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*An “Indo-Pacific” Outlook for the  
European Union*

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As Asian security is inherently connected to European economic prosperity, there is a compelling need for the European Union (EU) to formally acknowledge the new power narrative of the Asia-Pacific by adopting an Indo-Pacific strategy. Primarily to safeguard European economic interests in the region as well as to increase the EU's profile as a global security provider and strategic partner for its allies in Asia.

The Indo-Pacific Region (IPR) has been deemed as the most relevant geopolitical theatre of the 21<sup>st</sup> century where the future of the international order will be decided. The re-emergence of the persisting bipolar competition in the area, exemplified by the India-China discord and the U.S.-China confrontation, has been overshadowing the existing regional constructs implemented to enhance economic and security cooperation, trade and investments. Despite the Indo-Pacific being mostly shaped by the rise of China and India, its power narrative envisions other stakeholders such as Japan, Australia, the United States and European countries. Given European countries economic reliance on the sea lanes in the heartland of the Indo-Pacific, any kind of commercial shipping disruption would endanger European trade and precipitate a global economic crisis.

In light of this state of affairs, this paper calls for the European Union to further prioritize Asian security and expand its engagement with the Indo-Pacific region by formulating an Indo-Pacific Outlook in order to actively advocate for a rules-based international order, freedom of navigation and overflight and further engage economically with its strategic allies, ASEAN and other democracies in the region.

**Keywords:** *EU foreign policy, Indo-Pacific strategy, South China Sea, freedom of navigation and overflight, safety of sea lanes, European maritime trade, connectivity, Maritime Silk Road, multilateral governance, Free and Open Indo-Pacific strategies*

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## Introduction

The re-emergence of a bipolar great-power competition in the Indian and Pacific Oceans has been lessening interdependence, while emphasising state-centric governance. **The Asia-Pacific is being conceptually substituted by the Indo-Pacific construct which is currently at the forefront of the global geopolitical discourse.** The Indo-Pacific power narrative in itself has mainly been precipitated by the economic and military rise of China and India, despite concerning other relevant state-actors such as Japan, the United States (U.S.) and Australia. In fact, the U.S.-China great-power rivalry complicates regional governance in economic, political and security terms. It also challenges **international norms** in the Indo-Pacific, as well as the role of the United States as a security provider.

EU Member States also hold great – mainly economic – interests in the region, as **50 percent of the EU's maritime trade crosses the South China Sea. Any coercive disruption of these commercial shipping lanes would greatly affect European prosperity.** In particular, the People's Republic of China (China) has been reportedly reinforcing its military presence around its claimed "nine-dash line" while seeking to expand its influence to the Indian Ocean and Persian Gulf. This further contributed to the securitization of China by its neighbours, with littoral states also claiming the same territories in the South China Sea.

**As the security dynamics of the Indo-Pacific Region are closely intertwined with the economic prosperity of the European nations** – the UK, Italy, France and Germany in particular – **there is a compelling need for the European Union to formally adopt an Indo-Pacific strategy.** Over the years, Brussels has been issuing lukewarm statements of criticism of the increased militarization of the South China Sea and formally acknowledged the nexus between Asian security and European prosperity in its 2018 Global Strategy.

**In order to safeguard European Member States' economic interests, the time is right for the EU to scale up its security role in Asia,** a role that Japan particularly encourages as an EU like-minded strategic partner in the region. Considering that the presence of the EU is limited to the North-Western corner of the Indian Ocean, where it operates to tackle non-traditional security matters, the EU could achieve its aim to increase its profile as a credible global security provider if Brussels were to formally acknowledge the changing power narrative of the Asia-Pacific and its inherent challenges.

This briefing paper will analyse the factors that brought the Indo-Pacific region to the forefront of global geopolitical discourses, as well as the dominant security dynamics prompting regional and external actors to incorporate *free and open Indo-Pacific* narratives into their defence strategies. Having outlined the security implications of the area for

European economic security, the focus will turn to address why the reasoning behind adopting an Indo-Pacific Outlook is a crucial missing piece for the EU to increase its value as a reliable partner and send a powerful message to its strategic allies in Asia in jointly tackling conventional and non-traditional security challenges in the Indo-Pacific Region.

### The “Indo-Pacific” Construct: A Melting Spot of Global Interests

The “Indo-Pacific” concept is a geopolitical construct of **contested interpretation**. As the map of Asia is being reimagined by regional states, the framework of the “Asia-Pacific” is being replaced by the “Indo-Pacific” as a geographical and geopolitical space that has introduced strategic challenges for regional states and external actors alike.<sup>1</sup> In terms of geo-spatiality, **the Indo-Pacific is seen as a continuum across the Indian and Pacific Oceans, but its expanse is debated to range from Eastern Africa to the Western Coast of the United States.**

In 2007, Japanese Prime Minister **Shinzō Abe** reintroduced this geographical vision before the Indian Parliament during his speech ‘*futatsu no umi no majiwari*’ or ‘Confluence of the Two Seas’.<sup>2</sup> The term gained currency as leaders and policymakers from Australia, India, Indonesia, Japan, and the United States have increasingly been referring to the “Indo-Pacific” rather than the “Asia-Pacific” in their policy communiqués. As an imagined space, political contestation over this geopolitical construct abounds, revealing that “this Indo-Pacific tendency is much more than a matter of superficial or semantic difference.”<sup>3</sup> However, the Indo-Pacific concept as one connected region is not new to geopolitics. For instance, during World War II, the Allied Powers’ strategic operation planning against Imperial Japan was coined the “Indo-Pacific”. This terminology persisted and was shared in usage by countries in the region until the 1960s. By contrast, the “Asia-Pacific” renaming was a result of Cold War dynamics and **the “Indo-Pacific” has been the most enduring way of understanding Asian geography.**<sup>4</sup> Scholars have attributed the return of the concept to a confluence of economic and strategic factors.

One important aspect that gave impetus to the new narrative was **the rise of China and India** as economic powerhouses which expanded their strategic interests into each other’s primary zone of influence, the Indian and Pacific Oceans. As a result, the India-China rivalry strongly shapes the power narrative of the Indo-Pacific, with tensions encompassing the

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<sup>1</sup> Medcalf, R. (2018). *Reimagining Asia: From Asia-Pacific to Indo-Pacific*. In *International Relations and Asia’s Southern Tier*. Springer, Singapore, pp. 9-28

<sup>2</sup> “Confluence of the Two Seas” Speech by H.E.Mr. Shinzo Abe, Prime Minister of Japan at the Parliament of the Republic of India. Retrieved from <https://www.mofa.go.jp/region/asia-paci/pmv0708/speech-2.html> (Unless otherwise stated at point of citation, all URLs cited in this paper were accessible on 28 Oct. 2020)

<sup>3</sup> Medcalf

<sup>4</sup> Ibid.

economic and political domains and escalating into military conflict, as attested by the latest incident along the Sikkim-Tibet border – the deadliest clash in 45 years.

