

# Transatlantic cooperation on the Indo-Pacific

## European and US priorities, partners and platforms

### Summary

- With the global economic and geostrategic centre of gravity shifting eastwards, both Europe and the US are placing greater focus on the Indo-Pacific. The transatlantic partners share similar economic and security interests in that region, as well as concerns over China's attempts to expand its influence.
- Although European and US approaches to the Indo-Pacific often overlap, they currently diverge on significant points – these include the level of priority given to the region, the principal issues, the key partners for cooperation and the most useful platforms for engagement.
- Certain structural and cyclical factors inhibit cooperation. Competition between European and US firms for investment opportunities in the Indo-Pacific needs to be managed alongside a shared desire to uphold rules and maintain openness. Opposing geopolitical interests among the transatlantic partners can add further complexity. Uncertainty regarding both the war in Ukraine and the US presidential election in 2024 also affects the prospects for cooperation.
- Despite these limiting factors, the transatlantic partners need to find ways to make their Indo-Pacific policies and strategies more coherent and effective. Opportunities exist for a Europe–US 'division of labour' across the Indo-Pacific, based on factors such as historic diplomatic and economic ties, geographical presence or thematic expertise.
- Existing initiatives such as the G7, the Quadrilateral Security Dialogue (Quad) and AUKUS have the potential to become more influential forums for Indo-Pacific policy engagement. Synergies between these groupings would negate the need for new, Indo-Pacific-focused structures.

Marianne  
Schneider-Petsinger,  
Veerle Nouwens,  
Alice Billon-Galland,  
Andrew Cainey  
and Gareth Price



## Introduction

### Core transatlantic interests in the Indo-Pacific and rationale for cooperation

The transatlantic partnership between Europe and the US rests on a set of shared values and interests – including democracy, the rule of law, international security and free markets. With the global economic and strategic centre of gravity shifting eastwards, the Indo-Pacific will play an increasingly important role in determining the viability of both the rules-based international order and multilateralism in general. The transatlantic partners are unsurprisingly placing greater focus on that region as a result.

As well as seeking to further their economic interests, they express similar concerns about the implications of China's rise in the Indo-Pacific and beyond.<sup>1</sup> However, there are important differences between the approaches of the various European actors and the US – including over the level of priority given to the Indo-Pacific, the principal issues, the key regional partners for cooperation and the most useful forums for engagement.

This paper explores the scope for cooperation between Europe and the US on the Indo-Pacific.<sup>2</sup> After discussing the factors that enable or inhibit transatlantic cooperation, the paper looks at priorities, partners and platforms for European and US engagement on and in the region. Although the paper focuses on economic and security aspects, it does not place them in silos as the boundaries between defence, technology, trade and finance are becoming increasingly blurred.

It also acknowledges that neither Europe nor the US are uniform actors. On the European side, in particular, the EU needs to be differentiated from its key member states. Following the UK's exit from the EU, questions also remain about the level of trust and cooperation between London and Brussels, and about whether the UK can play a bridging role between the EU and the US.

Drawing on interviews with policy professionals on both sides of the Atlantic, this paper deliberately focuses on the transatlantic (and intra-transatlantic) dynamics of cooperation on the Indo-Pacific. A future paper will discuss the extent to which these transatlantic efforts align with the interests of countries and groupings in the Indo-Pacific region itself.

### European and US approaches and strategies on the Indo-Pacific

The transatlantic partners have increasingly adopted strategies and policy documents focused specifically on the Indo-Pacific, following the publication in 2017 of Japan's Free and Open Indo-Pacific (FOIP) 'vision' and as the importance of the region has grown. For example, France and the US issued Indo-Pacific strategies in 2018 and 2019; several iterations have been produced since –

---

<sup>1</sup> Bergsen, P., Froggatt, A., Nouwens, V. and Pantucci, R. (2022), *China and the transatlantic relationship: Obstacles to deeper European–US cooperation*, Briefing Paper, London: Royal Institute of International Affairs, <https://doi.org/10.55317/9781784135287>.

<sup>2</sup> Canada is reportedly formulating its own Indo-Pacific strategy, but this has not yet been published. Canada is therefore not covered in detail in this paper.

most recently in 2022.<sup>3,4</sup> Other individual European states – including Germany,<sup>5</sup> the Netherlands<sup>6</sup> and the UK<sup>7</sup> – and the EU<sup>8</sup> followed suit with their own guidelines and policy documents for the region during 2020–21. NATO also adopted the Indo-Pacific terminology in its 2022 Strategic Concept.<sup>9</sup>

Each of the main strategies involves elements of security and trade, and connectivity/infrastructure development. While these strategies and policy documents do not necessarily reflect policies currently in practice, they nonetheless offer a starting point for understanding the position of different transatlantic partners, the principal issues and objectives for each and the main instruments through which they intend to pursue their goals.

## **It is hoped that, by strengthening trade and investment ties with the Indo-Pacific, Europe and the US can support domestic economic growth, as the Indo-Pacific region is expected to contribute over 50 per cent of global GDP by 2050.**

European countries and the US have a shared understanding of the importance of the Indo-Pacific. This includes the geographic conception of the region, with general agreement on the inclusion of India, Japan, Southeast Asia, South Korea, and Australia, New Zealand and the wider South Pacific. (France also includes the African littoral of the Indian Ocean in its strategy.) It is hoped that, by strengthening trade and investment ties with the Indo-Pacific, Europe and the US can support domestic economic growth, as the Indo-Pacific region is expected to contribute over 50 per cent of global GDP by 2050.<sup>10</sup> The Indo-Pacific also has the potential to play a leading role in setting global technology and trade standards.

---

<sup>3</sup> French Ministry for Europe and Foreign Affairs (2022), *France's Indo-Pacific Strategy*, [https://www.diplomatie.gouv.fr/IMG/pdf/fr\\_a4\\_indopacifique\\_022022\\_dcp\\_v1-10-web\\_cle017d22.pdf](https://www.diplomatie.gouv.fr/IMG/pdf/fr_a4_indopacifique_022022_dcp_v1-10-web_cle017d22.pdf).

<sup>4</sup> The White House (2022), *Indo-Pacific Strategy of the United States*, February 2022, <https://www.whitehouse.gov/wp-content/uploads/2022/02/U.S.-Indo-Pacific-Strategy.pdf>.

<sup>5</sup> Federal Government of Germany (2020), *Policy guidelines for the Indo-Pacific*, August 2020, <https://www.auswaertiges-amt.de/blob/2380514/f9784f7e3b3fa1bd7c5446d274a4169e/200901-indo-pazifik-leitlinien--1--data.pdf>.

<sup>6</sup> Government of the Netherlands (2020), *Indo-Pacific: Guidelines for strengthening Dutch and EU cooperation with partners in Asia*, 13 November 2020, <https://www.government.nl/documents/publications/2020/11/13/indo-pacific-guidelines>.

<sup>7</sup> Unlike France, Germany and the Netherlands, the UK has not announced an official Indo-Pacific strategy. But the UK government's foreign policy review in 2021 stated that the UK would 'tilt' its foreign policy towards the Indo-Pacific. See HM Government (2021), *Global Britain in a Competitive Age: the Integrated Review of Security, Defence, Development and Foreign Policy*, March 2021, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/975077/Global\\_Britain\\_in\\_a\\_Competitive\\_Age\\_the\\_Integrated\\_Review\\_of\\_Security\\_Defence\\_Development\\_and\\_Foreign\\_Policy.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/975077/Global_Britain_in_a_Competitive_Age_the_Integrated_Review_of_Security_Defence_Development_and_Foreign_Policy.pdf).

<sup>8</sup> European Commission (2021), 'Questions and Answers: EU Strategy for Cooperation in the Indo-Pacific', 16 September 2021, [https://ec.europa.eu/commission/presscorner/detail/en/QANDA\\_21\\_4709](https://ec.europa.eu/commission/presscorner/detail/en/QANDA_21_4709).

