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FROM STRATEGIC PARTNERSHIP TO STRATEGIC PARTNERING - CALL FOR REIMAGINING RELATION BETWEEN EUROPEAN UNION AND INDIA IN THE POST-PANDEMIC NEW WORLD ORDER

1. When leaders of India and the European Union meet for their 16th Summit at Porto in Portugal on 8 May 2021, they shall be meeting under the shadow of the coronavirus pandemic that has once again gripped entire EU and is sharply rising in India as well. The pandemic, a crisis with multiple impacts, has damaged institutions and unsettled established democracies, and as such the EU-India Summit will occur in the background of a radically altered new world order. The Summit is also significant because it comes at a time when EU and India are discovering areas of political convergence and cooperation. The post-COVID world has profound challenges for policy makers in New Delhi and in Brussels and we hope the Summit outcome will give new push to the free trade negotiations, address global challenges, reflect core value of the relations, and accelerate the speed of the partnership.
2. Portuguese Presidency of the European Union has a historical significance in the relations between European Union and India. It was under Portuguese Presidency that the First India-EU Summit took place in Lisbon in June 2000. This Summit marked a watershed in the evolution of their relationship and served as the genesis of the strategic partnership which EU and India have built, allowing the two largest democracies to collectively address the geo-political and economic dynamics of the new global order.
3. We applaud the leadership of Portugal that relationship between European Union and India, and social policies are 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.
4. Chamber is of the strong view that despite the disruptions caused by the pandemic to the global economy, the EU-India relationship is set to witness an extraordinary momentum because one of the striking features of EU-India relations is that it is neither complex nor consequential. It offers EU and India much more than a foundation of mutual benefit - a strong commitment for reinforcing a rules-based order and economic partnership. It therefore makes sense for New Delhi and Brussels to further strengthen their unique, multifaceted, and future-oriented relations which can deliver a beneficial balance of power and geo-political advantage.

EU and India in the post COVID New World Order

5. The Europe India Chamber of Commerce, the Apex Chamber of Europe which promotes trade, economic and bilateral relations between European Union and India, is deeply concerned that the COVID-19 pandemic, with new strains and escalating wave continues having an extraordinary impact on

business and society. Pandemic has highlighted economic inequalities, societal divisions, and disruptions in the international order, amid elevated geo-political tensions. It is therefore important that EU and India commit not only to mitigate the risks generated by the pandemic but also view this crisis as an opportunity to enhance bilateral collaboration and promote a more open global economic environment.

6. The COVID-19 pandemic has highlighted the role of innovation and the ability of digital technologies to facilitate the distribution of goods and services, improve healthcare delivery and quality of life, and sustain large segments of workforce. The Chamber encourages EU and India to prioritize their measures to address the global emergency posed by COVID-19, including addressing the future-oriented initiatives that can build a more resilient society and ensure long-term fiscal sustainability. With the third wave of the pandemic sweeping across Europe, the economic fallout is likely to further cripple even the most resilient of markets of the European Union, and India is not immune to this economic devastation.

7. With progressive vaccinations, however as the world slowly begins a long and painful journey of recovery from the debilitating impact of the COVID-19 pandemic, EU and India will need to draw on all their reserves and resources to ensure that their place in the global pecking order is largely maintained. India and EU should cooperate globally and must promote multi-dimensional relationship for the realisation of their strategic objectives. The Chamber believes that continued EU-India cooperation remains a critical stabilizing force at a time of this great uncertainty and it is important to work together in close cooperation with like-minded countries that consistently prioritize freedom, the rule of law, and other enduring principles of democracies.

8. Global policies in the post-Covid world order are no longer oversimplified or underestimated by the clarity of the strategic objectives of nations and as such understanding and emphasizing balances of power is more relevant for EU and India today than ever before. European Union's core values and democratic principles remain as essential as ever but with the new challenges, its role will be determined by how it acts to sustain the faith through all the ambiguities of choice in an imperfect world pushed by the forces of pandemic. The leadership of India and EU will need to recognize that the deleterious effects of the pandemic will be with us for several years, overturning economic structures and operations and compelling social changes.

9. The current geo-political dynamics of the international system requires EU and India to coordinate their actions together. A tectonic shift in the fabric of geo-political landscape is also fast taking place and EICC hopes that EU and India remain on the same page in the geo-strategic space-time continuum. It is therefore time that EU and India build on their strategic investments since their strategic partnership agreement began nearly two decades ago, looking past short-term differences to invest in one another's capabilities to be the forces for peace, prosperity, and democracy. The EICC is of the view that they have an opportunity to forge an indispensable democratic and economic partnership to meet their long-term goals. The vision of a shared future therefore must resonate in the 2021 Summit.