A second important aspect concerns the fact that **the Indo-Pacific is the world’s most important transportation hub**. Therefore, it represents a melting pot of global interests where any kind of disruption of commercial shipping would likely precipitate a global crisis. In fact, the United Nations Conference on Trade and Development (UNCTAD) estimated that **60 percent of the world’s maritime trade passes through Asia, with the South China Sea (SCS) in the Pacific Ocean carrying 30 percent of global shipping,**<sup>5</sup> mainly constituted by **energy resources**<sup>6</sup>. The South China Sea is therefore a crucial transport lane especially for East Asian economies. In particular, the **Strait of Malacca** – between Singapore and Malaysia – **accounts for the second busiest transit oil choke-point towards Asian markets**, after the Strait of Hormuz by the Arabian Peninsula.<sup>7</sup> The Strait of Malacca also represents **the nexus between the Indian and Pacific Oceans** with **more than 90 percent of crude oil volumes**<sup>8</sup> leaving the Middle East and crossing the strait to reach Singapore and the west coast of Peninsular Malaysia to be refined as petroleum products. Petroleum is then shipped to China, Japan and South Korea, the three major importers in Asia, which collectively account for **80 percent of annual crude oil imports**. Furthermore, almost **40 percent of global Liquefied Natural Gas (LNG) trade** also crosses the South China Sea annually.<sup>9</sup>

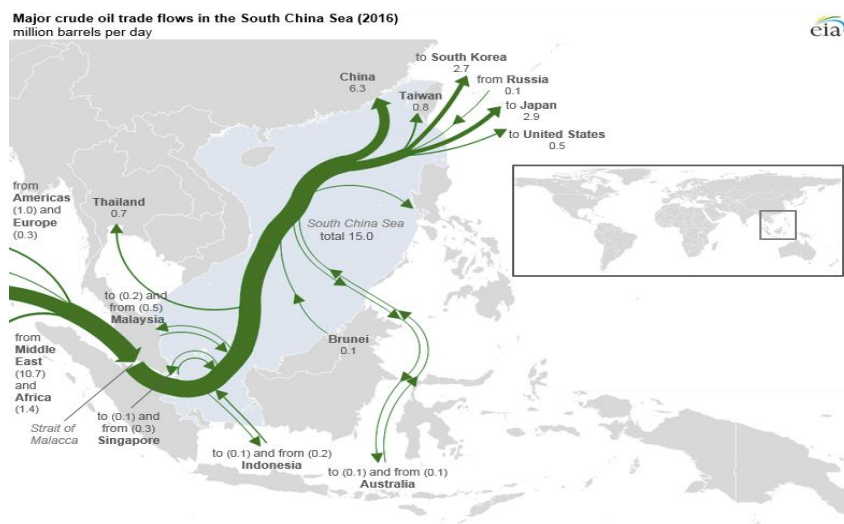


Figure 1. Major crude oil trade flows in the South China Sea

Source: EIA

<https://www.eia.gov/todayinenergy/detail.php?id=36952>

<sup>5</sup> Team, China Power. "How much trade transits the South China Sea." China Power. August 2 (2017) Retrieved from <https://chinapower.csis.org/much-trade-transits-south-china-sea/>

<sup>6</sup> EIA. "More than 30% of global maritime crude oil trade moves through the South China Sea". EIA. August 27 (2018) Retrieved from <https://www.eia.gov/todayinenergy/detail.php?id=36952>

<sup>7</sup> Nick Cunningham. "The 4 Key Chokepoints For Oil." July 26 (2018) Oil Price, Retrieved from <https://oilprice.com/Energy/General/The-4-Key-Chokepoints-For-Oil.html>

<sup>8</sup> Ibid.

<sup>9</sup> EIA. "Almost 40% of global liquefied natural gas trade moves through the South China Sea." EIA. November 2 (2017) Retrieved from <https://www.eia.gov/todayinenergy/detail.php?id=33592>

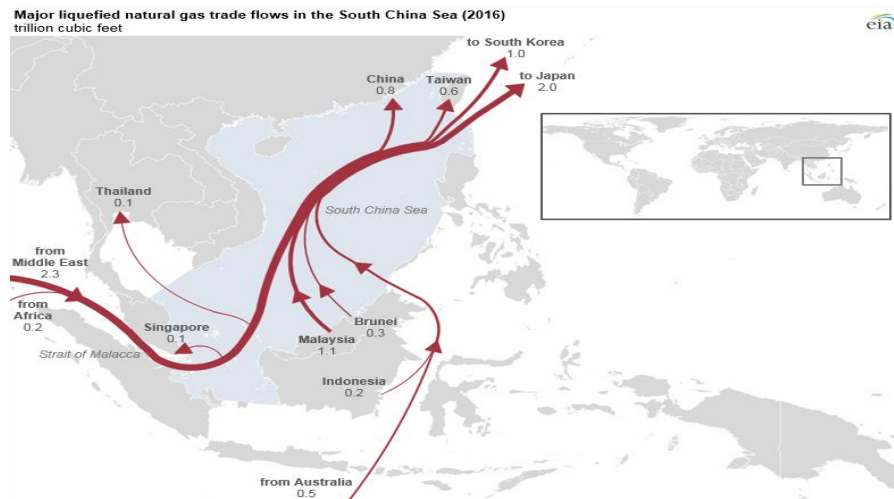


Figure 2. Major LNG trade flows in the South China Sea

Source: EIA

<https://www.eia.gov/todayinenergy/detail.php?id=33592>

The US Energy Information Agency (EIA) estimates that **34 million barrels of crude oil and petroleum** are transported per day from the Middle East<sup>10</sup> not only towards Asia but also to Europe. As a global trading power, the European Union has great interests at stake in the area. In fact, the World Economic Forum (WEF) observed that, despite intra-regional trade being four times higher than cross-regional trade, **trade exchanges between Asia and Europe are higher than between any other geographical region in the world.**<sup>11</sup> The growing economic interdependence between Europe and Asia is exemplified by the EU trade exchanges recorded in 2019 (figure 3).

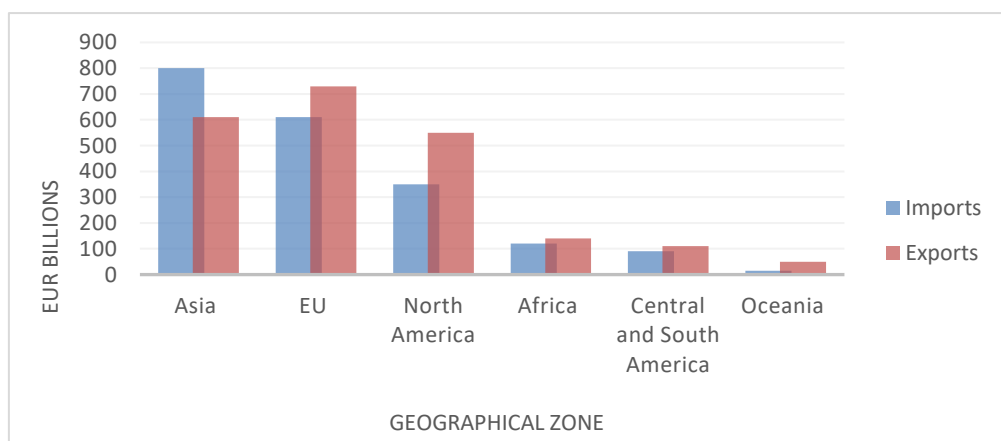


Figure 3. EU-27 trade by geographical zone in 2019

Source : Eurostat

[https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:EU-27\\_trade\\_by\\_geographical\\_zone,\\_2009\\_and\\_2019\\_\(EUR\\_billion\).png](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:EU-27_trade_by_geographical_zone,_2009_and_2019_(EUR_billion).png)

<sup>10</sup> According to the US Energy Information Agency, Saudi Arabia, the United Arab Emirates, Iran, Iraq, Kuwait, Angola, Qatar and Oman are the largest providers of crude oil

<sup>11</sup> Neves A., Becker W., and Dominguez-Torreiro M. "Explained, the Economic Ties between Europe and Asia." World Economic Forum. 2019. Retrieved from <https://www.weforum.org/agenda/2019/05/ways-asia-and-europe-together-connected/>

**For the EU, maritime transportation is the main vehicle in ensuring the supply of energy, food and commodities** which constitute of European imports from and exports to the rest of the world. Throughout European history, **maritime trade** has been a driver of economic, social and cultural development as well as the primary means for territorial expansion. Today, the sea is just as relevant as in the past, with **90 percent of the EU external trade being seaborne**.<sup>12</sup> Indeed, according to Eurostat, the value of goods transported by sea is 1.8 times higher than the value of goods transported by air and 3 times higher than the value of goods transported by road.<sup>13</sup> **In 2019, the value of annual trade between the EU and Asia reached EUR 1.5 trillion<sup>14</sup> accounting for 50 percent of the EU’s total maritime trade transiting the Indian Ocean.**<sup>15</sup> As a conduit for trade, the Indo-Pacific maritime area is a source of great prosperity for Europe. The Indian Ocean Region in particular is a catalyst of growth *per se* as home to emerging markets in South Asia and East Africa which are important investment destinations for Europe.<sup>16</sup> In fact, the South China Sea contains mineral and energy reserves such as gas and oil which could potentially supply a country’s industries for decades – if commercially exploitable. As one of the world’s richest marine life areas, the SCS represents 10 percent of the world’s fish catch upon which the maritime industries of littoral states greatly depend.<sup>17</sup> For European countries, the South China Sea is far more important as a transportation hub rather than a sphere of resources. Current trade statistics further affirm that **Europe’s interest in the Indian Ocean is predominantly economic.**