<sup>9</sup> NATO (2022), *NATO 2022 Strategic Concept*, <https://www.nato.int/strategic-concept/index.html>.

<sup>10</sup> Department for International Trade (2021), *Global Trade Outlook*, September 2021, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1036243/global-trade-outlook-september-2021.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1036243/global-trade-outlook-september-2021.pdf).

The transatlantic partners regard the rules-based international order as being increasingly challenged by China's norms, its growing military capabilities and its aggressive behaviour in the Indo-Pacific. This is another reason why European and US involvement in the region has grown and will continue to do so. However, Russia's invasion of Ukraine in February 2022 has ensured that Europe and its immediate neighbourhood will remain the primary focus for the EU, as well as for the UK and other European states.

While the war in Ukraine has taken up much of the transatlantic partners' attention and has refocused Western attention on Russia, it has also underscored how interconnected the Euro-Atlantic and Indo-Pacific regions are in strategic terms.

Many countries on both sides of the Atlantic share the view that the challenge of Russia is immediate and that of China longer-term, with the former being a direct military threat and the latter predominantly a geo-economic competitor with concerning military ambitions, and that each of these threats requires a different set of tools and policies. However, there is a pronounced difference between the transatlantic partners regarding China, in that the US views China as already posing a systemic challenge that requires addressing in the short, medium and long term, and that the US prioritizes the Indo-Pacific as a military theatre.<sup>11</sup>

Europe, meanwhile, still takes a more pragmatic approach to China in the Indo-Pacific than the US. Moreover, there are limits to the EU's ability to act on Indo-Pacific-related issues, in part due to disagreement between member states regarding China (with different views and priorities in Germany, Greece, Hungary or Lithuania, for instance). This intra-European divide extends beyond the UK's relationship with the EU to relations between the UK and individual European governments, given the UK's closer relationship with the US and hardening views on China among British policymakers. Those views are likely to remain sceptical under the new UK prime minister, Rishi Sunak, or become harsher still amid growing concerns over Chinese government or government-affiliated behaviour within the UK's borders.

## The cooperation spectrum

Most EU member states define their Indo-Pacific strategies, at least in part, as specifically European rather than transatlantic. For instance, Italy frames its Indo-Pacific strategy as a contribution to the overall EU strategy, while the Netherlands divides its strategy into action points for the EU and for itself in a complementary role.

However, European countries have divergent views on the nature of transatlantic cooperation in general and on cooperating with the US on the Indo-Pacific specifically. First, the Indo-Pacific strategies of countries such as France or organizations like the EU must be seen in the context of European

---

<sup>11</sup> See remarks by US secretary of defense Lloyd J. Austin: Garamone, J. (2021), 'Trip to Indo-Pacific Allows Austin to Continue Outreach', U.S. Department of Defense News, 6 June 2022, <https://www.defense.gov/News/News-Stories/Article/Article/3054393/trip-to-indo-pacific-allows-austin-to-continue-outreach>.

efforts to achieve greater strategic autonomy.<sup>12</sup> Or, put differently, some European approaches to the Indo-Pacific are a form of self-assertion and reflect the ambition of those countries' policymakers to provide alternatives to the US strategy in the Indo-Pacific. Conversely, others – primarily countries in Central and Eastern Europe – are keen to use the Indo-Pacific as a way for Europe to add value on the US's top foreign policy priority.

Cooperation does not require, or necessarily lead to, alignment. The level and degree of cooperation can vary within a hierarchy – from sharing information, through deconfliction and coordination of individual policies, to joint approaches and action. A similar spectrum applies to the forms of cooperation, ranging from informal and ad hoc mechanisms to institutional (legally and diplomatically structured) forms.

## **Some European approaches to the Indo-Pacific are a form of self-assertion and reflect the ambition of those countries' policymakers to provide alternatives to the US strategy in the Indo-Pacific.**

Policymakers on either side of the Atlantic currently appear not to prioritize a common approach to the Indo-Pacific. Nevertheless, efforts to shape cooperation are likely to become a priority over the coming years. The US National Security Strategy from October 2022 emphasized the need for closer alignment of different partners and forums – including 'by encouraging tighter linkages between likeminded Indo-Pacific and European countries'.<sup>13</sup>

Various ways to deepen transatlantic engagement are available. The EU and the US, and bilateral efforts by European states, have made a promising start through high-level dialogues on China and the Indo-Pacific, as well as the EU–US Trade and Technology Council (TTC). The UK is engaging in similar discussions bilaterally with the US, although UK–EU cooperation remains in flux due to continued political tensions over Brexit. Tension between the UK and France over AUKUS appears to have subsided, with on-the-ground cooperation resuming and military-to-military cooperation continuing as before.<sup>14</sup>

Neither Europe – whether via individual states or the EU – nor the US has the resources to take on the defence and economic challenges of the Indo-Pacific alone. Moreover, many of the countries in the Indo-Pacific have limited

---

<sup>12</sup> This point was raised by European officials in off-the-record interviews conducted by the authors in May and June 2022. For similar findings by other authors, see Saha, P. (2021), 'What does an EU Indo-Pacific Strategy entail?', Observer Research Foundation, 17 September 2021, <https://www.orfonline.org/expert-speak/what-does-an-eu-indo-pacific-strategy-entail>; and Grare, F. and Reuter, M. (2021), 'Moving closer: European views of the Indo-Pacific', European Council on Foreign Relations, 13 September 2021, <https://ecfr.eu/special/moving-closer-european-views-of-the-indo-pacific>.

<sup>13</sup> The White House (2022), *National Security Strategy*, 12 October 2022, <https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>.

<sup>14</sup> Billon-Galland, A. and Kundnani, H. (2021), 'The UK must cooperate with France in the Indo-Pacific', Chatham House Expert Comment, 23 September 2021, <https://www.chathamhouse.org/2021/09/uk-must-cooperate-france-indo-pacific>.

capacity to respond to the growing interest in their region – especially if that interest is uncoordinated. There is a strong imperative therefore to strengthen transatlantic cooperation to enable more effective engagement.

## **Enabling vs inhibiting factors for transatlantic cooperation**

### **Enabling factors**

Given the demographic and political weight of countries in the Indo-Pacific, as well as the region's economic dynamism and its strategic significance, European countries and the US have a shared interest in maintaining stability and openness, and in pursuing trade and investment opportunities. The transatlantic partners also regard the same bilateral partners in the region – Australia, India and Japan – and engagement with regional organizations and platforms (ASEAN in particular) as critical in addressing global challenges and shaping the rules-based international order.

One crucial motivation for greater transatlantic cooperation on and with the Indo-Pacific is strategic competition with China and shared concern regarding China's economic and military expansion. Specific examples of Chinese activities causing concern include the Belt and Road Initiative, the situation in the East and South China Seas, Hong Kong, Taiwan, human rights abuses including in Xinjiang, and China's non-market economy practices in trade and investment, as well as efforts by China to set global rules and standards for technology. As China's economic and military capacity and influence continue to grow, transatlantic actors and their core partners in the Indo-Pacific are increasingly concerned that China seeks to turn the Indo-Pacific into a Chinese sphere of influence. The Indo-Pacific region is therefore a testing ground for European and US efforts to balance China and reinforce the rules-based international order.