10. While we appreciate very much European Parliament's continued interest on developments in India, European Parliament's occasional "do-gooder" instinct and observations on India's perceived human rights failings, has an element of schadenfreude in the country. We believe that the general ignorance and lack of knowledge amongst the Members of European Parliament about the complexity

of the issues that a nation of 1.4 billion people must deal with in a parliamentary democracy, has been unhelpful in the interest of EU-India relations. There is a need for deeper engagement between law makers bodies in the EU and India for better cooperation and understanding.

11. The Summit is also taking place in the background of Britain's official exit from EU Single Market and Customs Union. We believe that Brexit is a "Himalayan Blunder" which has robbed the European Union its most precious identity - "THE UNION" and Britain its place, power, and relevance inside the Europe.

2022: India@75, EU-India Diplomatic Relations@60

12. In 2022 India will celebrate 75th anniversary of its Independence, a poignant moment in India's history. This is also a defining year for EU and India as the year 2022 will mark 60 years of their diplomatic relations. This is an opportunity that allows both to highlight the extremely valuable relationship which has developed over these sixty years; a relationship guided by their shared understanding and mutual interest for the pursuit of prosperity for their citizens. As they find themselves in the midst of a changing world order, it is high time both build the momentum of sixty years of relations and deepen their cooperation to help improve trade and business relations, collaboration on 5G technology, artificial intelligence, on issues of climate change and reform of international institutions. We also urge leaders of EU and India consider commemorating sixty years of their relations by some significant policy announcements.

Trade and Investment the bedrock of Partnership

13. We recognize that India is on the cusp of massive economic transformation and the magnitude of change that is happening in india with its 1.4 billion people having joined in this transformation as reformers is unimaginable. We call upon the EU to partner this transformation with greater economic cooperation and focused collaboration. We also note that since the 2020 Summit, the Indian government has taken several concrete steps to improve the business climate in India for both Indian and European companies. These include several steps to improve India's infrastructure and domestic manufacturing base, promoting energy security, increasing foreign direct investment, and expanding India's strategic role in its immediate neighborhood and across the Indo-Pacific region.

14. We note that despite strategic partnership agreement, EU and India have been searching for a transformative moment to reset their relations and their trade and economic priorities. The 2020 Summit, also held under the shadow of Covid, did open some windows for stronger cooperation but these have not helped them to strongly put their ambitious objectives into real policy framework. High-Level Dialogue on Trade at ministerial level has been helpful but not sufficient for effective translation of the objectives to achieve greater coordination and injecting strong political guidance into the partnership priorities. We believe that the economic fallout of the pandemic nevertheless offers a greater impetus for bringing the EU and India together than any policy dialogue could ever have achieved.

15. Since as free trade agreement including that of a limited trade deal does not seem very much coming through, we call upon EU and India to think beyond the FTA and enlarge the scope for economic cooperation in areas of technology cooperation, regulatory alignment, supply-chain diversification, infrastructure connectivity partnerships and other such areas which can help meet their missions.

16. We note with a sense of optimism, and with continued hope, that EU and India have been pursuing regular consultation and aligning views on issues such as from agriculture to intellectual property. New areas like e-commerce have registered significant convergence because India's position on data privacy is not that different from the European Union's own policy. The EU offers India a unique regulatory model that balances growth, privacy and standards and India can take advantage to formulate its own policies.

Free Trade Negotiations

17. We note with concern that EU-India relation has remained a hostage to the domains of trade and to a great extent the ongoing broad-based Bilateral Trade and Investment Agreement (BTIA) negotiation. There is a need for a new thinking in Brussels and in New Delhi for sharing of strategic responsibilities as much on economic issues such as trade and commerce. In the post-Covid world, the economic and social challenges India and EU face are daunting, but this moment should be recognized as an opportunity to take hard political decisions and difficult compromises. With world governments increasingly resetting their approach to trade agreements, it is important for EU and India to proactively step up their efforts to rejig their trade relations by overhauling their FTA negotiating strategies. Both EU and India need flexibility with serious efforts to conclude the negotiations.

18. We believe strongly in the wisdom of the strategic investment both EU and India have made in each other's shared future since their strategic partnership agreement, and for India and the EU to maximize the return, both must take a long-term view, keeping in mind the challenges of emerging broader geo-political and economic world order, and their commitment on intense bilateral trade and investment relationship. The sooner both recommit themselves, to bring the fourteen years of trade negotiations to a fruitful conclusion, the better for their economic prosperity. We believe that both the EU and India have reached a crucial point where old paradigms of negotiating practices should be replaced by new ideas as they cannot afford to wait any longer.

