



Konrad Adenauer Lecture Series

“The EU-Indo-Pacific Relations
in Times of Uncertainty and Geo-Political
Power Struggles”

by **David McAllister (MEP)**
Chair of the EU Parliament Committee on Foreign Affairs

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University



ANU CENTRE FOR EUROPEAN STUDIES



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David McAllister (MEP)
Chair of the EU Parliament
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David McAllister was born in Berlin on 12 January 1971. He is married and has two daughters. After finishing his secondary school in 1989, he served in the German Military for two years. He studied law with a scholarship awarded by the Konrad-Adenauer-Foundation and has been a lawyer since 1998. In 2012 he received an honorary doctorate from the University of Edinburgh.

His political career began in 1998, when he was elected as a member of the State Parliament of Niedersachsen (Lower Saxony). From 2003 till 2010 he served as Chairman of the Christian Democratic Union (CDU) Group and from 2010 until 2013 as Premier of Niedersachsen.

He has been a Member of the European Parliament since 2014. He chairs the Committee on Foreign Affairs in the European Parliament and serves as Co-Chair of the UK Contact Group.

David McAllister has been a Vice President of the EPP since 2015.

About the Konrad Adenauer Lecture Series

The Konrad Adenauer Lecture Series is a platform for strengthening knowledge and understanding of challenges and interests common to Germany and Australia and their respective regions of Europe and the Indo-Pacific. Since the inaugural Konrad Adenauer Lecture took place in November 2017 it has presented a variety of high ranking international speakers. The establishment of the prestigious annual Konrad Adenauer Lecture was the culmination of an ongoing collaboration between the ANU Centre for European Studies (ANUCES) and the Konrad Adenauer Stiftung (KAS).

Over a number of years ANUCES and KAS have worked to bring together researchers and policymakers on issues of critical importance in both Europe and Australia. Their collaborative events and publications have promoted dialogue among scholars and practitioners to address common problems and identify shared interests. ANUCES and KAS formalised their partnership in the form of their commitment to an annual, high-profile lecture series and subsequent papers.

<https://kas.de/australia>

<https://ces.cass.anu.edu.au/>



Dear Mr Wenger (Bertil, Director, KAS Australia and the Pacific), dear Ms McNaughton (Anne, Executive Director, Centre for European Studies, The Australian National University), your Excellencies, ladies and gentlemen!

Thank you for inviting me to give today's Konrad Adenauer Lecture on the EU-Indo-Pacific relations in times of uncertainty and geopolitical power struggles.

I have often been asked: Who is your political role model? Well, my answer is straight forward: Konrad Adenauer!

Why? Because my generation owes a huge debt to this wise old man. After the total moral collapse under National Socialism, Konrad Adenauer brought Germany back to the family of civilised nations. He was mainly responsible for strategic steps in the right direction: social market economy, the transatlantic alliance with the US and Canada, the formation of the Bundeswehr, reconciliation and friendship with our neighbours and the long-term goal of reunification in freedom through European integration.

Over the past 15 years, the European Union had to address a multitude of challenges:

- the financial crisis;
- the great recession;
- the migration crisis;
- a surge in terrorist attacks;
- Brexit and
- a not always smooth relation with the Trump administration.

The world has also faced the Covid-19 pandemic, and the ensuing supply chain disruptions, while the strategic competition between the United States and China emerges as the new geopolitical paradigm.

As we look at the state of global affairs today, it often feels as if we were in permanent crisis mode, and that the world as we once knew is fading away.

This brings me to the early hours of 24 February, when Russia began its military invasion of Ukraine with a clear goal: to wipe the country from the world's map.

Putin's war is not only a threat to the European and regional stability.

It is a war against the rules-based international order.
It is a blatant violation of the UN Charter.
It is war on democratic societies. This cannot go unanswered.

We have a responsibility to support Ukraine in its legitimate self-defence. Otherwise, we could potentially face similar threats to peace and stability in other regions. Obviously, the Kremlin is following the imperialist concept of "spheres of interest", according to which, all the territories of the former Russian Empire and the former Soviet Union "belong" to the Russian Federation.

We must help Ukraine to end this war and we must start helping Ukraine to rebuild. The European Union is working on a comprehensive recovery package for Ukraine. It focuses on the country's immediate, medium- and long-term relief, reconstruction and recovery. And the investments must be aligned with the need for reform, in order to truly pave the way for Ukraine's accession to the EU.



