



EUROPE INDIA CHAMBER OF COMMERCE

69, Boulevard Louis Mettewie (bte.18)

1080 Brussels (Belgium)

Tel & Fax: 0032 2 469 2677, 02-840 2800 GSM: 0472 207 338

E-mail: info@europeindia.eu; sunil.prasad@telenet.be Website: www.europeindia.eu

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

EICC-2021

Brussels, 21 June 2021

Ms. Ursula von der Leyen
President
European Commission
Brussels

Dear Commission President Ms. von der Leyen,

Re: EU's China policy

After over 18 months of global investigations and efforts to unearth the truth, the tsunami of secrecy, deception and disinformation surrounding the source of the Coronavirus stands exposed. Even after the nature and magnitude of this evil is now known, instead of being transparent and making a clean breast of it, China is still in constant denial and is refusing to disclose the truth. The pandemic, one of the greatest human tragedies of this century, is a "holocaust" against humanity and China has proved that it is not just an economic power but an implacable evildoer. Ever since the outbreak of the pandemic, every breath that we take is under fear, and every person we meet is under suspicion. We are living in a world with our lives at the mercy of the COVID-19, thanks to China's silence.

The worldwide hatred and distrust of China offers the EU a historic opportunity to fundamentally revisit its China policy keeping in mind its long-term strategic interests. It is high time the EU fights the evil with united hearts and minds and the longer the EU takes to decide how it wants to deal with China, the greater is the risk of confronting it from the position of weakness rather than the position of moral strength that the international community finds itself in since the Chinese role in the spread of the coronavirus has been exposed. If the EU still thinks of China only as a viable trading and business partner, it is sadly mistaken. It is not a country that values human rights, freedom, or mutual respect among nations. The reality is that China is a rogue state which is at war with the world, and it is time EU found the fortitude to deal with the stark reality and not pretend otherwise. China is not an option; it is a liability, it is not a partner, but a threat.

China has used its political opportunism, geopolitical autism, economic power, and strategic trade advantage to intimidate its neighbours, wage proxy-war with them, and financially enslave developing or underdeveloped countries with its well-developed debt trap diplomacy. In my responsibility as Secretary General of Europe India Chamber of Commerce, the Apex Chamber in Europe which promotes trade, business and economic relations between European Union and India, and as a long-term resident of EU, I have several times raised alarm with the European Commission on issues relating to China.

The current pandemic crisis should be a wake-up call for the EU and the world about the nature of a regime relentlessly pursuing global dominance. An increasingly aggressive and assertive China gives EU a new strategic purpose with utmost urgency. China's values are so fundamentally different from the EU's founding principles, of its freedom and human rights that add new meaning to the importance of EU's transatlantic cooperation. It would be an error of judgment if EU thinks that China will refrain from using economic instruments for its geopolitical goals.

It is no secret that China seeks to undermine the social, economic, and political framework of democratic societies and EU's alliances in a way that is yet to be fully understood. Resisting Beijing's attempts to reshape and dominate the world is the challenge of our generation, and it should be taken seriously. If EU fails to understand how China is engaged in trying to reshape the world order for its strategic advantage, European Union will see its economic and political well-being threatened, and the international order tilting towards authoritarianism and away from democratic ideals and freedoms. It is no surprise that since the violent Tiananmen Square crackdown, China's growing economic and security influence was the centre of the agenda of the G7 meeting, NATO and of the EU-US summit.

In the light of the issues mentioned above, we urge you to consider establishing a High-Level Expert Task Force of experienced strategists on China to do a deep dive into troubling questions confronting the EU on the far-reaching policy implications that China presents today. This Task Force should be tasked to examine everything from EU security and emerging technologies to global competitiveness and ideological threats to EU values. The Task Force should also investigate the Communist Party of China funds and financial assets which support the operations of the organisation and its vast structure, including propaganda and influence programme in EU countries.

It is not out of context to state that EU's Comprehensive Agreement on Investment with China is the latter's "Insurance Policy" to escape any future trade, economic or political action against the country by EU and its member states. With CAI at its disposal, China will further use its investment strategy both to bolster its state-owned enterprises at the cost of EU's own SMEs and build a network of commercial ports and, through Huawei, communications systems over which it would exercise significant control. The EU cannot afford to allow China to control its digital and infrastructure future. The CAI will also give China a "License to Kill" or at least severely undermine the EU's democratic values and seek friends and allies in Europe with the objective of weakening EU's transatlantic relations and creating space to advance its own political and economic agenda.

The very real and immediate threat of rising Chinese espionage is a matter of great concern to all of us. The magnitude of Chinese surveillance is a serious threat to EU's security. EU's universities, research institutes, Think Tanks have become a soft target for China's spies. In the context of trade and economy, Chinese economic espionage revolves through the policy "rob, replicate and replace" - robbing companies in the West of their intellectual property, replicating their technology, and then replacing those firms in the global marketplace.

To deal with China, it is imperative that the EU substantially reduces its trade, economic and technological dependence on China to avoid the kind of coercion that China's neighbours suffer to maintain their own productive and inventive vitality. What concerns us is that some EU member states still view China as a land of opportunity for their businesses and an ally for a strengthened multilateral and rules-based world order.

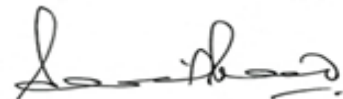
Madam President, you will agree that there is a need to take a hard line on China. Failure to meet this profound challenge will be economically and politically disastrous for EU and for generations to come. Unless China promises to end its predatory cyber-theft of intellectual property and know-how, promises to stop artificially propping up its businesses, and unless China promises to end its practice of forcing European companies to give away their IP to their future Chinese competitors in order to do business in China, the EU should walk away from holding high level summits with China.

We believe that if the EU fails to respond to this unprecedented challenge posed by China, the levels of trust in EU institutions and its values in democracy, and in fair trade, will see a precipitous decline. To save its founding principles, the EU must act before it is too late. The 21st century cannot be allowed to become China's century and China cannot be allowed to become "deadlier" than the Corona.

Madam President, years from now when historians will write about your Presidency, they should be compelled to take note that you, as the first-ever woman President of the Commission, took the seemingly tough decision to take a hardline approach to China, rather than continuing with the past policy of the EU, which is a mix of short-sighted opportunism and appeasing a competitor that pose an existential threat to everything that the EU has always stood for. History should also note that your policies succeeded in preserving European values, its principles, and missions against a profound generational threat that China poses today. You have an historic opportunity to exercise your exemplary leadership.

With kind regards,

Yours sincerely,



Secretary General

Cc. Mr. Josep Borrell, EU High Representative for Foreign Affairs and Security Policy and Vice-President

Mr. Valdis Dombrovskis, Executive Vice President and EU Commissioner for Trade