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# **Country Report**



KAS Multinational Development Policy Dialogue (MDPD) Brussels

# Between Aspiration and Reality: European Diplomacy towards the Indo-Pacific

Ministerial Meeting of EU-ASEAN and EU-Indo-Pacific Forum in Brussels

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While the public was captivated by the Special European Council on 1st February, important meetings between representatives of the Indo-Pacific and the EU took place almost simultaneously: Following a 'Pacific Day' in the European Parliament, representatives of the 27 EU member states met with their counterparts from the region on the morning of 2nd February as part of the ministerial meeting of the EU-Indo-Pacific Forum. Approximately 70 delegations from the eastern and southern coasts of Africa, across the Arabian Peninsula and Asia, to the island states of the Pacific Ocean participated in the negotiations. The forum is a crucial component of the European Union's strategy for cooperation in the Indo-Pacific region, adopted in autumn 2021. However, the non-invitation of the USA, a key partner of the EU in the region, raises questions. In the afternoon, the first EU-ASEAN ministerial meeting since 2023 followed. Especially concerning current conflicts, some divergences emerged at both forums. More unity was visible on questions of economic cooperation.

### Background on the EU's Indo-Pacific Strategy from 2021

In September 2021, the EU positioned itself with its own strategy for cooperation in the Indo-Pacific. The region is becoming increasingly strategically important for the EU. The EU is one of the largest investors, the leading partner in development cooperation, and in trade agreements in the Indo-Pacific region. The region accounts for over 70% of global trade in goods and services and over 60% of foreign direct investment.<sup>1</sup>

The implementation of the EU strategy includes, among other things, the conclusion of partnership and cooperation agreements with Malaysia and Thailand, the commencement of negotiations with the Maldives, and the realization of the EU's partnership agreement with the countries of Africa, the Caribbean, and the Pacific (ACP). Furthermore, the strategy aims to cooperate more closely with Indo-Pacific partners to strengthen global value chains, diversify trade relationships, and shape technological standards. In September 2023, 22 projects of the EU's "Global Gateway" initiative were also presented at the ASEAN-Indo-Pacific Forum.

Negotiations on free trade agreements with Australia and Indonesia are to be concluded, while talks with India are set to resume. Climate alliances to combat climate change, support for maritime policy, digital partnerships, research collaboration, and strengthening healthcare are also important components. Other focal points of

<sup>&</sup>lt;sup>1</sup> EU Strategy for Cooperation in the Indo-Pacific (europa.eu)

the strategy include connectivity (especially in the context of the Global Gateway) and maritime security (with a focus on the South China Sea).

# Controversies, many participants, and notable absences at the Indo-Pacific Forum ministerial meeting

The focus of the third ministerial meeting of the Indo-Pacific Forum was particularly on three thematic priorities: while the Vice-President of the European Commission Maroš Šefčovič led the discussion on the "green and energy transition," further discussions by High Representative Josep Borrell and Commissioner for Economy Paolo Gentiloni focused on "geopolitical and security challenges" and "shared prosperity, economic resilience, and investments." <sup>2</sup>

Borrell promised to strengthen the EU's role in security in the Indo-Pacific region, even though he openly admitted that the EU's foreign policy priorities currently lie with Ukraine and the Middle East. He also made it clear that the EU does not have a military fleet to deploy.<sup>3</sup> On the sidelines of the meeting, the EU announced 56 million euros in humanitarian aid for the region, mainly benefiting Bangladesh (26.5 million) and Myanmar (19.2 million).

The exchange on current conflicts in the world was controversial - no surprise given the diversity of the participants: alongside delegations from Southeast Asia and the Pacific, individual African countries, Gulf states (e.g., the United Arab Emirates), and South Asian countries were also represented. In particular, the discussions were overshadowed by the impacts of the crisis in the Red Sea and the Middle East on the region. Some countries like Indonesia, Sri Lanka, or Pakistan accused the EU of applying different standards. In this context, Indonesian Foreign Minister Retno Marsudi spoke of the EU's lack of consistency regarding its own values and actions in Gaza and Ukraine. However, the statements also highlighted the differing positions within the EU on the situation in the Middle East.<sup>4</sup>

Despite several EU officials emphasizing the multitude of delegations at the meeting in Brussels, with 20 EU ministers and about 25 ministers from the Indo-Pacific and ASEAN, there is still a bitter aftertaste: most major member states were absent concerning the seniority that you could expect: neither the new French Foreign Minister Stéphane Séjourné nor the German Foreign Minister Annalena Baerbock - she was represented by State Minister Tobias Lindner - were present.

However, the EU's most important partner states and NATO in the Indo-Pacific were also not represented by their foreign ministers. Japanese Foreign Minister Yōko Kamikawa, Australian Foreign Minister Penny Wong, Indian Foreign Minister Subrahmanyam Jaishankar, and the new South Korean Foreign Minister Cho Tae-yul were missing from the meeting. The USA, which was allowed to participate in the second forum during the Swedish EU presidency in May 2023 in Stockholm, was not invited this time. According to several reports, it was particularly France which was reluctant to invite the US. This decision was not well received by all member states. In

<sup>&</sup>lt;sup>2</sup> Brussels hosts the 3rd EU Indo-Pacific Ministerial Forum | FPS Foreign Affairs - Foreign Trade and Development Cooperation (belgium.be)

