



EUROPE INDIA CHAMBER OF COMMERCE

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Chairman: Ravi K Mehrotra, CBE **Secretary General: Sunil Prasad**

EICC-2020

Brussels, 4 December 2020

Mr. Augusto Santos Silva
Minister of State and Foreign Affairs
Government of Portugal
Lisbon
Portugal

Dear Foreign Minister Mr. Santos Silva,

Re: **Portuguese Presidency of the European Council and EU-India relations**

Europe India Chamber of Commerce, the Apex Chamber of Europe, which promotes trade and economic relations between European Union and India, wishes you the very best as from January 1, 2021 Portugal takes the Presidency for the European Council for fourth time since it joined the EU.

The Post-pandemic world is going to be different and your Presidency comes at a very critical time for the European Union as nations scramble for advantage in the new world order that is still a work in progress. Though there are positive signs of the availability of COVID Vaccine within a matter of weeks, the shadow of the pandemic and the economic and social distress caused by it will remain with us for a long time to come. We believe that in any post-pandemic world order that emerges, India, which is home to one-sixth of humanity, ought to occupy an important place. The COVID-19 health pandemic may also have provided a turning point in the EU-India relations as it was demonstrated in the joint Statement of the 15th Summit held in July.

It is heartening to note that relationship between EU and India, and social policies will be at the heart of the Portuguese EU Presidency. In today's world, EU and India face multiple new global challenges and they have a considerable and shared stake in the future security and the economic and diplomatic configuration in the international space. As India has emerged as a global power and a key player in the geo-strategic and security matrix of Asia and the Indo-Pacific, the current geo-political dynamics of the international system require EU and India to coordinate their actions together. A tectonic shift in the fabric of geo-political landscape is fast taking place and we hope that EU and India remain on the same page in the geo-strategic space-time continuum.

On June 28, 2000, it was under the Portuguese Presidency of the European Union that your country hosted the first-ever EU-India summit which was held in Lisbon. This summit was a landmark in EU-India ties as it served as the genesis of the strategic partnership which EU and India have built, allowing the two largest democracies to collectively change the geo-political and economic dynamics of the new global order. The Joint Declaration and the Agenda of action of the summit remains as relevant today as it was in 2000.

Although India and EU represent two fundamentally different cultural and social systems, and present two opposite poles of the world - East and West, in the face of geo-political developments of the last two decades, they are strategically more closer than ever. As India is rapidly emerging as a strategic player at the global level, it is in the interest of EU and India to enhance their mutual collaborate and cooperate. EU's relations with India is neither complex nor consequential but managing it requires careful calibration with long term vision. The EU, therefore, cannot afford to remain an "exclusive club" and still exert its power and influence in a changing world. This is where EU and India have an opportunity to embrace each other and jointly shape the new world order. As in 2000, your upcoming Presidency, too, has an historic opportunity to create a framework and chart out future roadmap to bring EU and India closer beyond "strategic Partners".

We are concerned that EU's fundamental values are under threat by internal and external forces. The EU also seems to have deviated from its founding principles and is engaging in dialogue with countries openly opposed to EU values. The EU's strategic dialogue with Pakistan in November, in the midst of violent demonstrations against France in several cities of Pakistan, is a living example of how such flawed actions are damaging EU's basic values and unity. The risk for EU in the next decade is not of disintegration, not even the impact of Brexit, not of war or hunger but the gradual and steady decline of its global influence due to misguided and directionless policies. We hope under your Presidency, EU shall develop credible and flawless benchmarks and will follow the guiding principles of the foundation of the Union. The EU needs to re-invent itself and embrace the challenges of change as it confronts the evolving of new trans-Atlantic strategic architecture.

The EU and India have been discussing a free trade agreement (FTA) since 2007 and despite having expressed interest in concluding the trade deal, no significant progress has been visible. It is true that negotiating a trade agreement which will impact the lives of 1.8 billion people is a complex and complicated exercise, India and EU should approach the FTA from the geo-strategic perspective as the benefits of this to both will be far greater than for particular sectors of their economies. We hope under your Presidency, you shall push them to iron out their differences and cross the bridge.

China which lies at the origin of the Covid-19 pandemic, must be held accountable for its lack of transparency and cooperation in sharing information on the realities of the outbreak, including its transmission and spread. EU must deal firmly with China even though its economy remains heavily dependent on China for its supply-chain. During the last three decades, EU has become over dependent on China which has allowed military-led Chinese business, spread its footprints in every sector of the European economy. The Communist Party of China and its associated organizations, including the People's Liberation Army, are increasingly operating in theatres outside its borders and are seeking strategic advantage by any means. For European countries, China is a strategic threat and its aggressive competitive practices over the years is now a serious threat to EU's economic interests. Sadly, some EU countries have failed to understand and address the clandestine Chinese incursions into their economies. This is a serious issue and EU needs to revisit its China policy in the interest of its long-term interest.

I also take this occasion to propose to the Portuguese Presidency that the EICC would like to jointly mount with your Presidency some path-breaking business and civil society events during the tenure of your Presidency, aimed at building the momentum in both the European

and Indian societies about bringing them closer together as well as clearing the air over the long overdue FTA with the hope that this much delayed and yet much needed agreement comes to fruition in the next six months, using the new world order that is coming about, thanks to the pandemic.

I hope to hear from you at the earliest and look forward to cooperating with your office to take the EU-India relationship to next level during your Presidency.

With kind Regards,

Yours sincerely,

A handwritten signature in black ink, appearing to be 'L. Brito', written in a cursive style.

Secretary General

C.c. Ms. Ana Paula Zacarias, Secretary of State for European Affairs of Portugal
Ambassador Mr. Nuno Brito, Permanent Representative of Portugal to the European Union