

Policy guidelines for the Indo-Pacific region

Germany – Europe – Asia:
shaping the 21st century together

(Preliminary translation of the executive summary)

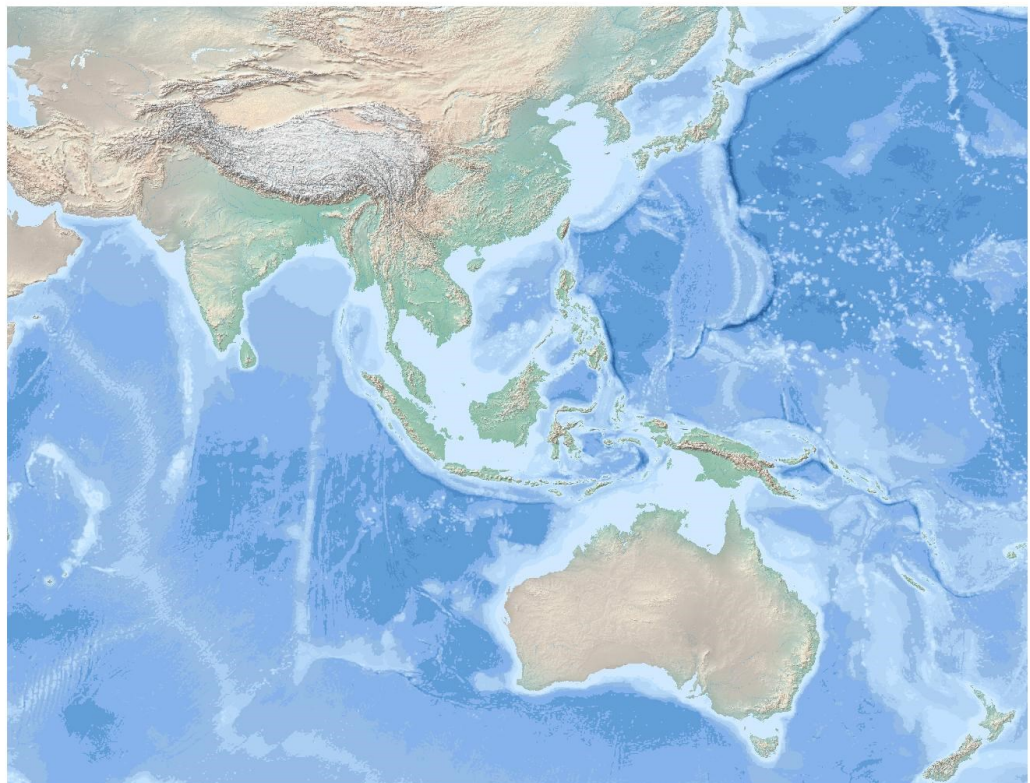


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Introduction

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

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

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

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

More and more governments, organisations and institutions worldwide are making the Indo-Pacific region their conceptual frame of reference and thus the basis of their policies, for example Japan, the US, India, Australia, France and the Association of Southeast Asian Nations (ASEAN). All Indo-Pacific concepts allude to the rules-based international order. They differ, however, in terms of their objectives, emphasis on different policy fields, the importance they ascribe to multilateral approaches and, above all, with respect to the question of China's involvement as a regional power and emerging world power that calls the rules of the international order into question in certain quarters.

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

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

Interests

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

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

- **Digital transformation and connectivity:** Economic growth and prosperity depend more than ever on connecting regions, markets and machines, and on expanding key technologies. With a view to strengthening Germany's competitiveness, the Federal Government supports the expansion of cooperation in the area of the digital transformation and key technologies. The countries of the Indo-Pacific region are attractive partners in this context. Technical, security policy and economic and social risks must be taken into account when cooperating with this region. When developing connectivity, it is important to facilitate fair competition, to avoid over-indebtedness on the part of the recipient countries and to ensure transparency and sustainability.
- **Protecting our planet:** The rapid economic growth in the Indo-Pacific region in recent decades has enabled broad sections of the population to achieve great gains in prosperity. However, rising emissions – along with population growth, which is still high in some cases, and wide-scale urbanisation – are placing an additional burden on both the global climate and our planet's ecosystems. This development is putting people's natural resources under strain and is leading to social upheaval in many countries in the Indo-Pacific region, also giving rise to irregular migration – including to Europe. In the interests of future generations, the aim must be to ensure that growth in the Indo-Pacific region is environmentally friendly and socially compatible. Moreover, natural resources must be managed sustainably, unique biodiversity preserved and the challenges of urbanisation addressed.
- **Access to fact-based information:** At a time in which social media is becoming increasingly important, communication is also an effective foreign policy instrument in the Indo-Pacific region. Authoritarian actors make intensive use of communication to manipulate and influence civil societies. The Federal Government is countering the considerable spread of disinformation in the region by increasing the availability of fact-based information.

