

## **EUROPE INDIA CHAMBER OF COMMERCE**

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Mr. Josep Borrell EU High Representative for Foreign Affairs and Security Policy and Vice-President of the European Commission Rue de la Loi / Wetstraat 200 B-1049 Brussels

Dear High Representative / Vice-President Borrell,

Re: Post-Pandemic world order and Challenges for EU and India

I am writing to congratulate European Council for the successful European Union - India Virtual Summit held on 15th July and the inspiring vision document: *EU-India Strategic Partnership: A Roadmap to 2025.* Various elements of the Joint Statement speak the intensity of their strategic vision of the global affairs in which EU and India have a stake and the importance they attach to their relations. The year 2025 has a special significance for India. From 2025, there shall be more Indians than the Chinese on this earth; 1.4 billion and counting. It could be the time for great optimism for India because over half of the country's population will be below 25 years; in fact, average age of Indians will be 29 years. This will be the demographic dividend at its peak. It is in this connection that I am also writing to urge you to look into the EU-India relations in the post-pandemic world, and in the perspective of new challenges that both EU and India face in the emerging world order.

We believe that without deeper and visionary economic ties, the strategic partnership between European Union and India will be harder to sustain and build upon. The economic and social chaos that COVID-19 has inflicted on EU countries and on India, has made it imperative for India and EU to deepen their economic integration through increased trade and investment. We believe that trade and economic relations help cement partnership and it is in this respect that we call upon EU and India to bring their 13 years of FTA negotiation to an early and successful conclusion.

We hope both EU and India will honestly pursue the beautiful vision of the Roadmap 2025 for a strong and meaningful relation, each with its own cultures and dreams, thriving side-by-side in prosperity, freedom, and in solidarity.

Today, EU and India face the challenges of change brought abruptly by the invisible enemy COVID-19 and they must face this in solidarity and working in tandem. My letter therefore speaks about the visible challenges posed by China to EU and why this must be taken seriously.

COVID-19 has had an unimaginable impact on the global economy rendering hundreds of millions jobless, thousands dead and still counting, and on the lives and livelihood of millions. By silencing doctors and journalists who tried to warn the world about the coronavirus, the Chinese Communist Party allowed the virus to spread quickly around the globe. China must be

held accountable for its failure to contain COVID-19 and its delay in sharing the seriousness of the virus with the rest of the world.

Today, the foundations of global order are becoming increasingly unsteady, and EU and India don't have the luxury of holding their breath and waiting for the COVID-19 created disorder to pass. The principal strategic task for EU and India today is to work together to help shape global stability before other forces and events shape them. The real test of strategic partnership between EU and India will come when both parties begin to view each other as indispensable for resolving the challenges at the core of today's global disorder.

In the post-pandemic world order, both EU and India are going to face an extraordinarily dangerous world, filled with a wide range of threats and uncertainties that have intensified in recent months. You will agree that EU today needs an integrated regional strategy that can forcefully face the nature and magnitude of threat posed by China, and EU cannot achieve this goal without partnering with India. In the context of regional economic, social, and historical realities, no one can match India's resolve to protect EU's interest in Asia. In pursuit of that vision for future, both EU and India will have to look themselves in the global perspective with clear eyes and fresh thinking, without losing sight of their shared values and their capacity to further uplift their partnership.

For years now China has been consistently, through threat and economic and military power, trying to change the balance of power in Asia which will have serious consequences with threat to peace and security and detrimental to EU's interests. In spite of repeated objections from its neighbours, China has been building and militarizing outposts in the disputed South China Sea endangering the free flow of trade - a major threat to EU, and threatening the sovereignty of neighbouring nations, while also undermining regional stability.

Even while it faces global backlash on its handling of COVID-19 outbreak, China has been indulging in military adventurism on its borders with India and made several incursions into Indian territory, leading to a stand-off with Indian soldiers in India's picturesque Ladakh region. This is another reminder that China needs to be taught some harsh lessons. In our view, China's intentional underreporting of dangers posed by COVID-19 and its cover up of the crisis last year is a clear indication of how the Chinese can undermine the stability of the world and threaten global safety as well. China is continuing to wage a "proxy-war" with India through India's unfriendly neighbour Pakistan and despite Pakistan being in financial crisis, the country has been further sucked into the debt crisis propagated by China. Therefore, we have been demanding that EU's GSP policy towards Pakistan is misplaced and EU withdraws its GSP privilege to Pakistan.

It is important for EU now more than ever to make India a closer military and economic partner to confront China's ambitions. This is the only way the democracy in EU can counterbalance the largest autocracy.

In fact, the Chinese threat is not limited to India. With its deep-pocket-diplomacy, China is also becoming a serious threat to the European Union's sovereignty, values and principles. And, if not checked and not confronted forcefully now, China will pose an existential threat to the EU as well. I hope European Union will find the courage to accept when I state that due to EU's inconsistent economic and trade policy, its tolerance of human rights abuse and as well as a flagrant misuse of EU's generous privileges by China, the country now has a stranglehold over the global supply chain. China has come to dominate global supply chain by using unfair trade practices - cheap sweatshop labour, theft of intellectual property rights, lax environmental regulations, currency manipulations, and massive government subsidies. It is time that EU took urgent steps to protect its economic independence and interest.

Despite EU consistently demanding change in China's trade behaviour, China has not shown any significant policy changes from its side. China is still run by "men, machine and military" compared to Europe run by "people, party and parliament". In Europe, political dissent is accepted as a treasure whereas in China it is treated as treason. The recent enactment of the National Security Law in Hong Kong has once again proved that it does not share the global values and neither does it take into account the concern of international community. In terms of assault on democracy, the crackdown on Hong Kong's freedom and liberties, in our view is even more monumental and dangerous than the coronavirus pandemic itself.

It is no exaggeration to say that Chinese state support for critical developing technologies combined with the close supply chain integration between the European Union countries and China, and China's role as an economic competitor to EU in Asia and Africa will have enormous economic, security and supply chain implications and also pose data privacy risks for EU in the near future. The growing engagement of China with African states and China's renewed assertiveness on the global stage should be a matter of serious concern to the European Union.

Brussels must be wary of snooping by China in EU's educational institutions, research, and technology facilities, and to protect its democracy we urge EU to ban Chinese Apps as they pose threat to EU's sovereignty and security. We also write to urge you that EU as a matter of national security should take urgent steps to ban Huawei from participating in 5G infrastructure. Britain has already taken a historic and bold decision to exclude Huawei from the UK market. Let me add that even with strict regulations to protect national security, Huawei will remain a security threat because the company cannot be trusted with such important infrastructure.

It is time that the EU renewed its view of China which in many ways is outdated and belongs to the beginning of the millennium when China was yet an emerging economy and an aspiring power. With decades of feeding on the western, notably European markets, China has today become a behemoth that is crushing global order and poses the most serious geopolitical, socio-economic and strategic threat to global peace and order since the collapse of the Soviet Union. If the EU still keeps seeing China through its old rose-tinted glasses, it will have no one but itself to blame for the havoc that China could cause in not too distant future.

Thank you for your prompt attention to this important matter.

Yours sincerely,

Secretary General