



The  
Federal Government

# Policy guidelines for the Indo-Pacific

GERMANY – EUROPE – ASIA

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**SHAPING THE 21<sup>ST</sup> CENTURY  
TOGETHER**





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# Foreword



COVID-19 has upended many things in the world and has called old certainties into question. At the same time, the pandemic has reinforced trends that were already apparent beforehand. These include Asia's growing economic and political importance and the increasing strategic rivalry between the US and China. It is already foreseeable today that, more than anywhere else, the shape of tomorrow's international order will be decided in the Indo-Pacific.

As an internationally active trading nation and proponent of a rules-based international order, Germany must not content itself with remaining on the sidelines, as a mere observer of these dynamic developments. We have an excellent reputation in many areas of our bilateral cooperation and are addressing important issues such as climate and environmental protection, renewable energies and vocational training. With a number of countries in the region, Germany maintains strategic partnerships with many overlapping interests.

We need to go beyond this. The prosperity of our society depends on open shipping routes, physical and digital connectivity and participation in functioning growth markets. A new bipolarity with fresh dividing lines across the Indo-Pacific would undermine these interests. Instead, we need to further diversify our relations with the region – both geographically and with respect to our policy agenda.

Germany must address even more strongly the existential security concerns of its long-standing partners, be involved in coming up with responses and make a tangible contribution – by sharing experience and expertise, with responsible arms export controls that also take into account the strategic quality of relations with the countries of the region, with initiatives in the field of arms control, and also by taking part in exercises and in collective security measures to protect the rules-based order when implementing UN resolutions.

While the Indo-Pacific region is undergoing a dynamic development, it is a fairly blank spot in institutional and normative terms. Things that have been essential to our identity for decades – our integration into the European Union, into pan-European institutions such as the OSCE with its comprehensive understanding of security, the Council of Europe to promote the rule of law, human rights and democracy, and NATO as an alliance of collective defence – are only a feature of the Indo-Pacific to a limited extent, if at all. There are, however, many initiatives and promising structural approaches, especially in the guise of the Association of Southeast Asian Nations (ASEAN).

We have a strong interest in promoting multilateral approaches in the region and, above all, in strengthening ASEAN – with a view to consolidating a multipolar region embedded within a multilateral, rules-based system. I would also like to support this within the framework of the Alliance for Multilateralism initiated together with my French counterpart. At the same time, the Federal Government supports the European Commission’s efforts to negotiate free trade agreements – both with individual states in the region and, in the longer term, with ASEAN as a whole.

The more strongly we embed our approach to the Indo-Pacific within a European context, the more successful we will be. Germany supports the expansion of Europe’s engagement in the region and is seeking to coordinate its efforts closely with its European partners. These guidelines can and should contribute to a future EU strategy on the Indo-Pacific. This is something that I will work towards during our current Presidency of the Council of the European Union.

The Federal Government’s policy guidelines for the Indo-Pacific region are a forward-looking, strategic guide for shaping Germany’s foreign policy on the Indo-Pacific. My hope is that they will stimulate discussion in the political arena, society and academia and give rise to an intensive exchange with our partners in the region.



Heiko Maas  
Federal Foreign Minister



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*I*

*Summary*



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With the rise of Asia, the political and economic balance is increasingly shifting towards the Indo-Pacific. The region is becoming the key to shaping the international order in the 21<sup>st</sup> century.

The Indo-Pacific region is not clearly delineated in geographical terms and is defined variously by different actors. The Federal Government considers the Indo-Pacific to be the entire region characterised by the Indian Ocean and the Pacific. Strategic projections compete with each other and global value chains are intertwined here.

From a global perspective, the region has a young, well-educated population and can look back on decades of considerable economic growth. With China, Japan and the US, the world's three largest economies have Pacific coastlines. India, another Indo-Pacific power, could become number four a few years from now. Twenty of the world's 33 megacities are located in this region. With growing economic output, the countries in the region are becoming increasingly self-confident partners in international cooperation, including in the fight against climate change and against the global loss of biodiversity.

Although the majority of the countries in the Indo-Pacific enjoy a relatively high level of internal stability, the overall structure of the region is in flux in the face of significant shifts in the balance of power as well as growing differences. Past conflicts continue to have an impact on stability to this day. The region is a fairly blank spot in institutional and normative terms and is characterised by rapidly increasing arms dynamics.

More and more governments, organisations and institutions worldwide are making the Indo-Pacific their conceptual frame of reference and thus the basis of their policies, for example Japan, the US, India, Australia, France and the Association of Southeast Asian Nations (ASEAN). All Indo-Pacific concepts allude to the rules-based

international order. They differ, however, in terms of their objectives, emphasis on different policy fields, the importance they ascribe to multilateral approaches and, above all, with respect to the question of China's involvement as a regional and emerging world power that, to some extent, calls the rules of the international order into question.

As an internationally active trading nation and proponent of a rules-based international order, Germany – embedded in the European Union – has a great interest in participating in Asia's growth dynamics and in being involved in shaping the Indo-Pacific region, as well as in upholding global norms in regional structures. A thorough understanding of the interests and principles as well as of the key fields of German policy in the region is therefore all the more important. This is what the following policy guidelines seek to achieve.

These policy guidelines are intended to identify points of departure and opportunities for cooperating with partners in the region and to contribute to a future overall EU strategy.

# Interests

The Federal Government is guided by the following interests in its policy on the Indo-Pacific:

- **Peace and security:** The Indo-Pacific is home to three nuclear powers – China, India and Pakistan – as well as North Korea with a nuclear weapons programme; it also includes the US and Russia with Pacific coastlines and France and the UK with territories in the Indo-Pacific. In addition to increasing geopolitical tensions and open rivalries between powers, there are numerous disputed boundaries, smouldering internal and cross-border conflicts with significant refugee movements, and networks of regional and international terrorism that can have a negative impact on global stability and our interests in the region.
- **Diversifying and deepening relations:** Reliable partnerships are the foundation for effective and sustainable action in the 21<sup>st</sup> century. Germany already enjoys friendly relations with almost all Indo-Pacific countries, as well as strategic partnerships with a number of them. The Federal Government will continue to diversify its relations both geographically and in substance – with a view to avoiding unilateral dependencies and to strengthen ties with the global players of tomorrow. Current focuses of cooperation particularly in the area of trade, investment and development must be strategically expanded. The political dimension of these relations must also be strengthened – including closer cooperation in the area of security. Closing ranks with democracies and partners with shared values in the region is particularly important in this regard. The Federal Government also will intensify cooperation in the fields of culture, education and science.
- **Neither unipolar nor bipolar:** Hegemony, as well as the consolidation of bipolar structures, would endanger an approach of enhanced and diversified partnerships in the region. No country should – as in the time of the Cold War – be forced to choose between two sides or fall into a state of unilateral dependency. Freedom of choice regarding membership of economic and (security) policy structures is crucial for Indo-Pacific countries.
- **Open shipping routes:** More than 90 percent of the world's foreign trade is conducted by sea, a large part thereof via the Indian and Pacific Oceans. Up to 25 percent of the world's maritime trade passes through the Strait of Malacca. More than 2000 ships a day transport goods between the Indian Ocean and the South China Sea through this bottleneck. A disruption to these maritime trade routes and thus to the supply chains to and from Europe would have serious consequences for the prosperity of and provision for our population.
- **Open markets and free trade:** The share of the countries in South Asia, Southeast Asia, East Asia as well as Australia and New Zealand in Germany's trade in goods has risen steadily in the past decades and now amounts to over 20 percent or just under 420 billion euro (2019). Direct investments in the region have, for years, been growing disproportionately in relation to total German foreign investment. Millions of jobs in Germany depend on these trade and investment relations. In view of this great potential, Germany has a vital interest in open markets in the region. The Federal Government firmly believes that rules-based free trade enhances prosperity on both sides. It supports efforts to strengthen the multilateral trading system with the WTO at its centre, as well as inclusive and sustainable free trade agreements in the Indo-Pacific region, and is committed to their conclusion by the EU.

→ **Digital transformation and connectivity:**

Economic growth and prosperity depend more than ever on connecting regions, markets and machines, and on expanding key technologies. With a view to strengthening Germany's competitiveness, the Federal Government supports the expansion of cooperation in the area of digital transformation and key technologies. The Indo-Pacific countries are attractive partners in this context. Technical, security policy, economic and social risks must be taken into account when cooperating with this region. When developing connectivity, it is important to facilitate fair competition, to avoid over-indebtedness on the part of the recipient countries and to ensure transparency and sustainability.

→ **Protecting our planet:** The rapid economic growth in the Indo-Pacific region in recent decades has enabled broad sections of the population to achieve great prosperity gains. However, rising emissions are placing an additional burden on both the global climate and our planet's ecosystems; just as population growth – still high in some cases – and wide scale urbanisation. This development is putting humanity's natural resources under strain and is leading to social upheaval in many Indo-Pacific countries, also giving rise to irregular migration – including towards Europe. In the interests of future generations, the aim must be to ensure that growth in the Indo-Pacific region is environmentally friendly and socially compatible. Moreover, natural resources must be managed sustainably, unique biodiversity preserved and the challenges of urbanisation addressed.

→ **Access to fact-based information:** At a time in which social media is becoming increasingly important, communication is also an effective foreign policy instrument in the Indo-Pacific. Authoritarian actors make intensive use of communication to manipulate and influence civil societies. The Federal Government is countering the considerable spread of disinformation in the region by increasing the availability of fact-based information.

# Principles

The Federal Government is guided by the following principles with respect to its policy on the Indo-Pacific:

- **European action:** The EU and its member states can better protect and assert their interests by acting in a united and coherent manner. Taking its lead from its Global Strategy of 2016, the EU is focusing its attention on stronger security policy engagement, an ambitious trade and development policy and the implementation of the EU-Asia connectivity strategy. These policy guidelines are also intended to contribute to the development of a European strategy for approaching the Indo-Pacific.
- **Multilateralism:** Stronger political, economic and security policy networks in and with the region leads to a reduction of unilateral dependencies and preserves both the ability to act and sovereignty. Germany and the EU are committed to the close integration of the region into multilateral organisations and forums such as the G20 and to the promotion of regional multilateral structures within the framework of a network of partnerships, provided that – as in the case of ASEAN – the participating states enjoy a level playing field. Multilateral agreements are the most effective way to make progress in climate and environmental protection, rules-based trade, disarmament, arms control and non-proliferation, as well as the protection of human rights.
- **The rules-based order:** In the Indo-Pacific region, too, it is not the law of the strong that must prevail, but the strength of the law. This also applies to the shipping routes through the Indian Ocean and the Pacific. The UN Convention on the Law of the Sea as a comprehensive maritime regulatory and cooperation framework and the freedoms of navigation enshrined therein are universal. Germany is prepared to promote the enforcement of rules and norms in the region. In other areas, such as the environment, labour and trade, dealing with pandemics, human rights and arms control, the best way to achieve progress is also through regional or international regulatory frameworks and structures.
- **United Nations Development Goals:** The Federal Government is committed to the 2030 Agenda with its 17 Sustainable Development Goals. In particular, it is committed to life in dignity, education for all, decent work and the long-term preservation of natural resources. Gender equality and the empowerment and promotion of women are a key part of efforts to reduce poverty. In addition, the Federal Government's policy in the Indo-Pacific region takes its lead from the obligations enshrined in the Paris Climate Agreement and the Convention on Biological Diversity.
- **Human rights:** The Federal Government respects the history and culture of each of the Indo-Pacific countries and is also committed to the enforcement of universal and indivisible human rights. Economic development and respect for human rights are not mutually exclusive but are complementary goals requiring a holistic approach.
- **Inclusivity:** The Indo-Pacific can only benefit from peace, security and stability if all countries in the region do their part in equal measure. The Federal Government supports inclusive regional cooperation initiatives. It does not consider containment and decoupling strategies to be conducive – not least in view of the strong interdependence of national economies and the complexity of global challenges such as climate change, peacekeeping and fragile statehood. The ASEAN-centric security architecture offers a valuable framework for involving key actors.

→ **A partnership among equals:** The Federal Government's policy is not only aimed at intensifying relations with actors in the region. Rather, in the future, it aims to step up its cooperation with Indo-Pacific states in third countries on an equal footing and in a spirit of shared global responsibility. This is particularly expedient in the case of overlapping interests and in forums such as the G20, and requires a willingness to cooperate on the part of partner countries.

# Initiatives

## Strengthening multilateralism

- The Federal Government will strategically position and step up its **engagement vis-à-vis ASEAN**. To this end, it will
  - expand its cooperation with **ASEAN institutions** and continue to support the **ASEAN Secretariat**,
  - seek to upgrade its relations with ASEAN from a development partnership to a **dialogue partnership**,
  - seek **observer status** at the **ASEAN Defence Ministers Meeting Plus (ADMM+)**,
  - strengthen the **climate policy profile** of its cooperation with ASEAN through projects in the areas of biodiversity conservation, marine litter, urban climate resilience and sustainable urban mobility,
  - expand **development cooperation** with ASEAN to promote regional integration and vocational training, as well as in the fields of the environment and climate change.
- The Federal Government will strengthen the **role of the EU as a partner of ASEAN** in close cooperation with its EU partners. To this end, it will
  - advocate the prompt upgrading of EU-ASEAN relations to the level of a **strategic partnership**,
  - work to expand the EU's security engagement in ASEAN's **security policy forums** and to support this engagement with concrete projects.
- The Federal Government will intensify its cooperation with **further regional institutions** in the Indo-Pacific region. To this end, it will
  - send high-level representatives to summit meetings and promote further projects as a dialogue partner of the **Pacific Islands Forum (PIF)**,
  - support the implementation of the **Mekong River Commission (MRC) Strategic Plan 2021–2025**,
  - use the **Asia-Europe Meeting (ASEM)** as a unique platform for exchange on current and strategic issues and foster constructive dialogue,
  - continue financial support for the **Asia-Europe Foundation (ASEF)** to develop civil society encounters and cooperation between Europe and Asia in the fields of journalism, human rights and the arts,
  - intensify and, if possible, institutionalise the dialogue with the **Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)**, building on existing projects such as those on maritime governance with Sri Lanka,
  - expand cooperation with the **Indian Ocean Rim Association (IORA)** in the areas of business and maritime safety, as well as disaster risk management.

- The Federal Government will work to maintain the **rules-based order** together with Indo-Pacific partners. To this end, it will
- cooperate with India and Japan to ensure that the project to **reform the UN Security Council and strengthen its ability to act** is brought to a successful conclusion,
  - work together with partners in the Indo-Pacific to promote a strong role played by the **International Monetary Fund (IMF)** and the **World Bank** and to strengthen and reform the **World Trade Organization (WTO)**,
  - work together with partners in the Indo-Pacific to **strengthen the World Health Organization (WHO)** and introduce a **lessons learned process**, as well as to bolster multilateral structures for pandemic management and prevention,
  - promote the **Alliance for Multilateralism**, a Franco-German initiative, more strongly in the Indo-Pacific – also by taking into account issues that are of particular importance to the region.
- The Federal Government will work with France to elaborate a **European strategy** on relations with the Indo-Pacific region.

