

# FOCUS EUROPE JULY 2025

### Authors

Ruchira Kamboj Arshiya Chaturvedi



Volume I, Issue 1



#### **Delhi Policy Group**

Core 5A, 1st Floor, India Habitat Centre, Lodhi Road, New Delhi- 110003 www.delhipolicygroup.org



## Focus Europe Vol. I, Issue 1 July 2025

#### **ABOUT US**

Founded in 1994, the Delhi Policy Group (DPG) is among India's oldest think tanks with its primary focus on strategic and international issues of critical national interest. DPG is a non-partisan institution and is independently funded by a non-profit Trust. Over past decades, DPG has established itself in both domestic and international circles and is widely recognised today among the top security think tanks of India and of Asia's major powers.

Since 2016, in keeping with India's increasing global profile, DPG has expanded its focus areas to include India's regional and global role and its policies in the Indo-Pacific. In a realist environment, DPG remains mindful of the need to align India's ambitions with matching strategies and capabilities, from diplomatic initiatives to security policy and military modernisation.

At a time of disruptive change in the global order, DPG aims to deliver research based, relevant, reliable and realist policy perspectives to an actively engaged public, both at home and abroad. DPG is deeply committed to the growth of India's national power and purpose, the security and prosperity of the people of India and India's contributions to the global public good. We remain firmly anchored within these foundational principles which have defined DPG since its inception.

#### Authors

**Ambassador Ruchira Kamboj**, Senior Fellow for International Security and Global Affairs, Delhi Policy Group

Arshiya Chaturvedi, Research Associate, Delhi Policy Group

The views expressed in this publication are those of the authors and should not be attributed to the Delhi Policy Group as an Institution.

#### **Cover Images:**

The President of European Commission, Ursula von der Leyen met Indian Prime Minister, Narendra Modi during her official visit to India with the College of Commissioners, in New Delhi, on February 28, 2025. Source: X/@narendramodi European Commissioner for International Partnerships Jozef Síkela and India's Minister of External Affairs Subrahmanyam Jaishankar signed the India-EU Trilateral Cooperation Agreement in Brussels, on June 11, 2025. Source: European Commission

© 2025 by the Delhi Policy Group

#### **Delhi Policy Group**

Core 5A, 1st Floor, India Habitat Centre, Lodhi Road, New Delhi- 110003 www.delhipolicygroup.org

# **Focus Europe:**

# India and Europe: Reshaping Global Dynamics

### Contents

Executive Summary	1		
Introduction	6		
		Conclusion: A Blueprint for 21st-Century Engagement	10



#### **India and Europe: Reshaping Global Dynamics**

by

#### Ambassador Ruchira Kamboj & Arshiya Chaturvedi

#### **Executive Summary**

Adopted in 2020, 'Roadmap 2025' set the India-EU relationship on a renewed and ambitious trajectory. Two years later, the establishment of the India-EU Trade and Technology Council provided further ballast to an accelerating partnership, signalling a shared commitment to strategic convergence in critical technologies and resilient supply chains. A Free Trade Agreement (FTA), now under active negotiation, is poised to turbocharge bilateral trade by the end of 2025. Meanwhile, considerable potential remains untapped across the defence, security, energy, and emerging technology sectors. Third-country projects, too, are emerging as a promising new frontier.

This deepening engagement marks a significant evolution from the early institutional milestones—the 1994 Cooperation Agreement, the inaugural India-EU Summit in 2000, and the elevation to a strategic partnership in 2004. Set against a shifting geopolitical landscape, the imperative for India and the EU to broaden and diversify their partnership has never been stronger. Their alignment today reflects not only shared values but a strategic necessity shaped by global uncertainty.

#### Introduction

For much of their shared history—despite common values and shared principles—the relationship between India and the EU has remained underwhelming. Despite being among the first countries to establish diplomatic relations with the former European Economic Community (which was later subsumed into the EU) in the 1960s, the relationship was elevated to a strategic partnership only in 2004. This upgradation remained largely nominal in effect. For instance, India and the EU established a multitiered institutional architecture—including a Joint Commission and annual summits—to facilitate high-level cooperation across the political, security, economic, and cultural sectors.¹ However, this framework failed to deliver meaningful outcomes—with biennial summits, and the Joint Commission meetings even more sporadic.

