



## EXPLAINER SERIES

# Indo-Pacific explainer: Europe's growing engagement in the Indo-Pacific

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## Europe's growing engagement in the Indo-Pacific

While geographically far, Europe and the Indo-Pacific are closely connected. Trade routes, digital networks, climate impacts, and shared security challenges mean developments in the Indo-Pacific increasingly shape Europe's prosperity and stability. For Australia, this creates significant opportunities to deepen economic and strategic ties with Europe, leveraging its position as a trusted partner to support resilient supply chains, energy transition efforts, and regional security cooperation.

## Europe's growing interest in the Indo-Pacific

Compared to Japan, Australia, the United States, and other regional powers, Europe has been a relative latecomer in adopting the Indo-Pacific concept. However, the region's rising economic centrality and intensifying strategic competition – largely driven by China's expanding influence and the deepening rivalry between the US and China, which directly affect European trade, supply chains, and security – have heightened Europe's interest in the Indo-Pacific. Global disruptions such as COVID-19 and Russia's full-scale invasion of Ukraine in 2022 have further reinforced that Euro-Atlantic and Indo-Pacific security and economic stability are increasingly interconnected. Accordingly, Europe is looking to contribute more actively to shaping developments and expanding its partnerships across the Indo-Pacific.

France was the first European country to interact with the region's nations and institutions under the Indo-Pacific construct, for instance by expanding its naval presence in the disputed South China Sea since 2014. In 2018, France became the first state in Europe to develop an Indo-Pacific policy through a White Paper. Other European countries have been slower to recognise the importance of the Indo-Pacific to European security and prosperity.<sup>1</sup> More recently, however, the region has become a focal point within European policy communities, as governments develop frameworks that recognise the strategic and economic interconnectedness of the Indian and Pacific Oceans more broadly (Box 1).

### BOX 1: European Indo-Pacific strategies and outlooks

FRANCE	Indo-Pacific White Paper (2018), Indo-Pacific Strategy (2022, updated 2025)
GERMANY	Policy Guidelines for the Indo-Pacific (2020)
NETHERLANDS	Indo-Pacific: Guidelines for Strengthening Dutch and EU Cooperation with Partners in Asia (2020)
IRELAND	Asia-Pacific Strategy (2020, updated 2025)
EUROPEAN UNION	Strategy for Cooperation in the Indo-Pacific (2021)
UNITED KINGDOM	Global Britain in a Competitive Age: Integrated Review (2021, updated 2023)
ITALY	The Italian Contribution to the EU Strategy for the Indo-Pacific (2022)
CZECH REPUBLIC	Strategy for Cooperation with the Indo-Pacific (2022)
LITHUANIA	Strategy for Security and Defence Engagement in the Indo-Pacific Region (2023)
SWEDEN	Defence Policy Direction for cooperation with countries in the Indo-Pacific region (2024)

When thinking about 'European' engagement in the Indo-Pacific, it is important to differentiate between the engagement of individual countries as well as that of the European Union (EU) as a bloc of 27 members.

While Europe today firmly recognises the Indo-Pacific as a critical region, individual states remain fragmented in their approaches, guided by levels of capability and resources as well as diverse national priorities. France's longstanding presence and proactive security engagement contrasts with the more cautious approaches of Germany and smaller countries like the Czech Republic and Ireland.<sup>2</sup> Hungary, which was the first European country to sign on to China's Belt and Road Initiative and continues to deepen ties with China, has criticised efforts in most European capitals to counter Beijing's growing influence.<sup>3</sup> These diverging priorities also impact the agency of the EU as a bloc that needs to find common ground between its 27 member states.

In some instances, European engagement is also shaped by its complex colonial legacies in the region. In 2024, for example, the UK government announced that it would cede sovereignty of the Chagos Archipelago – officially known as the British Indian Ocean Territory – to Mauritius, ending an almost 60-year dispute between the two countries. The agreement had major strategic implications since it includes the island of Diego Garcia, which hosts a major US Indian Ocean military base (see further reading).<sup>4</sup>

#### **BOX 2: Resident European powers in the Indo-Pacific**

Unlike most European states, France and Britain are considered 'resident' powers in the Indo-Pacific, reflecting their overseas territories, bases, citizens, and extensive exclusive economic zones (EEZ) in the region.

France maintains territories in both the Indian and Pacific Oceans, which encompass more than 90 per cent (9 million square kilometres) of France's EEZ and 1.5 million of its citizens. To protect its interests across this vast area, France has military bases in Djibouti, the United Arab Emirates, Mayotte, La Réunion, New Caledonia, and French Polynesia.<sup>5</sup> Similarly, the UK has overseas territories in the southern Pacific, military bases in Diego Garcia (on lease), Oman, Brunei, and Singapore, and approximately 1.7 million nationals living in the region.<sup>6</sup>

While France has leveraged its Indo-Pacific strategy in tandem with broader EU engagement in the region, the post-Brexit UK emphasises close bilateral partnerships as well as key minilateral arrangements, such as the Five Eyes and AUKUS defence agreements, to support its Indo-Pacific 'tilt'.<sup>7</sup>

## Economic outlook

The Indo-Pacific is vital to Europe's prosperity, and economic interests remain a critical driver of deeper ties between both regions. The Indo-Pacific and Europe account for over 70 per cent of the global trade in goods and services, and over 60 per cent of foreign direct investment flows, reflecting their combined global weight.<sup>8</sup> Bilateral trade between the regions reached €848 billion (approximately AUD1.39 trillion) in 2024.<sup>9</sup>