### Tackling climate change and protecting the environment

- The Federal Government will step up its **cooperation** in the Indo-Pacific in the spheres of climate protection, adaptation to **climate change, biodiversity protection, renewable energies and energy efficiency**. To this end, it will
- Advocate a **substantial reduction in emissions** and support the EU's efforts to achieve climate commitments together with China, India and other countries in the region, going beyond the current obligations,
  - expand its **support for the Pacific island states** and other particularly affected states in the region in addressing climate change-related risks, including security risks,
  - expand bilateral and regional cooperation in the field of **marine litter** and development projects in the field of **marine protection**,
  - develop and expand concrete projects in line with the Federal Government's 2020 Guidelines on the Promotion of **Deforestation-Free Supply Chains of Agricultural Commodities** and support dialogue formats with producer and consumer countries in the Indo-Pacific region,
  - expand projects on **low-emission and sustainable palm oil development** with priority countries,
  - promote the integration of **ecosystem-based adaptation measures** into national adaptation strategies,
  - promote the **protection and sustainable use of biodiversity** via concrete projects and support partner countries in developing and implementing national biodiversity strategies,



- expand cooperation on **green hydrogen**, especially with Australia,
  - support projects seeking to tackle poaching and the illegal **trade in wild animals** and work to achieve a ban on certain forms of trade in wild animals for human consumption,
  - step up its close cooperation with India in the sphere of **climate protection, climate adaptation and renewable energies** and join the International Solar Alliance initiated by India and France,
  - forge ahead with the phasing out of coal-fired power generation and with the termination of financing for coal-fired power plants by Asian countries within the framework of the **Powering Past Coal Alliance**, together with other member states and partners,
  - expand existing **energy partnerships** and enter into new partnerships, particularly in Southeast Asia.
- The Federal Government will expand its **multilateral engagement** with the Indo-Pacific region in the sphere of climate and environmental protection. To this end, it will
- support the **Green Climate Fund** cumulatively with 2.25 billion euro, thus becoming one of the largest donors,
  - advocate an ambitious post-2020 global **framework for biodiversity conservation** within the framework of the Convention on Biological Diversity (CBD) and promote its implementation together with Indo-Pacific partners, including in close cooperation with China at the next Conference of the Parties to the CBD in Kunming (CoP 15),
- continue close cooperation with a large number of Indo-Pacific countries, in particular the Pacific island states, in the multilateral **Group of Friends on Climate and Security** and work together to integrate the security dimension of climate change into the work of the United Nations in a systematic manner,
  - continue and establish the format of the Berlin Climate and Security Conference, building on the **Berlin Call for Action** of 2019,
  - work closely with the **Amsterdam Declarations Partnership** and with forest-rich countries in the Indo-Pacific to bring about more sustainable palm oil and rubber production.

### Strengthening peace, security and stability

- The Federal Government will step up its **security policy engagement** in the Indo-Pacific. To this end, it will
- be involved in measures to protect and safeguard the rules-based order in the Indo-Pacific, such as **safeguarding the principles of the UN Convention on the Law of the Sea and monitoring UN sanctions against North Korea**,
  - expand **security and defence cooperation** in the region together with its partners. This may include attending security policy forums, taking part in exercises in the region, elaborating joint evacuation plans, seconding liaison officers and various forms of maritime presence.
  - accede to the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (**ReCAAP**) in

order to play an active role in tackling piracy in the Indo-Pacific,

- support a substantive and legally binding **Code of Conduct** between China and the ASEAN Member States for the South China Sea through tangible projects on international maritime law,
- support **ASEAN's** security cooperation formats, thereby also strengthening the EU's security role,
- work within **NATO** to develop relations with "Partners Across the Globe" (including Australia, Japan, New Zealand and South Korea),
- pursue **bilateral defence cooperation** in line with export control commitments while taking into account the strategic nature of its relations with countries in the region,
- expand **cyber-security cooperation** and dialogue with partners with shared values in the region (including Singapore, Australia, Japan and South Korea) to enhance the protection of its own information and communications systems, collective defence capabilities and resilience to growing threats in cyberspace and the information arena,
- include other Indo-Pacific countries in the **German Federal Government's Enable & Enhance Initiative** in light of their specific needs,
- provide greater resources for **stabilisation and mediation** in the Indo-Pacific region.

→ The Federal Government will continue to implement **measures for civil crisis prevention, conflict management and peacebuilding**. To this end, it will

- engage in bilateral projects and with civil society to **combat violent extremism and promote social cohesion**,

- work on the **root causes of violent conflicts** in the context of development policy.

→ The Federal Government will step up its **arms control and export control policy engagement** in and with the Indo-Pacific. To this end, it will

- work in dialogue with China – a nuclear power and a party to the **Non-Proliferation Treaty** – to promote its willingness to engage in verifiable **arms control** and confidence building,

- expand the **Missile Dialogue Initiative** (MDI) and the conference format for dealing with new technologies (**Capturing Technology. Rethinking Arms Control**) with the involvement of key stakeholders from the Indo-Pacific region,

- work to achieve further universalisation of the **Arms Trade Treaty** (ATT) in the Indo-Pacific region, which continues to be underrepresented in this context,

- support ASEAN countries in **export control**-related capacity-building and in countering proliferation financing.

### Promoting human rights and the rule of law

- The Federal Government will work to **strengthen the human rights situation** in Indo-Pacific countries and to **enforce international human rights standards**. To this end, it will
  - promote **freedom of opinion and freedom of the press**, in particular with the help of Deutsche Welle's expertise, media dialogues, journalist training on media literacy, quality journalism and the diversity of opinion in the Indo-Pacific region,
  - promote **freedom of religion and belief, religious tolerance and the responsibility of the religions for peace** in the Indo-Pacific through regular dialogue formats,
  - continuously intensify its engagement in the area of **business and human rights** and expand its international support network in the Indo-Pacific,
  - support and promote a **vibrant civil society** in the Indo-Pacific through concrete projects.
- The Federal Government will engage in **open and critical dialogue with governments** in the Indo-Pacific region within a bilateral framework, at the level of the European Union (human rights dialogues) and in multilateral forums, particularly the UN Human Rights Council. In this regard, it will also support those persecuted for political reasons.
- The Federal Government will promote the dissemination of **fact-based information** in the Indo-Pacific region and strengthen **resilience against disinformation** through concrete projects. To this end, it will establish a **Regional German Information Centre in Singapore**.

- The Federal Government will support further projects in the Indo-Pacific within the framework of **rule of law promotion**, particularly in the area of access to justice for all, subject to the willingness of the respective state to implement reforms and the prospects of success of the measures.

### Strengthening rules-based, fair and sustainable free trade

- The Federal Government will improve the framework conditions for **diversifying and intensifying economic relations** in the Indo-Pacific region.
- The Federal Government will support the **EU's trade policy** and work to strengthen the multilateral trade system with the WTO at its centre in cooperation with the Indo-Pacific countries.
- The Federal Government will lend its active support to the **EU's trade policy** in the Indo-Pacific region in order to eliminate existing obstacles to trade and investment on both sides as well as to enshrine binding rules on environmental and social standards, climate protection and competition policy, state-owned companies, subsidies and the protection of intellectual property. To this end, it will
  - create improved **market access** for German and European products and promote **fair competition and sustainability**,
  - counteract trends towards "deglobalisation" discernible in the context of COVID-19 and instead support the diversification of **supply chains**,

- work together with European partners to ensure rapid progress in the negotiations of **free trade agreements** between the EU and the respective Indo-Pacific countries, in particular with New Zealand, Australia and Indonesia, and, once negotiations for an EU free trade agreement have been resumed, with ASEAN,
  - advance the **modernisation** of existing free trade agreements, in particular with South Korea,
  - support the EU's negotiations on a comprehensive and ambitious **investment agreement with China** in order to eliminate existing market access asymmetries and to create fair and non-discriminatory conditions for competition.
- The Federal Government will support the **engagement of German companies** in the Indo-Pacific. To this end, it will
- make better and more targeted use of the potential of **strategic projects abroad**,
  - contribute to the expansion of the conference format of the **Asia-Pacific Conference of German Business** as the flagship of German business activity abroad,
  - support the network of the **German Chambers of Commerce Abroad**,
  - extend **vocational training** cooperation in the Indo-Pacific region,
  - continue to work within the framework of the **Partnership for Sustainable Textiles** to promote greater sustainability in the textile industry, including in production countries in the Indo-Pacific.
- The Federal Government will put in place targeted measures to make it easier for **students, skilled workers and specialists to come to Germany** or to relocate (for a limited period of time) for study, training or employment purposes by further expanding personnel and organisational capacities for assessing visa applications and granting visas, if possible, within the scope of existing resources.

#### Rules-based networking and the digital transformation of regions and markets

- The Federal Government will expand **connectivity both to and within the Indo-Pacific region**. To this end, it will
- work with EU partners to ensure the swift and comprehensive implementation of the **EU-Asia connectivity strategy** at EU level,
  - support this strategy with bilateral engagement, building on existing cooperation, such as the **Green Energy Corridors** with India,
  - support the EU in implementing the **EU-Japan Partnership on Sustainable Connectivity and Quality Infrastructure**,
  - cooperate with partners in the EU to ensure intensified EU-ASEAN cooperation in the sphere of connectivity as well as an **EU-ASEAN connectivity partnership** in the future,
  - work towards the rapid conclusion of negotiations on an EU-ASEAN Comprehensive Air Transport Agreement (**CATA**),
  - advocate **stringent standards and sustainability** for connectivity projects,
  - contribute to the **financing** of connectivity projects at national and EU level.

- The Federal Government will promote and help shape the **digital transformation**. To this end, it will
  - expand cooperation with Indo-Pacific countries in the **Industrie 4.0** sector,
  - intensify the existing close dialogue on the digital transformation with Australia, Japan and South Korea, make better use of the **opportunities offered by the digital transformation** through close cooperation with partners such as Japan, India and South Korea in research, development and standardisation, as well as by closing ranks at the multilateral level,
  - seek a visionary dialogue beyond **5G** with Indo-Pacific partner countries.
- The Federal Government will strengthen Germany's **competitiveness in key technologies**. To this end, it will
  - seek **opportunities for cooperating** on key technologies with Indo-Pacific countries, especially Singapore, Australia, South Korea and Japan, and work together to promote the responsible use of these technologies.
- The Federal Government will support and strategically promote the **digital sovereignty** of Germany and the EU, particularly with regard to the Indo-Pacific region.

### Bringing people together through culture, education and science

- The Federal Government will expand its cooperation with the Indo-Pacific in the fields of **culture, education and science**. To this end, it will
  - network more closely with innovation landscapes in the Indo-Pacific, building on existing structures such as the **Indo-German Science and Technology Centre in New Delhi** and use these as a model for cooperating with other Indo-Pacific countries,
  - expand **funding measures for German scientists**, especially for joint research projects with partners with shared values in the Indo-Pacific region in the area of strategic and innovative fields of the future,
  - assist and support the **Chinese-German Tongji University**, the Vietnamese-German University in Ho Chi Minh City and the **German Centers for Research and Innovation** in New Delhi and Tokyo as flagship projects of German science diplomacy,
  - advocate the freedom of culture professionals and scientists within the framework of **cultural relations and education policy** and, on an ongoing basis, foster cooperation with civil society actors, support for journalists and media workers and engagement in the creative industries,
  - continue its engagement in the area of **academic exchange** and **cultural preservation** in the Indo-Pacific together with countries in the region.

# II

## *Policy fields*

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# Strengthening multilateralism

Particularly in times of increasing power rivalries and tensions, multilateralism has a crucial role to play in the area of peace and stability.

**Multilateralism** means that states pursue their own interests in coordination with and with regard for other countries. This requires a strong and firmly rooted rules-based order as well as efficient and effective cooperation in and with international organisations.

Global challenges such as climate change, poverty reduction, migration and pandemics can only be tackled by the international community working together. The fight against the spread of the SARS-Cov2 virus shows that multilateral cooperation is more important than ever to solve the pressing problems of our times.

The concept of multilateralism is also the guiding principle behind Germany's relations with the Indo-Pacific region. In its cooperation with this region, the Federal Government pursues a policy of close **involvement in multilateral organisations** and **groups** such as the **G20** as well as **promotion of regional structures**. The Federal Government aims to strengthen the European Union as a strategic partner in the Indo-Pacific region.

The **system of the United Nations**, including its specialised agencies and jurisdiction, is and remains the central player for multilateral activity at global level. Stakeholders from the Indo-Pacific have a key role to play in the reform of the United Nations: To date, one state in the region, China, has had a voice as a permanent member in the United Nations Security Council. Two Indo-Pacific states, India and Japan, are cooperating with Germany to ensure that the project to **reform the UN Security Council and strengthen its ability to act** is brought to a successful conclusion. The proposal envisages the enlargement of the UN Security Council to safeguard its representative function and thereby ensure its continued authority and legitimacy.

The extent of the COVID-19 pandemic has demonstrated how important it is that the G20 and the United Nations maintain their capability to act even in the midst of a global health crisis. The Federal Government believes that it is necessary to **strengthen the WHO**, as the most important multilateral player in the area of healthcare, and has found key partners for this endeavour in the G20 and the Indo-Pacific. One important step is a lessons-learned process implemented by the WHO, which is designed to lead to further improvement in the common approach to dealing with pandemics.

In light of the **experiences with the COVID-19 crisis**, the Federal Government is calling for steps to strengthen multilateral pandemic prevention and management structures. It welcomes the support voiced by many Indo-Pacific countries for the need for a multilateral approach to strengthen and protect global health.

As global financial players, the **International Monetary Fund (IMF)** and the **World Bank** are making an important contribution to stabilising the international monetary system and promoting economic cooperation and development. The Federal Government is supporting both financial institutions, also and particularly in their powerful response to the COVID-19 crisis. Together with partners from the Indo-Pacific region, the Federal Government is working to strengthen and reform the **World Trade Organization (WTO)** as the central pillar of the multilateral rules-based trade order with the aim of rejuvenating rules-based international trade, safeguarding supply chains and helping to foster recovery in the wake of the crisis.

A further element designed to bolster international multilateral cooperation is the **Alliance for Multilateralism**, launched by Germany and France in 2019. This new, flexible and theme-based network provides a platform for states to engage in various policy areas and promote the

preservation and further development of the rules-based order. A large number of Indo-Pacific countries support the engagement of the Alliance for Multilateralism. It is open to all states that want to play a part in strengthening the rules-based order and shaping its future.

At the heart of the **rules-based order** are the Charter of the United Nations, the Universal Declaration of Human Rights and other human rights conventions as well as disarmament, arms control and non-proliferation treaties. In the Indo-Pacific region, which is dominated by two large oceans and is no stranger to maritime conflict situations, the integrity and application of the United Nations Convention on the Law of the Sea play a crucial role.

The Indian Ocean and the Pacific open up important transit routes for the worldwide transportation of goods and raw materials. Around two thirds of international sea trade is shipped across the Indo-Pacific region. As a trading nation, Germany has a genuine interest in security and stability in the Indo-Pacific. The **United Nations Convention on the Law of the Sea** of 1982 provides the comprehensive, globally valid legal framework for a rules-based maritime order. This applies to sea area boundaries and use, maritime cooperation and dispute settlement procedures (including those of the International Tribunal for the Law of the Sea in Hamburg).

Against the backdrop of a growing prioritisation of foreign policy, **regional organisations and structures** are becoming increasingly important. Numerous states fear the formation of new blocs, accompanied by pressure to decide in favour of one side. They therefore have an interest in diversifying their relations, and in using regional structures to protect themselves against hegemony and preserve their decision-making autonomy.

