **Services trade**- In 2023 Italy imported services from India for a total value of Euro 489.14 mn and Italy exported to India services for a total value of Euro 654.98 million.

Bilateral Trade (Values in USD million)

Year	2020-21	2021-22	2022-23	2023-24
India's exports to Italy	4,735.74	8,180.76	8,691	8,765
India's imports from Italy	3,862.05	5,048.47	5,562	5,795
Total Trade	8,597.79	13,229.22	14,253	14,560
Trade Balance	873.69	3,132.29	3,129	2,970

- **FDI investment** - Italy ranks 18th in FDI inflows in India during April 2000 to December 2023 with FDI inflow of US $ 3.53 billion during this period.
- Major FDI sectors - Automobile (29.8%), Trading (17.1%), Industrial Machinery (5.6%), Services (5.1%), Electrical Equipment (4.6%)
- **Defence** – Indian Army has a unique historical connect with Italy.
- **WWII** - It played a significant role in advances of the allied forces for the liberation of Italy in the Second World War.
- **Defence relationship** - Initially focused on import of defence equipment to India, now expanded to include training sharing of information, maritime Exercises, maritime security etc.

Italy has a well-established defence industry.

- **Milan** – It is biennial naval exercise between India and Italy held annually.
- **India - Italy Military Cooperation Group (MCG)** - It is a forum established to boost defence cooperation between India and Italy.
- **Recent developments**

    - Our Raksha Mantri (RM) visited Italy in October, 2023 and held bilateral discussions with his Italian counterpart H.E. Mr. Guido Crosetto.
    - Both sides signed an MoU on defence cooperation.
    - The Italian Navy Ship (ITS Morosini) made a port call in Mumbai in August, 2023.
    - Indian Navy Ship INS Sumedha held Maritime PASSEX Exercise along with ITS Morosini off the coast of Sardinia in April, 2023.
    - Italian Navy also participated in MILAN 2024 Naval Exercises, Vishakapatnam in February, 2024.
- **Science and Technology** – An Agreement on S&T Co-operation was signed in 1978.
- **ITPAR** - A significant bilateral initiative under the S&T Cooperation Agreement is the India-Trento Programme for Advanced Research (ITPAR).
- **DST-ICTP Ramanujan prize in mathematics** - It was instituted by Department for Science and Technology (DST) in collaboration with International Centre for Theoretical Physics (ICTP) in Trieste for developing countries annually.
- **Counter Terrorism, Cyberspace and Space Cooperation**
- India participated in the 20th anniversary of the adoption of UN Convention on Transnational Organized Crimes (UNTOC) in Palermo in September, 2023.
- Three MoUs were signed between Indian and Italian space companies in the areas of satellite services and ground station solutions in 2024.
- **Cyber dialogue** – It was inaugurated between India and Italy in 2024 in New Delhi.
- **Cultural cooperation** – The agreement for cultural cooperation was signed in 1976.
- **Indian diaspora** - The Indian community in Italy (estimated at 2.5 lakhs including PIOs) is the third largest community of Indians in Europe after UK and the Netherlands.
- Indian community is the 5th largest foreign community in Italy.
- Executive Programme on Cultural Cooperation for the term 2023-27 was signed in 2023.
- **Migration and Mobility Agreement (MMA)**- It was signed during in 2023 to facilitate safe and legal migration of seasonal and non-seasonal workers, researchers, professionals and academicians.
- **Education** - Currently, more than 6,709 Indian students are pursuing higher education in Italy.
- There are around 10 Universities/higher education institutions in Italy which conduct courses in Indian art, history and languages.
- **Indology** - There is a long-standing tradition of Indology in Italy with several scholars taking keen interest in studying Indian languages like Hindi, Tamil, Sanskrit, etc.

What are the highlights of India-Italy Joint Strategic Action Plan?

- **Political dialogue –** Regular meetings between ministry of Foreign Affairs, Trade and Defence.
- Hold yearly bilateral consultations between the two Foreign Ministries to deepen cooperation in all sectors of common interest.
- **Economic cooperation –** Increase bilateral trade and investment, in with high potential sectors by joint ventures between large companies and SMEs.
- Promote the participation in trade fairs and periodic business fora.
- Promote industrial partnerships, technological centres and mutual investment, in

automotive, semiconductors, infrastructure and advanced manufacturing.

- **Connectivity –** Enhance collaboration in maritime and land infrastructure in the framework of India - Middle East - Europe Economic Corridor (IMEEC)
- Finalize the Agreement on cooperation in the maritime and port sector.

> *The "India-Middle East-Europe Economic Corridor" (IMEC) is a proposed economic route aiming to enhance connectivity and economic integration between Asia, the Persian Gulf, and Europe, primarily by connecting India to Europe*

- **Science & Technology –** Cooperation to boost Industry 4.0, advanced manufacturing, clean energy, critical minerals extraction and refining, by involving academia and industries, SMEs and start-ups.
- Enhance innovation and research collaborations, within the context of the Indo-Pacific Oceans Initiative (IPOI).

The Indo-Pacific Oceans Initiative (IPOI) was launched by India in 2019 at East Asia Summit (EAS) is a non-treaty-based initiative for countries to work together for cooperative and collaborative solutions to common challenges in the region.

- Launch the Indo-Italian Innovation and Incubation Exchange.
- Implement the Executive Programme for scientific and technological cooperation.
- **Space sector –** Collaboration of ASI – ISRO in projects of common interest in Earth observation, heliophysics and space exploration with emphasis on lunar science.
- Organize Italian delegation visit to India on research, space exploration and commercial collaboration.
- **Energy transition –** Organise "Tech Summits" to share best practices and technology advancements.
- Impetus to the Joint Working Group on Renewable Energy to facilitate cooperation in green hydrogen, biofuels, renewables and energy efficiency.
- Strengthen the Global Biofuels Alliance and International Solar Alliance.
- **Defence cooperation –** Hold yearly Joint Defence Consultative (JDC) meeting and Joint Staff Talks (JST).
- Increase interoperability and cooperation, in Indo- pacific region
- Enhance partnerships and dialogue among public and private stakeholders, on defense research.
- Enhance maritime cooperation, including in the field of maritime pollution response and maritime search and rescue.
- Negotiate a Defence Industrial Roadmap, between the two Ministries of Defence.
- **Security cooperation –** Enhance security cooperation and capacity building activities in cybersecurity and cybercrimes.
- Hold yearly bilateral meetings of the Joint Working Group on Combating International Terrorism and Transnational Crime.
- Share information and best practices in the fight against terrorism

- Strengthen cooperation in judicial and security matters through capacity building programmes.
- Finalize an agreement for the mutual protection and exchange of classified information.
- **Migration and Mobility –** Promote safe and legal migration channels, fair and transparent labour training and recruitment procedures.
- A pilot project to train the health professionals in India for employment in Italy.
- Enhance cooperation to counter the facilitation of irregular migration.
- Increase mobility of students, researchers and academics in higher education.
- **Culture and Tourism –** Promote exhibitions and cultural initiatives through partnerships between museums.
- Increasing film co-productions and filmmaking.
- Preservation and restoration of old and heritage sites and buildings.
- Foster connections and tourist flows in both directions.

Reference

PIB | Italy-India Joint Strategic Action Plan 2025-2029

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