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Indo-Pacific: Opening speech by High Representative/Vice-President Josep Borrell at the Brussels Indo-Pacific Forum

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Check against delivery!

Excellencies,

Ladies and Gentlemen,

Dear friends,

I am honoured to open this first edition of the Brussels Indo-Pacific Forum.

It is good that the Indo-Pacific is getting greater attention in the European public debate. We certainly need this.

I welcome the contribution that the Centre for Security, Diplomacy and Strategy (CSDS) is making to develop European thinking on the region.

In many ways, the Indo-Pacific region is where the future of our planet and of history will be decided.

Let me give you some figures to illustrate this point:

- The Indo-Pacific creates 60% of global Gross Domestic Product (GDP).
- It is the second largest destination for EU exports, and home to four out of the top ten EU trading partners.
- Between 2011 and 2021, trade with the Indo-Pacific region grew strongly, with an

increase of 64% for imports and 44% for exports.

 The EU is the top partner for Foreign Direct Investment (FDI) for the Indo-Pacific region: total FDI in the region was €1 trillion in 2020.

And there is more to come, given the region's dynamic growth: by 2030, the overwhelming majority - 90% - of the 2.4 billion new members of the middle class will come from this region.

The region holds the arteries of the global economy: one-third of the global maritime trade - by volume - goes through the South China Sea. And 40% of the EU's trade passes through the Taiwan Strait.

In short, how the region develops is of direct interest to us. And the main question is: Which kind of political model will this region follow? Will the regional order remain open and rules-based? Or will it fall victim to power politics, spheres of influence, and arms races?

We see what is happening in Europe with spheres of influence, war, and power politics.

I often say, to Europeans and to Asians, that we have a stake in each other's security and a shared interest in upholding the rules-based international order.

In a globalised world, there is no 'faraway' and conflicts cannot be separated.

We, in Europe, keep saying that Russia's war against Ukraine is a frontal attack on the United Nations Charter, against the territorial integrity and the principle of the non-use of force.

That is why it is not 'just' a European war, but one that concerns our Asian partners as well.

We can never 'normalise' aggression, whether we live in Europe, or in the Indo-Pacific, or anywhere else. We are very comfortable in saying that.

But the reverse is also true: stability in the Taiwan Strait; freedom of navigation through the South China Sea; or missile launches by North Korea.

These are not 'just' Asian security issues. They are global security issues, and they concern Europeans directly as much as we say that what is happening in Ukraine should concern them.

We cannot stay in our comfortable position, asking the others to take care of our problems without being concerned with their problems. We cannot separate the challenges geographically.

The short version is that in a globalised world, we cannot be provincial.

And neither can we separate economics from security. We in Europe have often made the mistake of separating the sources of our security from the sources of our economic prosperity.

We must avoid the "traps" of Mercator and mercantilism, thinking that the Indo-Pacific is far away and that we can focus just on trade and investment.

We need an EU strategic approach that covers both the economic and security dimension.

This morning I want to stress three core messages.

First, we need more EU engagement in the Indo-Pacific, especially in the area of security.

Second, we must develop a distinctive role and distinctive offer in the region. There is also a "battle of offers" going on.

Third, the relations between the EU and the Indo-Pacific must remain a two-way street. It is not just about what we can do in and for the region. It is about what we can do together in a dangerous world.

That is true for everybody – I was saying the same messages yesterday at the College-to-College meeting with the African Union – but it is particularly true in the Indo-Pacific area.

On the first message: if you travel to the region, you hear a lot: "We want more from the EU. We want you, Europeans, to be closer, to deliver faster and better".

They don't want to be 'left alone', as US-China strategic competition increases. They see that there is a strong competition between China and the US, and they do not want to be left alone in front of this competition. I can say the same about the Central Asia countries, with respect to Russia and China.

When I discuss the EU's role with partners in the region, I sense three perceptions:

- 1. Our strong support for Ukraine has been welcomed by our like-minded friends. And from the others, I believe we have received grudging respect. People see a more geostrategic Europe emerging. One that is less naïve, ready to pay the price to defend core security principles. Many Asians like this.
- However, partners also want us to pay more attention to the consequences of Russia's invasion for them, in terms of food and energy security and the economic impact.
 Some accuse us of double standards, or of not paying enough attention to other conflicts.
- 3. Some believe that our attention on the Indo-Pacific will suffer because of our heavy

focus on Ukraine.

Let me stress here today that we cannot and will not do so.

Yes, we need to support Ukraine - and we are. And we are doing more than some people may believe. On top of the €3 billion in military support from the European Peace Facility. EU institutions This is just the amount being provided by the EU institutions. But the Member States on their side are doing much more, bringing the total figure to around €8 billion.

But we also need to handle the global fallout of the war.

And at the same time, we need to take care of all the other strategic issues including those in the Indo-Pacific.

And in the middle of all this is China, with its growing assertiveness. These days we are seeing the growing costs of its zero-Covid policy and the growing concerns of Chinese citizens over the lockdowns.

Beyond zero-Covid, it has become increasingly clear that China is changing, with a growing centralisation of power and a rise in nationalism.

We discussed what all this means for the EU at the Foreign Affairs Council and the European Council last month. We agreed that we must stick with our 'tryptic' of approaching China as a partner, an economic competitor and systemic rival.

We cannot look at China only from one angle. Our relations with China are unavoidably complex.

But we also know that the relative weights are shifting. The competitive component of the 'tryptic' is growing and becoming the dominant component.

At the same time, we must do our own 'homework'. I mean that we have to enhance our own resilience and to avoid excessive dependencies.