The **Association of Southeast Asian Nations (ASEAN)** is the most influential regional organisation in the Indo-Pacific. The cooperation between the ten ASEAN members has a considerable impact on business, trade and connectivity issues. Due to its central location, ASEAN plays a crucial role for security, stability and prosperity in the Indo-Pacific.

The Federal Government has a keen interest in strengthening ASEAN's capability to act (ASEAN Centrality) – also against the backdrop of ASEAN's key role in confidence-building and multilaterally structured cooperation that goes beyond Southeast Asia – with China, Japan, South Korea, the United States, Russia, India, and Australia, among others.

Germany supports the **cooperation between the EU and ASEAN**, which, as regional organisations, are natural partners. Since the start of the EU-ASEAN partnership in 1977, relations have become so close that the EU and ASEAN have agreed in principle to upgrade them to the status of a **Strategic Partnership**. This involves bringing the partnership with ASEAN into line with the partnerships that the EU maintains with China and India; for example by holding more frequent high-level meetings and fostering comprehensive political cooperation. The Federal Government is pressing for this upgrade to be implemented swiftly.

**Germany** has been a so-called ASEAN **Development Partner** since 2016 – the only EU Member State in this role to date. Within the context of this partnership, the Federal Government is helping to strengthen the ASEAN Secretariat. In addition, concrete cooperation is taking place in the fields of the environment and climate change as well as regional economic integration, rules-based free trade, connectivity and maritime security. With financial support to the tune of more than 97 million euro since 2005, Germany is the largest bilateral donor to ASEAN within the EU and the fifth-largest donor worldwide.

Building on this, and on the basis of mutual trust and respect, the Federal Government aims to further intensify its cooperation with ASEAN – including regular high-level exchange on regional and global developments – within the framework of a so-called **Dialogue Partnership**.

With its accession in 2020 to the **Treaty of Amity and Cooperation in Southeast Asia** of 1976, Germany has embraced ASEAN's code of conduct, with the basic principles of peaceful conflict resolution and dialogue, and thereby laid the foundation for intensifying cooperation with Southeast Asia in the area of security policy. This step serves as a basis for the Federal Government to intensify its security policy engagement in the region.

In 2019, ASEAN formulated its own response to the geostrategic challenges in the Indo-Pacific region. With the **ASEAN Outlook on the Indo-Pacific**, the organisation expresses its interest in diversifying its partnerships in view of growing polarisation in the region. It is thereby taking an important step with a view to maintaining its own capability to act in the future.

At the heart of the transregional security architecture built around ASEAN is the **East Asia Summit (EAS)**. It is the only summit in the Indo-Pacific region to bring together the heads of state and government of China, Japan, South Korea, India, Russia, the United States, Australia and New Zealand. The Federal Government is working to carve out a more active role for the EU in this and other security policy forums in the region and is itself also willing to be more active in this area.

The EU has already applied for an observer role for the activities of the **ASEAN Defence Minister's Meeting Plus (ADMM+)**, the conference format of the ASEAN defence ministers and eight of their dialogue partners. The Federal Government

is supporting this goal through its provision of specific security policy assistance in the region within the context of the EU. In the longer term, it is considering applying for observer status in the ADMM+ format in order to support the EU in European initiatives.

The EU's membership in the **ASEAN Regional Forum (ARF)** also serves to foster stronger engagement in the area of security policy. The ARF, with a total of 27 members, including North Korea, is the largest and most comprehensive security conference in the Indo-Pacific region. The Federal Government supports the work of the EU within the ARF through security policy contributions and expertise.

In addition to ASEAN and its security policy dialogue mechanisms, there are **other regional institutions** in the Indo-Pacific which are also key partners for the Federal Government and the EU in strengthening multilateral cooperation. These institutional partners have different focuses, but together they are pursuing the goal of improving the integration of the Indo-Pacific region and strengthening its networks.

These partners include regional financial players, notably the **Asian Development Bank (ADB) and the Asian Infrastructure Investment Bank (AIIB)** established in 2015, in which the Federal Government is a shareholder. As a partner of the ADB, Germany has been promoting multilateralism for many decades through economic development in line with social and environmental standards. As the second-largest bilateral donor after Japan, Germany, through the ADB, is helping to meet the vast need for infrastructure in the region. In the AIIB, which has its headquarters in Beijing, the Federal Government is working to ensure compliance with social and environmental standards in all projects.

The **Pacific Islands Forum (PIF)**, founded in 1971, is an important partner of the Federal Government on climate and security issues – both regionally and within the context of the United Nations. With twelve votes in the United Nations, the group of PIF states is influential at multilateral level. In future, Germany will continue to expand its engagement as a dialogue partner by sending high-level representatives to summit meetings and promoting joint projects.

The **Mekong River Commission (MRC)** has a central role to play in the increasingly controversial issue of water management in the Mekong River area. The Federal Government and the European Union are supporting the role and activities of the MRC with the aim of promoting sustainable use of the Mekong by all riparian states.

Fifty-three equal partners from all over Europe and the Indo-Pacific cooperate within the framework of the **Asia-Europe Meeting (ASEM)**. The focal point of their cooperation is the biennial ASEM Summit, which brings together the heads of state and government from both regions. The Federal Government values ASEM as a platform for exchange with the region on current and strategic topics.

In 1997, the **Asia-Europe Foundation (ASEF)** was established within the ASEM framework. ASEF plays an important role in people-to-people exchange. ASEF facilitates civil society encounters and cooperation between Europe and Asia in the fields of journalism, human rights, and the arts, not least thanks to financial support from the Federal Government. The German Government will continue its engagement in this area.

The **Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)** connects South Asia with Southeast Asia. India's growing involvement in developing connectivity in the region, also beyond the scope of BIMSTEC, is boosting the organisation's prominence. The Federal Government sees great potential in the organisation for promoting regional integration and cooperation and aims to encourage more intensive exchange, if possible in an institutionalized format.

Flanking this, the Federal Government will continue to support approaches to dealing with regional policy issues within the framework of the **South Asian Association for Regional Cooperation (SAARC)**, in spite of the weakening of the latter as a result of the India-Pakistan conflict.

The **Indian Ocean Rim Association (IORA)**, founded in 1997, is the only international organisation spanning the entire Indian Ocean. Germany has been a dialogue partner since 2015 and promotes the organisation's competence and capacity-building efforts. In future, the Federal Government intends to more fully exploit the vast potential of IORA as an institutional framework for increased cooperation and crisis prevention.



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# Tackling climate change and protecting the environment

Among the global challenges confronting the Indo-Pacific region, climate change and the loss of biological diversity are among the most prominent. Rising sea levels and an increase in extreme weather events are particularly serious problems for the region, as it is dominated by two oceans. The high degree of urbanisation with the concentration of megacities in the Indo-Pacific is another challenge: With 80 percent of total economic growth taking place in urban centres, megacities are motors of climate change. Moreover, no other region of the world has so many people who are directly affected by the rise in sea levels. Bangladesh, Myanmar, Nepal, Pakistan, the Philippines, Thailand and Viet Nam are among the ten states most affected by extreme weather events in the past 20 years.

Droughts and changes in precipitation patterns are also having a particularly severe impact on the region, in which agriculture is an important employment sector. The interdependence between the social, ecological and economic dimensions of sustainability is very much in evidence. In addition, climate change in the affected countries often has adverse effects on poverty reduction efforts and food security, sustainable employment and the restoration of an intact environment. The increase in droughts is exacerbating the risk of bush and forest fires. All this is having a devastating impact on biological diversity, the climate and the livelihoods of the poorest people particularly.

The loss of biological diversity is posing major challenges for the Indo-Pacific region with its many terrestrial and marine biodiversity hotspots. Besides climate change, illegal logging, settlement expansion, industrialisation and non-sustainable development of tourism pose a particular threat to the ecosystems on land. Pollution and destruction as well as the overfishing of the oceans are destabilising the coastal ecosystems. Moreover, the economies of several Indo-Pacific countries are dependent on the state of the coastal

ecosystems. As fishing is an important business sector in the region, an imbalance in a coastal ecosystem threatens many people's livelihoods.

The **pollution of the oceans** is a problem taking on global dimensions as a result of sea currents. China, Indonesia, the Philippines, Viet Nam and Thailand, the five countries responsible for the largest amounts of ocean pollution worldwide, with an estimated 7 million cubic metres, are all located in the region. The rubbish goes directly into the sea via coasts and rivers. Seaward pollution, chiefly from fishing, adds to its impact. The Federal Government is promoting the debate among the G20 on the issue as well as bilateral and regional projects in the region, including in India, Viet Nam, Indonesia and at regional level in cooperation with ASEAN.

Climate change in the Indo-Pacific also has increasing **security policy implications**. As a risk multiplier it can spark or exacerbate conflicts. This creates new foreign and development policy challenges: Conflicts over spheres of influence and resources as well as failed harvests, destruction and famines may be triggered. These emergencies may in turn lead to displacement and migration. Rising sea levels threaten settlements in coastal areas and the existence of flat island states in the Indo-Pacific region.

Several Indo-Pacific states are **natural allies when it comes to climate change mitigation** because they are directly affected. In the 2015 **Paris Agreement**, all state players in the region committed themselves under international law to take appropriate measures to limit global warming, ideally to a maximum of 1.5°C, and to adapt their Nationally Determined Contributions (NDCs) every five years, starting in 2020.

**Pakistan** is one of the ten countries most severely affected by climate change. Extreme weather events already cause average economic damages of almost 4 billion US dollar per year. If Pakistan were not to take any measures to adapt to climate change, as many as an additional 21.4 million people could be affected by poverty by 2050.

The Federal Government is helping the Pakistan Government to implement its NDCs in the area of reforestation and disaster management, gain access to international climate financing and expand renewable energies and energy efficiency. The total volume of ongoing cooperation in the area of climate protection and energy is around 300 million euro.

In the area of biological diversity, too, many Indo-Pacific countries are **natural partners** and, as members of the **Convention on Biological Diversity (CBD)**, have committed themselves to its goals. Within the context of the Conference of the Parties to the Convention on Biodiversity (CoP 15) due to take place in China in 2021, China, as the host nation, is working with Germany to create a new ambitious global framework for the preservation of biological diversity after 2020. The Federal Government regards the active and effective engagement of key player China as an important signal for the region and for other emerging economies.

Numerous species of wild animals are endangered due to the high demand in Asia for their meat or other products such as skin and teeth. The Federal Government therefore supports projects targeting poaching and illegal wildlife trafficking, for example, of ivory and rhino horn from Africa to Indo-Pacific consumer countries such as China and Viet Nam. Furthermore, the consumption of wild animals, boosted by **wild animal markets**, fosters the spread of viruses from animals to humans (zoonotic diseases). The Federal Government is pushing for a ban on certain forms of trade in wild animals for consumption, both as a potential measure to prevent pandemics and as an important step towards species conservation and the preservation of biodiversity. However, this will only be possible in cooperation with the major consumer countries in the Indo-Pacific region.

Besides their shared concern about climate change and the loss of biological diversity, the Indo-Pacific countries are united in their declared intention to catch up with the industrialised nations. The **increased demand for energy and resources**, however, is having a significant impact on the climate, the environment and biodiversity. For Southeast Asia, for instance, one of the fastest growing regions of the world, a 60-percent increase in energy demand by 2040 is predicted.

Five of the world's ten biggest greenhouse gas emitters are located in the Indo-Pacific region, making it one of the main motors of climate change. The demand for energy, which is predominantly met by fossil fuels, involving substantial coal subsidisation and consumption, is a major challenge for climate protection ambitions and the 2030 Agenda for Sustainable Development. Without a **substantial reduction in emissions** in the region, the goals of the Paris Agreement will not be met. The Federal Government is therefore supporting the EU's



efforts to achieve climate commitments which go beyond the current obligations, together with China, India and other countries in the region.

Climate change is already a cause of **stress factors** such as changes in storm and precipitation patterns and pressure on ecosystems, especially maritime ones. Many Indo-Pacific countries need to become more resilient to the consequences of climate change and adapt to the changed conditions. After all, insufficient **climate resilience** is an obstacle to sustainable development. The adaptation required affects social security systems, urban development and agriculture as well as ecosystems and politics itself.

The Federal Government is fulfilling its international **climate financing pledges**, making available a total of four billion euro to this end in 2020 in order to halt or at least slow down the further progression of climate change while boosting the region's climate resilience, as well as to preserve biological diversity. Germany has thereby doubled its commitment since 2014 and will continue to make a fair contribution to achieving the climate financing goal of 100 billion US dollar.

In the face of this global challenge, the Federal Government is focusing chiefly on multilateral solutions and is working actively on the international stage to promote the issue, together with other alliance partners, for example in the G20. With a total amount of 2.25 billion euro, Germany is among the largest contributors to the Green Climate Fund, the central international climate financing instrument. The **Green Climate Fund**, founded in 2010 within the framework of the UNFCCC (United Nations Framework Convention on Climate Change), provides grants and loans for climate protection projects and adaptation measures in developing countries. The goal of the Green Climate Fund is to encourage a transformation to low-emission, climate-resilient development.

Together with the donor countries Australia, New Zealand and the United Kingdom, the Federal Government has been supporting the **Regional Pacific NDC Hub** since 2018, which is underpinned by the Pacific Regional organisations SPC (Pacific Community), SPREP (Secretariat of the Pacific Regional Environment Programme) and its Pacific member states. The Hub helps the 15 island states to implement their NDCs and to develop them ambitiously in accordance with the Paris Agreement. Given the existential threat they face from climate change, the Pacific island states aim to assume a pioneering role not only as global advocates but also in the rapid realisation of a carbon-free economy and way of life. To this end, the Hub is working closely with the global NDC Partnership.

In 2018, the Federal Government launched the multilateral **Group of Friends on Climate and Security** in cooperation with the Pacific island state of **Nauru**. Alongside Nauru as the co-chair, members include almost all the Pacific island states as well as other Indo-Pacific countries. The goal of this Group of Friends is to anchor the security policy dimension of climate change systematically in the work of the United Nations and to provide targeted support for partners to deal with climate-change-related security threats.

At bilateral level, the Federal Government is using **development cooperation** funds to finance climate protection and climate resilience projects, biodiversity preservation programmes and projects in the area of renewable energies and energy efficiency in the Indo-Pacific region, e.g. via the **International Climate Initiative (ICI)**, within the context of the **global NDC Partnership** and as part of research cooperation through the **International Partnerships for Sustainable Innovations (CLIENT II)**.

As far as **climate protection** is concerned, the focus is on political advisory services, capacity-building and appropriate training measures as well as technology cooperation. The priorities in the area of **climate resilience** include ecosystem-based adaptation measures, improvement of risk management with regard to climate-related extreme weather events, particularly through innovative insurance solutions, dealing with population mobility caused by climate change, adaptation to climate change in cities and the implementation of national adaptation strategies. Many measures have a clear urban focus.

The Federal Government's 2020 Guidelines on the Promotion of Deforestation-Free Supply Chains of Agricultural Commodities contain concrete solutions for preserving forests, which the Federal Government wants to implement in cooperation with the Indo-Pacific countries, among others.

The International Climate Initiative ICI is currently conducting country-specific project selection processes each worth 30 to 35 million euro with five Indo-Pacific countries – **India, Indonesia, the Philippines, Thailand and Viet Nam**. Here, the focus is on implementing the climate action plans of these priority countries. In Thailand, for example, the projects are geared towards strengthening urban resilience, expanding renewable energies, energy efficiency and public green electromobility and creating the Thailand National Climate Initiative (ThaiCI).