A greater degree of transatlantic policy alignment on China and the Indo-Pacific also reflects US leadership and pressure on European actors (e.g. over Huawei's role in Western 5G telecoms networks) during the Trump administration. But, more importantly, it is driven by an increased focus on security and economic partnerships in the Indo-Pacific and hardening attitudes towards China among policymakers and voters on both sides of the Atlantic.<sup>15</sup>

### **Inhibiting factors**

On security, the transatlantic players diverge in their perception of the scale and imminence of the Chinese threat in the Indo-Pacific. Europe's security focus on its immediate neighbourhood, coupled with aspirations of some European actors for greater strategic autonomy, make transatlantic cooperation on the Indo-Pacific more complex. While the links between economic and security issues

---

<sup>15</sup> Huang, C., Silver, L. and Clancy, L. (2021), 'China's Partnership With Russia Seen as Serious Problem for the U.S.', Pew Research Center, 28 April 2022, <https://www.pewresearch.org/global/2022/04/28/chinas-partnership-with-russia-seen-as-serious-problem-for-the-us>.

are well understood in European capitals, the extent to which the Indo-Pacific is seen as relevant to national security varies. Indeed, except for France and the UK (both of which are military powers; France also has significant territories in the Indo-Pacific), and to a lesser extent Germany and the Netherlands,<sup>16</sup> ‘hard power’ defence questions are generally seen within Europe as a policy area in which the US plays the greatest role. Aside from the above exceptions, most European countries have limited capacity or desire for military involvement beyond the Euro-Atlantic region.

European governments largely still see the Indo-Pacific through an economic prism, while focusing on associated ‘soft’ security issues such as climate change, cybersecurity, health, maritime challenges, and the need to diversify supply chains following COVID-19 and Chinese attempts at economic coercion targeted against individual states like Lithuania<sup>17</sup> and Australia.<sup>18</sup>

However, it is significant that the war in Ukraine has increased, rather than reduced, the EU’s interest in working with Indo-Pacific partners and in the region directly – furthering transatlantic goals, even if pursuing them via separate structures. For example, the EU’s Strategic Compass for Security and Defence, published in March 2022, stressed the need to strengthen bilateral cooperation on the Indo-Pacific with like-minded countries and strategic partners (such as Japan, the UK and the US), plus regional organizations such as ASEAN.<sup>19</sup>

On economics, transatlantic competition for markets and investment in the Indo-Pacific continues to obstruct greater cooperation between European countries and the US. Divergent economic and regulatory models on both sides of the Atlantic – alongside policy debates within the EU – have long complicated collaborative efforts. In particular, the transatlantic partners differ on the governance and regulation of digital technologies. For that reason, there is currently no transatlantic agreement on digital standards and frameworks into which the Indo-Pacific region might be effectively integrated. This patchwork approach is reflected in the proliferation of initiatives and ‘minilateral’ forums for economic, technology and trade and investment cooperation with and in the Indo-Pacific. Examples include the EU–US–Japan trilateral efforts to tackle non-market economic practices and the US’s Indo-Pacific Economic Framework (IPEF).

Domestic politics at the national and regional levels have the potential to divert resources and bandwidth for transatlantic engagement on and with the Indo-Pacific. Following the UK’s departure from the EU, the UK announced a ‘tilt’ to the Indo-Pacific in its Integrated Review of Security, Defence,

---

<sup>16</sup> Marsh, S. and Siebold, S. (2022), ‘Germany says it will expand military presence in Indo-Pacific’, Reuters, 31 August 2022, <https://www.reuters.com/world/germany-says-it-will-expand-military-presence-indo-pacific-2022-08-31>; Netherlands Ministry of Defence (2022), ‘A look at the Defence news 13 - 19 June’, 22 June 2022, <https://english.defensie.nl/latest/news/2022/06/22/a-look-at-the-defence-news-13---19-june>.  
<sup>17</sup> Milne, R. and Hille, K. (2022), ‘Lithuania tests the EU’s resolve on Chinese economic coercion’, *Financial Times*, 13 February 2022, <https://www.ft.com/content/77adb343-6196-4d66-af84-995c05db7b6c>.  
<sup>18</sup> Herscovitch, B. (2021), ‘Australia’s Answer to China’s Coercive Challenge’, London: Royal United Services Institute for Defence and Security Studies (RUSI), 18 August 2021, <https://rusi.org/explore-our-research/publications/commentary/australias-answer-chinas-coercive-challenge>.  
<sup>19</sup> Council of the European Union (2022), *A Strategic Compass for Security and Defence - For a European Union that protects its citizens, values and interests and contributes to international peace and security*, 21 March 2022, <https://data.consilium.europa.eu/doc/document/ST-7371-2022-INIT/en/pdf>.

Development and Foreign Policy published in March 2021, yet EU–UK cooperation on the region has been limited due to the lack of a structured partnership and ongoing tensions between London and Brussels (and other European capitals) due to unresolved, Brexit-related issues. The upcoming US presidential election in 2024 could also lead to renewed transatlantic friction and undermine the prospects for European–US cooperation.

## **For almost every country in the Indo-Pacific region, China is simultaneously a security concern and a major economic partner.**

The perspectives and positions of states within the Indo-Pacific naturally also present challenges for transatlantic alignment and policy coherence. For almost every country in that region, China is simultaneously a security concern and a major economic partner. These countries therefore seek to balance the maintenance, or even reinforcement, of security ties with the US against trade relations with China. This means they do not necessarily share the US or European positions on international governance issues. Many states in the region diverge from the transatlantic partners on issues such as how to address climate change and what count as human rights. For instance, India often diverges from Western approaches to global governance. Its approach to climate change frequently aligns with that of China and, until recently, it has tended towards protectionism rather than free trade. Regional institutions, aside from ASEAN, have meanwhile achieved little.

While the lack of an effective regional security architecture is one of the factors driving US engagement in the Indo-Pacific, weak institutions make a regional approach more complex and, instead, encourage bilateral engagement. The emerging trading architecture among countries in Asia and the Pacific seems likely to promote some form of regional approach, although this will not necessarily translate into better functioning regional organizations. Relations between many states in the region (e.g. China–India, India–Pakistan, Japan–South Korea) are strained, which can at times narrow the focus of their foreign policy and obstruct transatlantic attempts at regional engagement on wider security and economic issues that include rivalling countries.

### **The Russia–Ukraine context: Linking the Euro-Atlantic and Indo-Pacific theatres**

Countries in the Indo-Pacific have been divided in their response to Russia’s war on Ukraine, which presents a challenge for transatlantic engagement with nations like India that have avoided condemning Russia thus far. Those that have condemned the invasion and imposed sanctions against Russia, such as Japan and South Korea, have moved closer to the transatlantic partners in a joint approach to defending international law and the rules-based international order. In part, this was achieved via the G7 and the presence of the heads of government of NATO’s four formal Asia-Pacific partners (Australia, Japan, New Zealand and South Korea) at the organization’s annual summit in June 2022.



The return of conventional war in Europe has meanwhile affected Europe's view of the Indo-Pacific's importance.<sup>20</sup> On the one hand, it has refocused European and US attention on Euro-Atlantic security. It has also highlighted Europe's strategic dependence on the US (particularly following the deployment of extra US resources in Europe, under NATO's latest conventional deterrence plans). Europe's need to focus on its own security could reduce its willingness and ability to contribute to security in the Indo-Pacific. On the other hand, transatlantic governments have emphasized the link between European and Asian security, citing the China–Russia partnership and Chinese support for Russian disinformation on Ukraine.<sup>21</sup> Some transatlantic observers and policymakers have instead advocated for a renewed vigour in European investment in the Indo-Pacific.<sup>22</sup>

Since the war in Ukraine began, the administration of US president Joe Biden has maintained that the Indo-Pacific remains the US's priority theatre and has launched a series of initiatives with partners across the region – including hosting a meeting of Quadrilateral Security Dialogue (Quad) leaders in May 2022. However, the renewed US involvement in European security has been the subject of strategic debates in Washington, with some arguing that the US should focus on China and the Indo-Pacific rather than dedicate more assets to Europe and Russia.

## European and US priorities

It is becoming increasingly difficult to separate defence/security and economic issues, as economic statecraft is a fundamental tool of geopolitical competition between states. The EU, European states and the US have clearly understood these blurred lines, but differences remain over how to prioritize and approach these issues.