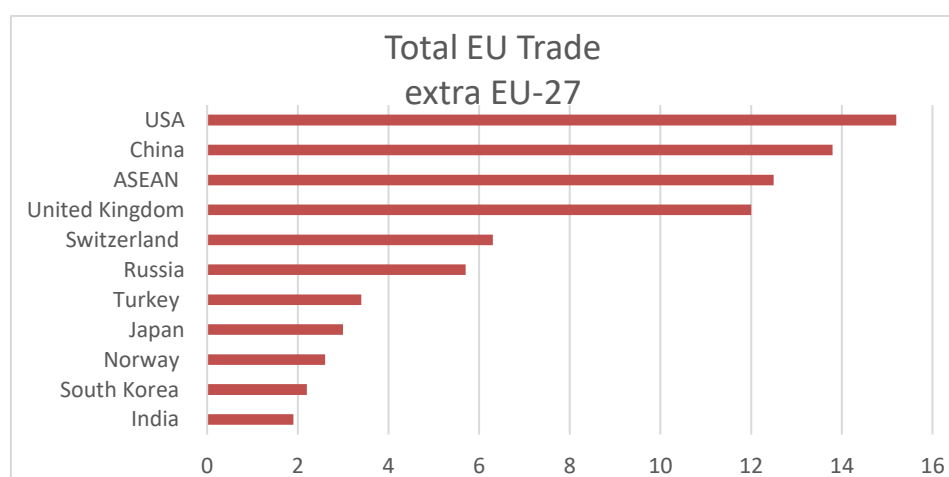


Figure 4. EU-27 trade by geographical zone in 2019

Source : Eurostat

[https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:EU-27\\_trade\\_by\\_geographical\\_zone,\\_2009\\_and\\_2019\\_\(EUR\\_billion\).png](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:EU-27_trade_by_geographical_zone,_2009_and_2019_(EUR_billion).png)

<sup>12</sup> Ibid.

<sup>13</sup> Eurostat (2017) Globalisation patterns in EU trade and investment. DOI:10.2785/65836

<sup>14</sup> Neves, Becker, Dominguez-Torreiro

<sup>15</sup> Eurostat (2016) "Half of EU trade in goods is carried by sea. Rotterdam, Antwerp and Hamburg busiest cargo ports." 184/2016 news release. Retrieved from <https://ec.europa.eu/eurostat/documents/2995521/7667714/6-28092016-AP-EN.pdf/f9834e75-8979-4454-9d04-a32f0757926a>

<sup>16</sup> Garima Mohan. "Engaging with the Indian Ocean" in *Global Public Policy Institute*. 2 November (2017). Retrieved from <https://www.gppi.net/2017/11/02/engaging-with-the-indian-ocean>.

<sup>17</sup> Turcsányi, Richard Q. "Chinese Assertiveness in the South China Sea." *Cham: Springer International Publishing* (2017) p. 33



Among the major EU trading partners, China has been the EU's second largest export market since 2016.<sup>18</sup> In fact, since the 2008 economic crisis, the EU's bilateral trading relationships have been shifting towards emerging economies<sup>19</sup>, especially China and India. After the U.S. and China, ASEAN represents the EU's third largest trading partner. Japan, South Korea and India follow suit ranking 8<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> respectively on the EU trading partner list.

Estimates also indicate that **the South China Sea is an essential trade route specifically for EU countries Germany, Italy and France**, whose cargo volume transiting the area respectively accounts for 9 percent, 8.1 percent and 7.7 percent.<sup>20</sup> Since a great quantity of cargo between Europe and Asia is exchanged through the Strait of Malacca, open and secure trade lanes are of vital importance to the economic security of both Asian countries in the region and European countries. **The stability and security of the region is closely intertwined with Europe's economic prosperity** as any disruption of the maritime trade with Asia, via a military blockade of choke-points, would have significant negative impact on the European economy. Consequently, it is in the best interests of the EU in ensuring **freedom of navigation and overflight as well as safety of the sea lanes** throughout the region to begin by formally acknowledging the Indo-Pacific as one of the EU's areas of strategic priority.

### The "Free and Open Indo-Pacific" Security Dilemma

The stability and security of the Indo-Pacific Region has notably been put in jeopardy by **overlapping territorial claims** and China's perceived assertive behaviour in the East and South China Seas. In fact, **China's growing material capabilities and rapid defence modernization is a primary geopolitical factor that contributed to change the balance of power in Asia.**<sup>21</sup> Strategic concerns over the "rise of China" first sparked in the 1990s<sup>22</sup> but sprouted only in 2009–2010 when its military expenditure and GDP surpassed Japan's, becoming the world's second largest economic power. China's surge of power has been further accentuated by the relative decline of influence of the United States in Asia. Indeed, the prioritization of the Middle East in American foreign policy during the George W. Bush Administration, with the resulting costly wars in Iraq and Afghanistan, coupled with the 2008 financial crisis, created the perception of a lack of US commitment to

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<sup>18</sup> Ibid.

<sup>19</sup> Globalisation Patterns in EU Trade and Investment

<sup>20</sup> Buszynski, Leszek, ed. *The South China Sea: From a Regional Maritime Dispute to Geo-Strategic Competition*. Routledge, 2019, p. 4

<sup>21</sup> Kei Koga, Japan's 'Indo-Pacific' question: countering China or shaping a new regional order?, *International Affairs*, Volume 96, Issue 1, January 2020, Pages 49–73, Retrieved from <https://doi.org/10.1093/ia/iiz241>

<sup>22</sup> Due to a series of events that indicated that China would not abide by the rules of the post-war international world order as illustrated by the suppression of the 1989 Tiananmen Square protests; the passage of the 1992 Law on the Territorial Sea and the Contiguous Zone; the 1995 nuclear tests; and the 1995-1996 Taiwan Strait crisis.

multilateral governance in Asia.

In this context, **Japan, at the frontline of Asian security** as historical ally of the U.S., has become increasingly concerned about China's future defence posture and behaviour and was compelled to revisit its relations with China to diffuse tensions caused by its historical revisionism. As a result, in 2008, Japan and China reached an agreement regarding joint development in the East China Sea. In spite of the agreement, China unilaterally undertook natural gas explorations, adding tensions to the existing dispute in the zone, as both China and Japan have been quarreling over the **Senkaku/Diaoyu archipelago** of uninhabited islands situated in their overlapping economic zone in the **East China Sea** for over a century. The contested islands hold great economic significance since they contain potential oil and natural gas reserves, are surrounded by rich fishing areas and lie along prominent shipping routes.

Further, as **the East China Sea is connected to the South China Sea through the Strait of Taiwan, China considers both seas as less vulnerable transportation hubs**, compared to the Strait of Malacca, as they avoid "narrow choke-points."<sup>23</sup> Nonetheless, in China's perspective, their strategic importance exceeds their use as commercial routes and source of natural resources.<sup>24</sup> In fact, in the East China Sea, the **Bashi Channel** and the **Miyako Strait**, two strategic points of the "**first island chain**", constitute crucial passages for Chinese military operations. **The waterways provide the People's Liberation Army Navy (PLAN) with an entryway into the Pacific Ocean as well as a passageway to international waters and airspace** through Japan's Exclusive Economic Zone (EEZ) (figure 5).

