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Brussels, 5 August 2024

Mr. Thierry Breton  
Commissioner for Internal Market  
European Commission  
Brussels

Dear Commissioner Mr Breton,

### Re: **AI and Advancing EU-India Strategic Interest**

I am writing to bring to your attention the urgent need for enhanced cooperation between European Union and India in the field of Artificial Intelligence. AI is an issue that has been of crucial importance for the EU and India, and which can not only bring both the sides closer together but also supercharge growth and innovation in both the regions, besides bringing a new dynamism to the EU-India partnership on digital technology.

Our trade body, EICC is in the Transparency Register of the EU.

There is no doubt that AI has emerged as one of the most transformative technologies of the 21st century, but it is also a technology that can be rapidly weaponised by countries and interest groups to disrupt businesses as well as entire systems of their 'rivals' or enemies. It is hence imperative that like-minded nations or groups of nations come together to cooperate in the domain of AI in order to develop their capabilities and be better prepared to face an uncertain future, which is the least that can be said about AI and its evolution in the future.

In this context, it is indeed very remarkable that in recent times there has been a paradigm shift in the way EU and India view their strategic partnership. The spectrum of EU - India ties is expanding, moving from bilateral to a multilateral framework, encompassing a wider range of issues and offering increased opportunities for alignment, cooperation and collaboration.

The Joint Statement of the 1st Meeting of the EU-India Trade and Technology Council (TTC) last year stated that in addition to deepening their partnership and leveraging their respective strengths to accelerate the development and deployment of advanced digital technologies, India and EU will coordinate within the Global Partnership on Artificial Intelligence (GPAI) and explore bilateral cooperation on trustworthy and responsible Artificial Intelligence, including in research and innovation.

In the world of internet and technology, entry into force on 1<sup>st</sup> August 2024, the world's first legislation to regulate artificial intelligence (AI) marks a historic milestone and proud moment for the European Union. This groundbreaking AI legislation is based on the critical

need for a balance between technological benefits and safeguarding rights and sets out a comprehensive and harmonized regulatory framework for AI across the EU.

Today, AI is transforming industries worldwide, offering unprecedented growth opportunities. It is not just a trend, it is a lateral and permanent shift which is set to continue and accelerate exponentially in the future, and you will agree that there is a need for EU and India to expand their strategic cooperation and focus on AI, as advancing the EU-India Strategic Partnership on AI will be mutually beneficial.

As founding members of the GPAI, both India and the EU can help build scientific consensus on the nature of the risks emerging from AI systems. We believe that a shared understanding of safety risks would help establish a set of common standards to mitigate concerns around bias, privacy, security, and help bridging the new digital divide through a combination of technical innovations, market interventions and investment.

The EU's risk-based approach on AI provides a valuable lesson for India, emphasising the importance of tailoring regulations to different AI applications. Collaboration with India therefore will enhance India's approach to AI regulation and will help embrace a risk-based framework akin to the EU regulation. Furthermore, actively engaging in global collaborations, perhaps through joint research initiatives with the EU, would provide valuable insights and contribute to the establishment of ethical standards for responsible AI development.

### **Unlocking potentials of cooperation on AI**

The EU and India are logical partners in charting the future growth of AI, which promises to deliver economic growth and social benefits to both countries. AI also needs to be a priority for EU and India leadership because the development of artificial intelligence not only serves an economic purpose, but a security one as well. Embracing AI is not merely about adapting to change; it is also about proactive readiness and strategic positioning.

In this respect, cooperation between EU and India will also help them manage the geostrategic implications of the new technologies, especially with the rise of China as one of the global leaders in AI. It is true that a successful EU-India partnership will need to overcome significant challenges but there is already framework in place to address the challenges. In our view, strong partnership on AI will go a long way in enhancing the strategic bilateral relations and will create a strong foundation for meaningful collaboration to unlock the full potential of AI to address the challenges of 21st century.

We firmly believe that a strong partnership between EU and India on AI research, data sharing, cybersecurity, standard setting, compute access, and skilling would go a long way in enhancing and recharging the strategic partnership. Proactive sharing of data between India and the EU can help promote linguistic diversity in popular LLMs such as OpenAI's GPT-3, which is primarily trained on English-language content. Both EU and India possess complementary strengths in this domain.