Across Europe and the US, the topic of security usually relates to 'hard' power – covering air, land and sea defence, as well as increasingly cyber and space defence, and nuclear non-proliferation. However, the strategic importance of trade to national security now goes beyond the protection of maritime shipping lanes, for example, to encompass discussions around national resilience – including, among others, industrial policy, supply-chain diversification, the protection of advanced technology and innovation, and the role of infrastructure investment. It may also include policy areas like climate change, food security and global health. These are all topics on which European states, and the EU, can provide added value for Indo-Pacific partners seeking to avoid choosing sides between China and the US.

<sup>20</sup> Legarda, H. (2022), 'China and Russia Bring NATO and the Indo-Pacific Together', *Internationale Politik Quarterly*, <https://ip-quarterly.com/en/china-and-russia-bring-nato-and-indo-pacific-together>.

<sup>21</sup> US Department of State (2022), 'People's Republic of China Efforts to Amplify the Kremlin's Voice on Ukraine', 2 May 2022, <https://www.state.gov/disarming-disinformation/prc-efforts-to-amplify-the-kremlins-voice-on-ukraine>.

<sup>22</sup> Legarda, H. (2022), 'Indo-Pacific watch: Lessons from Ukraine for the Indo-Pacific', Mercator Institute for China Studies, <https://merics.org/en/short-analysis/indo-pacific-watch-lessons-ukraine-indo-pacific>.

European and US efforts to uphold the principles of the rules-based international order, safeguard the equal rights of nations and promote sustainability are driven by both interests and values. Human rights are one potential area for transatlantic cooperation in the Indo-Pacific, particularly concerns over Chinese human rights abuses against the Uyghur population in Xinjiang, as documented by the UN High Commissioner on Human Rights in August 2022.<sup>23</sup> Both human rights and labour market standards feature in the trade and investment agendas of the EU, the UK and the US. However, individual EU member states keen to strengthen other bilateral relationships in the region have previously sidelined human rights issues in discussions and left the EU to raise specific concerns. Although transatlantic ties with democracies in the Indo-Pacific are deeper than those with more authoritarian regimes, limiting engagement to like-minded countries would severely reduce the scope for cooperation in and with the region.

Environmental aspects (and initiatives related to decarbonization and clean energy) also form part of transatlantic efforts towards cooperation on the Indo-Pacific. On climate change in particular, European states are actively engaging in adaptation and mitigation projects in the Indo-Pacific, as well as humanitarian assistance and disaster relief. These objectives are included in EU infrastructure initiatives like Global Gateway and the G7's Partnership for Global Infrastructure and Investment (PGII). The UK, the US and several EU member states are involved in the Indian-led Coalition for Disaster Resilient Infrastructure, while the US continues to engage on climate change issues both bilaterally and via the Quad.

Supporting the economic development of lower-income nations in the region is another priority for the transatlantic partners, not least via the G7's PGII or the recent Partners in the Blue Pacific (PBP) initiative. It is hoped that such initiatives can contribute to prosperity and sustainability in the Indo-Pacific and serve as a bulwark against China's increasing security engagement in, for example, the Pacific Islands.<sup>24</sup>

## Defence- and security-related objectives

For the EU and individual European states, Euro-Atlantic security and the security of their neighbourhood takes primacy. They have long been aware of the limited capabilities of their armed forces to project power outside of their immediate neighbourhood. Many European actors therefore prefer to focus their contribution to Indo-Pacific security on 'softer' issues, as outlined in the EU's own strategy.<sup>25</sup> These softer issues include capacity-building in maritime domain-awareness, law enforcement and training related to the UN Convention on the Law of the Sea (UNCLOS), and countering maritime threats like illegal, unreported and unregulated (IUU) fishing, but also capacity-building on cybersecurity. The EU already conducts an extensive range of activities in this area, such as the Critical Maritime Route Wider Indian Ocean project in the Western Indian Ocean –

<sup>23</sup> Office of the UN High Commissioner for Human Rights (2022), *OHCHR Assessment of human rights concerns in the Xinjiang Uyghur Autonomous Region, People's Republic of China*, 31 August 2022, <https://www.ohchr.org/sites/default/files/documents/countries/2022-08-31/22-08-31-final-assessment.pdf>.

<sup>24</sup> Liang, X. (2022), 'What can we learn from China's military aid to the Pacific?', Stockholm International Peace Research Institute, 20 June 2022, <https://www.sipri.org/commentary/blog/2022/chinas-military-aid-pacific>.

<sup>25</sup> European Commission (2021), 'Questions and Answers'.

currently being extended eastward to South and Southeast Asia – as well as a counter-IUU-fishing initiative that limits fisheries exports to the EU based on the efforts of partner countries to improve regulation of their fishing industry and tackle overfishing.

While nuclear non-proliferation is a significant objective in European approaches to the Indo-Pacific, many European states divide responsibility for the topic thematically across multiple government departments and regard non-proliferation as being best managed via the UN.

From a defence perspective, countries such as Germany and the Netherlands may send routine naval or air force missions to the region every few years at best. Germany is currently in the process of drafting its first national security strategy, while earlier in 2022, Chancellor Olaf Scholz promised to invest €100 billion in 2022 to modernize Germany's military and to boost annual defence spending above 2 per cent of GDP thereafter.

## **Both France and the UK have sought to expand their defence relationships with countries in the Indo-Pacific – notably India and Japan.**

France and the UK are notable outliers in Europe, in terms of their defence capabilities and existing presence in the Indo-Pacific. France maintains a permanent military presence in its overseas territories in the Western Indian Ocean and South Pacific, and undertakes routine military and naval deployments in the region. The UK's presence is smaller than that of France but is also significant. It maintains military bases and facilities in East Africa, the Gulf and Southeast Asia; participates in the Five Power Defence Arrangements (FPDA) that include Australia, Malaysia, New Zealand and Singapore and the trilateral AUKUS defence partnership with Australia and the US; permanently deploys two offshore patrol vessels in the region; and has signed a reciprocal access agreement with Japan. Moreover, political will exists in the UK to develop this presence further, as indicated by the 'Indo-Pacific tilt' mentioned in the 2021 Integrated Review. Both France and the UK have also sought to expand their defence relationships with countries in the Indo-Pacific – notably India and Japan.

Questions around whether France and the UK could serve as 'framework nations' for other European countries to become involved<sup>26</sup> will largely be determined by China's actions, by the US approach and by French and British willingness to provide leadership.<sup>27</sup> If China is seen as a more cooperative partner, then European countries may be less inclined to align closely in practice with the US through, for example, joint deployments or carrier task groups. This ambivalence

<sup>26</sup> Arnold, E. (ed.) (2021), *Ad-Hoc European Military Cooperation Outside Europe*, Occasional Paper, London: RUSI, <https://static.rusi.org/311-EuropeanSecurity.pdf>.

<sup>27</sup> Billon-Galland and Kundnani (2021), 'The UK must cooperate with France in the Indo-Pacific'.

over China extends to European countries' willingness to join the UK in further deployments in the Indo-Pacific, despite the successful UK-led carrier strike group in 2021, in which both the Netherlands and the US participated.

Some European governments perceive the UK's close relationship with the US as leading towards a confrontational stance with China. The announcement of the AUKUS defence technology and nuclear submarine partnership between Australia, the UK and the US has only reinforced this perception. It also led to tensions between France and the UK following the abrupt cancellation of Australia's previous submarine deal with France. Although on-the-ground cooperation has resumed, it seems unlikely that existing agreements between London and Paris, such as the Lancaster House Treaties or the Combined Joint Expeditionary Force, will develop into extensive formal defence cooperation in the Indo-Pacific.