<sup>&</sup>lt;sup>1</sup> Embassy of India, Brussels. "India-EU: Brief on Bilateral Relations." Indian Embassy Brussels, The Government of India, June 2020.

https://www.indianembassybrussels.gov.in/pdf/India\_EU\_Relations\_unclassified.pdf



The strategic area, where this relationship has substantially grown is trade and, to some extent, investment. The India-EU bilateral trade in goods for FY 2023-24 totalled US\$ 137.41 billion, establishing the EU as India's largest trading partner for goods. While trade has expanded, a Free Trade Agreement (FTA) has remained elusive.<sup>2</sup> Negotiations for the India-EU FTA were started in 2007 and were suspended in 2013.

However, in recent years, the EU and India have demonstrated a renewed focus and commitment to enhancing their bilateral ties. The resumption of FTA negotiations in 2022 after a nine year pause is an evident manifestation.<sup>3</sup> Stepped up high-level exchanges have provided much needed momentum.

Ursula von der Leyen, President of the European Commission, has described 2025 as a "historic opportunity" and an "inflection point" for strengthening the India-EU partnership, particularly with the prospect of concluding a Free Trade Agreement—one that would be the largest of its kind globally if finalised.<sup>4</sup>

Nonetheless, the renewed strategic focus on strengthening the India-EU partnership extends well beyond trade expansion. It reflects a broad agenda shaped by evolving geopolitical dynamics and shared priorities. These include enhancing economic and trade security amid rising protectionism, fostering resilient supply chains, and advancing cooperation in future-oriented domains such as technology, the green transition, and defence.

This expanded scope was clearly articulated in the Joint Leaders' Statement issued in February 2025 by the President of the European Commission and the Indian Prime Minister. The statement called for a comprehensive agreement focused on de-risking supply chains and promoting collaboration in critical and emerging areas—technology, innovation, talent development, digital and green industrial transitions, space and geospatial sectors, defence, and people-to-people exchanges.<sup>5</sup>

2

<sup>&</sup>lt;sup>2</sup> Press Trust of India. "India, EU Conclude Another Round of FTA Talks; Deal Likely in Two Phases." Business Standard India. Business Standard, May 18, 2025. https://www.business-standard.com/economy/news/india-eu-conclude-another-round-of-fta-talks-deal-likely-in-two-phases-125051800635 1.html

<sup>&</sup>lt;sup>3</sup> Trade and Economic Security. "EU-India Free Trade Agreement, Investment Protection Agreement and Geographical Indications Agreement." The European Union, n.d. https://policy.trade.ec.europa.eu/eutrade-relationships-country-and-region/countries-and-regions/india/eu-india-agreements\_en

<sup>&</sup>lt;sup>4</sup> Mishra, Ravi Dutta. "India-EU Trade Deal Would Be Largest of Its Kind, 2025 'Historic Opportunity': Ursula von Der Leyen." The Indian Express, February 28, 2025. https://indianexpress.com/article/business/india-visit-european-commission-chief-ursula-von-der-leyen-9861452/

<sup>&</sup>lt;sup>5</sup> Supra Note 5



#### Strategic Imperatives of the growing India-EU Partnership

External Affairs Minister Dr. S. Jaishankar has recently remarked that a world rapidly moving towards a multipolar order, coupled with a recalibrating approach of Europe for greater self-reliance and diversification of strategic partnerships, is catalysing stronger India-Europe relations.<sup>6</sup> India and the EU are two major economic actors in the global landscape. India's fast growing economy<sup>7</sup>, its large consumer base and its youthful and increasingly skilled workforce offers significant growth opportunities for the EU nations in critical domains, including technology and the green transition.

Furthermore, current geopolitical dynamics are increasingly challenging the economic interests and broader strategic objectives of both India and the EU. Rising global fragmentation, protectionism, and intensifying strategic rivalries—particularly among major powers the United States, China, and Russia—are disrupting global supply chains, heightening energy insecurity, and creating volatility in trade and investment flows.

Both India and the EU remain significantly dependent on China, the world's second-largest economy.<sup>8</sup> However, the COVID-19 pandemic in 2020 starkly exposed the vulnerabilities of over-reliance on China-centric supply chains. This has prompted both actors to reassess their dependencies and pursue diversification and de-risking strategies to build more resilient, secure, and sustainable supply chains.