**Research and innovation** are major catalysts for the Federal Government when it comes to making progress on the global energy transition. They are the only means by which the required knowledge of crucial technology such as storage technology for renewable energy and green hydrogen can be tapped. To this end, the Federal Government is for example endeavouring to conduct a bilateral

feasibility study with Australia on implementing a supply chain for green hydrogen.

The Federal Government has concluded **energy partnerships** with like-minded partners in the Indo-Pacific region to promote a sustainable and climate-neutral energy policy. The goal of these partnerships is to make a substantial contribution to the global energy transition and thereby to climate protection worldwide. In the Indo-Pacific, the Federal Government is focusing on investment incentives, improvement of framework conditions and expansion of technological solutions and is working to encourage exchange with and within the region. The Federal Government also sees great potential in closer cooperation in the area of climate-neutral energy sources. Here, the focus is on the use of renewable energies and measures to boost energy efficiency.

The Federal Government is cooperating closely with **India** in the fields of climate change mitigation, climate adaptation, renewable energies and energy efficiency, sustainable urban development and environmental and resource protection. In the context of climate change mitigation, for example, Germany has made available one billion euro to promote green urban mobility as well as projects to implement national climate protection strategies. The **Solar Partnership** with India launched in 2015 is receiving funding of one billion euro with the goal of developing solar parks, PV roof systems and off-grid solar facilities. More than 250 MW of installed capacity has already been financed. Furthermore, the Federal Government aims to join the International Solar Alliance based in India and supports the Coalition for Disaster Resilient Infrastructure, an Indian initiative. Within the context of the Indo-German urbanisation partnership, integrated urban development approaches are being coordinated with climate protection measures in a targeted manner.

The Federal Government is working to ensure that the resilience of socio-ecological systems is not further weakened in the face of negative consequences of climate change and global economic developments. Preserving biodiversity in the Indo-Pacific region is also in the global interest from an economic and social perspective.

The rainforests play an indispensable role in global climate protection. The world's third-largest **rainforest region** is located in Southeast Asia. As a result of a significant increase in the areas used for agricultural purposes, including for palm oil production, the Southeast Asian rainforest has diminished considerably in recent years.

Amid the conflict of interests between protection of the rainforests and climate change on the one hand, and economic livelihood and prosperity on the other, a globally recognised standard for **sustainable palm oil production** was developed in a process involving multiple stakeholders and lasting several years (Roundtable on Sustainable Palm Oil, RSPO). As a biodiversity hotspot, the largest producer and exporter of palm oil, a major greenhouse gas emitter and a member of the G20 and ASEAN, Indonesia has an important role to play in global climate and environmental protection. The Federal Government is promoting several projects in Indonesia to support low-emission and sustainable palm oil development. The projects include the development of climate-friendly cultivation practices, support with certification and advice on policy, particularly at local level.



# Strengthening peace, security and stability

The EU's Global Strategy on Foreign and Security Policy of 2016 noted that there is a direct **nexus between prosperity in Europe and security in Asia**. Without peace, security, stability and good governance, it will not be possible to reap the benefits of ever greater economic integration.

Free maritime trade routes and maritime security are of vital importance to Germany as an open economy with global interests. More than 20 percent of German trade is conducted in the Indo-Pacific region. Germany's volume of trade with the region has almost doubled in the past 15 years. In terms of beneficial ownership, the German trade fleet ranks fifth in the world.

With this in mind, the Federal Government intends to **expand its security policy engagement in the Indo-Pacific region** across the board, including in the maritime sector. In 2020, Germany acceded to the 1976 Treaty of Amity and Cooperation in Southeast Asia. The Federal Government thereby committed itself to peaceful conflict resolution and dialogue in Southeast Asia.

The majority of states in the Indo-Pacific exhibit a high degree of internal stability, but nonetheless a number of regional **security policy-related risks and threats** exist. These include the North Korean nuclear weapon and missile programme, unresolved territorial disputes about both land and maritime boundaries, conflicts over natural resources and the growing rift between China and the US. The conflicts have led to an increase in defence expenditure in the region – by more than 50 percent from 2010 to 2019, and in China alone, by 85 percent.

Then, of course, there are challenges such as **terrorism, natural disasters, climate change, cyber threats, corruption and piracy**. The Strait of Malacca is not only one of the busiest waterways in the world; it is also one of the maritime routes worst affected by piracy, and thus requires special protection.

In view of the competing claims to island and land formations, and with regard to the use of the affected sea areas, the Federal Government advocates a peaceful, rules-based and cooperative solution based in particular on the United Nations **Convention on the Law of the Sea** of 1982. The arbitral decision of 12 July 2016, issued under the dispute settlement procedures contained in that Convention, is of essential importance with respect to the maritime claims in the **South China Sea**.

The Federal Government supports the process of creating a substantive and legally binding **Code of Conduct** between China and the ASEAN Member States for the South China Sea. It is envisaged that the Code will include a mechanism for the peaceful settlement of disputes and rules on the common use of resources, with the involvement of third-party countries, in accordance with the UN Convention on the Law of the Sea.

Even today, the Federal Government is engaged in various measures to maintain the rules-based maritime order in the Indo-Pacific. In addition to training and further-training courses on the law of the sea, these include the regular **participation of observers in regional marine exercises**. Germany has participated since 2008 in the **CSDP operation EUNAVFOR Somalia ATLANTA** to protect trade routes in the Indian Ocean, and in this context works closely with South Korea, Japan, Indonesia and India, among others. The mission primarily consists of joint exercises and measures to combat piracy. Its aim is to increase maritime security along one of the main global maritime trade routes.

The Federal Government intends to become even more actively involved in measures to protect and safeguard the rules-based order in the Indo-Pacific, such as bolstering the principles of the UN Convention on the Law of the Sea and monitoring UN sanctions against North Korea. The Federal Government also intends to further expand its **security and defence cooperation** with partners in the region. In addition to strategic dialogues, talks

between military staffs and training cooperation, this in principle also comprises an intensification of bilateral visits and an **expansion of defence contacts** in the region itself. This includes liaison officers, military attaché's staffs, port visits and **participation in exercises** as well as **other forms of maritime presence** in the Indo-Pacific region.

The **Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP)** has fostered cooperation in the fight against piracy since 2006. By exchanging information and advising coastal state governments, in particular on port security and coast guard issues, the number of incidents of piracy has already been reduced. The Federal Government intends to accede to ReCAAP in order to actively contribute to combating piracy in the Indo-Pacific region.

A German navy liaison officer has been seconded to the **Information Fusion Centre (IFC)** in Singapore, founded in 2009, to improve Germany's integration into the structures of the regional rules-based maritime order. The IFC focuses on the exchange of information in the fields of proliferation, drug smuggling and maritime terrorism.

Various manifestations of religious, ethnic and politically motivated **extremism and terrorism** threaten stability and statehood in the Indo-Pacific region. The terrorism is fuelled by specific regional conflicts, but partly also by people's frustration and lack of prospects.

South Asia and Southeast Asia, in particular, have long been of great interest to **jihadi terrorist organisations**. Both al-Qaida and the so-called Islamic State (IS) view the region as a **haven** and a **recruitment and combat zone**, and have formed their own regional sub-groups. The countries affected expect international solidarity and active support in the fight against terrorism and organised crime.

The Federal Government condemns all forms of terrorism. When combatting terrorism, human rights must be respected and the principles of the rule of law upheld. Furthermore, it must be ensured that humanitarian agencies can go about their work.

With the overarching goal of strengthening stability throughout the region and ensuring that the so-called Islamic State has no safe haven in Southeast Asia, the Federal Government supports the **peace process in Mindanao** in the **Philippines**. The focus of Germany's efforts is on the disarmament of former militants and their social reintegration, as well as strengthening Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). Civil society stakeholders are involved in this process, and support is given to the communities affected.

The Federal Government supports effective counterterrorism in the Indo-Pacific region through its engagement in **multilateral institutions (UNOCT, UNODC)** and **specialised forums (GCTF, FATF, Interpol)**. At bilateral level, the Federal Government engages in dialogue with various partners in the region. The aim of these dialogues is to **exchange information on threats** as well as on methods and instruments to combat them. The Federal Government will further intensify its exchange of experience and information for the mutual benefit of all involved.

Germany supports the current UN and EU **listing regimes** for terrorist organisations. The aim is to use these listing regimes to limit the financial options open to terrorist organisations, also in the Indo-Pacific.

The Federal Government advocates a **holistic approach to combating terrorism**. Bilateral engagement in the Indo-Pacific region focuses on support for preventative measures, such as the de-radicalisation of vulnerable individuals and groups, and capacity-building in the field of security and law enforcement.

The Federal Government has significantly increased its resources and engagement in the field of **stabilisation and mediation** in the past years, including in the Indo-Pacific. This development is based on the White Paper on German Security Policy and the Future of the Bundeswehr of 2016 and, above all, the German Government policy guidelines: Preventing crises, managing conflicts, building peace adopted in 2017. The Federal Government has provided over 129 million euro to fund stabilisation projects in the Indo-Pacific region since 2014.

The Federal Government supports states in their efforts to overcome the effects of **violent conflicts**. In particular, it finances the **Civil Peace Service (ZFD)**, which seconded German peace experts to civil society partner organisations, also in Indo-Pacific countries. Young people are being schooled in non-violent dispute resolution in Timor-Leste, dialogue between religious and ethnic groups is being promoted in Myanmar, and in Sri Lanka, self-help structures are being established to subject the crimes committed during the civil war, which ended in 2009, to judicial scrutiny and to offer therapeutic support.

Since more than 700,000 Rohingya fled Myanmar and arrived in Bangladesh, the Federal Government has helped **support the refugees** and **address** the causes and consequences of **the humanitarian crisis** in both countries with measures to counter growing radicalisation and extremism. At the same time, the Federal Government is working bilaterally and through the EU to strengthen the structures of the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (**AHA Centre**) in Jakarta, which is playing a significant role alongside the UN organisations in the repatriation of the Rohingya.

The **arms dynamic** in the Indo-Pacific over the past decades is due in equal parts to increasing power rivalries and mounting conflicts and to a lack of cooperative security structures in the region. The worldwide erosion of the rules-based multilateral order, including in the spheres of disarmament, arms control and non-proliferation, also contributes to anxiety.

National defence, and likewise the use without hindrance of maritime transport and supply routes, requires **investment in** and the **maintenance of military capabilities**. Germany has been a **reliable partner** to many countries in the region for decades. In the future, too, the Federal Government will pursue its bilateral cooperation in a responsible manner, in line with export control commitments while taking into account the strategic nature of its relations with countries in the region.

The Federal Government provides training, equipment and advisory services to support security forces (including military, police and disaster relief forces) in selected partner countries through its **Enable & Enhance Initiative**. The goal is to enable these forces to engage in crisis prevention and management and post-conflict peacebuilding on their own for years to come.

The Federal Government will include other Indo-Pacific countries in the Enable & Enhance Initiative in light of their specific needs.

Six of the ten biggest contributors of troops and police officers to **United Nations peace missions** – Bangladesh, Nepal, India, Pakistan, Indonesia and China – are in the Indo-Pacific region. The Federal Government supports cooperation with partners in the region in the context of UN peacekeeping with the common aim of strengthening the global rules-based order within the framework of the United Nations.

At the same time, the Federal Government will campaign more strongly for the use of arms control and confidence-building regimes by Indo-Pacific countries and will promote regional arrangements. In view of growing arsenals, **China**, in particular, as a **nuclear-weapon power**, must live up to its responsibility as a party to the Non-Proliferation Treaty and engage in negotiations on the establishment of arms control regimes, including transparency and verification mechanisms.

The Federal Government is working to expand existing arms control instruments and to develop new collective security approaches. To this end, it will support cooperative security measures in the region. The Federal Government has launched a conference format for **dealing with new technologies** (“Capturing Technology. Rethinking Arms Control”), with the involvement of Chinese stakeholders in particular. The aim is to contain potential risks to security and stability which could result from the military use of new technologies. The states of the Indo-Pacific region bear a special responsibility in this sphere since they are significant players in the fields of artificial intelligence and cyber, space and missile technology. As one outcome of its technology conferences, the Federal Government developed in 2019 the **Missile Dialogue Initiative**. One of this Initiative’s first regional focuses will be the Indo-Pacific.

As regards **export controls for conventional armaments**, the Federal Government is actively campaigning for the further universalisation of the **Arms Trade Treaty (ATT)** in the Indo-Pacific region, which is currently underrepresented. The goal is to create uniform global minimum standards for the trade in armaments and to combat illegal arms trading. To this end, it provides experts and funds to support the EU ATT Outreach Project II, which started in 2017 and aims to win more parties for the Treaty and improve implementation.

By means of **capacity-building in the field of export controls**, the Federal Government helps states worldwide strengthen their export control systems, in order to prevent the proliferation of the goods and technology needed to manufacture weapons of mass destruction and to implement relevant UN sanctions. Southeast Asia is a global trade hub with a growing manufacturing sector, and so is of ever greater significance in this context. That’s why, together with ASEAN states, the Federal Government organises conferences and workshops and is developing best practices to strengthen regional cooperation and free but secure trade in Southeast Asia. This also includes the development of capacities to combat proliferation financing.

The Federal Government is working to strengthen and expand security policy engagement with and within the region. To this end, the Federal Government undertakes specific measures to aid the European Union in raising its profile as a regional security actor and extending its field of action on the basis of the Global Strategy on Foreign and Security Policy. The **ASEAN-centric security architecture** includes various dialogue mechanisms that foster confidence-building and peaceful conflict resolution between ASEAN’s member states and



its partners. China, Japan, South Korea, India, Australia, New Zealand, Russia and the US are involved in these dialogue mechanisms. There are diverse forms of cooperation between the EU and ASEAN, in particular as regards dealing with security risks emanating from non-state actors. The Federal Government is an active contributor in these forums.

The EU project **Enhancing Security Cooperation in and with Asia** is intended to entrench Germany and the EU more firmly as security policy actors in the region. It is co-financed by Germany and implemented by GIZ and its partner Expertise France in a Franco-German tandem. The project aim is tailored cooperation between the EU and the five pilot countries India, Indonesia, Japan, South Korea and Viet Nam on maritime security, counterterrorism, UN peacekeeping and cyber security.

At the same time, Germany is working within **NATO** to expand relations with the **Partners Across the Globe**, which includes Indo-Pacific players such as Australia, Japan, New Zealand and South Korea and with which bilateral cooperation programmes are in place. Germany supports NATO's practical cooperation with Indo-Pacific partners, in particular in the spheres of cyber defence, maritime security, humanitarian assistance and disaster relief assistance, counterterrorism, arms control and with respect to women, peace and security. The intensive exchange with partners in the Indo-Pacific region, which takes the form of joint training measures and exercises, as well as cooperation on standardisation and logistics, improves interoperability between the partners and NATO. The programmes must be constantly adapted to the changing security environment. In addition, NATO engages in exchange with other states in the region as the need arises.



# Promoting human rights and the rule of law

Peace, security and stability can only prevail in the long term in countries where human rights and fundamental rule of law principles are respected. The Federal Government is committed to promoting human rights and the rule of law worldwide. This engagement is in Germany's own **interest**.

The Universal Declaration of Human Rights of 1948 states that all human beings are born free and equal in dignity and rights. All humans are equally entitled to human dignity, irrespective of their ethnicity, sex, age or status. It is from human dignity that the duty of states to respect, protect and guarantee **human rights** is derived.