### **Balancing cooperation against competition for trade and investment**

Economic opportunities are an important part of transatlantic engagement in the Indo-Pacific. Not least as the Indo-Pacific is the largest and fastest-growing region of the world, and contains the world's second-, third-, sixth- and 10th-largest economies (China, Japan, India and South Korea respectively). More than anything else, the EU, its key member states, the UK and the US are keen to secure increased export earnings and investment opportunities for their own economies.

The transatlantic partners do, however, seek to balance competition with cooperation on shared concerns – especially the risk of economic dependency arising from China's leading role in trade and technology, and its use of coercive diplomacy against countries in both the Indo-Pacific (e.g. Australia and South Korea) and Europe (e.g. Lithuania). These concerns – together with the disruption caused by China's zero-COVID-19 policy and associated lockdowns – have brought questions of supply-chain resilience to the fore. In practical terms, this means diversifying sources of supply, reducing reliance on China for essential raw materials and countering Chinese technology threats.

There is also a recognition of the scope to liberalize trade further within Asia, and of the need to update trade agreements to take account of the digital economy and enable cross-border data flows. China is taking steps to shape norms and standards in these areas, which has in part prompted the US to launch IPEF with the ambition of securing agreement within the Indo-Pacific on non-tariff trade issues and standards – especially relating to the digital and green economies. Other issues include export controls and investment screening to limit Chinese access to Western technological capabilities, as well as anti-corruption and taxation measures.

## Identifying partners in the Indo-Pacific

European and US strategies for the Indo-Pacific share an understanding that ASEAN and Southeast Asia are the Indo-Pacific's geographic centre, with statements from European and US leaders highlighting the prominent role for ASEAN in regional engagement.<sup>28</sup> However, trilateral and minilateral cooperation beyond ASEAN, for example via AUKUS or the Quad, are also seen in both Europe and the US as enabling focused and practical collaboration.

Bilateral ties with partners in the region remain important. Australia, India, Japan and New Zealand are regarded on both sides of the Atlantic as fundamental partners. European countries are also looking to deepen relations with countries such as Indonesia, Malaysia and South Korea (currently in the process of drafting its own Indo-Pacific strategy). These partners are partly selected based on historical ties – for example, those of the Netherlands with Indonesia, the UK through the FPDA and the Commonwealth, and the US through its alliances with Australia, Japan, the Philippines, South Korea and Thailand. But cooperation is ultimately driven by strategic interests and values regarding both economics and security.

There is nevertheless some divergence between European and US strategies on, for example, whether the entire Indian Ocean littoral or even the western coast of the Americas should be included in the Indo-Pacific. Differences also exist in emphasis on subregions of the Indo-Pacific and on regional institutions and groupings such as the Indian Ocean Rim Association, the Pacific Island Forum or the Quad. Such divergence offers the opportunity for coordination and cooperation among the transatlantic partners through burden-sharing geographically and institutionally.

### A 'division of labour' in defence and security

Most European nations recognize that the US is an indispensable and unavoidable partner in the region (especially in case of military conflict). The UK has gone further still by partnering formally with the US in the Indo-Pacific, for example via AUKUS and the PBP Initiative.

European naval forces are already engaged in the Indian Ocean through EUNAVFOR's Operation ATALANTA<sup>29</sup> and the Combined Maritime Forces in the Northwestern Indian Ocean.<sup>30</sup> The EU has also established a new Maritime Area of Interest<sup>31</sup> in the Northwestern Indian Ocean, in which it will implement its Coordinated Maritime Presences concept aimed at ensuring a continuous European naval presence in that region.

---

<sup>28</sup> Driesmans, I. (2021), 'ASEAN at the Centre of EU's Indo-Pacific Strategy', opinion article, 19 April 2021, [https://www.eeas.europa.eu/eeas/asean-centre-eus-indo-pacific-strategy-opinion-article-eu-ambassador-igor-driesmans\\_en](https://www.eeas.europa.eu/eeas/asean-centre-eus-indo-pacific-strategy-opinion-article-eu-ambassador-igor-driesmans_en); The White House (2022), 'Remarks By President Biden at the U.S.-ASEAN Special Summit', 13 May 2022, <https://www.whitehouse.gov/briefing-room/speeches-remarks/2022/05/13/remarks-by-president-biden-at-the-u-s-asean-special-summit>.

<sup>29</sup> EU Naval Force (2022), 'Forces of Operation ATALANTA', <https://eunavfor.eu>.

<sup>30</sup> Combined Maritime Forces (2022), 'What we do', <https://combinedmaritimeforces.com>.

<sup>31</sup> Council of the European Union (2022), *Council conclusions on the implementation of the Coordinated Maritime Presences concept in the north-western Indian Ocean*, <https://www.consilium.europa.eu/media/54437/st06255-en22.pdf>.

Given that the US does not view the western Indian Ocean and East Africa as part of the Indo-Pacific, and given the limited capacity for a European military presence in Southeast Asia or the Pacific (with the exception of France and the UK), there is potential to explore a ‘division of labour’ in the Indian Ocean and Pacific subregions. This division would be driven partly by the need for advanced defence planning and resource allocation, and partly by the logic of building on existing partnerships in those respective subregions.

### **Economic partners and target markets**

The principal economic focus for the transatlantic partners is on those countries in the Indo-Pacific: (i) that offer large and growing markets; (ii) that can play a substantive role in addressing economic security concerns; or (iii) where economic engagement can have a disproportionate impact on relations overall.

ASEAN, India and Japan each represent large export markets, with ASEAN and Indian GDP both expected to grow faster than that of China in 2022. The EU concluded negotiations for a free trade agreement (FTA) with New Zealand in June 2022 and continues to pursue trade deals with Australia, Indonesia and India (in addition to launching the EU–India TTC in April 2022). The UK is also undertaking in its own negotiations with India but is aiming for a narrower deal than that pursued by the EU. The UK already has trade agreements in effect with Japan and Vietnam, and has signed agreements with Australia and New Zealand which have yet to enter into force. Meanwhile, in June 2022, the UK and Singapore signed a digital economy agreement – representing the first such agreement concluded by a European country.<sup>32</sup>

## **Many companies in Europe and the US are seeking to diversify both export markets and sources of supply away from China to other countries in the Indo-Pacific region.**

Economic engagement with Taiwan has become more urgent due to its role in the global semiconductor sector, its liberal economy and democratic polity and – most recently – China’s increasingly aggressive rhetoric against Taiwan and demands to limit Taiwan’s involvement in multilateral agreements. Signalling this desire to deepen economic relations, the US and Taiwan launched an Initiative on 21st-Century Trade in June 2022.<sup>33</sup> The EU is also seeking to upgrade its trade and investment ties with Taipei and the UK continues its own annual trade talks with Taiwan, with a particular emphasis on trade, technology and green energy.<sup>34</sup>

<sup>32</sup> Department for International Trade (2022), ‘UK-Singapore Digital Economy Agreement’, 14 June 2022, <https://www.gov.uk/government/collections/uk-singapore-digital-economy-agreement>.

<sup>33</sup> Office of the United States Trade Representative (2022), ‘United States and Taiwan Announce the Launch of the U.S.-Taiwan Initiative on 21st-Century Trade’, 1 June 2022, <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/june/united-states-and-taiwan-announce-launch-us-taiwan-initiative-21st-century-trade>.

<sup>34</sup> Lanktree, G. (2022), ‘UK risks Chinese anger over trade talks with Taiwan’, Politico, 4 July 2022, <https://www.politico.eu/article/uk-discussion-taiwan-trade-cptpp-anger-china>.