Compounding these pressures is the United States' increasingly assertive stance towards strategic rivals, employing a mix of tariffs, sanctions, and other economic tools. These measures pose added risks for economies like India and the EU. Notably, the unilateral and protectionist tariff regime imposed by the Trump administration has injected considerable economic uncertainty in global trade,<sup>9</sup> not least as that the US is the EU's largest trading partner and one of India's key partners, posing challenges for their economic stability and policy autonomy.

<sup>&</sup>lt;sup>6</sup> ANI. "India, EU Aim to Finalise FTA by End of This Year, Says Jaishankar." Business Standard India. Business Standard, June 13, 2025. https://www.business-standard.com/external-affairs-defence-security/news/india-eu-aim-to-finalise-fta-by-end-of-this-year-says-jaishankar-125061301208\_1.html

<sup>&</sup>lt;sup>7</sup> Press Information Bureau. "India Becoming an Economic Powerhouse." Pib.gov.in, June 16, 2025. https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=154660 & World Bank. "India: Accelerated Reforms Needed to Speed up Growth and Achieve High-Income Status by 2047." World Bank. World Bank Group, February 28, 2025. https://www.worldbank.org/en/news/press-release/2025/02/28/india-accelerated-reforms-needed-to-speed-up-growth-and-achieve-high-income-status-by-2047

<sup>&</sup>lt;sup>8</sup> International Monetary Fund. Asia and Pacific Dept. "People's Republic of China: 2023 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for the People's Republic of China." *IMF Staff Country Reports* 2024, no. 038 (February 2, 2024). https://doi.org/10.5089/9798400266119.002.A001

<sup>&</sup>lt;sup>9</sup> HT News Desk. "Donald Trump's Reciprocal Tariffs from April 2. What's in Store for India, Other Countries? - Hindustan Times." Hindustan Times, April 2025. https://www.hindustantimes.com/world-news/usnews/donald-trump-reciprocal-tariffs-april-2-liberation-day-what-in-store-for-india-other-countries-101743468863718.html.



It is these shared challenges—and the mutual stake in a stable, rules-based international order—that are driving India and the EU toward closer and more comprehensive strategic and economic cooperation.

#### The Economic Engine: The FTA at the Core

Trade has been the core component of the India-EU bilateral relationship and the EU's trade with India has seen exponential growth in recent years. However, in the absence of an India-EU FTA, both sides risks forfeiting a strategic opportunity. As India steadily moves towards greater integration into the global economic system—it is actively pursuing FTAs with an expanding set of partners including the EU. With the withdrawal of the EU's GSP preferences in 2023<sup>10</sup>, the competitiveness of Indian exports to the EU has diminished, particularly as other countries in South Asia have continued to benefit from the scheme.<sup>11</sup> Moreover, Vietnam, which exports similar categories of goods as India, has already concluded an FTA with the EU in 2019.<sup>12</sup>

On June 17, 2022, India and the EU relaunched negotiations for a FTA, and simultaneously initiated negotiations for an Investment Protection Agreement and an Agreement on Geographical Indications (GIs).<sup>13</sup> The FTA negotiations encompass 23 chapters with key policy areas including tariff and non-tariff barriers to trade in goods, services, and digital trade; sustainability and labour standards; intellectual property rights; investment; customs procedures such as rules of origin (ROO); sanitary and phytosanitary (SPS) measures; and technical trade barriers (TBT), among others.<sup>14</sup> With a publicly declared target of concluding the FTA by the end of 2025, negotiations have been accelerated and are being regularly reviewed under ministerial guidance.

At the 12th round of FTA negotiations held in Brussels, on July 7, the two sides are said to have reached agreement on seven out of the 23 chapters under discussion, namely good regulatory practices (GRP), transparency, mutual administrative

10

<sup>&</sup>lt;sup>10</sup> Commission Regulation (EU). "Suspension for the Year 2023 of Certain Tariff Preferences Granted to Certain GSP Beneficiary Countries | Access2Markets." trade.ec.europa.eu, November 14, 2022. https://trade.ec.europa.eu/access-to-markets/en/news/suspension-year-2023-certain-tariff-preferences-granted-certain-gsp-beneficiary-countries

European Commission. "European Commission." commission.europa.eu, 2021. https://commission.europa.eu/index\_en