It is above all the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR) of 1966 and the Convention on the Elimination of all Forms Discrimination against Women (CEDAW) of 1979 that, together with the Universal Declaration of Human Rights, are the **compass and benchmark** for the binding worldwide protection of human rights under international law. Most of the Indo-Pacific states have signed and ratified these Conventions.

Numerous Indo-Pacific countries have made considerable progress as regards **economic and social rights** in particular. This is shown by the United Nations Human Development Index, which is based on gross national income per capita, life expectancy and years in education. Many Indo-Pacific countries have significantly improved their rankings since 1990.

Germany's **National Action Plan for Business and Human Rights** states that businesses have a responsibility to protect human rights in global supply and value chains and sets out uniform, verifiable global standards to this end. In the course of implementing the Action Plan, the Federal Government has created network structures abroad which above all foster exchange between German companies and knowledgeable stakeholders in the host countries. The German Chambers of Commerce Abroad, Germany Trade and Invest, GIZ, KfW and non-state specialist stakeholders active in the fields of business and human rights are all involved in these local networks. In the Indo-Pacific region, international support networks already exist in India, Viet Nam, Myanmar and the Philippines. The Federal Government intends to continuously intensify German engagement in the area of business and human rights and to expand its international support network in the Indo-Pacific region.

However, economic, social and cultural human rights as well as political and civil human rights are not mutually exclusive. They are interdependent.

**Political and civil rights** are not adequately protected in some Indo-Pacific countries. These rights include **freedom of opinion, freedom of the press and freedom of assembly**. In some places, **capital, corporal and collective punishment** are imposed. In some places, the rights of ethnic and religious minorities are systematically violated in the context of assimilation and re-education policies orchestrated by the government.

The Indo-Pacific region is characterised by a diversity of religions and beliefs. Indonesia, Pakistan, Bangladesh and India are the four countries with the largest Muslim populations in the world. More than 90% of the world's Hindus live in India. Buddhism, which is particularly strong in East and Southeast Asia, is the fourth-largest world religion.

Tolerance and mutual acceptance are basic prerequisites for peaceful coexistence. In the Indo-Pacific region, the Federal Government supports regular dialogue formats under the auspices of the Religions for Peace network with the goal of fostering **religious tolerance** and emphasizing the responsibility of religions for peace.

The Federal Government is pursuing a two-pronged approach to **strengthen and enforce human rights** in the Indo-Pacific: open and critical exchange with governments on the one hand, and support and promotion of civil society on the other. The Federal Government's advocacy for individual prisoners or persons persecuted for political reasons in its dialogue with state representatives from the Indo-Pacific region has proven to be a successful instrument.

In its dealings with other governments, the Federal Government relies foremost on **dialogue** – especially when it believes the human rights situation has deteriorated. The Federal Government conducts this constructive and critical dialogue at bilateral level, at European Union level (human rights dialogues) and in multilateral forums, in particular the UN Human Rights Council (debates, resolutions, Universal Periodic Review). The goal of these various dialogues is to assist the countries affected in improving their human rights situation and implementing international human rights standards.

The plans to create an EU sanction regime for human rights violations will enable the EU to respond to egregious human rights violations. That said, **sanctions** should, in the Federal Government's opinion, only be imposed as a last resort. The Federal Government only uses restrictive measures or sanctions where dialogue and exchange have no prospect of success. It takes the potential impact of any such restrictions on the humanitarian, social and human rights situation in the country into consideration. Lasting change is more likely to be achieved by means of reasoned argument and exchange between equals, with culturally aware interlocutors able to view arguments from their counterpart's perspective, and less likely to be achieved by sanctions.

At European Union level, the **Partnership and Cooperation Agreements (PCA) serve as an instrument** to ensure regular exchange on human rights issues. PCAs are always linked to EU free trade agreements. In addition, the EU has introduced a system of incentives to strengthen human rights protection in the context of customs preferences such as **Everything but Arms (EBA) and the Generalised System of Preferences Plus (GSP+)**. This enables the human rights situation to be monitored in countries that profit from EBA or GSP+. The EU has concluded PCAs with a number of Indo-Pacific countries, and some Indo-Pacific states benefit from the EBA and GSP+ schemes.

As well as talking to governments, the Federal Government seeks dialogue with **civil society stakeholders**, such as non-governmental organisations, religious and faith-based groups, intellectuals and dedicated individuals. **Political foundations** also play a key role in this regard. The Federal Government's aim is to foster vibrant civil societies. If human rights are to be protected, it is vital for the general public to be vigilant and to respond to any violations.

The winners of the **Franco-German Prize for Human Rights and the Rule of Law** often include courageous figures from the Indo-Pacific region who fight for these issues.

France and Germany have awarded this prize to human rights defenders each year since 2016, thereby sending a joint message in the field of human rights and the rule of law.

The Federal Government has an extensive **toolbox** for the promotion of human rights and strengthening civil society stakeholders.

It uses national and European **development cooperation** funds to support good-governance and education projects in Indo-Pacific countries. The Federal Government's actions in the sphere of development cooperation policy are strictly guided by human rights commitments, standards, interpretations and principles. Through its **cultural relations and education policy**, the Federal Government fosters dialogue between and with civil societies. It seeks to nurture pluralistic and tolerant societies in which human rights are respected.

In **Myanmar**, the Federal Government supports the **Deutsche Welle Academy** in its work to provide journalistic training for media professionals, among other things. First and foremost, the Academy provides media and information literacy courses for civil society intermediaries. It also supports projects that involve the general public in rural areas (e.g. community radio projects), in order to bridge the information gap between urban and rural populations. The programme's objective is to strengthen the collective responsibility of the state, general public and the media for the democratic development of the country.

The Federal Government also relies on the expertise of Deutsche Welle in order to support **freedom of opinion and freedom of the press**. Deutsche Welle organises media dialogues and courses for journalists on media literacy, quality journalism and diversity of opinion. Through these and other measures the Federal Government supports the provision of fact-based, high-quality and unbiased information.

Regional German Information Centres provide information on current affairs in Germany, particularly with regards to culture, society and politics. As it steps up its digital communication and in response to the growing spread of propaganda and disinformation by authoritarian actors and states, the Federal Government is expanding its global network of **Regional German Information Centres** with a new Regional Information Centre in Singapore.

In addition to its championing of human rights, the Federal Government's **promotion of the rule of law** is another key instrument in its work to protect individuals from arbitrary state action and to guarantee access to justice for all. The rule of law is the cornerstone of a peaceful and rules-based co-existence.

The Federal Government supports Max Planck Foundation projects to sustainably **strengthen constitutional structures and human rights mechanisms** in **Sri Lanka** and **Maldives** (Capacity Building for Judges and Lawyers in Sri Lanka, and Supporting Legal Reform in Maldives). In addition to consolidating rule-of-law structures for the long term, the reforms show how Islam and democracy are compatible.

Measures to promote the rule of law include, in particular, measures to boost recognition of basic rights, compliance with the law by the Executive and the effective protection of individuals' rights through independent courts. Whether these measures are continued or intensified depends on the willingness of the given country to undertake reform and the chances of their success. Of particular relevance in this context are the **rule of law dialogues** with China and Viet Nam.

For more than twelve years, the Federal Government has promoted the rule of law in **Viet Nam** by means of a **rule of law dialogue**. The following themes supported by the Federal Government in the international context were chosen in agreement with the Vietnamese Government for the current three-year plan: fundamental rights in criminal proceedings, implementing the prohibition of torture, combating corruption, effective legal protection in administrative cases, LGBTI rights and the protection of human rights in national and multilateral frameworks. In addition, the Federal Government supports projects to implement international agreements, such as the UN Convention on the Law of the Sea and the UN Charter, which reflect Germany and Viet Nam's common interest in strengthening multilateralism and the rules-based order.









# Strengthening rules-based, fair and sustainable free trade

Over the past decades, the Indo-Pacific region has become highly attractive for the economies of Germany and Europe. The economies of the Indo-Pacific region have generally seen strong expansion, with their share of global economic growth amounting to more than 60 percent (IMF). This **trend** has had a positive effect on German exports: While in recent years German exports grew by an average of just under three percent globally, exports to the Indo-Pacific region expanded by approx. seven percent annually.

Despite the economic downturn due to the COVID-19 pandemic, the Indo-Pacific region with its young population, rising middle class and dynamic economies is set to become even more important in economic terms for Germany and the EU. The Federal Government is very closely following developments in connection with the pandemic, and together with its European partners will keep under review whether and to what extent the current travel restrictions can be further eased.

China alone accounts for roughly one third of global economic growth. To the German economy, the country is extremely important. Nearly 50 percent of German foreign trade in the Indo-Pacific region is with China. Both sides benefit from this. China is also the most important trading partner for Indo-Pacific countries. That said, efforts should focus on harnessing the potential of the Indo-Pacific region as a whole.

The Federal Government therefore seeks to make increased use of all opportunities that present themselves in the Indo-Pacific to diversify and intensify its economic relations. By **diversifying economic relations**, overdependence on a single market, a source of essential goods or a single supplier can be avoided, and the significant potential of the entire region can be better harnessed. In this respect, an ambitious bilateral and regional trade agenda and a strengthening of the World Trade

Organization (WTO) greatly contribute to more resilient and secure supply chains. The Federal Government is working to advance this issue in international fora, e.g. in the G20.

Diversification does not mean putting up barriers or excluding partners; rather, it involves creating framework conditions that give German companies much better access to Indo-Pacific markets in particular, so that they can increase their investments there.

The Federal Government strongly supports the European Union's proactive trade policy, which aims to strengthen the multilateral trade system with the WTO at its centre, as well as the EU's specific trade policy for the Indo-Pacific region. Its purpose is to improve market access for European products, secure supply chains and promote fair trade and sustainability. It also gives partners in the Indo-Pacific region the opportunity to diversify their trade relations and thereby to avoid becoming overly dependent on a single trade partner. The Federal Government has a keen interest in the EU making rapid progress on the conclusion of modern **EU free trade and investment protection agreements** with partners in the region. These agreements aim to bilaterally reduce existing barriers to trade and investment, as well as put in place firm regulations concerning climate protection, competition policy, state-owned companies, subsidies, and the protection of intellectual property, as well as binding social (e.g. ILO core labour standards), human rights and ecological standards, with concrete mechanisms for complaints, inspections and responses.

Already in 2011, the EU concluded its first free trade agreement in the Indo-Pacific region with its partner country **South Korea**. The Federal Government wants to make even better use of the opportunities generated by the agreement and is arguing that possible amendments should be looked into. In 2019, an EU free trade agreement with **Japan** entered into force. These two free

trade agreements created an advantageous framework in the important **East Asia** market for German and European businesses.

The EU is currently engaged in negotiations with **Australia** and **New Zealand** on respective free trade agreements. The agreements are an opportunity to further develop ambitious standards for a modern, sustainable and open trade policy. The European Union expects the free trade agreements to significantly boost the volume of trade with both partners.

**Southeast Asia** and **ASEAN** play a particularly significant role. ASEAN's ten member states have a young population of around 630 million people, an upwardly mobile middle class and an economic area with annual growth that in the past four years has averaged nearly five percent. In 2019, the EU signed its first free trade agreement in Southeast Asia with **Singapore**. In 2020, the EU also concluded a free trade agreement with **Viet Nam**. Currently, it is negotiating a free trade agreement with **Indonesia**. Beyond this, it is seeking to resume negotiations on free trade agreements with **Thailand** and **Malaysia**. In the future, it is interested in continuing negotiations with the **Philippines**.

In the long term, the Federal Government believes this network of free trade agreements will serve as the basis for an **inter-regional agreement between the EU and ASEAN**. The Federal Government considers ASEAN to be an attractive partner for such an agreement because the organisation is seeking to create its own common economic area. In this context, ASEAN has established the ASEAN Economic Community (AEC) to function as a regional economic community, with the ultimate goal being to create an internal market with free movement of goods and capital.

In addition to Southeast Asia, **India's** economy is expected to grow rapidly in the future. The Federal Government supports India's efforts

to implement reforms and remove barriers to investment. Germany is strongly campaigning for a resumption of negotiations between India and the EU on a **comprehensive and ambitious free trade agreement** that includes a sustainable development chapter, as well as for new investment protection regulations.

In some South Asian countries, the textile industry is the largest employer and the strongest sector in terms of exports and thereby plays a key role. After the tragic collapse of the Rana Plaza textile factory in 2013, the Federal Government initiated the **Partnership for Sustainable Textiles** in 2014. The aim is to improve the living and working conditions of textile workers in low-income countries. Thanks to its key role in partner countries, sustainable development of this industry can serve as an example for other sectors.

The Federal Government also promotes fair and sustainable textile production in the Indo-Pacific region through sector-specific initiatives such as the **Green Button (Grüner Knopf)**, a government certification mark for textiles that are produced in line with high social and environmental standards.

Bilateral free trade agreements between the EU and Indo-Pacific countries are the key components of EU foreign trade policy. The region's increasing demographic, economic and political clout lends **strategic significance** to the EU's free trade agreements that include binding and ambitious chapters on market access, competition, state-owned enterprises, subsidies, sanitary and phytosanitary measures, intellectual property rights, the loss of know-how, observance of international work, social and environmental standards, and both the Paris Agreement and the Convention on Biological Diversity. In this way,

Germany and the EU help shape the rules of the international trade system and globalisation.

The Federal Government actively promotes sustainable global supply chains that safeguard and implement human rights and environmental standards in compliance with internationally recognised principles, such as the UN Guiding Principles on Business and Human Rights, the ILO Declaration of Principles Concerning Multinational Enterprises and Social Policy, and the OECD Guidelines for Multinational Enterprises. Moreover, the Federal Government believes that modern free trade and investment protection agreements should be tied to **partnership and cooperation agreements**, since these provide an important framework and foundation for political dialogue on, among other things, human rights and environmental protection.

Free trade agreements, in the view of the Federal Government, do more than advance economic interests. They constitute a clear **commitment to rules-based, free and fair trade** and are a key component of general interaction with the respective partner.

The Federal Government welcomes initiatives to establish **regional free trade agreements**, such as the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which strengthen regional integration. German and European enterprises that do business in the Indo-Pacific region also benefit from these two agreements as they lower customs duties and remove regulatory trade barriers.

**China** is Germany's **largest trade partner in goods** – not only in the Indo-Pacific region, but also globally. Economic cooperation with China is characterised by tightly interwoven Chinese and German production facilities. Such close cooperation requires a level playing field for

German and European businesses in China; this includes applying the same rules to all parties, including state-owned enterprises, reducing obstacles to market access and de facto trade and investment barriers, providing protection against the forced transfer of technology and effectively safeguarding intellectual property. The Federal Government conducts an ongoing exchange with the Chinese Government to this end.

The Federal Government is convinced that only a unified European policy on China can effectively meet these aims. This is why it supports the EU in its strategic approach vis-à-vis China.

The Federal Government supports the EU's efforts to negotiate a comprehensive and ambitious **investment agreement** with China, which have been under way since 2013. This agreement is intended to reduce current asymmetries with regard to market access, guarantee fair and non-discriminatory terms of competition, modern investment protection and compliance with sustainability standards. The Federal Government is convinced that China's dynamic market will continue to provide opportunities that German and European companies will want to take advantage of.

At national level, the Federal Government is unlocking additional potential in the Indo-Pacific region for German companies through the instrument of **strategic projects abroad**. Investment in the spheres of infrastructure, mobility, energy and digital transformation has great potential. The Federal Government provides political coordination and support for projects conducted by German companies in these areas. It wants to thereby make better and more targeted use of the potential of strategic projects abroad.