The geopolitical shift towards the Indo-Pacific is a reality and a new rallying point for major global players like the United States and China. This competition poses new challenges for the European Union, because we will have to answer certain questions sooner rather than later:

- How should the European Union's overall relationship with the Indo-Pacific look?
- How can we, as Europe, strengthen our own strategic stability, security, prosperity and geopolitical relevance by forging a mutually beneficial relationship with countries in the Indo-Pacific?

A number of countries in Europe have recognised the growing geostrategic importance of the region.

France started to promote its Indo-Pacific strategy in 2018, followed by the German and Dutch guidelines on the region in September and November 2020. These national developments were the driving force behind the European Council's conclusions on the "EU Strategy for Cooperation in the Indo-Pacific" in April 2021, and the following adoption of our common Indo-Pacific Strategy on 16 September 2021.

The EU's Indo-Pacific strategy sets out our intention to reinforce European presence and action in this region, based on inclusiveness and principled long-term engagement with regional partners. It is about maintaining a free and open Indo-Pacific for all and promoting a rule-based regional security architecture in line with the democratic principles.

This new orientation of the EU is strategically logical, considering the growing importance of the region as a key player in the global international order. The developments in the Indo-Pacific directly affect our security and prosperity in Europe. We need to address them in close cooperation and coordination with our regional partners.

For this reason, it is positive that we can already rely on a broad network of partnerships and agreements with a number of Indo-Pacific countries, such as Japan, the Republic of Korea, Australia, India, New Zealand, Singapore, as well as regional organisations, such as ASEAN.

Our approach, as EU, is designed to foster a rules-based international order, a level playing field as well as an open and fair environment for trade and investment, tackling climate change and supporting connectivity with Europe.

The EU Strategy on the Indo-Pacific is an invitation to our partners in the region to jointly address common challenges, uphold international law and defend values and principles to which we are committed.

We see Australia as a crucial partner in this context. The priorities of Australia and the EU overlap in particular with regard to infrastructure investments: connectivity projects, clean energy and transport are important areas of joint interest!

The Indo-Pacific is a vibrant part of the world economy. However, regional orders are increasingly challenged by geo-political competition between the United States and China. This produces tensions not only with regard to supply chains but also in broader political and security matters, as we observed in the recent Taiwan crisis.

Many authoritarian regimes in the region are suppressing democratic principles and human rights, which puts stability at risk and directly affects European security and prosperity.



Furthermore, there are conflicts over land and maritime borders, as well as a lack of trust among the main players in the region.

We have a special interest in an open and rule-based regional order. To this end, the EU wants to strengthen and enhance cooperation with our partners and like-minded countries like Australia, South Korea, Japan, Taiwan, Singapore, India, New Zealand, and the US.

As the European Parliament's rapporteur of a report specifically centred on the EU and the security challenges in the Indo-Pacific, I have reflected on how the EU should protect its interests and work more closely with our partners in the Indo-Pacific.

Regional security pacts such as QUAD and AUKUS are important elements of the security architecture in the Indo-Pacific.

Yes, last year's announcement of the Australian security partnership with the US and the United Kingdom, as well as the cancellation of the submarine contract with France, took the European Union by surprise. It put France, and hence the entire EU, in a difficult position.

The current challenges to stability in the region call for more cooperation and coordination among likeminded partners. I am pleased that Australia has found a constructive solution with France that allows us now to move forward.

I see the potential for exploring cooperation between the EU and the QUAD in key political, economic and security areas.

Let me especially stress the importance that we attach to a meaningful European naval presence in this area. EU Member States have been eager to contribute to uphold freedom of navigation and overflight, and help local partners to improve their awareness capabilities in the maritime domain. France, with more than 1.5 million citizens in the overseas territories and military presence, has been the most active in this respect. The EU's cooperation with QUAD can be an anchor for our efforts to engage in the region, allowing us to diversify relationships with like-minded partners in the Indo-Pacific.

While cooperation and joint naval exercises between some EU Member States and QUAD have already become a reality, there are other areas, where closer cooperation can be mutually beneficial and should therefore be developed. These include cyber security, disinformation and hybrid threats as well as countering organised crime and illicit trade.

Together we should aim to proactively reduce vulnerabilities and dependencies. Both of us have strong economic links to China - a vital global player that is increasingly engaging in coercive economic actions. The EU is dependent on Beijing in many sectors such as technology or semi-conductors. We need to diversify partners. To this end, the EU will host a joint ASEAN summit on 14 December.

The increasing Chinese assertiveness and military build-up, coupled with a debt-trap diplomacy, which provides considerable advantage over the region, adds to the tensions and challenges to the rule-based international order.