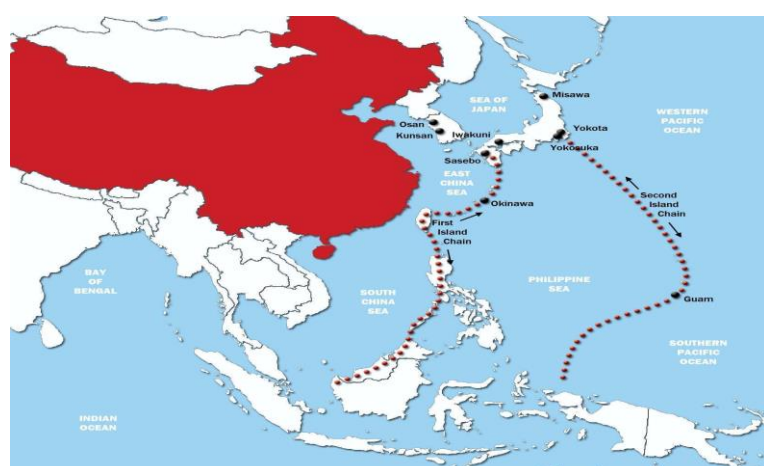


Figure 5. The first and second island chains

Source: Consortium of Defense Analysts  
<https://cofda.wordpress.com/2013/12/25/chinas-adiz-is-a-strategic-move-to-control-first-island-chain/>

As a result, in 2013, the Chinese government unilaterally declared the establishment of the East China Sea Air Defence Identification Zone (ADIZ). The attempt was neutralized by

<sup>23</sup> Lai, Hongyi (2009) Asian Energy Security: The Maritime Dimension. Springer.

<sup>24</sup> Buszynskic

international criticism but the move nonetheless attested to China's probing strategy through political and military means in the South China Sea.<sup>25</sup> The strategic importance of the first island chain is further confirmed by the fact that it is being formed by the eastern and southern banks of the SCS, thereby preventing the Chinese Navy from reaching the Pacific or Indian Oceans undetected by littoral states.<sup>26</sup>

Additionally, **the SCS is the only easily accessible sea with relatively deep water suitable for extensive Chinese submarine operations.**<sup>27</sup> As the first island chain idea stimulates China's fears of **strategic encirclement**, ensuring control of the sea is a prerequisite for the successful projection of its military power to open oceans. Economic and strategic factors might be the drivers of China's assertiveness in the IPR but Beijing's sense of a changing balance of power in its favour, the expansion of its national interests to the maritime domain through its **Maritime Silk Road**, and the growth of its military power to pursue maritime claims, encouraged the regime to consolidate control of the sea by militarizing the area. In fact, territorial disputes and claims mar the South China Sea security environment as sovereign possession of land features in the sea would lay ground for maritime rights to territorial waters and EEZs.<sup>28</sup>

Overlapping claims over the **Spratly and Parcel islands** – claimed by China, the Philippines, Vietnam, Taiwan, Malaysia and Brunei – and **the Scarborough Shoal** – disputed among China, Taiwan, and the Philippines – brought the SCS to the spotlight as a **region of geopolitical contestation**. Among the contenders, China's claims attract the most attention due to its growing political, economic and military power. This behaviour adds to the perception of China as a maritime aggressor in disputed waters. This is exemplified by the China-Philippines conflict over the Spratly Islands, and China's refusal to abide by the Hague Permanent Court of Arbitration's ruling in favour of the Philippines – despite China being a signatory of the very treaty that established the tribunal. The decision taken by The Hague significantly clarified the legal nature of the maritime rights in the SCS by ruling that Chinese maritime claims stemming from "historical rights" are not in line with the United Nations Convention on the Law of the Seas (UNCLOS).

In addition to maritime claims, China has also been engaging in extensive **island-building** and base construction activities<sup>29</sup> in the Paracels and Spratlys consisting of sea walls, airfields, radar towers, ship docks and helicopter bases, which, intern alia, could potentially serve as air and naval bases. **The Fiery Cross Reef** in particular appears to be China's

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<sup>25</sup> Koga

<sup>26</sup> Yoshihara, Toshi. "China's vision of its seascape: the first island chain and Chinese seapower." *Asian politics & policy* 4.3 (2012): 293-314.

<sup>27</sup> Buszynskic

<sup>28</sup> Buszynskic

<sup>29</sup> Congressional Research Service (2020) "U.S.-China Strategic Competition in South and East China Seas: Background and Issues for Congress" Available at <https://fas.org/sgp/crs/row/R42784.pdf>

new base for military power projection as it offers better access to the deep waters of the South China Sea. In fact, **the reef is the second most southern post controlled by China and its position at the heart of the SCS, while also being equidistant between mainland China and the Malacca Strait, makes it a strategic location close to most of the trade traffic** (figure 6).



Figure 6. China's artificial islands

Source: The Wall Street Journal  
<https://www.wsj.com/articles/senior-chinese-military-officer-visited-strategic-island-u-s-says-1460704795>

Although Japanese Prime Minister (PM) **Shinzō Abe** first reintroduced the Indo-Pacific concept to the political discourse, Japan unveiled its **Free and Open Indo-Pacific Strategy** (FOIPs) only in 2016 at the **Sixth Tōkyō International Conference on African Development** (TICAD VI).<sup>30</sup> Even if China was not explicitly mentioned, Abe's speech conveyed that **the FOIP was an effort to counter Beijing's increasing influence in the IPR and beyond**. PM Abe stated that the stability and prosperity of the world would be brought forth through "the union of the two free and open oceans and two continents"<sup>31</sup> thereby creating a zone that values freedom, the rule of law, and the market economy, **free from force or coercion**.

For this reason, **Japan's FOIP driver is "to shape and consolidate regional order in the Indo-Pacific on the basis of the existing rules-based international order"**<sup>32</sup> through coalition-building. However, due to its **evolutionary nature**, Tōkyō's current FOIP language is rather ambiguous.<sup>33</sup> As a result of ASEAN member states' concerns with its counter-China implications, the FOIP underwent a re-branding as the term "strategy" was

<sup>30</sup> Japanese Ministry of Foreign Affairs (MOFA), 'Address by Prime Minister Shinzo Abe at the opening session of the sixth Tokyo international conference on African Development (TICAD VI)', 27 Aug. 2016, [https://www.mofa.go.jp/afr/af2/page4e\\_000496.html](https://www.mofa.go.jp/afr/af2/page4e_000496.html).

<sup>31</sup> Ibid.

<sup>32</sup> Koga

<sup>33</sup> Ibid.

changed in favour of a more neutral term. At the 2018 joint press conference with Malaysian Prime Minister Mahathir bin Mohamad, Prime Minister Abe officially described FOIP as a “vision” and modified its FOIP narrative focusing on developing the Indo-Pacific as “**international public goods**” to “enhance ‘connectivity’ between Asia and Africa [...] and with ASEAN as the hinge of two oceans.”<sup>34</sup> Japan has also been emphasizing its FOIP’s **non-exclusivity principle**, as Foreign Minister Tarō Kōno underscored the importance of cooperation with China and South Korea along with ASEAN in institutionalizing the FOIP in 2019.<sup>35</sup> Nevertheless, Japan’s FOIP challenge of building a broad diplomatic coalition inside and outside the Indo-Pacific region indicates its aim to **shape and consolidate regional order**.<sup>36</sup>

**Tōkyō has resolved to induce China to conform with existing international norms through engagement rather than confrontation** and has managed to shape FOIP’s conceptual framework in a fashion that regional states have not delegitimized yet. This is why Japan faces a delicate balancing act in managing relations with the United States and China as illustrated by Tōkyō’s latest decision to not officially condemn Beijing for imposing a national security law on Hong Kong. Attesting to the primary role played by the economic rise of India, and by the India-China rivalry in the Indo-Pacific, Japan established a “**global partnership**” with India. This was done in recognition of the transformations affecting Asia and in view of their shared “global vision of peace, stability, and shared prosperity [...] shared democratic values and commitment to human rights, pluralism, open society and the rule of law.”<sup>37</sup>

In 2004, Indian Prime Minister **Narendra Modi** unveiled New Delhi’s “**Act East**” policy with the intention of intensifying economic, strategic and diplomatic relations with South and East Asian countries sharing common concerns with the implications of China’s growing military and economic influence in the region. In 2018, in his keynote address at the Shangri-La Dialogue in Singapore, Modi also emphasized that his idea of the Indo-Pacific as “a free, open and inclusive region.”<sup>38</sup> As a result, India has been fostering greater integration within the Indo-Pacific region –as the **Asia-Africa Growth Corridor** initiative in partnership with Japan exemplifies– while being cautious not to offend China in the process. India contributes to multilateral governance in the Indo-Pacific through ASEAN, the Western Indian Ocean and the QUAD.