Many companies in Europe and the US are seeking to diversify both export markets and sources of supply away from China to other countries in the Indo-Pacific region. This so-called ‘China Plus One’ strategy could benefit countries such as Malaysia, Thailand and Vietnam.<sup>35</sup> China is treated more cautiously by transatlantic governments than it was five or 10 years ago. Around 60 per cent of China–US trade is subject to either Chinese or US tariffs. Ratification of the EU–China Comprehensive Agreement on Investments, negotiated in 2020, has been blocked in the European Parliament, at least until Chinese sanctions against MEPs and European political entities are lifted.<sup>36</sup> The UK is no longer pursuing an FTA with China, while talks under the UK–China Joint Economic and Trade Commission and the China–UK Economic and Financial Dialogue have been on hold since 2018 and 2019, respectively. Finally, European and US objections to China’s lack of compliance with WTO agreements and its trading practices remain unresolved.<sup>37</sup>

Despite these developments, as the largest economy in the region, China will remain the most important trading partner for the EU and US, as well as for many countries in the Indo-Pacific.

## Platforms linking transatlantic and Indo-Pacific actors

Transatlantic engagement with the Indo-Pacific gathered momentum with the 2022 European Indo-Pacific summits, EU–US and UK–US high-level dialogues on the Indo-Pacific and the G7 summit – as well as the latest NATO summit, at which Indo-Pacific leaders were in attendance.

Existing forums, groupings and institutions such as these offer spaces in which to share information and discuss opportunities – both among the transatlantic partners and with partners in the Indo-Pacific. There are calls on both sides of the Atlantic for links to be found between these existing channels rather than their work being duplicated via new entities.

One challenge for transatlantic cooperation will be to create a more systematic and streamlined network for sharing information on Indo-Pacific activities. But the crossover between security and economics complicates such efforts, due to the range of government departments involved (and associated bureaucratic complexity).

---

<sup>35</sup> Hsu, S. (2021), ‘Which Asian Nations Can Benefit From the ‘China Plus One’ Strategy?’, *The Diplomat*, 11 June 2021, <https://thediplomat.com/2021/06/which-asian-nations-can-benefit-from-the-china-plus-one-strategy>.

<sup>36</sup> European Parliament (2021), ‘MEPs refuse any agreement with China whilst sanctions are in place’, press release, 20 May 2021, <https://www.europarl.europa.eu/news/en/press-room/20210517IPR04123/meps-refuse-any-agreement-with-china-while-sanctions-are-in-place>.

<sup>37</sup> Office of the United States Trade Representative (2021), ‘Remarks As Prepared for Delivery of Ambassador Katherine Tai Outlining the Biden-Harris Administration’s “New Approach to the U.S.-China Trade Relationship”’, 4 October 2021, <https://ustr.gov/about-us/policy-offices/press-office/speeches-and-remarks/2021/october/remarks-prepared-delivery-ambassador-katherine-tai-outlining-biden-harris-administrations-new>.

## Defence- and security-focused platforms

Both the ‘Five Eyes’ intelligence-sharing relationship between Australia, Canada, New Zealand, the UK and the US and AUKUS are primarily focused on security. These initiatives could however form the foundation for deeper cooperation between the countries involved. The Quad agreement is also security-focused, but the four partners already cooperate on other areas related to climate, critical and emerging technologies, cybersecurity, global health, infrastructure development and space exploration.<sup>38</sup>

In 2021, the US also held ministerial-level discussions about regional and global challenges to NATO with what US defense secretary Lloyd Austin termed the ‘Euro Quad’ (France, Germany, the UK and the US).<sup>39</sup>

NATO can and likely will play an increased role in determining how challenges emanating from the Indo-Pacific region will impact security in the Euro-Atlantic region. While the organization has for the first time, in its 2022 Strategic Concept, mentioned China as a ‘challenge’, and has invited its existing four Asia-Pacific (now Indo-Pacific) partners to the Madrid summit, there is a clear understanding that NATO will not formally extend its area of operations to the Indo-Pacific. Indeed, allies reaffirmed the limits on NATO’s mandate – with most European members particularly wary of turning the alliance into a tool of broader US goals in that region. The alliance will deepen its partnership with the four Indo-Pacific partners by sharing information, developing shared defence standards (on climate, cybersecurity and technology, among others) and exploring challenges to national resilience and security in the ‘grey zone’ (i.e. activities that fall below the threshold of armed conflict). Another point of focus in collaboration with like-minded partners in Asia is the need to uphold international law and the rules-based international order, while also monitoring China–Russia relations.

NATO will therefore facilitate discussions on challenges emanating from the Indo-Pacific and from China, and how those challenges impact security in the Euro-Atlantic region. It will not act as a forum for broader coordination of transatlantic policy on the Indo-Pacific.

The transatlantic partners should not underestimate the importance and impact of coordinated action on defence and security through joint diplomatic statements, joint submissions to UNCLOS and similar bodies and initiatives such as coordinated sanctions. Diplomatic and economic signalling is vital in showing solidarity, even if military options for engagement are comparatively limited. Precedents have been set: for example, the E3 (France, Germany and the UK) have coordinated on joint statements and submissions to the UN regarding the South China Sea. Other examples include G7 statements on the situation in the Taiwan Strait,<sup>40</sup> as well as

---

<sup>38</sup> The White House (2021), ‘Quad Leaders’ Joint Statement: “The Spirit of the Quad”, press release, 12 March 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/12/quad-leaders-joint-statement-the-spirit-of-the-quad>.

<sup>39</sup> U.S. Department of Defense (2021), ‘Readout of Secretary of Defense Lloyd Austin’s Meeting With Euro Quad: France, Germany, and the U.K.’, press release, 15 June 2021, <https://www.defense.gov/News/Releases/Release/Article/2658127/readout-of-secretary-of-defense-lloyd-austins-meeting-with-euro-quad-france-ger>.

<sup>40</sup> See, for example: German Federal Foreign Office (2022), ‘G7 Foreign Ministers’ Statement on Preserving Peace and Stability Across the Taiwan Strait’, statement, 3 August 2022, <https://www.auswaertiges-amt.de/en/newsroom/news/-/2545896#:~:text=We%20reiterate%20our%20shared%20and,of%20communication%20to%20prevent%20misunderstanding>.



coordinated responses to, and sanctions against, China for human rights abuses in Xinjiang and increasing authoritarianism in Hong Kong. Given the sensitivity in Europe around military engagement with the UK or the US, for fear of being seen as provoking China (hence also the careful balance in NATO's new China mandate), united shows of support for the rules-based international order and the cause of human rights provide important political signals in the Indo-Pacific.

Economic assistance to the Pacific Islands can contribute significantly to overall security there and provide alternatives to China's own proposals. The PBP initiative – launched in June 2022 by Australia, Japan, New Zealand, the UK and the US – aims to improve cooperation in the Pacific Islands and seeks to tackle a range of issues from climate change to illegal fishing. The Minerals Security Partnership – another June 2022 initiative – aims to build 'robust, responsible critical mineral supply chains'.<sup>41</sup> Australia, Canada, Finland, France, Germany, Japan, South Korea, Sweden, the UK, the US and the European Commission were its founding signatories.

At its 2022 summit meeting, the G7 announced PGII – a relaunch and rebrand of the previous year's Build Back Better World infrastructure initiative. PGII promises up to \$600 billion of global infrastructure investment as a form of belated response to China's Belt and Road Initiative, although questions remain as to how much 'new' money is involved. By its nature, the G7 has significantly less Indo-Pacific representation than the G20, and its initiatives are intended to be global in scope. This can be in part mitigated through supplementary invitations to like-minded countries: in 2022, for example, India and Indonesia were among those present at the annual G7 summit.

## Platforms for economic engagement

While bilateral engagement continues to play an important role, platforms for economic cooperation within and with the Indo-Pacific have proliferated in the past five years.

Within the Indo-Pacific, two new trade agreements continue the process of trade liberalization without EU or US involvement. The first is the Regional Comprehensive Economic Partnership (RCEP), signed in 2020 and which counts China among its 15 members. The other is the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), signed in 2018 and which has 11 members. China has submitted an application to join CPTPP, as it has with the Digital Economy Partnership Agreement (DEPA) signed in 2020 between Chile, New Zealand and Singapore.