The tensions around Taiwan are a matter of very serious concern. Both Australia and the EU must continue to stand against any unilateral and forceful change of the status quo.



China has a strategic, economic and military interest in the Pacific Islands, reaching from Papua New Guinea to Kiribati. The April 2022 trade and security agreement between China and the Solomon Islands has been a further wake-up call also for us in Europe.

The EU did not pay enough attention to the Pacific over the past years. Only recently, have we started to fully realise a strategic positioning of this region and a need to strengthen bilateral relations with the Pacific Islands.

We need to provide an alternative to countries receptive to Chinese influence. This is why the EU has put forward the Global Gateway investment strategy. It is now high time to start realising concrete projects of strategic importance.

Australia and the European Union are likeminded partners on the international stage and there are many issues of common interest and concerns for us to cooperate on – both bilaterally and multilaterally.

We are looking forward to our bilateral relations on the basis of the EU-Australia Framework Agreement that entered into force on Friday (21 October 2022), after being signed in 2017.

Now, let us work towards an ambitious EU-Australia Free Trade Agreement. The latest round of negotiations took place last week (17-21 October 2022) and the next one is expected to follow in February.

A Free Trade Agreement with the EU has the potential to open up a market for Australian goods and services of almost 450 million people. It would help Australia to further diversify its trade from China. More access for Australian agricultural and industrial products is attractive.

The EU is Australia's third largest trading partner and second largest source of foreign investment. An agreement between us could boost our bilateral trade in goods and services approximately by a third, according to estimates. This includes motor equipment, machinery, chemicals and pharmaceuticals, and would help both sides to diversify trade links with international partners.

Furthermore, the ongoing free trade negotiations provide the necessary basis for a strategic partnership on raw materials. Without secure and

sustainable access to such materials, the green and digital transitions of the EU economy and our defence capabilities could be at risk. Lithium and rare earths will soon be more important than oil and gas, and Australia - as a major global supplier of lithium - can provide the necessary certainty to EU businesses.

I am strongly in favour of concluding the negotiations on the Free Trade Agreement next year, in order to allow for ratification under the current legislature of the European Parliament, which will end in 2024.

Let me name additional areas of potential future cooperation:

1. Climate Change is affecting every country on every continent. It is disrupting national economies and affecting lives. The EU therefore aims to be climate-neutral by 2050. An ambitious climate policy can never be a "domestic issue". It is also a matter of a foreign policy. I appreciate Australia's recent commitment to ambitious climate action. We should endeavour to deepen our bilateral cooperation, this includes the needs of vulnerable Pacific Island Countries. For them, rising sea levels represent an existential issue.
2. Let us also look at further cooperation on energy. The EU's top priority is to cut its dependence on Russian fossil fuels. We are working on two tracks by diversifying our gas supplies and accelerating the energy transition. Australia is one of the top three liquefied natural gas (LNG) producers in the world, and the EU intends to increase the LNG storage capacities. Exploring this area of cooperation makes sense.
3. We should explore the association of Australia to the European Union's innovation programme 'Horizon Europe'. The negotiations are starting soon with New Zealand and Canada. Why not also with Australia?
4. Australia and the European Union also share the goals of reducing poverty and inequality. Collectively, the EU is the biggest international aid donor in the world, providing over 50 billion euros a

year to help overcome poverty and to advance global development. Coordinating positions on development issues in regional and international fora could be further strengthened.

5. The EU is ready to extend our value-based cooperation on maritime security, hybrid threats, and the fight against terrorism and non-proliferation. Australia has contributed to an EU-led maritime capacity-building mission in the Horn of Africa and in the Western Indian Ocean. The EU would much welcome increased naval cooperation with Australia.
6. We need to fight against the Kremlin's propaganda and Chinese interference. The European Parliament is studying with particular interest recent Australian legislative actions, such as the Foreign Influence Transparency Scheme. This concerns areas where I believe we could reinforce our corrective to counter the malign influence of autocracies on the global rules based order.

To conclude, many challenges lie ahead of us, including growing instability, strategic competition and climate change. Ever since the pandemic and the invasion of Ukraine, popular understanding of our interconnectedness has risen significantly among Australians and Europeans. As like-minded partners, we can face these challenges better if we work together.

This I sincerely believe would also be in line with the philosophy of Konrad Adenauer.

Thank you!



**Konrad Adenauer Stiftung
Regional Programme Australia and the Pacific**

11/ 3 Sydney Avenue, Barton ACT 2600

T +61 2 61549322

E infoauspac@kas.de

W www.kas.de/australia

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