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<sup>34</sup> Japanese Ministry of Foreign Affairs (MOFA) “Free and Open Indo-Pacific” Accessible at <https://www.mofa.go.jp/files/000430632.pdf>

<sup>35</sup> Japanese Ministry of Foreign Affairs (MOFA), ‘The ninth Japan–China–ROK trilateral foreign ministers meeting’ (Tokyo, 21 Aug. 2019), [https://www.mofa.go.jp/a\\_o/rp/page3e\\_001060.html](https://www.mofa.go.jp/a_o/rp/page3e_001060.html).

<sup>36</sup> Koga

<sup>37</sup> Japanese Ministry of Foreign Affairs (MOFA). ‘Japan-India Partnership in a New Asian Era: Strategic Orientation of Japan-India Global Partnership.’ <https://www.mofa.go.jp/region/asia-paci/india/partner0504.html>

<sup>38</sup> Saurabh Todi “India Gets Serious About the Indo-Pacific. Can India walk the talk on the Indo-Pacific?” *The Diplomat*. <https://thediplomat.com/2019/12/india-gets-serious-about-the-indo-pacific/>

In 2007, the **Quadrilateral Security Dialogue** (QUAD) was initially proposed by Japanese Prime Minister Abe, based upon the successful experience of collaboration among the maritime democracies of Australia, India, Japan and the United States in responding to the 2004 Indian Ocean tsunami and on the joint humanitarian effort in Indonesia.<sup>39</sup> This rapprochement occurred in parallel with *Exercise Malabar*, which was the largest joint exercise in the **Bay of Bengal**, held in participation with India, the United States, Japan, Australia and Singapore. As the Bay of Bengal is an important centre of economic growth and a contested geopolitical spot, China dissolved the initiative by issuing formal diplomatic protests to the proponents<sup>40</sup> and exerted economic leverage as it **perceived the arrangement as an “embryo of a regional security alignment”<sup>41</sup> comparable to NATO.**

Nonetheless, the idea of connecting the Indian and Pacific regions increased in subsequent years and, in 2012, Abe relaunched, with his essay *Asia’s Democratic Security Diamond*, the concept of a democratic coalition among Japan, Australia, India and the United States to revive the Quad. **To preserve the *status quo* in the region and deter China’s potentially coercive actions in the East and South China Seas<sup>42</sup>** another attempt was made at the ASEAN 2017 Summit in Manila. However, as an informal strategic dialogue, the QUAD takes the shape of a forum for diplomatic consultation rather than a full-fledged military and information-sharing alliance.<sup>43</sup>

The EU has also recently participated to the forum in the peculiar **QUAD + Europe** format in order to identify the common challenges and areas of cooperation among Europe and the QUAD countries, specifically the ones posed by China.<sup>44</sup> Japanese Foreign Minister Tarō Kōno especially advocated for the UK and France to take on collaborative roles in the partnership due to their colonial legacy, they are the most active in the region. In fact, since the Sarkozy Presidency, France has been focusing on relaunching its historic maritime role in the Indian and Pacific oceans and, after Brexit, **France is currently the only EU Member State with a permanent naval presence** engaging in joint military exercises with the U.S., India and the U.K. in the Indo-Pacific region.

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<sup>39</sup> Koga

<sup>40</sup> Australian Prime Minister, Kevin Rudd, pulled the country out of the partnership, reportedly because of Chinese pressure

<sup>41</sup> Medcalf

<sup>42</sup> Koga

<sup>43</sup> Hanada, Ryosuke. "The Role of US-Japan-Australia-India Cooperation, or the 'Quad,' in FOIP: A Policy Coordination Mechanism for a Rules-Based Order." *CSIS, Strategic Japan*, October 13 (2018) Retrieved from <https://www.cogitasia.com/the-role-of-the-quad-in-the-free-and-open-indo-pacific-concept-a-policy-coordination-mechanism-for-rules-based-order/>

<sup>44</sup> Garima Mohan. "More Europe in the Indo-Pacific: Trilateral Forum Tokyo" *The Tokyo Foundation for Policy Research*, October 8 (2019) Retrieved from <https://www.tkfd.or.jp/en/research/detail.php?id=707>

## The Lack of an Indo-Pacific Outlook in EU External Action Policy

Despite the fact that some EU Member States, among which France and Germany, have recognized the strategic challenges in the Indo-Pacific by producing their own strategies, **the concept of the Indo-Pacific has played a marginal role in EU foreign policy discussions.**

In October 2019, French President Emmanuel Macron unveiled **France's Indo-Pacific Strategy**. In his speech on the island of La Réunion, Macron officially stated that "France is a maritime and island Indo-Pacific country" anchored to the Indo-Pacific space through La Réunion. Due to its colonial past, France still administers territories outside Europe, which are classified as a group as "Overseas France" ("Territoires d'Outre-Mer") and five of its domaines —New Caledonia, French Polynesia, Wallis and Futuna, Reunion Island and Mayotte— are located in the IPR. As these territories represent more than two thirds of the **French EEZ, the world's second largest after the United States**, the French advocacy for a "free, open and inclusive" Indo-Pacific space is supported by a strong military presence contributing to regional security.<sup>45</sup> Therefore, France would welcome an increased involvement of the European Union in the South China Sea as a result of greater intra-EU coordination.<sup>46</sup>

Germany has also recently announced a series of **Indo-Pacific policy guidelines**, becoming the second European Member State –and the seventh democracy– to formally adopt a strategy for the Indo-Pacific, thereby acknowledging the impact of the shifting geopolitical power structures of the Asia-Pacific on its economic and political security. However, unlike France, **Germany is the only stakeholder of the Indo-Pacific which is not claiming membership**. Berlin's Indo-Pacific guidelines justify its active contribution to the Indo-Pacific as the arena where "more than anywhere else [...] the shape of the international rules-based order of tomorrow will be decided."<sup>47</sup> In fact, these guidelines bring to the forefront the security-policy sector as a special focal area. Strengthening the rule of law (by supporting a legally binding South China Sea code of conduct between China and ASEAN member states), human rights, and the diversification of economic partnerships "to **avoid unilateral dependency**"<sup>48</sup> are among the many domains identified by the German government to cooperate with the countries of the Indo-Pacific. As the release of the document occurred one day after Chinese Foreign Minister Wang Yi left Berlin to continue his five-nation European trip, some analysts suggest that German's announcement

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<sup>45</sup> France Ministry of Defence. 'France's Defence Strategy in the Indo-Pacific.' [https://apcss.org/wp-content/uploads/2020/02/France-Defence\\_Strategy\\_in\\_the\\_Indo-Pacific\\_Summary-2019.pdf](https://apcss.org/wp-content/uploads/2020/02/France-Defence_Strategy_in_the_Indo-Pacific_Summary-2019.pdf)

<sup>46</sup> Ankit Panda "French Defense Minister to Urge EU South China Sea Patrols. Will the European Union become a more active player in the crowded waters of the South China Sea?" *The Diplomat*. <https://thediplomat.com/2016/06/french-defense-minister-to-urge-eu-south-china-sea-patrols/>

<sup>47</sup> German Federal Office. "Germany – Europe – Asia: shaping the 21st century together": The German Government adopts policy guidelines on the Indo-Pacific region. Available at <https://www.auswaertiges-amt.de/en/aussenpolitik/regionaleschwerpunkte/asien/german-government-policy-guidelines-indo-pacific/2380510>

<sup>48</sup> Ibid.

signals Europe's reassessment of its China approach.<sup>49</sup> The strategy was not designed to be "anti-China" but can nonetheless be interpreted as Germany assuming a firmer stance vis-à-vis China. **Germany's relationship with China, which was principally based on trade, is now expanding to encompass geopolitical interests.** German's Indo-Pacific guidelines also aim to escalate Berlin's global competitiveness by fostering multilateralism and seeking more cooperation with regional strategic partners in areas such as defence, connectivity, cybersecurity, and 5G.