19. We recognize that negotiating a successful trade deal which will impact the lives of nearly 1.8 billion people is a complex and complicated exercise which requires a careful calibration of the difficult issues involved. The FTA could be a win-win for both EU and India but to reach an agreement will need flexibility, creativity, and accommodation, with bold leadership capable to take difficult decisions at the highest political levels in India and EU. We are of the view that India and EU should also approach free trade negotiation from a geo-strategic perspective and economic benefits. The future holds lot of promises for European Union and India relations and if EU and India wish to make their relation a successful partnership, they must not look back at the failures of the past, but what together they can achieve in pursuit for a common future.

Indo-Pacific and stakes for EU

20. The security landscape in the Indo-Pacific has experienced significant changes over the course of the past few decades. The increasing assertiveness of China in the South and East China Sea, has generated great concern among the neighboring countries as well as the international community at large. China has been seeking to reshape the international system with aggressively touting the superiority of its political and economic model and using "sharp power" to influence and manipulate the information environment in the Indo-Pacific, enhance its standing to undermine confidence in democratic institutions.

21. The EU and India face difficult and unpredictable challenges to peace and stability in the Indo-Pacific region and to address these emerging threats, they must invest in greater coordinated capacity to contribute to security in the Indo-Pacific and beyond. Keeping in view the strategic challenges EU will face in the coming decades, we call upon EU to craft a sensible, effective, and credible China policy which should include foreign and security policies with realistic and dispassionate assessment of how the Chinese interests interact in some member states of the Union. The Chamber therefore calls upon EU not to shrink from the responsibility of deploying hard power because a shrinking domestic vision cannot sustain EU's global strategic vision abroad.

22. The Indo-Pacific, home to many dynamic economies, is also grappling with complicated challenges, such as piracy, terrorism, natural disasters, the proliferation of weapons of mass destruction and attempts to change the geopolitical status quo. In India's quest for peace and stability in the Indo-Pacific region, EU has an interest, and it could be a major player. Free and Open-Indo Pacific region is in the strategic interest of EU and crucial for security and trade in this region. Collaborating with the new form of security cooperation (Quadrilateral Security Dialogue - QUAD) will thus ensure the much-needed regional stability.

23. In this regard, we recognize that 'Quad' is a crucial pillar of the peace and security architecture in the Indo-Pacific region, and it shall be a major turning point in the strategic partnership with India if EU can collaborate with the "QUAD Plus" security architecture because this will help EU expand its economic, and security vision beyond Europe. QUAD can help developing a close security partnership including the rule of law, freedom of navigation, respect for territorial integrity and sovereignty, peaceful dispute resolution, free markets, and free trade. QUAD is not only a security architecture, but also an economic security too.

24. Several Member States of the EU (Great Britain too) Germany, France and the Netherlands have each drawn up their own Indo-Pacific strategies. The EU's new strategy on India itself argues that developments in Asia will have a direct impact on European security and prosperity. It also identifies India as a "crucial pillar in a multipolar Asia" and in many ways as a regional counterweight to China. Therefore, the robustness of the EU-India strategic partnership and its success will depend to a large extent on how EU perceives, adopts, and responds to the vision of a free and open Indo-Pacific. EU and India have a joint responsibility to protect and exercise their strategic economic options in the region. We call upon EU to recognize that the dynamics in the Indo-Pacific have a direct impact on its prosperity and security. Areas such as safeguarding maritime security for European trade, combating influence operations, and providing sustainable options for regional connectivity are of critical importance to EU.

25. The recent peace agreement along the Line of Control between India and Pakistan heralds a new era of Indo-Pak connectivity and cooperation and we welcome this development. This is a victory of diplomacy and we hope the paradigm shift in Pakistan's thinking will bring new areas of cooperation. However, we would like to warn EU to be cautiously optimistic given Pakistan's history of breaching agreements.