<sup>&</sup>lt;sup>3</sup> EU's courtship of Indo-Pacific gets cold shoulder from big powers – POLITICO

<sup>&</sup>lt;sup>4</sup> EU grilled on Gaza at Indo-Pacific talks – DW – 02/02/2024

Stockholm, Derek Chollet, an advisor to the US State Department, participated in the consultations.<sup>5</sup>

#### Disagreement also at the EU-ASEAN ministerial meeting

For the first time since December 2022, the EU-ASEAN ministerial meeting took place on Friday afternoon. After Indonesia's (fairly active) presidency last year, which included the first-ever EU-ASEAN Energy Dialogue, Laos, a close ally of China, now holds the chairmanship of the Southeast Asian regional bloc. Given the enormous diversity of membership, but also the close connections between Vientiane and Beijing, it is not surprising that certain topics were not explicitly addressed in the conclusions <sup>6</sup> or clearly showed divergences.

Like at the Indo-Pacific ministerial meeting, different assessments of current conflicts became evident: for example, the final text only states that "most members of the meeting" strongly condemn the war in Ukraine. Additionally, reference is made to the participants' stance on the UN General Assembly resolution of March 2, 2022, which condemned Russian aggression, but Vietnam and Laos abstained. Taiwan is also not explicitly mentioned, and the statement merely urges actors in the South China Sea to exercise restraint while simultaneously warning against unilateral actions that could jeopardize peace and stability in the region, without going into more detail on the increasing escalation potential and expansive behaviour by China.<sup>7</sup>

The passages on the situation in the Middle East, Myanmar, and North Korea also show the differing viewpoints. ASEAN negotiators proposed a call for a "lasting ceasefire" in the Middle East. Ultimately, the declaration reaffirms the condemnation of attacks on civilians, calls for rapid and unhindered humanitarian access, for the immediate and unconditional release of hostages, and for a peaceful solution along the lines of the two-state solution.<sup>8</sup>

There was much more consensus on supporting "robust" economic cooperation, strengthening trade and investment opportunities, but also on the commitment to reforming the WTO.

#### Commentary: A long way to go for clear strategic and foreign policy orientation

Even though the EU has been working on a comprehensive strategy for the region since the publication of its own foreign policy vision for the Indo-Pacific and is trying to forge closer ties with Southeast Asian partners, it became clear again last week: there is still a long way to go.

Josep Borrell formulated ambitious goals for the strategy in 2021: the aim was to use it to give new impetus to relations with China from a European perspective by treating China as a "partner, competitor, and rival." At the same time, the EU should intensify efforts to expand relations with the rest of Asia, especially with like-minded

<sup>&</sup>lt;sup>5</sup> Counselor Chollet's Travel to Sweden - United States Department of State

<sup>&</sup>lt;sup>6</sup> You can find the entire declaration <u>here.</u>

<sup>&</sup>lt;sup>7</sup> Joint statement of the 24th EU-ASEAN ministerial meeting - Consilium (europa.eu)

<sup>&</sup>lt;sup>8</sup> European Union forum on Indo-Pacific will lack US and China, which were not invited | South China Morning Post (scmp.com)

partners in the Indo-Pacific. To meet these high standards, the EU must present a united front at such forums. Internal disputes (such as over the participation of the USA) are also noted in Beijing. Especially partners like the Philippines must feel they can rely on the EU and its clarity of direction. If the strengthening of the partnership with this key region is taken seriously, heavyweight countries like France, Germany, and Italy must also give such a forum the appropriate importance, which should also be reflected in the seniority of the participants. Borrell's candid admission that the region is not currently the top priority is also not very helpful.

If the EU demands support from the USA on security issues in Europe, it must also offer this willingness to cooperate with Washington regarding the Indo-Pacific in return. An invitation would also have been an important signal to Beijing that the EU is closely coordinating with Washington here and pursuing a clear strategy for the region.

The EU must communicate, focus, and articulate its strategy more clearly, both strategically and substantively, and also meet the enormous diversity of represented states (some of which are particularly close allies of China). Some are not politically, strategically, or economically describable as "like-minded" at all; the EU will have little influence here. At the same time, the recent meetings show that even with many partners who are fundamentally open to cooperation, the EU is facing more opposition, especially on foreign policy issues. Due to the multitude of invited countries, the EU appears very inclusive, but in terms of reliability, the EU will have to score points elsewhere with the decisive partners in the Indo-Pacific: here, the Global Gateway Initiative can play a role if more strategically important projects are launched under its umbrella.

The most significant leverage the EU currently has in the region, however, is still trade. In the closing legislature period, the EU concluded free trade agreements with New Zealand and Vietnam - although not yet with Australia. This record is expandable. The EU's influence will depend on how negotiations with Indonesia, India, and Thailand progress. However, negotiations with the first two remain far from easy. In Indonesia, presidential elections are scheduled for February 14th, where a significantly more critical voice towards the EU, represented by Prabowo Subianto, could succeed Joko Widodo. The future handling of Indonesia in the context of the free trade agreement could be crucial for influence in the region. Negotiations for a free trade agreement with the Philippines also present an important opportunity. If the EU wants to be perceived as a more significant factor, more agreements will be needed in the coming years.

<sup>&</sup>lt;sup>9</sup> Indo-Pazifik: Die EU braucht einen strategischen Ansatz | EEAS (europa.eu)

<sup>&</sup>lt;sup>10</sup> No invitation from EU, again – POLITICO

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