<sup>&</sup>lt;sup>12</sup> Directorate-General for Trade and Economic Security. "EU-Viet Nam Trade Agreement and Investment Protection Agreement." Trade and Economic Security, the EU, May 22, 2025. https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/viet-nam/eu-viet-nam-agreements\_en

<sup>&</sup>lt;sup>13</sup> Supra Note 3

<sup>&</sup>lt;sup>14</sup> Sharma, Abhimanyu. "India-EU FTA Talks Set for September; Discussions on with Japan, Korea for Rare Earth Technologies." CNBCTV18, July 15, 2025. https://www.cnbctv18.com/economy/india-eu-fta-talks-set-for-september-discussions-on-with-japan-korea-for-rare-earth-technologies-19637756.htm



assistance in customs, trade facilitation, and intellectual property rights (IPRs). The next round is scheduled for September 2025.<sup>15</sup>

The EU's major asks for tariff reduction are on a range of products, including automobiles, medical devices, wines, spirits, agricultural goods, meat, and poultry. Further, the EU has also raised concerns over India's Quality Control Orders (QCOs), labelling them as non-tariff barriers (NTBs). It has proposed streamlining the certification process under these QCOs, particularly by improving the online application system and accrediting EU Conformity Assessment Bodies. <sup>17</sup>

India, on the other hand, seek to enhance its export competitiveness in the EU market, through significant tariff reduction for labour-intensive products such as ready-made garments, pharmaceuticals, steel, petroleum products, and electrical machinery. India has also raised objections to several EU-specific environmental regulations (CBAMs), particularly those related to border carbon taxes on steel, aluminium, and cement. India also seeks greater access for the temporary movement of skilled. There are several sensitive sectors, including automobiles, agriculture, and dairy, which will require balanced and mutually beneficial solutions.

Substantial progress has also been indicated by media reports on the text of digital trade facilitation provisions, pertaining to e-invoicing, e-authentication, e-contracts, paperless trade, online consumer protection, spam regulation, digital identities, and open government data.<sup>21</sup>

With regard to the India–EU Investment Protection Agreement, five rounds of negotiations were held between June 2022 and June 2023, with no further engagement since. On Geographical Indications, six rounds of negotiations have been completed between June 2022 and March 2024.<sup>22</sup>

<sup>&</sup>lt;sup>15</sup> Mishra, Ravi Dutta. "India, EU Close 7 out of 23 Chapters in Trade Deal; Last Round to Take Place in September." The Indian Express, July 15, 2025. https://indianexpress.com/article/business/india-eu-close-7-out-of-23-chapters-in-trade-deal-last-round-to-take-place-in-september-10128909/

<sup>&</sup>lt;sup>16</sup> Supra Note 25

<sup>&</sup>lt;sup>17</sup> Supra Note 21

<sup>&</sup>lt;sup>18</sup> Supra Note 25

<sup>&</sup>lt;sup>19</sup> Reuters Staff. "India-EU Trade Talks: Tariffs, Market Access, Regulatory Clashes in Focus." *Reuters*, February 27, 2025. https://www.reuters.com/world/india/india-eu-trade-talks-tariffs-market-access-regulatory-clashes-focus-2025-02-27/

<sup>&</sup>lt;sup>20</sup> Supra Note 30

<sup>&</sup>lt;sup>21</sup> Suneja, Kirtika. "Five Chapters Finalised in India-EU FTA." The Economic Times. Economic Times, June 11, 2025. https://economictimes.indiatimes.com/

<sup>&</sup>lt;sup>22</sup> Director of Trade and Economic Security. "EU-India Agreement: Documents." Trade and Economic Security, the EU, 2022. https://policy.trade.ec.europa.eu/eu-trade-relationships



#### **Future Technologies and Green Energy**

Geo-economic competition today is being redefined by the emergence of critical new domains—chief among them, being technology. Dependence on external sources and over-reliance on single-source supply chains have become pressing national security concerns. In response, countries are now striving to diversify their technology ecosystems and build indigenous capabilities. The aim is clear: to enhance long-term technological stability, autonomy, and resilience in an increasingly volatile global environment.

With these objectives in mind, India and the EU announced the establishment of the EU-India Trade and Technology Council (TTC) in April 2022. Officially launched in February 2023, the TTC has convened two formal meetings thus far, in May 2023<sup>23</sup> and in February 2025<sup>24</sup>.