Further, Germany and France, alongside with the U.K., Italy, and the EU in general, acknowledged the importance of ensuring **"freedoms of navigation and overflight" in the South China Sea** by signing **the G-7 Foreign Ministers' Declaration on Maritime Security** in Lübeck in April 2017. China's insistence on referring to U.S. freedom of navigation and overflight operations as "illegal intrusions" into Chinese territorial waters, propelled the EU to uphold its image as a normative power vis-à-vis China's disregard for the international order based on the rule of law.<sup>50</sup>

In fact, in spite of its vital economic interests at stake in the region, and the EU commitment to the rule of law, multilateralism and free trade, **the EU has no official strategy concerning the Indo-Pacific, as illustrated by its continued use of the term "Asia-Pacific" in policy documents, bilateral agreements and official statements.** In 2018, Former Vice President and High Representative for Foreign Affairs and Security Policy, Federica Mogherini's keynote address at the second EU-Australia Leadership Forum represents the exception. During her speech, she acknowledged that "security in the Indo-Pacific region is today also crucial to our own European security."<sup>51</sup> The **growing economic and strategic importance of Asia for Europe** is further exemplified by the **EU Global Strategy**, which specifically addresses the direct connection between European prosperity and Asian security and produced the **EU-Asia Connectivity Strategy** to enhance sustainable, comprehensive and rules-based connectivity between European and Asian societies. At the same time, the EU concluded three partnership agreements with Japan – the **EU-Japan Economic Partnership Agreement (EPA)**, the **EU-Japan Strategic Partnership Agreement (SPA)** and the **EU-Japan Connectivity Partnership** – to secure their strategic alliance.

Thus far, the EU has failed to formulate an Indo-Pacific strategy due to political, geographical and strategic constraints. Primarily, **Europe's political retreat from Asia**

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<sup>49</sup> Patrick Wintour. "European tour tests Chinese foreign minister's pulling power." *The Guardian*. <https://www.theguardian.com/world/2020/sep/02/european-tour-tests-chinese-foreign-ministers-pulling-power>

<sup>50</sup> Duchâtel, M. "Europe and Maritime Security in the South China Sea: Beyond Principled Statements?" *Asia Policy*, no. 21, 2016, pp. 54–58. JSTOR, [www.jstor.org/stable/24905090](http://www.jstor.org/stable/24905090).

<sup>51</sup> European External Action Service. "Remarks by High Representative/Vice-President Federica Mogherini at the press point with Julie Bishop, Minister for Foreign Affairs of Australia." 08.08.2018. Retrieved from [https://eeas.europa.eu/headquarters/headquarters-homepage/49222/remarks-high-representativevice-president-federica-mogherini-press-point-julie-bishop-minister\\_en](https://eeas.europa.eu/headquarters/headquarters-homepage/49222/remarks-high-representativevice-president-federica-mogherini-press-point-julie-bishop-minister_en)



following the end of World War II (WWII) considerably reduced its influence in the region as the U.S. took charge as the main security provider. Since the end of WWII, Europe has been preoccupied with internal economic recovery and reconstruction. Managing crisis and challenges in its immediate neighbourhood – that is in Eastern Europe, the Caucasus, the Levant and North Africa – has taken precedence in the European external action agenda over a distant area such as the Indo-Pacific.<sup>52</sup>

However, **the perceived U.S. retrenchment in regard to Eurasia** is accompanied by regional concerns that Washington would stage a negotiated withdrawal from the region with the acquiescence of China. Adding to the equation, with the world increasingly entering an economic and digital era of globalization, Europe has added motivation to reconsider its security role in Asia and accelerate integration between the two continents.

Secondly, as **the EU is not a security provider**, especially in Asia, despite its historical ambition of increasing military capabilities to promote itself as a global security actor, its reputation as a “**normative power**” gives it stronger strategic leverage to address traditional and non-traditional security challenges in the Indo-Pacific. Indeed, **the EU has limited presence in the maritime region of the Indo-Pacific** as only France has an established naval presence in the area. The EU can only rely on the naval forces deployed by its Member States to defend freedom of navigation in the IPR, due to its lack of military leverage,<sup>53</sup> as Member States retain full sovereignty over their armed forces. In this context, the **European Union Maritime Security Strategy (EUMSS)** was unveiled to tackle challenges in the global maritime domain and protect the EU strategic maritime interests through the rule of law in areas beyond national jurisdiction.<sup>54</sup> As economic security depends on safe, secure and clean seas, **the EUMSS explicitly encourages member states to use their military forces to defend freedom of navigation and fight illicit activities worldwide.**

Hence, **the EU could contribute to regional stability in the Indo-Pacific by coordinating already existing military presences.** However, considering that **only France** is present in the region via its overseas territories, the question naturally arises whether such presence could suffice to protect the economic interests of all EU nations. Despite Germany having recently announced its intention to more actively defend its interests in the Indo-Pacific waters, the deployment of the German Navy **F124 Sachsen-class frigate Hamburg** was redirected from the Indo-Pacific to participate to the

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<sup>52</sup> Raja Mohan C., Vater John J., “Europe in the Indo-Pacific: moving from periphery to the center?” *Carnegie India*. 3 June (2019). Available at <https://carnegieindia.org/2019/06/03/introduction-to-europe-in-indo-pacific-moving-from-periphery-to-centre-pub-80140>

<sup>53</sup> Pejsova E., “The EU as a Maritime Security Provider”, *European Union Institute for Security Studies*, 16 December (2019). Available at [https://www.iss.europa.eu/content/eu-maritime-security-provider#\\_no\\_navy\\_\\_no\\_leverage\\_](https://www.iss.europa.eu/content/eu-maritime-security-provider#_no_navy__no_leverage_)

<sup>54</sup> Ibid.

**EUNAVFOR MED IRINI**<sup>55</sup> operation in the Mediterranean Sea due to the COVID-19 pandemic.

Thus far, the **European Union Naval Force Atalanta** (EU NAVFOR) – launched to fight piracy in the Horn of Africa and in the Western Indian Ocean – remains the touchstone for Asian countries when discussing the EU’s contribution to maritime security. Additionally, the EU has been engaging in regular High-Level Dialogues on Maritime Security with ASEAN, India, and China. The EU is also part of the **ASEM** platform, participates in the **ASEAN Regional Forum** (ARF); and the **East Asia Summit**; co-chairs the **ASEAN Regional Forum Inter-Sessional Meeting on Maritime Security**; is an observer to the **South Asian Association for Regional Cooperation** (SAARC); and collaborates with the **Indian Ocean Rim Association** (IORA). In addition, the EU has **four strategic partners** in Asia, namely Japan, South Korea, China and India, as well as specific **frameworks for cooperation** with regional actors such as Australia and Pakistan. **This plurality of platforms and agreements with Asian countries and institutions already makes the EU a stakeholder in the Indo-Pacific region.**

A reason why the EU has yet to adopt an Indo-Pacific Outlook also resides in the **ambiguous and differing narratives endorsed by its proponents**. On various occasions, the EU has criticised the militarisation of the South China Sea as well as China’s Belt and Road Initiative for undermining principles of free trade through its lack of transparency in procurement. Nonetheless, the EU would preferably avoid the risk of being excluded from the area as an Indo-Pacific Strategy would be perceived by China as a U.S. proposal to contain Beijing geopolitically, partly due to previous anti-China connotations. As China is the EU’s second largest trade partner, as well as one of its four strategic partners in Asia, European support for the initiative could also negatively impact EU-China relations.<sup>56</sup> Thus, **if the Indo-Pacific acquires an ambiguous narrative, or there are hints of a defence alliance, as the informal diplomatic arrangement of QUAD had been perceived, caution from the EU in aligning with the Indo-Pacific narrative is likely expected.**

In fact, as the Indo-Pacific area is already marred by geopolitical tensions, increasing assets in the region amid the accelerating militarization of Asia would risk further precipitating an arms race. However, as most European Member States are also part of **NATO**, an EU presence in the Indo-Pacific is also apparent through the organization. In fact, NATO is present in the **Western Indian Ocean**, primarily in the **Horn of Africa** and the **Arabian Peninsula**, as for the past decade its forces have worked with local navies to counter

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<sup>55</sup> EUNAVFOR MED IRINI is an EU military operation in the Mediterranean Sea aimed at enforcing the UN arms embargo on Libya using aerial, satellite and maritime assets.