The **Asia-Pacific Conference of German Business** (APK) taking place every two years is the German business community's largest trade and networking event in the Indo-Pacific region. It brings together representatives from the spheres of politics and business and serves as a platform for exchange on current topics in the world of business for companies and decision-makers from Germany and the region. The conference bears testimony to Germany's strong interest, the trust it places in good economic ties, and its confidence in the Indo-Pacific region's economic outlook. The Federal Government supports efforts to further develop the format of the conference, as a model of German economic activity abroad.

In developing its bilateral trade relations with foreign countries, the Federal Government has successfully fielded a wide array of instruments of foreign trade and investment promotion; instruments it has also used for relations with the countries of the Indo-Pacific region. The **German Chambers of Commerce Abroad** (AHK) form the institutional mainstay for these activities. Thanks to their expertise and in a coordinated effort with Germany's missions abroad, business relations with host countries can be maintained, German companies there supported, and areas that would benefit from intensified economic relations identified and developed. Often, they are indispensable partners for the transfer of know-how related to the system of dual vocational training. The Federal Government is constantly looking for new ways to support the German Chambers of Commerce Abroad in the medium to long term.

The EU uses its **European Economic Diplomacy** tool to more rapidly advance the economic interests of the European Union. With a view to creating more coherent EU policies in the Indo-Pacific region, as well as promoting deeper partnerships among EU member states and in the region, the Federal Government supports the establishment of a network of **European Business Organisations**

(EBOs) in the Indo-Pacific – insofar as they serve as a “chamber of chambers” that supplement, and do not compete with, the network of German Chambers of Commerce Abroad.

**Germany Trade & Invest** (GTAI), the economic development agency of the Federal Republic that promotes German exports as well as investment in Germany, offers a wide range of information and services that is also available to Indo-Pacific countries. This includes economic analyses and studies of economic sectors and practical, business-related issues, as well as information on legal topics, tariffs and tenders. GTAI has a total of 13 offices in the economically vibrant Indo-Pacific region. Through GTAI's local activities, it helps build strong relationships with points of contact and partners from various enterprises, associations, government authorities and institutions. GTAI devotes special attention to the EU Strategy on Connecting Europe and Asia and the Belt and Road Initiative.

In parallel to this, market exploration and business delegation trips to the Indo-Pacific region are conducted in the context of the **market development programme for small and medium-sized German enterprises**, and trips to Germany are organised for enterprises and multipliers from the Indo-Pacific, allowing them to discover what the German market has to offer.

Thanks to a cooperative effort between the Federal Government's **foreign trade fair programme** and the **Association of the German Trade Fair Industry** (AUMA), enterprises can exhibit their products that are “Made in Germany” at foreign trade fairs on favourable terms, through joint exhibitions. The Indo-Pacific is one of the most important regions for these activities.

Insufficient qualification of workers is one of the largest impediments for German enterprises looking to invest in the Indo-Pacific, and a key factor limiting economic development and job

opportunities there. Germany works with many local partners, and in some cases has done so intensively for decades, in the sphere of **vocational education and training**, also with a view to meeting German enterprises' needs when it comes to hiring or training qualified workers. The Federal Government helps its partner countries build and enhance forward-looking vocational education and training structures and capabilities. Vocational education and training is promoted in line with the key aspects of Germany's dual approach of apprenticeships and theoretical training. The overall aim is to ensure that training has a practical focus and meets the needs of industry.

Germany is a key partner for countries looking to design their own vocational education and training strategies. As part of Germany's development cooperation activities, and in order to promote international vocational education and training, the Federal Government works with its own service providers, such as Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and Kreditanstalt für Wiederaufbau (KfW) as well as with private-sector actors that include the German Chambers of Commerce Abroad, German trade associations, local enterprises and civil society and church representatives. In addition to promoting specific training opportunities for young people, Germany supports partner countries aiming to reform their vocational education and training systems in numerous ways. The dual system of vocational training is also an important aspect of Germany's foreign trade and investment promotion activity and helps small and medium-sized enterprises in particular do business abroad. The resulting structures also provide a starting point for new vocational education and training projects. The Federal Government remains engaged in countries and regions that are still in the early stages of economic development and conducts periodic reviews of its activities.

A key contribution to **deepening trade and investment relations** as equal partners is made by the mobility of students, researchers, experts and managers, especially in international firms. For many of them, Germany, as a country in the heart of the EU, is an attractive destination – and by coming here they significantly enrich German enterprises, higher education and research institutions.

The Federal Government will do what it can to expand the personnel and organisational capacities for assessing visa applications and granting visas within the scope of existing resources. The entry process is being further sped up and streamlined by the introduction of a fast-track procedure for skilled workers; the new Central Advisory Service for the Recognition of Professional Qualifications; the processing of visa applications by a central unit at Federal Foreign Office Headquarters, a task that will later be handled by the Federal Agency for Foreign Affairs; and the further digitalisation of visa-related procedures. German Chambers of Commerce Abroad, in coordination with Germany's missions abroad, can help applicants submit a complete set of documents when applying for a visa.



# Rules-based networking and the digital transformation of regions and markets

Connectivity and the digital transformation of spaces, markets and machines will be key to determining the future competitiveness of Germany and the European Union. Economic growth and prosperity will very much be tied to these developments. In view of the great economic opportunities in the Indo-Pacific, the Federal Government and the EU are together seeking to enhance connectivity between this region and Europe, as well as closer cooperation in the sphere of the digital transformation. This requires an appropriate infrastructure in the areas of transport, energy and digital technology. Germany has a keen interest in **sustainable connectivity** – i.e. in building and expanding infrastructure – with main trading partners in the Indo-Pacific region; equally significant, however, is connectivity among Indo-Pacific countries, so that exchange within the region can be intensified.

In the Indo-Pacific region, there is an especially great need for infrastructure support – the Asian Development Bank (ADB) estimate places it at 1.4 billion euro annually by the year 2030. In the past, there were insufficient funds to meet this demand. One important supplier of **infrastructure funding** is China. Under the heading “Belt and Road Initiative”, China offers to help countries in the Indo-Pacific and beyond carry out infrastructure projects that are intended to link the respective target countries to the Chinese market. State-owned Chinese banks provide the necessary lines of credit. For target countries, taking on large loans with insufficient verification of debt sustainability harbours the risk of these countries incurring substantial **unilateral debt**. In some cases, this resulted in the need for a transfer of property rights for credit-financed infrastructure projects to the creditor. The Belt and Road Initiative has also been internationally criticised for paying insufficient attention to sustainability criteria.

The Federal Government strongly supports the discussion in the G20 on sustainable infrastructure as well as the **EU Strategy on Connecting Europe and Asia** that was adopted by the EU in 2018. With this strategy, the EU is putting forward its own approach to improving connectivity between Europe and the Indo-Pacific region, offering to be an active partner whose actions will be in line with the principles of sustainability, transparency and equal treatment. In the sphere of **transport**, the EU Strategy on Connecting Europe and Asia aims to better link Europe with the Indo-Pacific, as well as to enhance connectivity in the region itself, through improved transport networks.

The **EU-ASEAN Comprehensive Air Transport Agreement (CATA)** will be the first agreement ever to connect two entire regions in the world. When CATA enters into force, it will cover more than 1.1 billion people.

In the **energy sector**, the EU wants to create regional energy platforms, offer modern energy systems and environmentally friendly solutions, and improve access to digital services in the sphere of **digital connectivity**. High priority is also given to protecting consumer and personal data.

The EU Strategy on Connecting Europe and Asia attaches prime importance to expanding infrastructure on the basis of internationally agreed norms and standards, particularly with regard to the environment, safety in the workplace, labour standards and the rule of law. It also emphasises that target countries should maintain their economic and political sovereignty. When providing financial support to projects, the EU gives key consideration to **sustainability, ability to bear debt, transparency and cooperation based on partnership**.

In order to promote **market access** and the cross-border movement of goods, services, capital and persons in the Indo-Pacific region, coherent and coordinated regulations, standards and procedures are needed. **Standardisation and coherence** benefit not only the Indo-Pacific markets, but also German and European enterprises that wish to invest there.

Building on the EU Strategy on Connecting Europe and Asia, the EU and Japan have reached agreement on a partnership for sustainable connectivity and quality infrastructure (**Partnership between the European Union and Japan for Sustainable Connectivity and Quality Infrastructure**). The aim is to expand infrastructure while preserving the political and economic independence of the target countries, as well as avoiding excessive debt.

Another suitable partner for enhancing connectivity is ASEAN. With its **Master Plan on ASEAN Connectivity 2025 (MPAC-2025)**, the organisation has created its own regional initiative – its areas of activity and aims being very similar to the EU-Asia connectivity strategy. MPAC-2025 gives top priority to the implementation of specific transport, energy and information and communication technology projects.

Success of the EU-Asia connectivity strategy hinges to a great extent on the question of **financial resources**. To ensure sustainable national and international funding of these efforts, the EU bundles various sources of funding, namely those of international financial institutions, multilateral development banks and of the private sector.

Promotion of sustainable connectivity will be a high priority in the EU's reformed **external financing instruments** post-2021. In addition to subsidising relevant projects, the EU's new **Neighbourhood, Development and International Cooperation Instrument (NDICI)** is designed

to provide resources for strategic investment. According to proposals of the European Commission, between now and the year 2027, EU guarantees amounting up to 60 billion euro could leverage global investment capital totalling up to 500 billion euro. Suitable projects throughout the Indo-Pacific region that promote sustainable connectivity will benefit from this investment.

From 2013 to 2017, the **European Investment Bank (EIB)** made available nearly 7.5 billion euro for infrastructure projects in the Indo-Pacific; more than two-thirds of this funding was for projects in the energy and transport sectors.

At national level, it is first and foremost the **Kreditanstalt für Wiederaufbau (KfW)** banking group that can support infrastructure projects in the Indo-Pacific region. The KfW Entwicklungsbank (KfW development bank), acting on behalf of the Federal Government, in particular promotes the development of renewable energy and urban transport systems, as well as the improvement of infrastructure that supplies drinking water and manages wastewater and waste. The German Investment and Development Company (DEG), a KfW subsidiary, also funds projects in the renewable energy and water supply sectors. The KfW IPEX-Bank is active in the spheres of green energy, public transport, and infrastructure in the fields of energy, transport and digitalisation. In addition to supporting German and European exports, its primary aim when tapping into new markets is sustainable development of the respective region. The KfW can provide private and state partners with long-term financing tools for this purpose. Altogether, funding made available by the three areas of operation of the KfW banking group amounted to approx. 5 billion euro between 2017 and 2019. It is realistic to assume that, due to the importance of the region, the KfW will have a similar lending volume in the coming three-year period.



In addition to enhanced connectivity, the **digital transformation** will advance the integration of markets in Europe and the Indo-Pacific region. In the digital age, integrating markets means connecting machines and production processes in intelligent ways, resulting in highly flexible and dynamic value creation networks. Enabling such a fourth industrial revolution – referred to as **Industrie 4.0** – involves tremendous data flows and high levels of IT and data security, making this a key political task.

German companies are leading providers of Industrie 4.0 technology. At the same time, Germany has gained, and continues to gain, significant experience by upgrading its production processes, making it a highly sought-after partner for many Indo-Pacific countries.

Conversely, the Indo-Pacific is a highly attractive market for German providers of Industrie 4.0 technology. Numerous countries in the region are seeking to modernise and digitalise their production processes. Demand for the respective machines and technologies is high.

The Federal Government is engaged in an intensive **digital dialogue with Japan**, an exchange in which German and Japanese business and trade association representatives are closely involved. Among other issues, the dialogue focuses on cooperation, regulatory issues, 5G, security, the use of data, artificial intelligence, big data and emerging technologies. The Federal Government and **South Korea** have also agreed to establish a digital dialogue soon, with the two sides planning to have a close exchange on 5G, artificial intelligence and cloud applications. The plan is to get German and South Korean companies involved in the process. There are also plans to expand cooperation regarding Industrie 4.0, which is currently taking place at expert level.

**Cooperation with Japan on Industrie 4.0** was established in 2016, with a special focus on IT security and standardisation. The aim is to cooperate in particular on development of international framework conditions for Industrie 4.0, and to support small and medium-sized enterprises, giving each side access to the other's market.

The aim of **cooperation with China on Industrie 4.0**, which was established in 2015, is to improve the business environment and framework conditions for German and Chinese companies and to actively shape digital developments in the sphere of industry. More than 80 German and Chinese business and scientific experts are currently jointly developing recommendations for action by the governments and businesses of both countries. The groups of experts present examples drawn from real life that illustrate how in the future companies can develop their own digital business models.

Germany also has a close Industrie 4.0 partnership with **Australia**. Cooperation between Germany's **Industrie 4.0 platform** and the Australian Industry 4.0 Advanced Manufacturing Forum enables German and Australian businesses to conduct a close exchange and provides opportunities for intensified cooperation.

5G technology is an essential prerequisite for an effective Industrie 4.0, due to the large amounts of data and short reaction times that are needed to control the various production lines. At the same time, the data transmission infrastructure in particular must meet the highest safety standards. In addition to security requirements, the trustworthiness of suppliers of critical components is an important factor for the Federal Government. This includes the legal and political framework within which the provider operates.

**Artificial intelligence**, or AI, is one of the key technologies of the digital transformation. Based on mathematical and computer science methods, it enables systems to learn and recognise patterns, and thereby to perform certain tasks. It also draws on other technology, such as quantum computing and biotechnology.

China is striving to become the world leader in AI and quantum computing by the year 2030. Technological competition between China and the United States is slowly splitting the world into two competing spheres of technology, a development that is putting Germany and the EU under pressure.

The Federal Government is aware of the challenges that AI entails. It is pressing for a strong EU role and welcomes the **White Paper on Artificial Intelligence** presented by the **European Commission**. In 2018, the Federal Government adopted its **Artificial Intelligence Strategy**, with a view to ensuring that Germany remains a world leader in this domain. **For Germany and Europe to stay competitive**, it is crucial that **research and transfer** to industry be further strengthened. Another aim of the Federal Government is ensuring that AI is **used responsibly and for the common good**. Partner countries must guarantee they will use AI in a responsible way.

To ensure successful development and use of AI, the Federal Government coordinates its activities with bilateral and multilateral initiatives such as the **Global Partnership on Artificial Intelligence** (GPAI) launched in June 2020, as well as with organisations such as the OECD and formats like the G7 and G20.

Availability, use and mastery of new digital technologies will not only be a decisive factor as regards connectivity, but also with respect to a country's **digital sovereignty**. Digital sovereignty describes the capabilities and possibilities of individuals and institutions to independently, safely and in a self-determined way fulfil their role in the digital world. In all areas of new and existing technology, one must preserve and also strengthen one's capacity to take action and exert influence, and one must decide what degree of independence one desires or requires in certain areas. This sovereignty is particularly important for public authorities, so that they can perform their official administrative functions through digital processes. With regard to key technologies, moreover, this requires having state-of-the-art capabilities by international comparison and being able to protect one's integrity both within and outside the country.

To strengthen their digital sovereignty, Germany and the EU must avoid falling into unilateral technological or economic dependencies. Moreover, economic and security risks in the spheres of data protection, intellectual property and uncontrolled knowledge drain must be kept to a minimum. The European Union has a human-centred approach in this domain that aims to make the best possible use of the benefits of digital technology while ensuring that fundamental and human rights are respected. The Federal Government believes the EU has thereby laid a good foundation for adopting a stance on this issue and helping to shape the global debate.

