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EICC-2023

Brussels, 16 February 2023

Mr. Josep Borrell
EU High Representative for Foreign Affairs and Security Policy and
Vice-President of the European Commission
Brussels

Dear High Representative, Vice-President Mr. Borrell,

Re: European Union and meeting Strategic Challenge of “Systemic Rival” China

In its sixty-five years of history, the EU has always risen to the challenge of protecting and furthering its founding principles and defeating existential threats to its liberties and those of its allies. Today, EU is challenged to do the same by a virulent and increasingly dangerous threat to human freedoms – the Chinese Communist Party (CCP) through the nation it misrules: the People’s Republic of China (PRC).

Over the past forty-eight years of EU-China relations, the fallacies that integrating China into the global economy would move it towards greater liberalization, adherence to the rules of global commerce, and the fostering of personal freedoms are widely acknowledged. With its brutal repression of the Uyghurs and the people of Hong Kong, its expanding military installations in the South China Sea, and its predatory economic practices, the need to shape a strategic environment that balances against China’s course of ever-greater conflict is obvious and urgent.

We remain seriously concerned about the situation in and around the East and South China Seas. We underscore the importance of peace and stability across the Taiwan Strait and encourage the peaceful resolution of cross-strait issues. We reiterate our strong opposition to any unilateral actions that could escalate tensions and undermine regional stability and the international rules-based order and express serious concerns about reports of militarisation, coercion, and intimidation in the region.

It is no secret that China has time and again reaffirmed its threat to use military force to bring self-governing Taiwan under its control, amid threatening Chinese military exercises that have raised tensions between the sides to their highest level in years. You will agree that beyond the geopolitical risks, an extended crisis in the Taiwan Strait — a significant thoroughfare for global trade — could have major implications for international supply chains at a time when the world is already facing disruptions and uncertainty in the wake of the war in Ukraine.

In recent years, Beijing has grown impatiently aggressive in pursuit of its ambitions. China has drawn blood along the contested Indian border, threatened Vietnam, expanded its military presence in the South China Sea, increased the tempo of its operations near the

Senkaku Islands and trampled Hong Kong's autonomy — to say nothing of the atrocities it is perpetrating against its own citizens in Xinjiang and elsewhere.

The rise of China, an empire based on the coercion of unwilling people, has presented liberal democracies with a challenge it has not faced before. In our view, the EU has been slow to recognise the need for new thinking and slower to implement harder policies because it finds it hard to balance trade and economic benefits and disbenefits of working with China. For this reason, the EU has long been criticized for trying to have its cake and eat it when it comes to China. On one hand, it badly wants a strong economic relationship with its biggest partner for goods and trade. On the other, it recognizes the Chinese government is a serial human rights offender and systemic rival. This attempt to balance contradictory realities has often led to policy incoherence from Brussels.

In our view, EU's China policy needs to be firmly grounded in a recognition of China's sustained non-convergence with principles and values that underpin the European project. The EU needs to be prepared for all eventualities, including disruption, deterioration, and landslide change in the relations with China in the years ahead. Effective EU China policy will therefore require swifter and more decisive actions. China's century of broken promises leaves no point in rethinking if China would ever become a responsible "stake holder".

Sir, you will agree that today's China presents fundamental challenges to the democracies of Europe. It is no longer seen primarily in terms of trade and investment opportunities or a threat to jobs, but also as a challenge to European interests and values. It is important for EU to develop a grand strategy to address the new era of geo-strategic and geo-economic competition with China. We are concerned that if policy toward China falls prey to internal dynamics of divided vision in EU Member States, the EU will fail to rise to the China challenge. Renewing EU's strategic interest in the Indo-Pacific will require the kind of bold decisions, sustained attention, and willingness to commit resources that can only be achieved through unity and co-operation in capitals of EU countries and in Brussels.

EU's 'Systemic Rival' China is a threat not only to Taiwan and Asia but to the global peace and a challenge to EU's Indo-Pacific strategy. We may remind you that if China's threats to Asia are successful, China will be more powerfully positioned to support future Russian ambitions to conquer Europe. In the light of the PRC's continued provocations and military build-up, we wish to reiterate the importance of further advancing the EU-Taiwan partnership and cooperation built on mutual economic benefit, democratic friendship, and the upholding of the rules-based world order.

We believe that the speed of geo-political and geo-economic change especially after Russia's invasion of Ukraine, makes EU's strategy on China somewhat not in pace with the changing world order. Given how China is asserting to "disregard" concern of international community, EU's current China policy does need a change, in fact a radical change. At the risk of strategy and policy overload, the EU also needs to consider how to work more closely with Asian allies, strategic and trading partners, such as India, Japan, South Korea, and Australia.

As China continues to use its growing economic footprint to pursue political, military, and diplomatic goals that undermine EU's interests, the greatest geopolitical challenge in the 21st century will be how the EU and the rest of the world—responds to the rise of China. The

complexity of the threat posed by the Chinese government flows from those new realities, because China's government has the global reach, but it refuses to act and too often uses its capabilities to steal and threaten, rather than to cooperate and build. That theft, those threats, are happening right here in Brussels, literally every day.

The shooting down of Chinese Spy balloon over US sky reconfirms pattern of Chinese behaviour and reinforces our concern that in addition to physically facing every day the Chinese spy network across Europe, now EU will need to fix one eye in its sky and the other on Beijing.

We have tried to sketch out the strategic challenges China poses to the European Union and why EU today needs a stronger and a grand China policy to face the challenges of change. We hope you shall consider our views and take appropriate policy action.

With kind regards,

Yours sincerely,

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

Secretary General