France established diplomatic relations with the newly-independent India in 1947. Both nations negotiated the peaceful transfer of Pondicherry and the other enclaves to India, which was completed by 1954. France has helped India in its nuclear growth by, for instance, offering to help India develop its breeder program in 1969, supplying nuclear fuel to the Tarapur I and II reactors (after the US reneged on its contractual obligation to supply uranium fuel for the Tarapur reactors), setting up a thorium extraction facility at Alwaye in Kerala, and a Heavy Water plant at Baroda in Gujarat. France, along with Israel and Russia, were the only countries in the world which did not condemn India’s 1998 nuclear tests.

At present Indo-French co-operation lies on three pillars – defence, academic exchanges and co-operation in science and technology. In spite of immense opportunities in each other's economy, bilateral trade in 2006-07 was quite nominal. It is evident that economic and trade engagement needs a significant boost.

**High Profile Visits:**

1. 1998 [French President](http://en.wikipedia.org/wiki/French_President) [Jacques Chirac](http://en.wikipedia.org/wiki/Jacques_Chirac) made a high-profile visit to India:

* establishment of the strategic partnership

1. 2008 visit by Sarkozy:

* Framework Agreement for Civil Nuclear Co-operation" in January 2008

1. During the Indian Prime Minister Manmohan Singh's visit to France after India's waiver from the [Nuclear Suppliers Group](http://en.wikipedia.org/wiki/Nuclear_Suppliers_Group) (NSG), both nations signed an agreement that would pave the way for the sale of French-made [nuclear reactors](http://en.wikipedia.org/wiki/Nuclear_reactor) to India on September 30, 2008.

**Positive Aspects:**

1. Good Political Relationship (UNSC membership, Pokhran 1998)
2. Strong Defence ties (supplier of military hardware):

* Upgrading Mirage 2000 fighter aircraft
* 2007 missile co-development project to manufacture a new range of Short Range Surface to Air Missiles (SRSAM) Maitri
* Kaveri engine for LCA Tejas co-development
* 2005 defence deal to acquire technology to build Scorpene nuclear submarines
* Naval excersices Varuna and Air excersices Garuda
* Piracy in Gulf of Aden
* Joint Working Group on Counter-Terrorism

1. Space Cooperation:

* SARAL (Satellite for ALTIKA and ARGOS) for studying ocean from space using altimetry. CNES provides a radar altimeter instrument called ALTIKA and an onboard relay instrument for the international ARGOS data collection system, while, ISRO provides the satellite platform, launch and operations.
* **Megha-Tropiques**- planned mission to study the [water cycle](http://en.wikipedia.org/wiki/Water_cycle) in the tropical atmosphere in the context of climate change
* **2005 deal between Antrix and Astrium for joint development and marketing of communication satellites**.
* **Arianespance launching facilities for INSAT**

1. Mining Sector, IT sector coop
2. French investment in Infrastruc: roads and rail
3. French brands in Ind Consumer market
4. India’s soft power: fashion, cinema
5. Areva deal: 300 tonnes of enriched U, 6 EPR by 2020, development of nuclear parks; Civil Nuclear Coop Agreement, 2008 allows for reprocessing of spent fuel, lifetime supply of nuclear fuel, doesn’t bar the transfer of ENR technology (unconditional reprocessing rights both from Russ and France unlike the US deal which requires a special amendment)
6. Two Nuclear safety pacts between AERB and ASN- technical info exchange, cooperation in regulation of nuclear safety, radiation protection
7. **Franco-Indian Centre for Advance Research, 1986**
8. CEOs Forum
9. Social Security benefit agreement
10. MoU on IPR issues
11. France expressed support for including India in an expanded G-8

**Bilateral Trade:**

France is India's 5th largest trading partner in the EU (after the UK, Belgium, Germany and Italy).Both states have aimed to increase bilateral trade from 57. billion [euros](http://en.wikipedia.org/wiki/Euro" \o "Euro) to 12 billion euros by 2012.

French exports to India include electrical equipment, organic chemical products, aeronautical & space construction products, mechanical equipment, general & special usage machines, and [pharmaceutical products](http://www.economywatch.com/international-economic-relations/indo-french-economic-relations.html).

Indian exports to France consist of both a)traditional items such as garments, leather, textiles, raw cotton and yarn, and marine products, and b) non-traditional items such as automotive components, electronic and rubber components, chemicals and dye-stuffs, pharmaceuticals, granite, and consumer durables are showing promising growth.

India's presence in France is far from being significant. India doesn't emerge in the list of top 10 investing countries in France. Indian exports of software services to France are still at a low level. Therefore, a huge potential market remains open for the Indian software industry.

**Investment:**

Key sectors of interest to France include power, hydrocarbons (petroleum and petroleum products), telecommunications, auto parts, agro-industries, drugs and pharmaceuticals and environment.

Increasing presence of French Companies in Indian IT market, [consumer goods](http://www.economywatch.com/international-economic-relations/indo-french-economic-relations.html) sector

In mines, the cooperation between India and France is one of the most longstanding one and active within the bilateral cooperation.

France has also invested in [India's infrastructure](http://www.economywatch.com/international-economic-relations/indo-french-economic-relations.html) primarily in roads and railways. In the road sector, France appears to have a pioneering experience in India with the widening of the road network to 4-lane (60 km pathway between Delhi and Jaipur) executed by the big French company GTME in 1997.

In railways, the high participation of French companies to the Delhi [Metro project](http://www.economywatch.com/international-economic-relations/indo-french-economic-relations.html) e-Transaction group (smart card ticketing ),(signalling and control & security system),(engineering on electrification and maintenance systems

Economic aid: The [Financial](http://www.economywatch.com/international-economic-relations/indo-french-economic-relations.html) Protocol is the chief instrument of such assistance

**PPl-PPl relations:**

* 60000 Indians
* Social Security Agreement
* Cultural Exchange Prog 2007-10 under Agreemt on Cul, Scf and Tech Coop
* Eminent French civilian awards to Satyajit Ray, Goverdhan Mehta, Mahasweta Devi, Bacchhan

**Potential:**

* Trade and investment
* Nuc E- not just fuel and reactors but also expertise
* FDI in retail would provide enourmous dividend to Fr retail giants
* Fr agricultural expertise- post harvest, cold storage, fertilizer, food processing, BT, river erosion
* Ind progress in pharma and chems

A key obstacle to the nuclear agreement was India’s recently approved Civil Nuclear Liability Act.

Easing of visa regulations for Indian businessmen and facilitating easy work permits for skilled Indian workers.

However, India has objected to France's military assistance to [Pakistan](http://en.wikipedia.org/wiki/Pakistan).