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**DAILY EDITORIAL
ANALYSIS**

TOPIC

**WHY ITALY MATTERS TO
INDIA?**

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Context

- Italy and India share multifaceted relationships and common interests along with numerous challenges in the Indo-Mediterranean Sea highlighting why Italy holds significant importance for India's global aspirations.

About

- In an increasingly interconnected world, India's foreign policy horizons are expanding beyond traditional partnerships.
- Among these emerging relationships, Italy stands out as a crucial European ally with growing **strategic, economic, and cultural significance** for India.

Why Italy Matters to India: A Strategic Partnership for the Future?

- As a **G7 member** and a key player in the European Union, Italy serves as India's gateway to European markets and policy-making circles.
- Italy's geopolitical position in the Mediterranean and its influence within the European Union make it a vital strategic partner for India.
- The recent joint defence initiatives between the two nations underscore the deepening trust and cooperation in security matters.
 - Maritime cooperation:** Enhancing naval exercises and information sharing in the Indo-Pacific region.
 - Counter-terrorism efforts:** Collaborating on intelligence and security measures to combat global threats.
 - Defence:** Co-development of military hardware and cybersecurity solutions.

Cooperation in Multilateral bodies

- Italy is the **first non-tropical country** to join International Solar Alliance (ISA), Coalition for Disaster Resilient Infrastructure (CDRI), India-Middle East-Europe Economic Corridor (IMEC), Global Biofuels Alliance (GBA) and Indo-Pacific Oceans Initiative (IPOI).

Technological Synergies

- Italy's expertise in areas such as **aerospace, robotics, and sustainable technologies** aligns perfectly with India's aspirations for innovation-led growth.
- Recent agreements in fields like **green energy and digital infrastructure** highlight the potential for mutually beneficial partnerships that can drive both economies forward.

Economic Ties and Trade Volume

- Bilateral trade has shown resilience even in challenging times, with both countries recognising the untapped potential.
- Italian investments in India's manufacturing sector, particularly in automotive and textiles, have been significant. Conversely, Indian IT firms are finding fertile ground in Italy's digitalisation drive.
- Italy is **India's 4th largest trading partner in the EU** after Germany, Belgium and Netherlands.
- Bilateral trade in 2022-23** crossed US\$ 14.253 billion with our exports at US\$ 8.691 billion.
- Italy ranks **17th in terms of FDI inflows** into India during April 2000 to March 2023 with a US \$ 3.5 bn (DGFT data). The top sectors attracting FDI - Automobile (29.8%), Trading (17.1%), Industrial Machinery (5.6%), Services (5.1%), Electrical Equipment (4.6%).

Science and Technology

- Italy's prowess in advanced manufacturing, design, and innovation complements India's digital and technological capabilities.
- The Department for Science and Technology (DST) in collaboration with **International Centre for Theoretical Physics (ICTP) in Trieste** instituted the **DST-ICTP Ramanujan Prize in Mathematics** for developing countries annually. Prof. Mohamad Moustafa of Senegal was awarded the prize for 2022.

- Italy is looking with increasing interest at India's space initiatives — the success of the **Chandrayaan-3 mission** has been recognised and celebrated by the Italian scientific community.
- Collaboration has been underway for some time between the space agencies of the two countries, **Italian Space Agency and ISRO**, government institutions, university research centres and aerospace companies.
- A joint declaration recently signed between the heads of the Italian Space Agency and ISRO opens up new opportunities, particularly in **earth observation, space exploration and helio-physics**.
- **Green technologies:** Partnerships in renewable energy and sustainable urban development.

Cultural Diplomacy

- The rich cultural heritage of both nations serves as a strong foundation for people-to-people connections.
- From yoga to Italian cuisine, the cultural exchanges between India and Italy create a unique bond that goes beyond governmental ties.
- These soft power dynamics play a crucial role in fostering mutual understanding and respect.
- The **Executive Programme on Cultural Cooperation** for the term **2023-27** was signed in 2023.

Do You Know?

- Italian port cities were important trading posts on the ancient spice route. The Venetian merchant **Marco Polo**, during his travels to the east, travelled to India in the 13th century and wrote about his experiences.
- Nobel Laureate **Rabindranath Tagore** visited Italy in May-June 1926. **Mahatma Gandhi** visited Rome in December 1931 on his way back to India from the Round Table Conference in London.
- Indian troops, serving with the British Indian Army, were deployed in Italy during **World War II**, fighting against the Germans and Mussolini's forces.

Key Concerns and Challenges in India-Italy Relations

- India and Italy, despite having a historical relationship dating back to the Roman era, have faced several challenges primarily centred around trade, investment, and defence cooperation. These include:
 - ♦ **Trade imbalance:** India has a significant trade surplus with Italy, which has led to concerns in Italy.
 - ♦ **Tariff barriers:** Both countries have imposed tariffs on certain products, hindering trade growth.
 - ♦ **Bureaucracy:** India's complex bureaucratic procedures can deter Italian investors.
 - ♦ **Regulatory challenges:** Italian companies may face difficulties navigating India's regulatory environment.

Defence Cooperation Issues

- **Italian Mariners' case:** A dispute over the jurisdiction of the Italian marines involved in the killing of two Indian fishermen in 2012 strained the relationship.
- **Defence sales:** Italy's sales of military equipment to Pakistan have raised concerns in India.

Geopolitical Factors

- **Competing interests:** India and Italy may have differing interests in certain regions, such as the Middle East and Africa.
- **Global alliances:** Both countries are members of various global alliances, which can sometimes lead to conflicting priorities.

Navigating Challenges, Unlocking Potential

- While the Italy-India relationship is on an upward trajectory, it is not without its challenges. Trade barriers, competing interests in certain sectors, and occasional cultural misunderstandings pose obstacles. However, these challenges also present opportunities for deeper engagement and understanding.

Addressing Key Challenges

- **Trade Barriers:** Ongoing negotiations for an India-EU Free Trade Agreement could significantly boost economic ties.

- **Geopolitical Differences:** Enhanced dialogue on regional and global issues can help align perspectives.
- **Cultural Bridge:** Increased educational exchanges and cultural programs can foster better mutual understanding.

Road Ahead

- The elevation of bilateral relations to a Strategic Partnership marked a new chapter in diplomatic ties. Both nations have found common ground on global issues such as climate change, counterterrorism, and reform of multilateral institutions.
- As India continues its ascent on the global stage, its relationship with Italy takes on new significance. From being partners in addressing.

Source: TH

Mains Practice Question

[Q] How does Italy's historical ties, economic cooperation, and cultural influence contribute to the multifaceted relationship between India and Italy, and why is this relationship significant for both nations?