EU's core values and CAI

26. As the world still struggles to effectively respond to the ongoing COVID-19 crisis, Chinese abuse on human rights have only grown more aggressive over the years. The Chamber applauds United States, United Kingdom and Canada who have joined the European Union in imposing sanctions on China over its alleged human rights abuses on the Uyghurs in Xinjiang. These punitive sanctions under the EU Global

Magnitsky Act are too little, too late. By decades of not taking principled stands or enforcing violations of commitments, the European Union has allowed Chinese govt to proceed down another path, which now threatens EU's geo-economic interest including its fundamental values. Also, China's human right abuses in Hong Kong continue unabated. These actions by China must have consequences and we congratulate EU Member States for their unanimous support for the punitive action. For the sake of humanity and European values, we call upon the European Union to kill the Comprehensive Agreement of Investment (CAI) with China entered last year. We also appeal to the European Parliament and to all Member States of the Union not to rush through ratifying the CAI as this risk disturbing the Trans-Atlantic alliance between US and EU, their strategic relations, and the European unity at large.

Independent investigation into the origin of COVID-19

27. It is difficult to predict the real economic damage from the COVID-19 coronavirus pandemic but it is destined to inflict severe negative impact on the global economy. With more than 3 million deaths and more than 133 million infected by COVID-19 worldwide, a massive global disruption is already before us. Finding the origins of the COVID-19 is critically important to both better addressing the current pandemic and reducing the risks of future ones. Unfortunately, well over a year after the initial outbreak, the origins of the pandemic remain a mystery. The outcome of the investigation by the World Health Organisation has created more confusion, uncertainty and ambiguity than clearing it. It is also feared that Coronavirus is a biological warfare weapon unleashed by the country of the origin of the pandemic. We therefore call for a full and unrestricted independent international forensic investigation that is anything less than thorough and credible into the origins of COVID-19 and we ask EU and India to take lead in seeking the truth behind the origins of the pandemic.

EU-India cooperation for COP26

28. India and EU can play an important role in the success of COP26 of the United Nations Framework Convention on Climate Change (UNFCCC) to be held this year in Glasgow. In view of the pressing challenges of climate change, there is a need for making Indo-EU climate cooperation as a central pillar of their strategic partnership. The raging COVID-19 crisis in both continents intersects with key issues such as economic growth, public health systems, employment, and climate change.

29. India's green transition offers opportunities to EU institutional investors. Fostering joint interventions and mechanisms focused on deepening green finance markets in India and developing functional and mutually beneficial interlinkages between EU private capital and India's green investment opportunities would be important. India, indisputably a world leader in deployment of renewable energy, has huge demand for institutional investment for its low-carbon growth. Cooperation on mobilisation of foreign institutional finance should be a central component of the EU-India climate cooperation agenda. A reinvigorated programme of climate cooperation between them will demonstrate a shared commitment for transition to a lower-carbon development pathway.

Covid Vaccine and IPR

30. Chamber endorses the global view that India being the "pharmacy of the world" holds the key to global access to Covid-19 vaccine. Matching India's impressive private sector manufacturing capacity scaled up to meet the world needs is the emerging character of India's vaccine diplomacy. The scale of India's vaccine gifts is unrivalled, and EU has a stake in supporting India's "Vaccine Currency" for stronger cooperation and collaboration in the pharmaceutical sector.

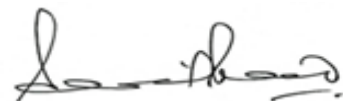
31. Chamber supports India's proposal to the World Trade Organisation to waive patent rules during the pandemic to allow generic and other manufacturers to produce COVID-19 vaccines. Keeping in view of today's extraordinary global health crisis, EICC calls upon EU and all WTO members to support this waiver request until the global herd immunity is achieved. As an automatic and expedited solution to address patents and other IP barriers at the international level, the waiver would be an important opportunity for all governments including the EU to unite and stand up for public health, global solidarity, and equitable access.

32. At a time when the multilateral system of trade governance and cooperation for economic growth is under stress, EICC commends India's leadership in strengthening the spirit of multilateralism. Rarely has the opportunity for EU and India to act together been as promising as it is now given that the world economy is looking more precarious, more unequal, and less governed than it has been two years ago.

33. We are deeply concerned at the current prospect of inequitable access to vaccines to address the pandemic. We hope that the G20 World Health Summit to be jointly held by the European Commission and G20 Term President Italy on 21 May 2021 will discuss the source of the pandemic and lessons learnt from it. We also hope that the Summit will discuss the existing and widening digital divide that has been evident during the Covid-19 crisis and the urgent need to build capacity in areas such as digital skills and digital infrastructure. EU-India cooperation shall be helpful to address the challenges.

34. With the above in mind, we urge European Commission and the Government of India to make every effort to capitalise on a great opportunity the new world order offers and to give fresh vitality to the EU-India relations and move rapidly to the completion of the EU-India Free Trade Agreement.

35. EICC will follow closely the progress in the EU-India relations and on other strategic issues.



Secretary General