The EU is seeking to further expand its own strengths and competences in the sphere of key digital technologies. With **GAIA-X**, a European project initiated by Germany and France that aims to build a sovereign data infrastructure for Europe, the participating partners from business, science, EU member states and the European Commission are aiming to be competitive with leading providers of cloud computing services in the US and China.

The Federal Government believes that the digital transformation poses a **tremendous opportunity** to play an active role in shaping globalisation. Digital technologies of the future offer new opportunities to promote sustainable development and economic growth in new ways and can be of help in addressing urbanisation challenges, fighting pandemics, dealing with environmental pollution and mitigating climate change. Some Indo-Pacific countries have already recognised the potential of these new technologies. The Federal Government wishes to cooperate closely with partners such as Japan, India and South Korea in the areas of research, development and standardisation, as well as to pursue closely coordinated multilateral activities in the sphere of technologies of the future. Moreover, the Federal Government is looking to conduct an exchange on future developments that goes beyond the topic of 5G.



# Bringing people together through culture, education and science

Cooperation in the areas of culture, education and science builds trust, enables dialogue and strengthens our relations, particularly in the prepolitical sphere. The Federal Government has numerous platforms and networks in and with the Indo-Pacific region that promote encounters and communication and through which cultural knowledge can be jointly developed.

One particular priority is cross-border cooperation in the areas of science and research. International cooperation in this sphere is helping find answers to the global challenges of the 21<sup>st</sup> century and reach the United Nations Sustainable Development Goals. This includes defending the freedom of science, as an essential prerequisite for jointly expanding scientific knowledge – another guiding principle of the Federal Government Strategy for the Internationalisation of Education, Science and Research.

With regard to the Indo-Pacific, the well-established **Science & Technology Cooperation (STC)** is a particular priority for the Federal Government. It contributes in a major way to the deepening and diversification of relations with partner countries in the region, whether these are highly innovative or still undergoing economic development. The Indo-Pacific share of internationally registered patents and publications is steadily growing. Cooperation in this area gives Germany access to a region with dynamic research activities and that is joining other countries and regions at the forefront of digital technology, quantum technology and hydrogen research. This also paves the way for technology exports and creates access to regional markets, also for small and medium-sized enterprises. The Federal Government has concluded bilateral agreements on Science & Technology Cooperation (STC) with many Indo-Pacific countries.

Strong enhancement of connectivity between Germany's and India's innovation landscapes is the stated aim of the **Indo-German Science and Technology Centre** in New Delhi, which was jointly founded by the Federal Government and the Government of India in 2010. The centre specifically promotes cooperation between partners in industry and research from both countries and serves as a model for Federal Government efforts to expand similar projects in the Indo-Pacific region.

The activities of the Federal Government in the sphere of Science & Technology Cooperation (STC) are, on the one hand, aligned with the United Nations Sustainable Development Goals. Bilateral activities and initiatives are pursued in bio-economy as well as in climate, environmental and medical research. On the other hand, there are also activities in cross-cutting and key areas such as digital technology, energy research and production technologies. The Federal Government intends to expand funding measures for German scientists, especially for joint research projects involving partners with shared values in the Indo-Pacific region, in strategic and innovative fields of the future.

As part of efforts to promote long-term cooperation in the area of science and research, Germany has helped to establish two universities in the Indo-Pacific region: the **Sino-German University of Applied Sciences** at Tongji University in Shanghai, which includes the Sino-German Institute of Vocational and Technical Education and the **Sino-German College for Graduate Studies**, as well as the **Vietnamese-German University** in Ho Chi Minh City. The Federal Government will continue to promote and support these flagship projects of **German science diplomacy**.

There are over 5000 partnerships linking German and Indo-Pacific higher education institutions, many of which are funded by the Federal Government. These include more than 20 development-related **university partnerships** in the Indo-Pacific region, with a focus on promoting biodiversity and the healthcare sector. One of these cooperation projects is with Hanoi Medical University in Viet Nam. It is devoted to pathogen diagnostics and aims to build up university and education management capacities.

**RoHan SDG Graduate School** is a DAAD-funded flagship project that links two research institutions in Viet Nam with two partner institutions in Germany. The aim, through scientific exchange and a cooperative graduate studies programme in the cross-cutting area of catalysis, is to address global ecological, social and economic challenges and to promote **sustainable development**.

At the **German Houses for Research and Innovation (DWIH)** in New Delhi and in Tokyo, German research institutions in India and Japan work closely together, thus creating valuable synergies and having a beneficial effect throughout the respective country. Cooperation with regional partners focuses on cutting-edge fields such as artificial intelligence, nanotechnology, frugal innovation and sustainable urban development. The Federal Government intends to continuously expand the areas of activity of the German Houses in the Indo-Pacific region, in order to keep up with the region's speed of innovation and high potential. In addition, the Federal Government operates a number of German Academic Exchange Service (DAAD) branch offices and information centres in the region, as well as centres of excellence and Centres for German and European Studies. These activities of the Federal Government help strengthen the **freedom of research and teaching**.

The **German-Southeast Asian Center of Excellence for Public Policy and Good Governance (CPG)** in Bangkok is a research institute, a centre of excellence and an information point that has an impact on the entire region. Its work focuses on the areas of constitutional law, human rights, security and peace. It receives financial support from the Federal Government via the budget of the German Academic Exchange Service.

The broad area of **cultural relations and education policy** includes a number of traditional tasks, such as promoting a modern image of Germany abroad and the German language, as well as supporting German schools abroad. In addition, it has increasingly also taken on new tasks. Today, defending the human and civil rights that are anchored in international law, as well as campaigning for democratic values and the freedom of cultural professionals and scientists has become as much a part of cultural relations and education policy as are cooperation with civil society actors, supporting media workers and journalists, or working to promote the creative economy.

Cultural relations and education policy is implemented through a decentralised, pluralist approach based on a collaborative effort of Germany's missions abroad, intermediary organisations such as the **Goethe-Institut**, the **German Academic Exchange Service** and the **Alexander von Humboldt Foundation**, as well as many other national and international partners. Germany's cultural relations and education policy strives to strengthen civil society exchange across national borders.

Through the German Archaeological Institute (DAI), the Federal Government is working with Indo-Pacific countries to **preserve their cultural heritage**. Since 2007, the Commission for Archaeology of Non-European Cultures of the German Archaeological Institute has had a research unit in Ulan Bator. In 2009, the Eurasia Department of the German Archaeological Institute established a branch office in Beijing. The Federal Government is continuing its joint efforts with a view to preserving cultural heritage. Besides expanding scientific knowledge, this helps improve international exchange and understanding in the long term.

Interest in Germany and in close bilateral cooperation in the field of education and cultural policy, and especially interest in the **German language**, has increased markedly over the past decade in the Indo-Pacific region. The number of people learning German there now exceeds one million. China and India currently occupy first and second place in the number of foreign students enrolled at German universities. The **German Academic Exchange Service** operates one of its largest networks in Japan, due to the large amount of interest in the university sector there. The number of **cooperation projects of German higher education institutions** in the region has seen a steady increase (as of 2020: 1400 in China, 800 in Japan, 600 in Australia and 550 in South Korea). The region's potential and its interest in cooperation are far from exhausted. The Federal Government will step up its engagement in the field of cultural relations and education policy in the coming years.

# III

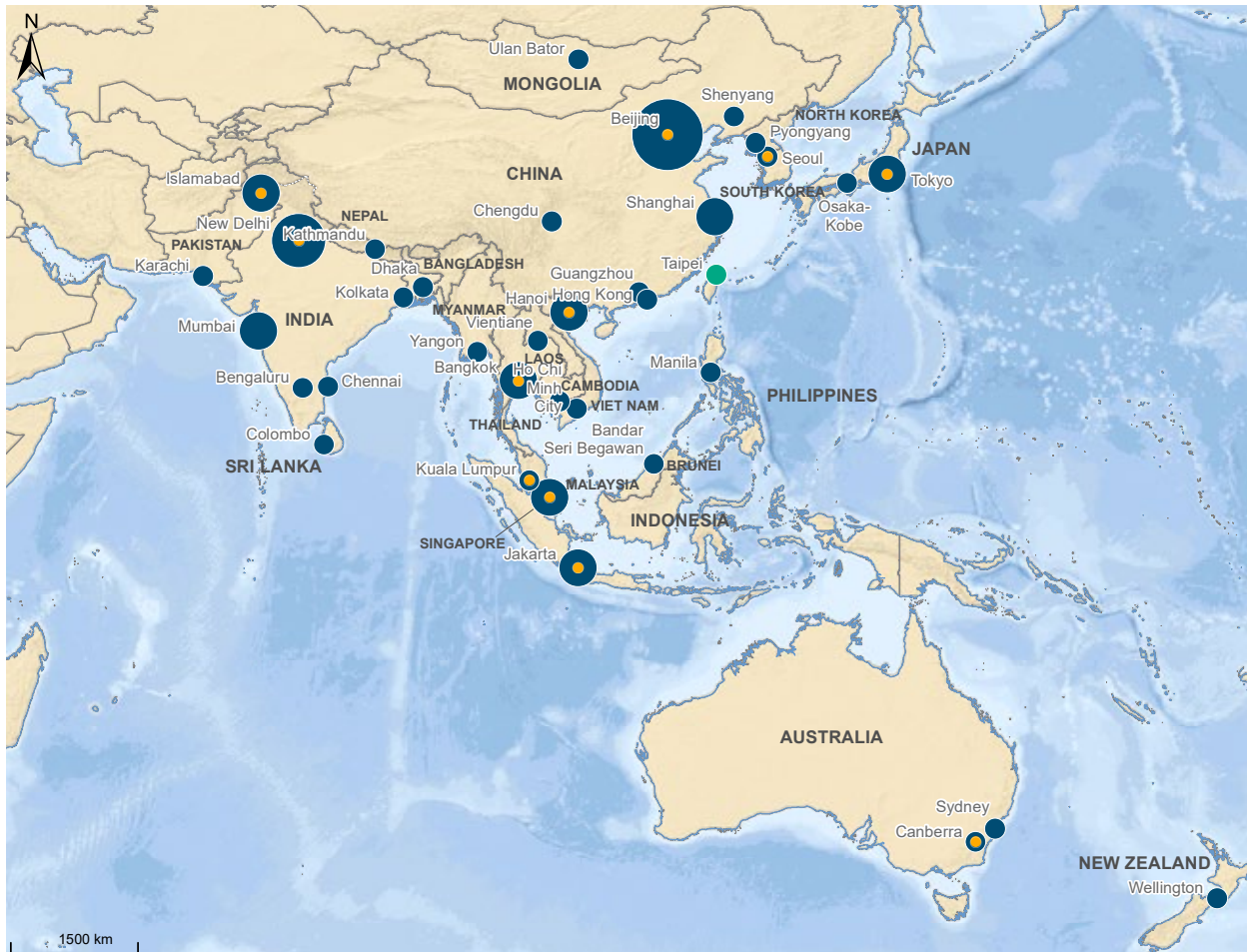
## *Germany's network in the Indo-Pacific region*



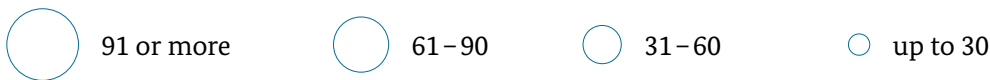
## *Overview*

With 38 missions abroad, 31 branches of the Goethe-Institut and 25 German Chambers of Commerce Abroad, delegations and representations of German business in the Indo-Pacific region, Germany is well-positioned. In implementing its policy guidelines for the region, the Federal Government will continuously consider the extent to which Germany's presence in the Indo-Pacific region should be expanded.

### German missions in the Indo-Pacific



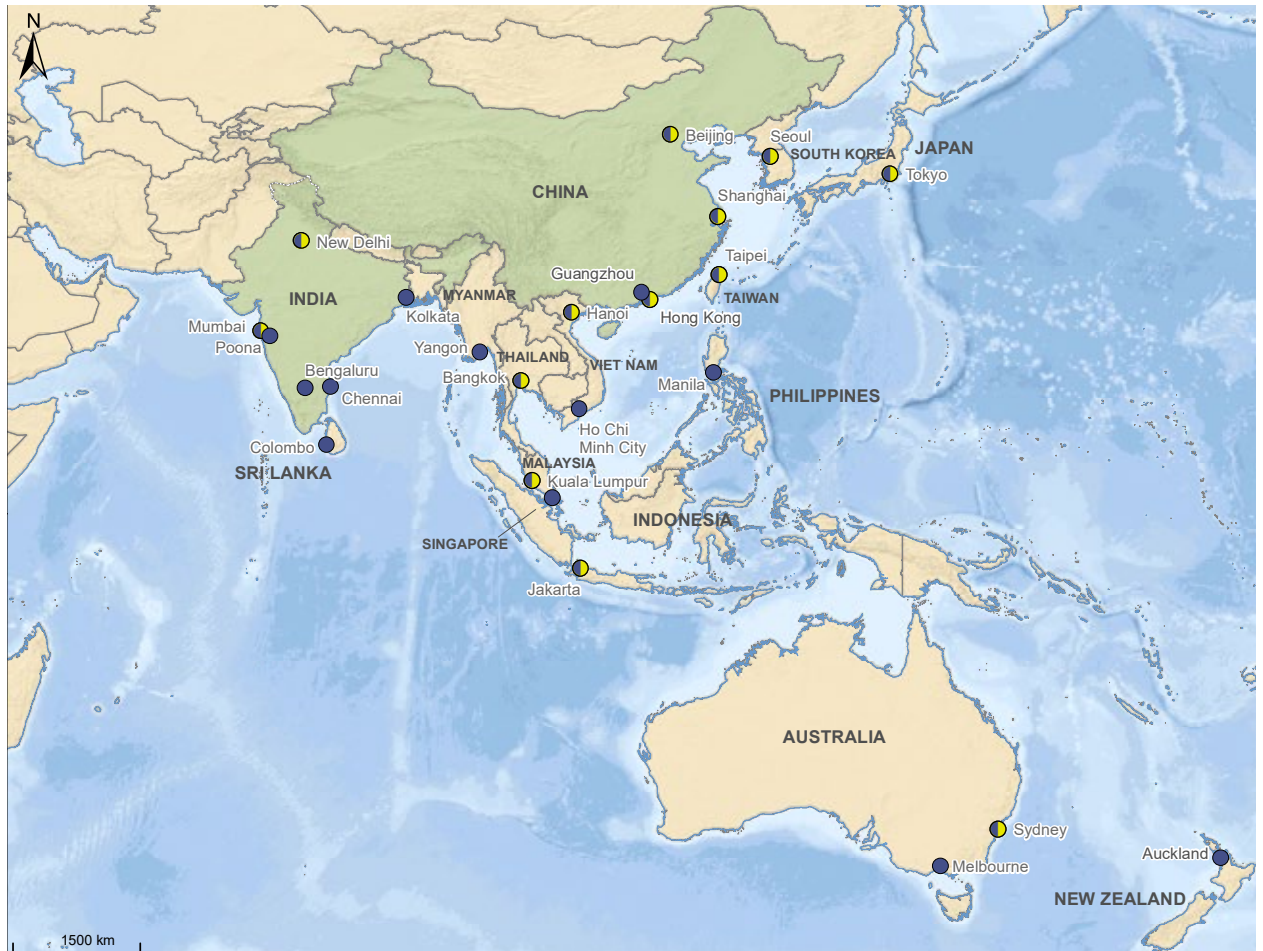
The size of the dots represents the number of posts in German missions



- Yellow dot: Missions abroad with military attachés
- Green dot: German Institute Taipei

Sources: Federal Foreign Office, made with Natural Earth ([naturalearth.com](http://naturalearth.com)), GADM, NASA/JPL/NIMA, Federal Ministry of Defence, Bundeswehr Geoinformation Service, EU. Map designations, in particular borders and geographic names used in the Indo-Pacific region, do not necessarily reflect the official position of the Federal Government. Dotted lines mark the approximate, mutually determined Line of Control between India and Pakistan and the Line of Actual Control between China and India. The parties have not agreed on borders for, or the final status of, the Jammu and Kashmir region. Map generated on 27 August 2020.