<sup>56</sup>Kugiel P., “The European Union’s Strategic View toward the Indo-Pacific” in “Europe in the Indo-Pacific: Moving from Periphery to the Centre?” *South Asia Discussion Papers*

piracy in the Indian Ocean through initiatives such as the **Shared Awareness and Deconfliction Initiative**. However, NATO could become a credible naval actor if, at the military level, “it had sufficient naval and air assets to project credible power as far as the Asia-Pacific theatre”<sup>57</sup> and if such scenarios fell under the category of Article 5 of the Washington Treaty – the organization’s founding treaty – which only applies to the territories of the Alliance.

On the other hand, **the U.S.-China rivalry** puts the role NATO could play in the region at risk, especially if tensions were to escalate in the South China Sea –or in the Strait of Taiwan. In fact, no consensus has been reached over the implications of China’s growing geo-strategic influence, since debates on the Indo-Pacific have only recently started to emerge in NATO policy discussions, despite the area being of high relevance to its Member States. Considering that many NATO members signed agreements to take part in China’s Belt and Road Initiative (namely Italy, Greece, Portugal, Poland, Bulgaria and Hungary) **it seems unlikely that a united front against China is to materialize in the near future**. NATO involvement in the area through cooperation with local naval forces could enable the U.S. and Europe to shape a regional security architecture and address the vacuum of governance<sup>58</sup>, as well as encourage China to abide by the rule of law, but such prospects seem a faraway reality.

**The EU’s security initiatives in the Indian Ocean are principally confined to its North-Western part, namely from the Red Sea and the Bab el-Mandeb Strait to the Persian Gulf.** If the EU intends to increase cooperation in the whole Indo-Pacific area through bilateral and multilateral frameworks with its Asian partners, it should also formally acknowledge the existence of the Indo-Pacific as a new geo-spatial construct.



*Figure 7. The North-Western part of the Indian Ocean*

Source: EIA  
<https://www.eia.gov/todayinenergy/detail.php?id=41073>

<sup>57</sup>Samaan J. (2019) What NATO contribution to the security architecture of the Indo-Pacific? NATO Defence College. Available at <https://www.ndc.nato.int/news/news.php?icode=1365>  
<sup>58</sup> Ibid.

## Embracing an “Indo-Pacific” Outlook

As already described in previous sections, the Indo-Pacific concept has gained currency in policy communiqués and defence strategies due to its crucial role as an economic maritime trade route and an area of mounting security tensions. As external security threats influence the prosperity and stability of the European region, the EU acknowledges the direct connection between European prosperity and Asian security through its **Global Strategy and Council Conclusions** – adopted in the Foreign Affairs Council (FAC) of 28 May 2018 – where it states its commitment to **incrementally increase its security engagement in and with Asia to better complement its economic reach**. Similarly, the **FAC Conclusions on Counterterrorism of 19 June 2017**, which include South and East Asia as an additional priority for engagement, exemplify the EU’s inclination to further prioritize Asian security.

Among the EU’s Asian partners, **Japan particularly encourages a growing European role in the Indo-Pacific**. Indeed, Japanese scholars have repeatedly expressed the importance for the EU to formally recognize the IPR as a priority area if the EU intends to scale up its partnership with Japan besides increasing its presence in the region. **The EU still needs to become more concrete and operational and increase its value and range as a trustworthy security partner**. A more **coordinated approach to the Indo-Pacific** would therefore represent the first step towards augmenting Europe’s role in the region and shaping connectivity by utilizing its financial, regulatory and intellectual leverage.<sup>59</sup>

However, some analysts identified the existence of a European approach to the Indo-Pacific in its changed line on China,<sup>60</sup> which is described as “simultaneously a cooperation partner [...] a negotiating partner [...] an economic competitor [...] and a systemic rival promoting alternative models of governance.”<sup>61</sup> **The growing relevance of the Indo-Pacific in European discourses** is also apparent by the recognition of **India as a crucial player in Asia** and by a recently signed connectivity partnership with Japan to provide high quality, sustainable infrastructure in the region. As a result, the EU should adopt an Indo-Pacific Outlook to conceptually replace the Asia-Pacific construct, which does not reflect the current geopolitical realities. Furthermore, the EU should also define the conventional and non-conventional security challenges that threaten the stability of the region to reinforce cooperation with its Asian partners and safeguard European economic interests.

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<sup>59</sup> Dhruva Jaishankar, “Europe and Indo-Pacific Connectivity” in “Europe in the Indo-Pacific: Moving from Periphery to the Centre?” *South Asia Discussion Papers*

<sup>60</sup> Mohan G., “More Europe in the Indo-Pacific: Trilateral Forum Tokyo”

<sup>61</sup> European Commission, “EU-China – A strategic outlook”, Joint Communication to the European Parliament, the European Council and the Council. 12.03.2019. Available at <https://ec.europa.eu/commission/sites/beta-political/files/communication-eu-china-a-strategic-outlook.pdf>

In terms of format, the EU could take EU Member States France and Germany as an example, or even look to ASEAN which, as an intergovernmental organization, endorses a more **neutral narrative** by labelling its statement on the IPR as an “outlook.” Indeed, ASEAN’s Indo-Pacific Outlook intends to enhance the ASEAN Community’s building process and to give new momentum for ASEAN-led mechanisms (namely the East Asia Summit) to better face challenges and opportunities derived from the current and future regional environment.

Considering that the **2019 EU Strategy on China** remains the foundation of EU engagement, aimed at ensuring **fair, balanced and mutually beneficial relations** between the two partners, the EU should also prioritize the Indo-Pacific region to further engage with China and spread the **democratic values** it upholds. The EU’s statement should illustrate the relevance of a stable Indo-Pacific region for Europe and the inherent security challenges by outlining EU activities in the region to the wider public.

Furthermore, **areas of cooperation** can be delineated to concretely materialize the EU’s commitment to the Indo-Pacific in **maritime cooperation, connectivity, environmental security, disaster response, climate change, health pandemics, human rights, counterterrorism, cyber security, piracy and human trafficking**, inter alia. In the maritime security domain, the **2014 EU Maritime Security Strategy** is considered the most comprehensive policy framework for regional maritime governance. Maritime security is crucial in order to promote better **ocean governance** and address **non-conventional security matters** undermining the stability of the South China Sea, a domain in which the EU maintains a leading role by endorsing the sustainable use and conservation of marine resources, development of blue growth economy, adaptation to climate change and support of scientific research. European expertise could be used in the Indo-Pacific region where good governance is not being provided by either China’s Silk Maritime Route or the QUAD.<sup>62</sup>

Fostering **connectivity** would also provide the EU with more concrete opportunities for an enhanced EU engagement throughout the area. In recent years, connectivity has been turning into a **primary arena of geopolitical competition**, especially in the Indo-Pacific, as the race for infrastructure building in Asia has been intensifying. The EU also unveiled its **Connectivity Strategy** to promote sustainable, comprehensive, and rules-based connectivity between Europe and Asia, which notably addresses transport, energy, digital economy and people-to people contacts. Increasing connectivity will facilitate trade and economic growth, reduce logistics costs, and boost supply chain efficiency, which will subsequently increase prospects of cooperation between the two continents.