The council serves as a platform to facilitate technology partnerships between Indian and European universities, research institutions, and industry stakeholders. It brings together both public and private actors to drive forward cooperation in critical areas. The TTC operates through three working groups, each dedicated to a critical domain: (i) strategic technologies, digital governance, and digital connectivity; (ii) green and clean energy technologies; and (iii) resilient value chains, trade, and investment.<sup>25</sup>

Under the first head of Technology and Digitalisation, the major areas of collaboration identified by the two sides are Artificial Intelligence (AI), 6G technology, and High-Performance Computing resources (HPC). In the field of AI, deeper cooperation is being pursued, focused on fostering an innovation-friendly ecosystem and promoting the exchange of information on shared open research questions, with the aim of developing trustworthy and ethical AI solutions.<sup>26</sup>

On 6G technology, a Memorandum of Understanding (MoU) was signed in March 2024 between the Bharat 6G Alliance and the 6G Smart Networks and Services Industry Association (6G-IA) of the EU. This agreement seeks to align research and development priorities, build a shared vision for 6G, bolster secure telecom infrastructure, and advance global standardisation efforts for beyond 5G and 6G

<sup>&</sup>lt;sup>23</sup> European Parliament. "At a Glance: EU-India Trade and Technology Council." The European Parliament, January 2024. https://www.europarl.europa.eu/RegData/

<sup>&</sup>lt;sup>24</sup> "Joint Statement: Second Meeting of the India-EU Trade and Technology Council, New Delhi." Ministry of External Affairs (MEA), the Government of India, February 28, 2025. https://www.mea.gov.in/bilateral-documents.htm?dtl/39113/.

<sup>&</sup>lt;sup>25</sup> Supra Note 35

<sup>&</sup>lt;sup>26</sup> Ministry of Electronics and Information Technology. "India-EU Collaboration in Emerging Technologies." Rajya Sabha, Government of India, April 4, 2025. https://sansad.in/getFile/annex/267/AU3907\_4Np08l.pdf?source=pqars



technologies.<sup>27</sup> For enhanced R&D collaboration on High-Performance Computing resources, India and the EU have signed an MoU on Working Arrangements on Semiconductors Ecosystems, its supply chain and innovation in November 2023.<sup>28</sup> India and the EU have also launched the "GANANA" Project in May 2025, which is a collaborative R&D initiative aimed at leveraging High Performance Computing (HPC) to address pressing challenges in climate change, natural hazards, and bioinformatics.<sup>29</sup> Further, India and the EU will work to build interoperability between their respective Digital Public Infrastructures (DPIs), which ensures protection of human rights, personal data, privacy, and intellectual property. The two sides have also agreed to jointly promote secure and inclusive DPI solutions to third countries.<sup>30</sup>

Green and clean energy technology is another crucial area of collaboration between India and the EU. Both sides, at their respective levels, have been undertaking planned and practical measures—including the transition to renewable and clean energy—as part of their broader efforts to mitigate climate change and meet their obligations under the Paris Agreement. As energy-dependent entities, both remain vulnerable to energy insecurity caused by geopolitical disruptions.

Recognising these common challenges and objectives, the two sides adopted a new Work Plan under the India-EU Clean Energy and Climate Partnership in November 2024. The partnership is currently in its third phase (2025–2028). Five priority areas for deeper collaboration have been identified under the Plan, which are green hydrogen, offshore wind, regional connectivity and electricity market integration, smart grids, energy efficiency and energy and climate diplomacy.<sup>31</sup> Green hydrogen is a particular focus—area for which the two sides have outlined a comprehensive agenda that includes assessing infrastructure feasibility, fostering regulatory and technological cooperation, and strengthening supply chains related to production and distribution.<sup>32</sup> In May 2025, under the India-EU TTC, two joint initiatives were also launched with a combined investment of ₹391 crore (~€41 million) on Marine Plastic

.

<sup>27</sup> Ibid.

<sup>&</sup>lt;sup>28</sup> Cabinet, Government of India. "Cabinet Approves Memorandum of Understanding between India and the European Commission on Working Arrangements on Semiconductors Ecosystems under the Framework of EU-India Trade and Technology Council." Press Information Bureau, Government of India, 2024. https://www.pib.gov.in/PressReleaseIframePage.aspx?