Principles

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

- **European action:** The EU and its member states can better protect and assert their interests by acting in a united and coherent manner. Taking its lead from its Global Strategy of 2016, the EU is focusing its attention on stronger security policy engagement, an ambitious trade and development policy and the implementation of the EU-Asia connectivity strategy. These policy guidelines are also intended to contribute to the development of a European strategy for approaching the Indo-Pacific region.
- **Multilateralism:** Stronger political, economic and security policy networks in and with the region leads to a reduction of unilateral dependencies and preserves both the ability to act and sovereignty. Germany and the EU are committed to the close integration of the region into multilateral organisations and forums such as the G20 and to the promotion of regional multilateral structures within the framework of a network of partnerships, provided that – as in the case of ASEAN – the participating states enjoy a level playing field. Multilateral agreements are the most effective way to make progress in climate and environmental protection,

rules-based trade, disarmament, arms control and non-proliferation, as well as the protection of human rights.

- **The rules-based order:** In the Indo-Pacific region, too, it is not the law of the strong that must prevail, but the strength of the law. This also applies to the shipping routes through the Indian Ocean and the Pacific. The UN Convention on the Law of the Sea as a comprehensive maritime regulatory and cooperation framework and the freedoms of navigation enshrined therein are universal. Germany is prepared to promote the enforcement of rules and norms in the region. In other areas, too, such as the environment, labour and trade, dealing with pandemics, human rights and arms control, the best way to achieve progress is through regional or international regulatory frameworks and structures.
- **United Nations Development Goals:** The Federal Government is committed to the 2030 Agenda with its 17 Sustainable Development Goals. In particular, it is committed to life in dignity, education for all, decent work and the long-term preservation of natural resources. Gender equality and the empowerment and promotion of women are a key part of efforts to reduce poverty. In addition, the Federal Government's policy in the Indo-Pacific region takes its lead from the obligations enshrined in the Paris Climate Agreement and the Convention on Biological Diversity.
- **Human rights:** The Federal Government respects the history and culture of each of the countries of the Indo-Pacific region and is also committed to the enforcement of universal and indivisible human rights. Economic development and respect for human rights are not mutually exclusive but are complementary goals requiring a holistic approach.
- **Inclusivity:** The Indo-Pacific region can only benefit from peace, security and stability if all countries in the region do their part in equal measure. The Federal Government supports inclusive regional cooperation initiatives. It does not consider containment and decoupling strategies to be conducive – not least in view of the strong interdependence of national economies and the complexity of global challenges such as climate change, peacekeeping and fragile statehood. The ASEAN-centric security architecture offers a valuable framework for involving key actors.
- **A partnership among equals:** The Federal Government's policy is not only aimed at intensifying relations with actors in the region. Rather, in the future, it aims to step up its cooperation with Indo-Pacific states in third countries on an equal footing and in a spirit of shared global responsibility. This is particularly expedient in the case of overlapping interests and in forums such as the G20, and requires a willingness to cooperate on the part of partner countries.

Initiatives

Strengthening multilateralism

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

- work together with partner in the Indo-Pacific region to **strengthen the World Health Organization (WHO)** and introduce a **lessons learned process**, as well as to bolster multilateral structures for pandemic management and prevention,
 - promote the **Alliance for Multilateralism**, a Franco-German initiative, more strongly in the Indo-Pacific region – also by taking into account issues that are of particular importance to the region.
- The Federal Government will work with France to elaborate a **European strategy** on relations with the Indo-Pacific region.

Tackling climate change and protecting the environment

- The Federal Government will step up its **cooperation** in the Indo-Pacific region in the spheres of **climate protection, adaptation to climate change, biodiversity protection, renewable energies and energy efficiency**. To this end, it will
 - advocate a **substantial reduction in emissions** and support the EU's efforts to achieve climate commitments together with China, India and other countries in the region, going beyond the current obligations,
 - expand its **support for the Pacific island states** and other particularly affected states in the region in addressing climate change-related risks, including security risks,
 - expand bilateral and regional cooperation in the field of **marine litter** and development projects in the field of **marine protection**,
 - develop and expand concrete projects in line with the Federal Government's 2020 Guidelines on the Promotion of **Deforestation-Free Supply Chains of Agricultural Commodities** and support dialogue formats with producer and consumer countries in the Indo-Pacific region,
 - expand projects on **low-emission and sustainable palm oil development** with priority countries,
 - promote the integration of **ecosystem-based adaptation measures** into national adaptation strategies,
 - promote the **protection and sustainable use of biodiversity** via concrete projects and support partner countries in developing and implementing national biodiversity strategies,
 - expand cooperation on **green hydrogen**, especially with Australia,
 - support projects seeking to tackle poaching and the illegal **trade in wild animals** and work to achieve a ban on certain forms of trade in wild animals for human consumption,
 - step up its close cooperation with India in the sphere of **climate protection, climate adaptation and renewable energies** and join the International Solar Alliance initiated by India and France,
 - forge ahead with the phasing out of coal-fired power generation and with the termination of financing for coal-fired power plants by Asian countries within the framework of the **Powering Past Coal Alliance**, together with other member states and partners,
 - expand existing **energy partnerships** and enter into new partnerships, particularly in Southeast Asia.
- The Federal Government will expand its **multilateral engagement** with the Indo-Pacific region in the sphere of climate and environmental protection. To this end, it will