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<sup>62</sup> Pejsova

In this context, in September 2019, the EU and Japan signed the EU-Japan Partnership on Sustainable Connectivity and Quality Infrastructure. This agreement is based upon cooperation on shared values such as sustainability, quality infrastructures and the endorsement of a level playing field for businesses to occur through existing dialogues and cooperation frameworks specifically in the context of the Japan-EU Strategic Partnership Agreement. In such a fashion, the EU and Japan identify each other as “two sturdy pillars, upholding common values under [...] the same flag”,<sup>63</sup> with the twin goal of sending a message in rejection to the current U.S. Administration’s favouritism for protectionism and unilateralism, and also implementing quality standards and open, democratic values in order to propel other countries to join their ranks. The EU has been prioritizing inclusive multilateralism and connectivity particularly in the **Asia-Europe Meeting** (ASEM) – where the need for strengthened connectivity between Asia and Europe was first acknowledged in 2014 at the 10th ASEM Summit in Italy – and on empowering salient actors such as the **European Investment Bank** (EIB).

As both the EU and Japan give emphasis to “high quality” and “sustainable” connectivity, **their strategic alliance and common values could indirectly influence the Chinese government’s approach to its Belt and Road Initiative**. Recently, Chinese President Xi Jinping has also begun linking “high quality” discourses to China’s BRI and consequently announced the “Debt Sustainability Framework for Participating Countries of the BRI” which accentuates the financial connectivity aspect of the BRI by developing “a long-term, stable, sustainable financing system [...] well placed to manage risks.”<sup>64</sup> Indeed, according to Maaïke Okano-Heijmans of the Dutch Clingendael Institute, “while ‘high quality’ did not appear even once in [...] Xi Jinping’s keynote address at the first Belt and Road Forum in 2017, he mentioned it six times at the second forum in April 2019.”<sup>65</sup> Consequently, adding relevant players such as the EU to multilateral governance in Asia could ultimately aid in deterring geopolitical tensions and improve regional governance.

The EU could also increase its presence in the Indo-Pacific through reattempting to establish a **strategic partnership agreement with ASEAN**. In May 2019 ASEAN refused to sign a partnership agreement with the EU partly as a result of the palm oil dispute. As a “united and self-confident ASEAN” is “key to ensure that regional challenges are addressed in a rules-based manner”<sup>66</sup> it is in the direct interest of the European Union to finalize such

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<sup>63</sup> Prime Minister of Japan and His Cabinet. “Japan and the EU: The Strong and Steady Pillars Supporting Many Bridges”– Keynote Speech by the Prime Minister at the Europa Connectivity Forum. 27.09.2019. [https://japan.kantei.go.jp/98\\_abe/statement/201909/\\_00003.html](https://japan.kantei.go.jp/98_abe/statement/201909/_00003.html)

<sup>64</sup> Ministry of Finance of People’s Republic of China. “Debt Sustainability Framework for Participating Countries of the Belt and Road Initiative.” 25.04.2019. Available at Debt Sustainability Framework for Participating Countries of the Belt and Road Initiative

<sup>65</sup> Okano-Heijmans M., “Empowering the EU and Japan Connectivity Partnership” *Dutch Clingendael Institute*. 4 November (2019). Available at <https://www.clingendael.org/publication/empowering-eu-japanconnectivitypartnership#:~:text=On%2027%20September%202019%2C%20the,of%20a%20level%20playi ng%20field'>

<sup>66</sup> European Commission. Joint Communication to the European Parliament and the Council. “The EU and ASEAN: a partnership with a strategic purpose” 18.05.2015. Available at <https://eur-lex.europa.eu/legal->

a partnership. Indeed, ASEAN has been at the core of Asian architectural security for the past fifty years and remains the principal driver of inclusive cooperative security efforts as exemplified by the ASEAN Regional Forum. In this context, the **EU's Asian partners play a vital role in increasing European security cooperation in the region** with other regional players, thereby propagating comprehensive connectivity between Europe and Asia.

### Conclusions

This paper assessed the challenges inherent to the shifting regional security environment for the future multipolar, rules-based international order and for the European Union in particular. **As the security architecture in Asia is being reorganized, the concept of the "Indo-Pacific" is gaining currency as mega-region-building, urging regional actors to respond with new state strategies.**

As a result, in recent years, "free and open Indo-Pacific" positions have been unveiled by relevant stakeholders (namely the U.S., Japan, India, Australia, ASEAN, France and Germany), in order to intensify and expand their engagement with inherent economic opportunities and challenges. China's Maritime Silk Road can also be understood as a response to the growing economic and strategic relevance of the region.

**The Indo-Pacific region represents the second largest market outside of Europe** and thereby holds great strategic and economic importance for the European Union. Indeed, the majority of European trade crosses the sea lanes in the South China Sea to reach four of Europe's top trading partners. To ensure European economic prosperity is not disrupted by any escalation of conflicts among regional contenders, **Brussels should formally recognize the importance of the region and conceptually replace the "Asia-Pacific" terminology by formulating an Indo-Pacific strategy.**

In fact, **the lack of an EU Indo-Pacific position impacts a European Union** which intends to expand its role as a security actor in Asia; maintain unimpeded sea lanes of communications in the South China Sea; strengthen and diversify relationships with countries in the region to avoid unilateral dependencies; advance democratic principles as well as a rules- and right-based multipolar system; and avoid being caught in the middle of the U.S.-China competition. As a result, some recommendations for an enhanced European engagement with the Indo-Pacific would include:

- *Adopt an Indo-Pacific Outlook endorsing an "inclusivity" clause.* As initial FOIP strategies endorsed a "China-containment" narrative, the purpose of the initiatives

has been contested by China. Nevertheless, **the EU should shape its own Indo-Pacific Outlook by diversifying its trading partners and adopting a stance on the security issues of the Indo-Pacific** according to the example of its MS Germany or its strategic partner, Japan. Thus, **an EU Indo-Pacific Outlook should be inclusive in terms of initiatives and proposals;**

- *Ensure "ASEAN centrality."* ASEAN Member States are located in the heartland of the Indo-Pacific construct which, in addition to being the arena of geopolitical competition, is dominated by zero-sum games which could disrupt the peace, security, stability and prosperity of ASEAN Member States. Therefore, Indo-Pacific stakeholders regard ASEAN as a fundamental actor and promote ASEAN's central role in an evolving regional architecture. **As a fellow regional organization** whose priority is to protect its regional integrity, **the EU should also promote the centrality of ASEAN and find a resolution to upgrade the EU-ASEAN partnership to a strategic level;**
- *Focus on Infrastructure and Connectivity.* With China's flagship Belt and Road Initiative filling the massive gap in infrastructure, the QUAD countries (Japan, Australia, India and the U.S.) welcome an enhanced EU contribution to connectivity – be it regulatory, hard or soft. Indeed, a great deal of investments are needed in order to provide Asia with an economic alternative to the BRI for **infrastructure projects complying with fiscal and environmental sustainability, transparency, and a level playing field.** The EU can expand its engagement with the Indo-Pacific through its **EU Connectivity Strategy with Asia** which focuses not only on infrastructure but also energy, digital, and people-to-people exchanges. The **EU-Japan Connectivity Partnership**, the first partnership established within the Connectivity framework, could serve as a model to establish other partnerships with strategic and non-strategic partners alike;
- *Increase cooperation through multilateral dialogues.* Cooperation with strategic partners and ASEAN in the region can be advanced through **multilateral dialogues** such as ASEM, EAS, ARF and the QUAD + Europe to balance the geopolitical competition in the region;
- *Expand its influence beyond the Western Indian Ocean.* As a one-connected region in terms of geo-spatiality, the Indo-Pacific encompasses the Indian and Pacific oceans. With the EU limited presence to the Western part of the Indian Ocean, it could expand its physical presence **beyond Operation ATALANTA.** Indeed, the EU could increase its participation in maritime exercises conducted in concert with Asian partners, such as India, and improve information sharing to better tackle



conventional and non-conventional security challenges;

- *Contribute to good governance.* The EU could further enhance its contribution to **good governance in the region** by sharing expertise, cooperating on capacity building and addressing non-conventional security challenges such as piracy, climate change, marine pollution, and illegal fishing.

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