<sup>&</sup>lt;sup>29</sup> Supra Note 38

<sup>30</sup> Supra Note 35

<sup>&</sup>lt;sup>31</sup> Press Trust of India (PTI). "India, EU Firm up Extensive Roadmap for Green Hydrogen Cooperation." Business Standard India. Business Standard, November 23, 2024. https://www.business-standard.com/industry/news/india-eu-firm-up-extensive-roadmap-for-green-hydrogen-cooperation-124112300904 1.html

<sup>&</sup>lt;sup>32</sup> Invest India. "India's Green Hydrogen Rise: 7 Reasons to Invest in 2025." Invest India, Government of India, June 1, 2025. https://www.investindia.gov.in/team-india-blogs/indias-green-hydrogen-rise-7-reasons-invest-2025



Litter (MPL) and Waste to Green Hydrogen (W2GH). Horizon Europe, the EU's research and innovation programme, and the Government of India are co-funding it.<sup>33</sup>

Other than bilateral engagements, the two are also expanding their collaboration in multilateral platforms. The EU has expressed interest in participating in the International Solar Alliance (ISA), joint activity through the International Energy Agency (IEA) and collaborating more closely within the G20 framework.<sup>34</sup>

Cooperation in areas such as technology development, securing critical components like high-performance computing resources, and expanding clean energy options—alongside ongoing India–EU FTA and investment protection negotiations—collectively advance the broader objective of building resilient value chains, trade, and investment flows.

#### A Global Partnership: Trilateral Cooperation

India and the European Union aim to further expand their strategic partnership via a Trilateral Agreement on joint development of projects in third countries. This agreement was signed during the visit of External Affairs Minister Dr. S. Jaishankar to Brussels in June 2025. The target sectors under this new partnership include digitalisation and connectivity, clean energy and green mobility, sustainable agriculture and nutrition, water and sanitation infrastructure, education, health, social protection, and women's empowerment. <sup>35</sup> This initiative is guided by the EU's Global Gateway strategy and India's development partnership agenda, reflecting their shared commitment to sustainable and inclusive global development and climate action. The EU's Global Gateway strategy aims to foster smart, clean, and secure connectivity in the digital, energy, and transport sectors, while also boosting health, education, and research systems globally. This strategy with a €300 billion investment corpus aligns with the UN's 2030 Agenda for Sustainable Development and the Paris Agreement.<sup>36</sup> India's Development Partnership follows a human-centric model of development cooperation, grounded in the values of respect, diversity, sustainability, and care for the future. As noted by the Indian Prime Minister in his address to the

<sup>&</sup>lt;sup>33</sup> Office of Principal Scientific Advisor to Government of India. "India-EU Join Hands to Find Innovative Research Solutions to Marine Plastic Litter and Waste to Hydrogen." Press Information Bureau, Government of India, 2025. https://www.pib.gov.in/PressReleasePage.aspx?PRID=2128923

<sup>&</sup>lt;sup>34</sup> MEA. "India-EU Strategic Partnership: A Roadmap to 2025." Ministry of External Affairs (MEA), the Government of India, July 15, 2020. https://www.mea.gov.in/bilateral-documents.htm?dtl/32828/IndiaEU\_Strategic\_Partnership\_A\_Roadmap\_to\_2025.

<sup>&</sup>lt;sup>35</sup> Directorate-General for International Partnerships. "EU and India Agree to Develop Trilateral Cooperation." International Partnerships, the EU, June 11, 2025. https://international-partnerships.ec.europa.eu/news-and-events/news/eu-and-india-agree-develop-trilateral-cooperation-2025-06-11 en

<sup>&</sup>lt;sup>36</sup> European Commission. "Global Gateway Overview." international-partnerships.ec.europa.eu, n.d. https://international-partnerships.ec.europa.eu/policies/global-gateway/global-gateway-overview\_en



Ugandan Parliament in July 2018, this approach is guided by the developmental priorities of partner countries—aiming to build local capacity, create local opportunities, operate on terms comfortable for partners, and build instruments of empowerment in Africa...".<sup>37</sup>

This development collaboration initiative also conforms with both India's<sup>38</sup> and the EU's<sup>39</sup>, largely aligned strategic emphasis on a free, open, secure, inclusive, and sustainably developed Indo-Pacific region governed by international law and shared norms. Drawing on the strengths of their respective development cooperation agendas, this trilateral partnership presents a credible, values-based alternative to existing global developmental cooperation models with sustainable and inclusive development financing and infrastructure.