- support the **Green Climate Fund** cumulatively with 2.25 billion euro, thus becoming one of the largest donors,
- advocate an ambitious post-2020 global **framework for biodiversity conservation** within the framework of the Convention on Biological Diversity (CBD) and promote its implementation together with partners in the Indo-Pacific region, including in close cooperation with China at the next Conference of the Parties to the CBD in Kunming (CoP 15),
- continue close cooperation with a large number of countries in the Indo-Pacific region, in particular the Pacific island states, in the multilateral **Group of Friends on Climate and Security** and work together to integrate the security dimension of climate change into the work of the United Nations in a systematic manner,
- continue and establish the format of the Berlin Climate and Security Conference, building on the **Berlin Call for Action** of 2019,
- work closely with the **Amsterdam Declarations Partnership** and with forest-rich countries in the Indo-Pacific region to bring about more sustainable palm oil and rubber production.

Strengthening peace, security and stability

- The Federal Government will step up its **security policy engagement** in the Indo-Pacific region. To this end, it will
 - be involved in measures to protect and safeguard the rules-based order in the Indo-Pacific region, such as **safeguarding the principles of the UN Convention on the Law of the Sea** and **monitoring UN sanctions against North Korea**,
 - expand **security and defence cooperation** in the region together with its partners. This may include attending security policy forums, taking part in exercises in the region, elaborating joint evacuation plans, seconding liaison officers and various forms of maritime presence.
 - accede to the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (**ReCAAP**) in order to play an active role in tackling piracy in the Indo-Pacific region,
 - support a substantive and legally binding **Code of Conduct** between China and the ASEAN Member States for the South China Sea through tangible projects on international maritime law,
 - support **ASEAN's** security cooperation formats, thereby also strengthening the EU's security role,
 - work within **NATO** to develop relations with "Partners Across the Globe" (including Australia, Japan, New Zealand and South Korea),
 - pursue **bilateral defence cooperation** in line with export control commitments while taking into account the strategic nature of its relations with countries in the region,
 - expand **cyber-security cooperation** and dialogue with partners with shared values in the region (including Singapore, Australia, Japan and South Korea) to enhance the protection of its own information and communications systems, collective defence capabilities and resilience to growing threats in cyberspace and the information arena,
 - include other countries of the Indo-Pacific region in the **German Federal Government's Enable & Enhance Initiative** in light of their specific needs,

- provide greater resources for **stabilisation and mediation** in the Indo-Pacific region.
- The Federal Government will continue to implement **measures for civil crisis prevention, conflict management and peacebuilding**. To this end, it will
 - engage in bilateral projects and with civil society to **combat violent extremism and promote social cohesion**,
 - work on the **root causes of violent conflicts** in the context of development policy.
- The Federal Government will step up its **arms control and export control policy engagement** in and with the Indo-Pacific region. To this end, it will
 - work in dialogue with China – a nuclear power and a party to the **Non-Proliferation Treaty** – to promote its willingness to engage in verifiable **arms control** and confidence building,
 - expand the **Missile Dialogue Initiative (MDI)** and the conference format for dealing with new technologies (**Capturing Technology. Rethinking Arms Control**) with the involvement of key stakeholders from the Indo-Pacific region,
 - work to achieve further universalisation of the **Arms Trade Treaty (ATT)** in the Indo-Pacific region, which continues to be underrepresented in this context,
 - support ASEAN countries in **export control**-related capacity-building and in countering proliferation financing.