The UK is the first European country to apply for membership of CPTPP. Post-Brexit, the UK is keen both to improve access to non-EU growth markets and to send signals on its commitment to global involvement. The EU currently remains focused on bilateral FTA negotiations.

---

<sup>41</sup> US Department of State (2022), 'Minerals Security Partnership', media note, 14 June 2022, <https://www.state.gov/minerals-security-partnership>.

The domestic political environment in the US currently precludes participation in new trade agreements. Instead, the US has announced its intent to shape agreements on non-tariff trade questions and standards through IPEF.<sup>42</sup> IPEF was launched in May 2022 and currently includes 13 regional partners: Australia, Brunei, Fiji, India, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea, Thailand and Vietnam. It envisages a range of agreements under four ‘pillars’: (i) trade (including the digital economy, labour and environmental standards); (ii) supply chains (focusing on mapping and diversification of critical supply chains); (iii) the ‘clean economy’ (covering decarbonization, energy efficiency and renewable energy); and (iv) the ‘fair economy’ (combatting corruption and curbing tax evasion). 12 of the partners have joined all four pillars; India has opted out of the trade pillar.<sup>43</sup> The US is, however, unwilling to offer improved market access to IPEF countries as an incentive to make further commitments.

In the critical area of semiconductors, in March 2022 the US proposed the so-called ‘Chip 4 alliance’ – to include Japan, South Korea and Taiwan – with the aim of enhancing cooperation between those countries to counter China’s ambitions in the sector. Rather than use the term ‘alliance’, South Korea has characterized the Chip 4 as a ‘supply chain consultative body’ in an attempt to deflect Chinese opposition.<sup>44</sup>

## **Increasing geopolitical differences among the members of the G20 following Russia’s war on Ukraine have given the G7 renewed importance as a forum for cooperation among leading democracies.**

The EU and US engage each other through various other structures. The renewal in 2021 of the EU–US–Japan trilateral partnership, for example, signals an effort to take a common approach to shared concerns on China’s trading behaviours at a global level.<sup>45</sup> The EU–US TTC aims to foster cooperation on trade and technology and could address issues related to the Indo-Pacific, such as digital governance or supply-chain resilience. In practice, however, an extensive agenda of other bilateral EU–US matters needs to be resolved first before any shift in focus. Examples include recent transatlantic tensions concerning US tax credits for electric vehicles favouring North American-based manufacturers, a potential

---

<sup>42</sup> The White House (2022), ‘FACT SHEET: In Asia, President Biden and a Dozen Indo-Pacific Partners Launch the Indo-Pacific Economic Framework for Prosperity’, 23 May 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/23/fact-sheet-in-asia-president-biden-and-a-dozen-indo-pacific-partners-launch-the-indo-pacific-economic-framework-for-prosperity>.

<sup>43</sup> See Office of the United States Trade Representative (2022), ‘Indo-Pacific Economic Framework for Prosperity (IPEF) - Trade Pillar’, <https://ustr.gov/trade-agreements/agreements-under-negotiation/indo-pacific-economic-framework-prosperity-ipef/trade-pillar>.

<sup>44</sup> Korea JoongAng Daily (2022), ‘Korea states intention to participate in ‘Chip 4’’, 8 August 2022, <https://koreajoongangdaily.joins.com/2022/08/08/business/industry/Korea-Chip-4-chip-alliance/20220808102641940.html>.

<sup>45</sup> Leonard, J., Nardelli, A. and Baschuk, B. (2021), ‘U.S., EU, Japan to Renew Alliance Against China Trade Practices’, Bloomberg, 17 November 2021, <https://www.bloomberg.com/news/articles/2021-11-17/u-s-eu-japan-to-renew-alliance-against-china-trade-practices>.

subsidies race for semiconductors between the US and EU<sup>46</sup> and US export controls for semiconductor technology to Chinese chipmakers that could restrict EU firms' business relations with China.

Increasing geopolitical differences among the members of the G20 following Russia's war on Ukraine have given the G7 renewed importance as a forum for cooperation among leading democracies. For the UK in particular, the G7 provides a ready-made platform to engage with key EU member states and the US (as well as Canada and Japan). With Japan taking over the G7 presidency in 2023, cooperation between the G7 and non-members in the Indo-Pacific could gain further traction – especially in the areas of digital trade and supply-chain resilience.

## Conclusion

While the transatlantic partners share concerns over China and have similar geopolitical, economic and security interests in the Indo-Pacific, Europe and the US differ in their approaches to the region, their prioritization of it and their definition of the most significant issues.

Duplicated efforts, or the ineffective allocation of resources, could prove confusing to Indo-Pacific partners and could test the capacity of countries in the region to process offers for cooperation. Furthermore, uncoordinated transatlantic cooperation, or a failure to develop strategies in the interest of regional partners, could strengthen the perception of a lack of effective alternatives to a regional political and economic architecture. This would create space for Beijing to promote China-centric structures and illiberal values and norms.

Although divergent European and US approaches and, at times, overlapping unilateral initiatives constrain cooperation, they could become complementary and mutually reinforcing – providing partners in the Indo-Pacific with more options, rather than a binary choice between Europe/US or China. Finding such synergies would negate the need for the transatlantic partners to create new, Indo-Pacific-focused structures.

## Elements of uncertainty

China's behaviour will play a major role in determining the outlook for transatlantic cooperation on the Indo-Pacific. Should Beijing act more assertively or coercively – whether in the US and Europe, or in the Indo-Pacific – the US and its European partners would likely seek to coordinate their approaches, aim to assist their regional partners and demonstrate commitment to the rules-based international order. In such a situation, given Europe's limited ability to contribute

---

<sup>46</sup> See, for example, the proposed EU Chips Act and the US CHIPS and Science Act of 2022. European Parliament (2022), 'European Chips Act (semi-conductors) in "A Europe Fit for the Digital Age"', [https://www.europarl.europa.eu/legislative-train/theme-a-europe-fit-for-the-digital-age/file-european-chips-act-\(semiconductors\)](https://www.europarl.europa.eu/legislative-train/theme-a-europe-fit-for-the-digital-age/file-european-chips-act-(semiconductors)); and The White House (2022), 'FACT SHEET: CHIPS and Science Act Will Lower Costs, Create Jobs, Strengthen Supply Chains, and Counter China', 9 August 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/09/fact-sheet-chips-and-science-act-will-lower-costs-create-jobs-strengthen-supply-chains-and-counter-china>.

to Indo-Pacific security and continued dependence on the US for its own security, there would be a clearer rationale for a Europe–US division of labour in the Euro-Atlantic and Indo-Pacific regions.

Although the US has recently recommitted troops, assets and funding for NATO and Ukraine, it plans to operate more in the Indo-Pacific theatre in future – which has implications for the means at NATO’s disposal. In the event of a crisis in Asia, European countries would likely need to backfill US assets in Europe at a time of heightened threat from Russia. Those countries active militarily in the Indo-Pacific as part of national strategies (e.g. France, Germany, the Netherlands and the UK) would also need to decide whether to align closely with US-led regional security structures – although, in practice, they would have little other option.<sup>47</sup>

Meanwhile, competition for attention between the Euro-Atlantic and Indo-Pacific theatres has implications for the allocation of European and US military resources. The trajectory of Russia’s war on Ukraine will impact most on the security policies of the EU and European governments. But the two theatres are increasingly linked, not least due to the China–Russia relationship, which – publicly at least – has strengthened since the beginning of the war.

Increased Chinese assertiveness in the Indo-Pacific also impacts the cost/benefit calculations of the countries in that region, which may become more receptive to transatlantic engagement. At the same time, US actions – for example, then House speaker Nancy Pelosi’s visit to Taiwan in August 2022 – could impact regional perceptions of US and its European partners.

