

# Indo-Belgian trade

## From Mirrors to Diamonds & Potential Far Beyond



Raj Khalid

The history of India's trade with Belgium can be traced to the bygone times of princes when they imported famed mirrors and crystal glass from that country for adornment in the majestic chandeliers hung in their palaces. Today, Belgium is India's second largest trading partner in Europe after Britain. Bilateral trade between the two countries touched \$ 7 billion in 2004-05. At present, 75 per cent of the two-way trade comes from gems and jewellery, especially polished diamonds. **Raj Khalid**, Trade Commissioner of Belgium, talks about the potential that Belgium holds for other areas of trade and its ideal logistic location to act as a gateway to Indian exports across Europe and an access route to European infrastructure.

### What is the history of trade relations between India and Belgium?

Belgium and India share a very old history of trade. The mirrors in palaces and the chandeliers and stained glass at Mehrangarh Fort are from Belgium. Antwerp is the largest diamond hub in the world and there are about 500 Indian companies who trade there. Indian companies are increasing their share of the diamond business. Belgium has also exported chemicals, glass, metals, and machinery to India. Flemish looms by companies like Picanol are very popular with the high-end textile companies in India. Flemish dredgers work in Indian ports to ensure shipping has deep channels for navigation in the ports. Increasingly Flanders is becoming the preferred port of choice for Indian exporters who are using the logistics services in these ports to serve their customers in Europe.

### Which was the year when the first trade happened and what was the product?

I do not know for sure but I think the first trade of goods must have occurred in the 18th century.

### What are the potential areas of trade and commerce between India and Belgium?

India is emerging as a manufacturing powerhouse and Flanders is positioned as the ideal gateway to Europe for Indian exporters. Diamonds continue to be the biggest traded commodity in value terms. Flemish companies in India include BARCO in display systems and control rooms. The largest control room in the world is outside Mumbai and the display panels are from BARCO. Samsonite near

Nashik is another Flemish investment. Bekaert makes steel cord for radial tyres near Pune. There are other companies like De Smet Extraction which makes machinery for oil extraction. More importantly, several companies are in the process of setting up shop in a dynamic India.

Several Indian companies have acquired Belgian companies. Pauwells Contracting is bought over by Crompton Greaves, Raymond has taken over a company in Gent, Docpharma was taken over by Matrix Labs, recently Ranbaxy acquired a Belgian pharma company (Ethimed) and Suzlon acquired Hanssen Transmissions.

### How has been your experience in this position?

It has been a very exciting and challenging experience, like a roller coaster ride.

### What are your views on the activities of the Trade Commissioners Forum?

This is the first such forum in the World and we can leverage our collective experience and knowledge to improve trade and investments between our country and Maharashtra and West India.

### What are the bottlenecks that you face during your trade with India?

The most severe bottleneck we see is in the excessive regulation of beer and alcohol manufacturing and distribution. The sticker of MRP for clearing imports is another difficult hurdle for heat sensitive products like chocolate. ■