Promoting human rights and the rule of law

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

Strengthening rules-based, fair and sustainable free trade

- The Federal Government will improve the framework conditions for **diversifying and intensifying economic relations** in the Indo-Pacific region.
- The Federal Government will support the **EU's trade policy** and work to strengthen the multilateral trade system with the WTO at its centre in cooperation with the countries of the Indo-Pacific region.
- The Federal Government will lend its active support to the **EU's trade policy** in the Indo-Pacific region in order to eliminate existing obstacles to trade and investment on both sides as well as to enshrine binding rules on environmental and social standards, climate protection and competition policy, state-owned companies, subsidies and the protection of intellectual property. To this end, it will
 - create improved **market access** for German and European products and promote **fair competition and sustainability**,
 - counteract trends towards “deglobalisation” discernible in the context of COVID-19 and instead support the diversification of **supply chains**,
 - work together with European partners to ensure rapid progress in the negotiations of **free trade agreements** between the EU and the respective countries of the Indo-Pacific region, in particular with New Zealand, Australia and Indonesia, and, once negotiations for an EU free trade agreement have been resumed, with ASEAN,
 - advance the **modernisation** of existing free trade agreements, in particular with South Korea,
 - support the EU's negotiations on a comprehensive and ambitious **investment agreement with China** in order to eliminate existing market access asymmetries and to create fair and non-discriminatory conditions for competition.
- The Federal Government will support the **engagement of German companies** in the Indo-Pacific region. To this end, it will
 - make better and more targeted use of the potential of **strategic projects abroad**,
 - contribute to the expansion of the conference format of the **Asia-Pacific Conference of German Business** as the flagship of German business activity abroad,
 - support the network of the **German Chambers of Commerce Abroad**,
 - extend **vocational training cooperation** in the Indo-Pacific region,
 - continue to work within the framework of the **Partnership for Sustainable Textiles** to promote greater sustainability in the textile industry, including in production countries in the Indo-Pacific region.
- The Federal Government will put in place targeted measures to make it easier for **students, skilled workers and specialists to come to Germany** or to relocate (for a limited period of time) for study, training or employment purposes by further expanding personnel and organisational capacities for assessing visa applications and granting visas, if possible, within the scope of existing resources.

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

- The Federal Government will expand **connectivity both to and within the Indo-Pacific region**. To this end, it will
 - work with EU partners to ensure the swift and comprehensive implementation of the **EU-Asia connectivity strategy** at EU level,
 - support this strategy with bilateral engagement, building on existing cooperation, such as the **Green Energy Corridors** with India,
 - support the EU in implementing the **EU-Japan Partnership on Sustainable Connectivity and Quality Infrastructure**,
 - cooperate with partners in the EU to ensure intensified EU-ASEAN cooperation in the sphere of connectivity as well as an **EU-ASEAN connectivity partnership** in the future,
 - work towards the rapid conclusion of negotiations on an EU-ASEAN Comprehensive Air Transport Agreement (**CATA**),
 - advocate **stringent standards and sustainability** for connectivity projects,
 - contribute to the **financing** of connectivity projects at national and EU level.
- The Federal Government will promote and help shape the **digital transformation**. To this end, it will
 - expand cooperation with countries in the Indo-Pacific region in the **Industrie 4.0** sector,
 - intensify the existing close dialogue on the digital transformation with Australia, Japan and South Korea, make better use of the **opportunities posed by the digital transformation** through close cooperation with partners such as Japan, India and South Korea in research, development and standardisation, as well as by closing ranks at the multilateral level,
 - seek a visionary dialogue above and beyond **5G** with Indo-Pacific partner countries.
- The Federal Government will strengthen Germany's **competitiveness in key technologies**. To this end, it will
 - seek **opportunities for cooperating** on key technologies with Indo-Pacific countries, especially Singapore, Australia, South Korea and Japan, and work together to promote the responsible use of these technologies.
- The Federal Government will support and strategically promote the **digital sovereignty** of Germany and the EU, particularly with regard to the Indo-Pacific region.

Bringing people together through culture, education and science

- The Federal Government will expand its cooperation with the Indo-Pacific region in the fields of **culture, education and science**. To this end, it will
 - network more closely with innovation landscapes in the Indo-Pacific region, building on existing structures such as the **Indo-German Science and Technology Centre in New Delhi** and use these as a model for cooperating with other countries in the region,
 - expand **funding measures for German scientists**, especially for joint research projects with partners with shared values in the Indo-Pacific region in the area of strategic and innovative fields of the future,

- assist and support the **Chinese-German Tongji University**, the Vietnamese-German University in Ho Chi Minh City and the **German Centers for Research and Innovation** in New Delhi and Tokyo as flagship projects of German science diplomacy,
- advocate the freedom of culture professionals and scientists within the framework of **cultural relations and education policy** and, on an ongoing basis, foster cooperation with civil society actors, support for journalists and media workers and engagement in the creative industries,
- continue its engagement in the area of **academic exchange** and **cultural preservation** in the Indo-Pacific region together with countries in the region.