## Economy

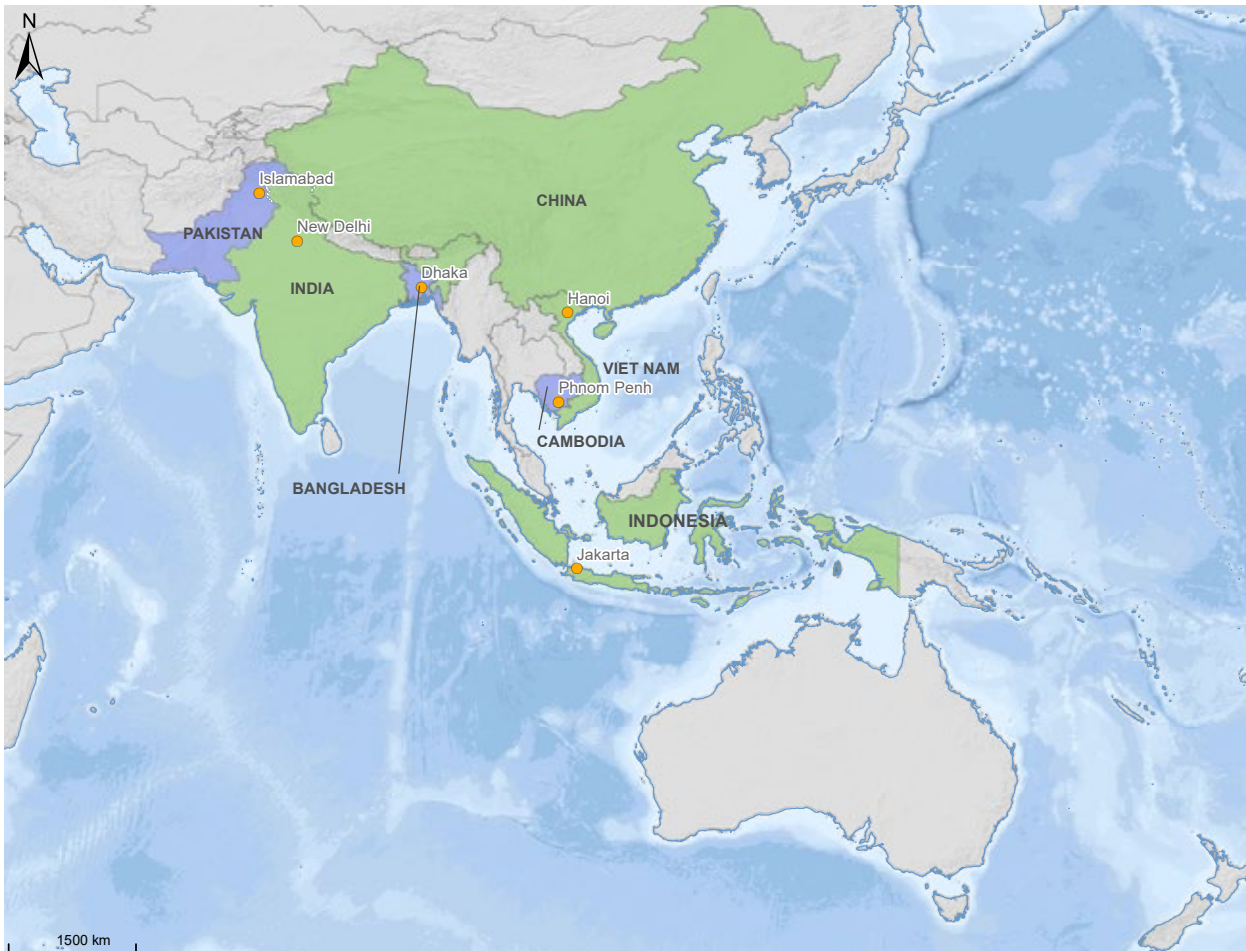


German Chambers of Commerce Abroad (AHK)  
Germany Trade & Invest (GTAI)

- AHK locations
- AHK and GTAI locations
- Cooperation in vocational training with Germany

Sources: Federal Foreign Office, made with Natural Earth ([naturalearth.com](http://naturalearth.com)), GADM, NASA/JPL/NIMA, Federal Ministry of Defence, Bundeswehr Geoinformation Service, EU. Map designations, in particular borders and geographic names used in the Indo-Pacific region, do not necessarily reflect the official position of the Federal Government. Dotted lines mark the approximate, mutually determined Line of Control between India and Pakistan and the Line of Actual Control between China and India. The parties have not agreed on borders for, or the final status of, the Jammu and Kashmir region. Map generated on 27 August 2020.

## German bilateral development cooperation



Partner countries and missions abroad with economic development desk officers

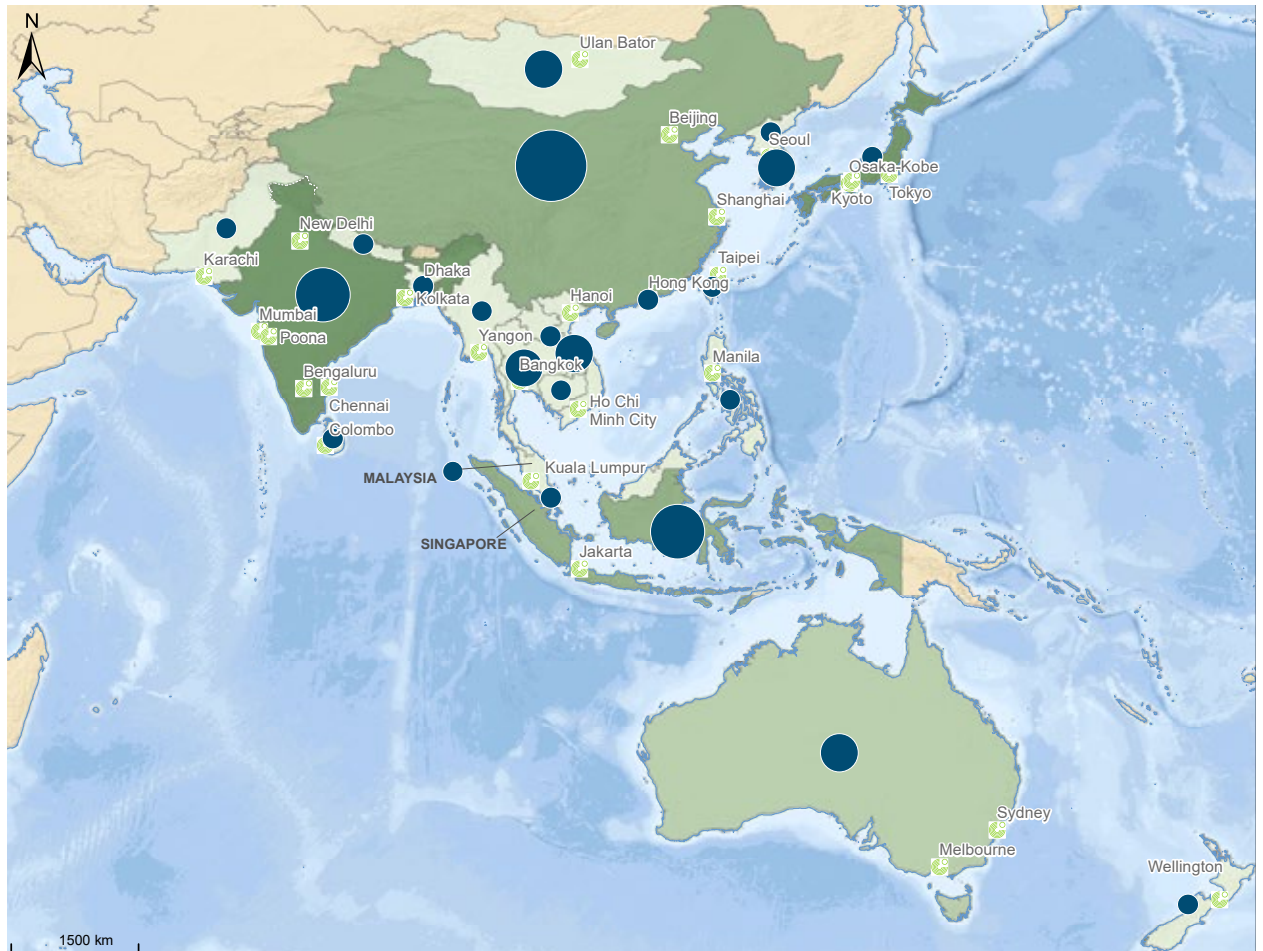
● Missions abroad with economic development desk officers

Federal Ministry for Economic Cooperation and Development (BMZ) category

- Bilateral partner
- Global partner


Sources: Federal Foreign Office, made with Natural Earth ([naturalearth.com](http://naturalearth.com)), GADM, NASA/JPL/NIMA, Federal Ministry of Defence, Bundeswehr Geoinformation Service, EU. Map designations, in particular borders and geographic names used in the Indo-Pacific region, do not necessarily reflect the official position of the Federal Government. Dotted lines mark the approximate, mutually determined Line of Control between India and Pakistan and the Line of Actual Control between China and India. The parties have not agreed on borders for, or the final status of, the Jammu and Kashmir region. Map generated on 27 August 2020.

## Culture and education



The size of the circles represents the number of schools involved in the “Partners for the Future initiative” (PASCH Schools) in each country



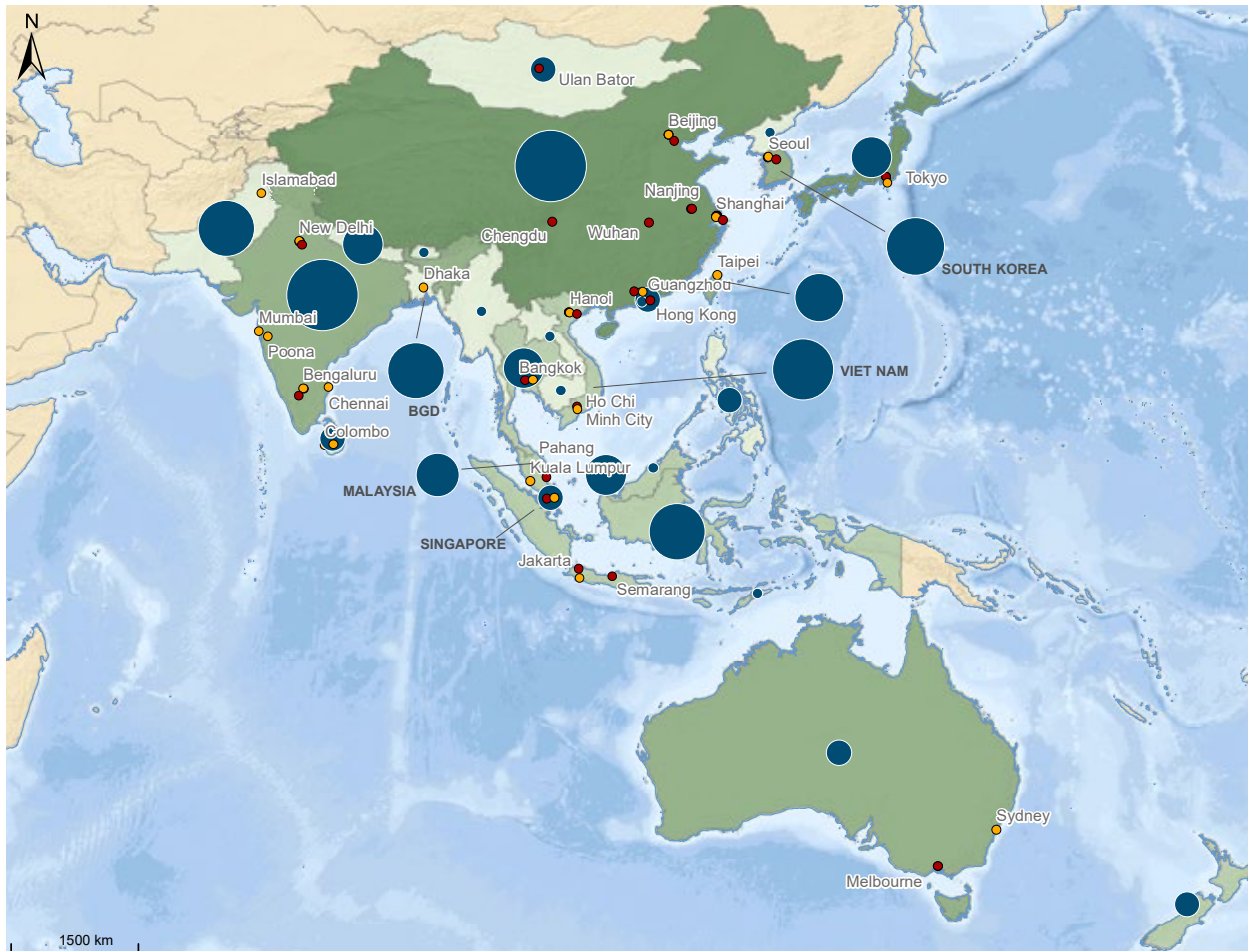
 Goethe-Institut

Learners of the German language



Sources: Federal Foreign Office, made with Natural Earth ([naturalearth.com](http://naturalearth.com)), GADM, NASA/JPL/NIMA, Federal Ministry of Defence, Bundeswehr Geoinformation Service, EU. Map designations, in particular borders and geographic names used in the Indo-Pacific region, do not necessarily reflect the official position of the Federal Government. Dotted lines mark the approximate, mutually determined Line of Control between India and Pakistan and the Line of Actual Control between China and India. The parties have not agreed on borders for, or the final status of, the Jammu and Kashmir region. Map generated on 27 August 2020.

## Science and technology



The size of the circles represents the number of foreign students in Germany



- DAAD offices
- Funded institutions (German Centers for Research and Innovation in New Delhi and Tokyo, transnational education projects, DAAD funded Centre of Excellence)

Number of cooperative partnerships with German higher education institutions



Sources: Federal Foreign Office, made with Natural Earth ([naturalearth.com](http://naturalearth.com)), GADM, NASA/JPL/NIMA, Federal Ministry of Defence, Bundeswehr Geoinformation Service, EU. Map designations, in particular borders and geographic names used in the Indo-Pacific region, do not necessarily reflect the official position of the Federal Government. Dotted lines mark the approximate, mutually determined Line of Control between India and Pakistan and the Line of Actual Control between China and India. The parties have not agreed on borders for, or the final status of, the Jammu and Kashmir region. Map generated on 27 August 2020.



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