### **China, AI and Cyber Security**

The numerous cyber-attacks in the EU, mounted by alleged Chinese agents, continuously remind us that Beijing poses constant threat to Europe's cybersecurity. We must not overlook the fact that China's hackers are expanding their strategic objectives and have

repeatedly targeted European institutions, universities and research institutes. In our opinion, China will not hesitate to use AI as a “digital weapon” and therefore EU’s current China policy lacks comprehensive vision to address China’s cyber and other economic challenges.

In the face of China’s ambition and deployment of resources to dominate the production and use of technologies, a synergy between the matured technology ecosystem of the EU and the potential inherent in India’s vibrant technology sector is consequential. In view of the changing global developments and emerging threat from China, there is an urgent need for EU to further enhance strategic relations in a manner that aligns with democratic values, respects for human rights and ensures the Indo-Pacific region’s security and prosperity.

Considering China’s growing strengths in this key domain and its increasingly disruptive behaviour, EU needs to urgently and comprehensively re-evaluate its geopolitical strategies. China seems to be on a mission to start a ‘Digital Cold War’ with the objective to influence and determine the future of global geopolitical order. For the democratic world to pull ahead and face the realities, companies and countries will need to adopt a new approach that prioritises collaboration and transformation over competition and disruption.

Dear Commissioner, India is on the cusp of a technological revolution that could alter the trajectory of its social and economic future and in this there are lessons for the EU and rest of the world. The country’s emerging status as a technological powerhouse, combined with its unique socio-economic landscape, puts it in a favourable position to be the world’s most extensive user of AI by the end of this decade.

### **Shortage of skills in EU**

One very important issue that will seriously jeopardise EU’s position in the domain of AI is the critical shortage of skills in the region and which can severely undermine its plans to advance in this domain. In the EU high-tech skills are critically undersupplied and are a major bottleneck in EU’s digital strategy that relies on human talent to turn data into valuable intelligence. No matter how intelligent artificial intelligence might be it still relies on qualified and skilled humans for which there is notable lack of available skill in EU countries. According to EC’s own estimate, by 2030 the EU will have a shortage of 8 million ICT specialists and without the right training to close the skills gap, fewer businesses in Europe will be able to integrate AI into their business operations, foregoing possibly significant productivity gains.

It is not a secret that India’s tech talent emigration is arguably one of the most underestimated resources for a mutually beneficial partnership on AI between the two continents. The contribution of Indian talent in the European Union member states economy represents a mutually beneficial scenario for both, holding the potential to have a great impact on the advancement of AI aspirations. By enhancing collaboration with India, EU will reap substantial benefits, strategic and economic advantages from the influx of Indian tech talent.

With its vast talent pool, growing digital infrastructure and government initiatives like Digital India, India presents significant opportunities for EU companies looking to leverage AI technologies. With over 5 million programmers and around 500,000 specialists in AI and data science, India already has the largest base of skilled AI talent globally. You may know that leading global technology majors like Microsoft, IBM, SAP, Adobe, and Google are building cutting age artificial solutions in India for the world, underscoring the country’s reputation as an

AI powerhouse. The Indian AI market is projected to reach \$17 billion by 2027 and offers significant opportunities for EU companies across various sectors.

### **Shaping Techno-Geopolitics**

The world order is changing beyond expectations and is undergoing a significant transition, witnessing major power shifts, more particularly, in determining who acquires the latest technologies, and who shapes their use in both civilian and military purposes. Technological advancements have always played a pivotal role in global power dynamics but in 21st century geopolitics, the complexity of all-purpose technologies like AI is leading to unfathomable opportunities and risks. By partnering and cooperating closely on AI, the EU and India can not only strengthen their own economies, societies and strategic power, but this benevolent partnership of equals will also help propel the rest of the world in the right direction and ensure that AI benefits the entire humanity and is not limited to just a few.

In view of the above we would urge EU and India to jointly launch an Artificial Intelligence Task Force (AI-TF) which should aim at aligning the leadership of India and the EU countries in the realm of artificial intelligence. The AI-TF will help advance AI concepts and principles, drive multistakeholder processes, and promote the development and commercialization of AI technologies.

I hope you will give this matter your serious consideration and I remain available for a discussion, should you deem it necessary.

With kind regards,

Yours sincerely,



Secretary General