#### **IMEC: A Corridor of Possibilities**

The February 2025 India-EU Joint Statement also emphasised the India-Middle East-Europe Economic Corridor (IMEC) as a key area of collaboration and reaffirmed a strong commitment to taking concrete steps toward its implementation. <sup>40</sup> Launched during India's G20 presidency in 2023, IMEC is a strategic initiative aimed at enhancing connectivity, trade, and cooperation between India, the Gulf states and the European Union. <sup>41</sup> European Commission President Ursula von der Leyen described IMEC as a "modern-day Golden Road" and a digital bridge linking continents and civilisations, predicting that it will make trade between India and Europe 40% faster. <sup>42</sup> India's Commerce Minister Piyush Goyal has emphasised IMEC's potential to boost global trade by reducing logistics costs by up to 30% and transportation time by 40%. <sup>43</sup>

\_

<sup>&</sup>lt;sup>37</sup> Ministry of External Affairs. "Overview of India's Development Partnership." Ministry of External Affairs, Government of India, n.d. https://www.mea.gov.in/Overview-of-India-Development-Partnership.htm

<sup>&</sup>lt;sup>38</sup> Ministry of Defence. "India Stands for Free & Rules-Based Indo-Pacific Crucial for Economic Development of the Region & Wider Global Community, Says Raksha Mantri at Indo-Pacific Regional Dialogue in New Delhi." Press Information Bureau, Government of India, November 25, 2022. https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=1878750

<sup>&</sup>lt;sup>39</sup> Strategic Communications, the EU. "EU Indo-Pacific Strategy." The European External Action Service, November 6, 2024. https://www.eeas.europa.eu/eu-indo-pacific-strategy-topic\_en <sup>40</sup> Supra Note 5

<sup>&</sup>lt;sup>41</sup> Ministry of Commerce & Industry. "India-Middle East-Europe Economic Corridor Initiative to Add to India's Maritime Security: Union Minister of Commerce & Industry Shri Piyush Goyal." Press Information Bureau, the Government of India, September 6, 2024. https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=2052486.

<sup>&</sup>lt;sup>42</sup> EC. "Speech by President von Der Leyen: 'the Consequential Partnership: Reimagining and Realigning EU and India Ties for Today's World.'" European Commission (EU), February 28, 2025. <a href="https://ec.europa.eu/commission/presscorner/detail/en/speech\_25\_641">https://ec.europa.eu/commission/presscorner/detail/en/speech\_25\_641</a>.

<sup>&</sup>lt;sup>43</sup> Ministry of Commerce & Industry. "India Poised to Become a Trusted Bridge of Global Connectivity through India-Middle East-Europe Economic Corridor (IMEC): Shri Piyush Goyal." Press Information Bureau, the Government of India, April 16, 2025. https://www.pib.gov.in/PressReleasePage.aspx?PRID=2122299.



Although the project was launched with considerable fanfare and holds significant promise, it now faces headwinds due to instability in the Middle East. The ability of all stakeholders to navigate these challenges will determine whether the initiative remains merely aspirational or becomes truly transformative.

#### Conclusion: A Blueprint for 21st-Century Engagement

The India-EU strategic partnership- based on shared democratic values, is more important than ever due to profound geopolitical shifts, and growing global uncertainty. With an assertive China and an unpredictable US, both increasingly see each other as reliable partners contributing to ensure global and regional stability — including in the Indo-Pacific. Their agenda of collaboration spans defence, digital governance, trade, technology, climate action, building resilient supply chains, advancing green transitions, and safeguarding a rules-based international order. High-level engagements in 2025, including the first-ever visit of the entire EU College of Commissioners to India, signal an accelerating momentum, for India-EU ties, with talks on a balanced Free Trade to be concluded within the year. This evolving partnership enhances global stability and shared prosperity at a time of transformative change in power equations and disruptive threats to an order based on international law.

\*\*\*



### Delhi Policy Group

Core 5A, 1st Floor, India Habitat Centre, Lodhi Road New Delhi - 110003 India

www.delhipolicygroup.org