The US presidential elections in 2024 are unlikely to fundamentally change the US approach to China and the Indo-Pacific. But the outcome could have significant implications for transatlantic cooperation. A victory for Donald Trump or a candidate with a similar worldview could lead to renewed friction between the transatlantic partners, limiting the scope of cooperation in the Indo-Pacific and beyond. A Trump or Trump-like administration would likely take a more transactional approach to relations with its European partners – for example, demanding greater European alignment with US policy on China and the Indo-Pacific in exchange for US security guarantees.

In addition to the US, current UK political instability could alter the shape of transatlantic Indo-Pacific engagement. Liz Truss was a firm supporter of both increased defence spending and the Indo-Pacific ‘tilt’. In her short time as prime minister, Truss ordered a review of the Integrated Review, which was expected to recommend firmer language around the threat of China. It remains to be seen how Sunak or indeed a future Labour government will approach the Indo-Pacific region, and how domestic economic realities will restrict UK defence and foreign policy budgets.

---

<sup>47</sup> Billon-Galland, A. and Kundnani, H. (2022), ‘How Ukraine will change Europe’s Indo-Pacific ambitions’, Chatham House Expert Comment, 25 April 2022, <https://www.chathamhouse.org/2022/04/how-ukraine-will-change-europes-indo-pacific-ambitions>.

## Focus on cooperation and managing differences

Policymakers across Europe and the US are currently exploring how to align Indo-Pacific-related initiatives in various minilateral groupings by determining the forums and issues where discussions with like-minded partners are most likely to succeed.

There are slight differences between the transatlantic partners on preferred mechanisms for engagement – the US tends towards bespoke partnerships and Europe towards multilateral platforms. However, opportunities for greater alignment do exist, and there is a shared recognition that cooperation and coordination must go beyond information-sharing.

For example, there is potential for greater engagement between the Quad and the ‘Euro Quad’ – with the US, as a participant in both, serving as the conduit. The Quad has adopted a softer approach to security and economics, mostly targeting uncontroversial issues on which the EU, the UK and the US could also cooperate. The success of such an approach will depend, of course, on the political will of Indo-Pacific partners to connect the two formats, especially as they are keen to avoid the perception of targeting China.

The G7 could also become a key platform for transatlantic Indo-Pacific policy engagement, as it has the advantage of including the most influential EU member states, the UK and the US as well as the EU as a non-enumerated member. The only G7 member situated in the Indo-Pacific region (excluding the various territories of France and the US) is Japan, which holds the G7 presidency in 2023. However, representatives from other Indo-Pacific countries – such as Australia, India, Indonesia and South Korea – have joined recent G7 meetings as observers. The G7 already plays an important role in enabling cooperation on climate adaptation and mitigation, green finance and infrastructure. Ways of strengthening this cooperation could include providing adequate funding to nascent initiatives such as PGII, but also using the G7 as a link between external initiatives led by members and observers – for example, the EU’s Global Gateway and the Blue Dot Network of Australia, Japan and the US.

The EU and its member states, the UK and the US all have strong reasons to deepen engagement with the Indo-Pacific. But regional buy-in and policy co-creation will ultimately be critical for the success of individual and, where feasible, coordinated engagement by transatlantic players in the Indo-Pacific.

## About the authors

**Marianne Schneider-Petsinger** is a senior research fellow in the Global Economy and Finance Programme at Chatham House, responsible for analysis at the nexus of political and economic issues. Before joining Chatham House in 2016, she managed the Transatlantic Consumer Dialogue, an international membership body representing consumer organizations in the EU and the US. She also worked for a think-tank on transatlantic affairs in the US, and for the Thuringian Ministry of Economic Affairs in Germany.

**Veerle Nouwens** is a senior research fellow at the International Security Studies Department of the Royal United Services Institute (RUSI), where she leads the Indo-Pacific Programme. Veerle specializes in geopolitical relations in the Indo-Pacific region, China's foreign policy, cross-strait relations, maritime security and ASEAN affairs. Prior to joining RUSI, she worked for the European External Action Service at the Delegation of the European Union to Singapore.

**Alice Billon-Galland** is a research fellow in the Europe Programme at Chatham House and is one of the 14 Young Leaders selected by NATO secretary-general Jens Stoltenberg to advise on the organization's 2030 process. Her research focuses on issues linked to European security inclusive of transatlantic relations, the EU and NATO, with a particular focus on French and British foreign and defence policies. Prior to joining Chatham House in 2019, she led the European defence programme at the European Leadership Network.

**Andrew Caine** is a senior associate fellow at the International Security Studies Department of RUSI. He is also a founding director of the UK National Committee on China, an educational non-profit organization. He previously held leadership positions with Boston Consulting Group, Booz & Company and Tony Blair Associates – Government Advisory in London, Seoul, Shanghai and Singapore.

**Gareth Price** is a senior research fellow in the Asia-Pacific Programme at Chatham House. He has led research on a range of economic and political issues affecting South Asia since 2004 and was also head of the Asia programme at Chatham House for six years. Before joining Chatham House, Gareth worked as an analyst at the Economist Intelligence Unit, focusing on South Asia, and before that was the South Asia analyst at Control Risks Group.

## Acknowledgments

The authors would like to thank the subject matter experts who shared their knowledge during off-the-record interviews and whose invaluable insights strengthened the analysis of this paper. They are grateful to the two anonymous peer reviewers for their feedback and to Ben Bland, director of Chatham House's Asia-Pacific Programme, for his editorial guidance. The authors would also like to extend their gratitude to other current and former colleagues at Chatham House and RUSI for their administrative, editorial and intellectual support. Any errors or omissions are the authors' own.

This paper has been drafted under a joint Chatham House–RUSI project that examines the evolving transatlantic agenda to meet the challenge of China in the Indo-Pacific. The project is financially supported by the Carnegie Corporation of New York.

An earlier joint project between Chatham House and RUSI examined the transatlantic relationship in the context of the China challenge by looking at four different policy areas – trade and investment, digital technology, climate change and the global commons.

### **Transatlantic Cooperation in the Indo-Pacific**

This project aims to recommend ways for the US, UK and EU member states to work together more effectively to achieve shared aims in the Indo-Pacific.

<https://www.chathamhouse.org/about-us/our-departments/asia-pacific-programme/transatlantic-cooperation-indo-pacific>

---

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical including photocopying, recording or any information storage or retrieval system, without the prior written permission of the copyright holder. Please direct all enquiries to the publishers.

Chatham House does not express opinions of its own. The opinions expressed in this publication are the responsibility of the author(s).

Copyright © The Royal Institute of International Affairs, 2022

Cover image: Photographers prepare for the third day of the 2022 G7 summit at Schloss Elmau, Germany, 28 June 2022.

Photo credit: Copyright © Thomas Lohnes/Getty Images

ISBN: 978 1 78413 542 3

DOI: 10.55317/9781784135423

Cite this paper: Schneider-Petsinger, M. et al. (2022), *Transatlantic cooperation on the Indo-Pacific: European and US priorities, partners and platforms*, Briefing Paper, London: Royal Institute of International Affairs, <https://doi.org/10.55317/9781784135423>.

This publication is printed on FSC-certified paper.  
designbysoapbox.com



**Independent thinking since 1920**

**Chatham House, the Royal Institute of International Affairs, is a world-leading policy institute based in London. Our mission is to help governments and societies build a sustainably secure, prosperous and just world.**



**The Royal Institute of International Affairs  
Chatham House**

10 St James's Square, London SW1Y 4LE

T +44 (0)20 7957 5700

[contact@chathamhouse.org](mailto:contact@chathamhouse.org) | [chathamhouse.org](http://chathamhouse.org)

Charity Registration Number: 208223