This is the whole agenda around procurement, subsidies, critical raw materials, due diligence, etc.

Finally, we must work more with the like-minded, enhancing our engagement across the Indo-Pacific, especially on security.

And we are doing in our <u>EU Indo-Pacific Strategy</u> [EU Strategy for Cooperation in the Indo-Pacific] of September 2021, more than one year ago, we committed ourselves to a "meaningful European naval presence in the region".

We do not have the 6th fleet like the US does. But we are ready to do more, according to our means.

We have conducted several naval exercises by EUNAVFOR Atalanta, with our Japanese, Indian and Korean partners.

We are also expanding the maritime domain awareness project called "CRIMARIO" from the Indian Ocean to South-East Asia.

And we have recently established a "Coordinated Maritime Presence" in the North-West Indian Ocean, building on our experience in East and West Africa.

This sends a clear message on our intention to further commit to the security of the Indo-Pacific.

Of course, there is more to do. But the days that the EU was just a bystander on Asian security are over, I hope.

This brings me to my second message: the EU as an actor with a distinct role and a distinct offer.

The main strategic trend in the region is the US-China strategic competition: over security, high technologies and regional leadership.

We must be clear on the EU's position, defending our own views and interests. But we are not equidistant. Indeed, the geographic distance from Brussels to Washington is less than that from Brussels to Beijing. But it is not a matter of geographical distance, but a matter of political distance.

Politically, we share a political system with the US of democracy, accountability, individual rights and open markets. China, in the meantime, is hardening its foreign policy and there is a greater ideological component overall.

Earlier this year, before the start of the war against Ukraine, we had the Russia-China Declaration on their 'friendship without limits'.

As I said at the time, this is, at heart, a revisionist text, challenging the rules-based international order, centered on the UN and with respect for human rights.

This, we cannot let go unchallenged. So, a big priority for our Indo-Pacific Strategy is stepping up cooperation with our like-minded friends.

That is why we have set up several Strategic Dialogues with our key partners, including Japan.

In fact, this week, the third round of EU-US High-Level consultations on the Indo-Pacific and on China will be held in Washington DC. The EU delegation will be led by the Secretary General of the European External Action Service (EEAS), Stefano Sannino. We want to engage with our American friends to understand better which is our answer to the Indo-Pacific challenges.

But the truth is also that a vast majority of Indo-Pacific and European countries do not want to be trapped into an impossible choice.

They don't want to have to choose either the US or China. We, like them, don't want a world that is split into two camps.

So, our logic is to present a distinct and principled stance that is attractive to partners.

In policy terms, we have learned that we must diversify our relations and avoid excessive dependencies.

We all need trusted and reliable partners in strategic domains.

We aim to intensify our cooperation on critical raw materials, especially with Australia. We are ready for such cooperation with Indonesia and others.

On digital issues, we have concluded Digital Partnerships with Japan, South Korea and, hopefully, soon with Singapore. They will not only intensify digital trade but also boost our research efforts in cutting-edge technologies.

On transport, we have recently signed the EU-ASEAN Comprehensive Air Transport Agreement. This is the world's first bloc-to-bloc agreement, to bolster connectivity among our 37 States. The agreement will lead to more flight options and more competitive prices.

And on energy, we are stepping up our cooperation with partners, especially on hydrogen and Liquified Natural Gas (LNG). We plan to organise a conference in Kuala Lumpur with a number of Indo-Pacific partners next year to push things forward.

My third and final message is this: EU cooperation in and with the Indo-Pacific must be a two-way street.

This is a region where big powers tend to throw their weight around and twist their partners' arms. That is not how we, as the EU, operate – and I think this is appreciated.

But we must realise that in Asia building relationships takes time. And showing up is everything. So, we need to invest more time to do this.

Also, we must realise that Europeans have as much to receive and learn from the Indo-

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Pacific region as we have to give. Many solutions for our future are already being designed

and tested in this region.

That is why we should listen more to our partners.

This is what happened at the Ministerial Forum on Cooperation in the Indo-Pacific that we

held in Paris last February. The Forum epitomised the notion of learning from each other

and building the future together. My intention is to convene another Forum next year, if

possible.

For us, the ASEAN is our 'natural partner'. We have concluded a Strategic Partnership and

need to put it to work. In the EU, we are often better at agreeing strategies on paper. But

what counts is action.

We are supporting the ASEAN through "soft infrastructure", such as building the regulatory

framework needed for the physical infrastructure.

I look forward to the EU-ASEAN Commemorative Summit in Brussels on 14 December.

This is the first edition of what I hope, and trust, will be many "Brussels Indo-Pacific Fora".

It is an excellent initiative. We need this in Brussels: more strategic discussions on the big

trends and issues, beyond the day-to-day crisis management.

And it is hard to think of an issue that is more fundamental to our long-term security and

prosperity than the Indo-Pacific.

That is why, we need the best ideas for our cooperation which I am sure you will discuss.

My staff will remain throughout the day.

I look forward to hearing the conclusions of your discussions today.

Link to the video: https://audiovisual.ec.europa.eu/en/video/l-233973 □

CONTACT DETAILS

NABILA MASSRALI

Spokesperson for Foreign Affairs and Security Policy

□ nabila.massrali@ec.europa.eu

432 (0) 2 29 88093

4 +32 (0) 460 79 52 44

XAVIER CIFRE QUATRESOLS

Press Officer for Foreign Affairs and Security Policy

432 (0)2 29 73582

432 (0)460 75 51 56



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