Europe is looking to deepen and expand these partnerships as illustrated by the rapid conclusion of EU free trade agreements after years of negotiation with Indonesia (2025), India (2026), and Australia (2026) to diversify trade and investment relationships. This is partly driven by uncertainty over US tariff policies as well as an effort to reduce economic dependence on China. Like Australia, Europe has experienced economic coercion from China in recent years. For example, in 2022, Beijing imposed a series of trade and sourcing restrictions on Lithuania after the opening of the Taiwanese Representative Office in its capital.<sup>10</sup>

The region is also an important provider of finance for projects to support sustainable growth in the region. The EU's Global Gateway program, for example, seeks to offer a more transparent and sustainable alternative to China's Belt and Road Initiative, committing more than €306 billion to enhance global connectivity across the digital, energy, and transport sectors. In the Indo-Pacific, flagship initiatives focus on subsea cable infrastructure, climate resilience, vaccine access, and space-based Earth observation.<sup>11</sup>

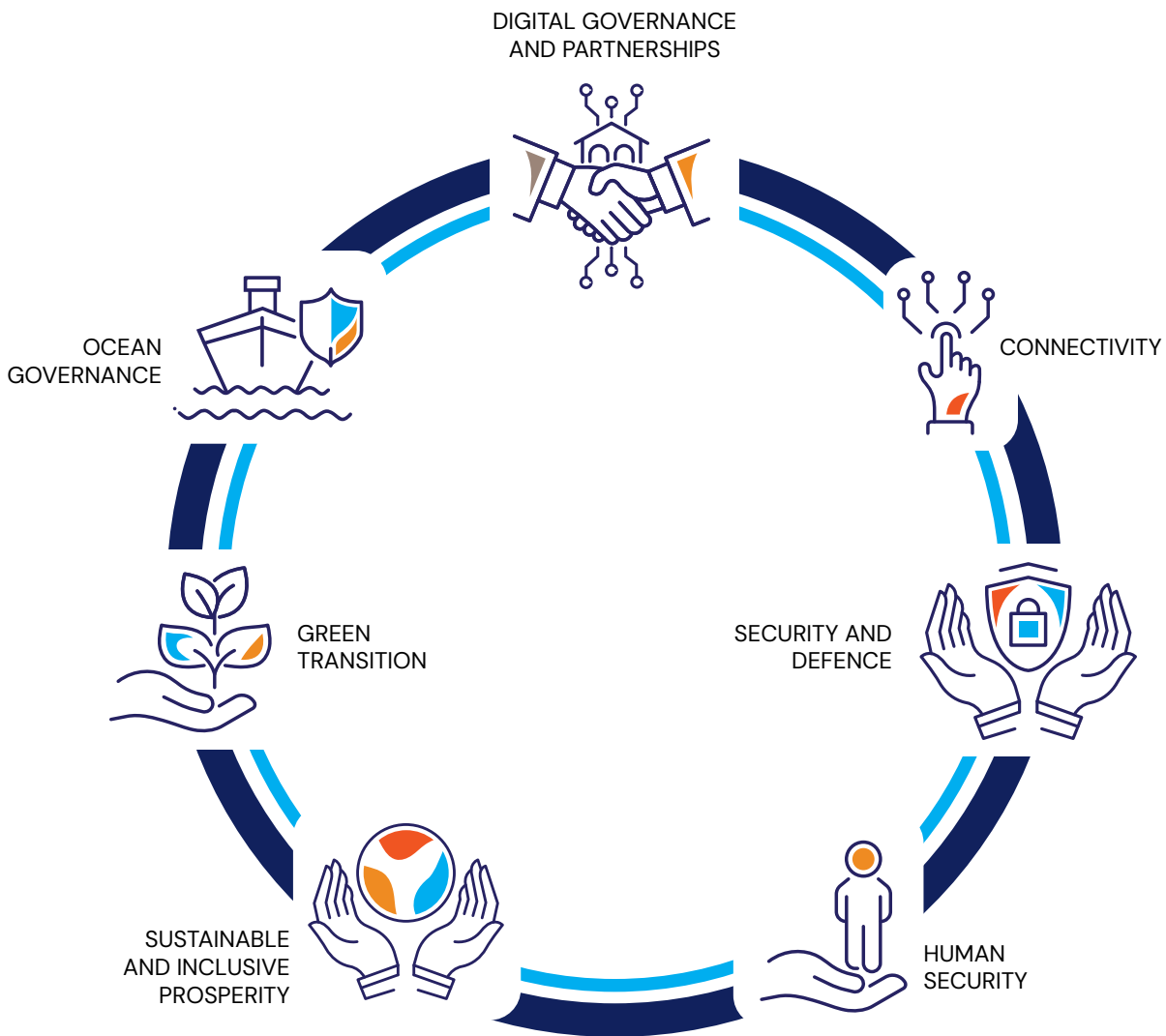
## Security and defence priorities

The deployment of North Korean troops in Russia's war against Ukraine, alongside the emergence of a so-called 'no limits' partnership between Russia and China, underscores the growing interconnection between European and Indo-Pacific security.

Moreover, Europe depends heavily on safe and open Indo-Pacific maritime routes for trade and energy supplies. Many of these routes pass through contested chokepoints such as the Malacca Strait, South China Sea, and Bab-el-Mandeb Strait. At the same time, intensifying US-China competition and potential flashpoints in the South China Sea, the Taiwan Strait, and the Korean Peninsula carry direct implications for European interests and those of its regional partners, highlighting the need for the EU and its members to actively engage with Indo-Pacific stakeholders.

In response, European states have expanded political, diplomatic, and practical cooperation with Indo-Pacific partners, placing strong emphasis on international law, multilateralism, and regional stability. Collectively, the EU seeks to strengthen its geopolitical agency through governance, connectivity, and development initiatives, positioning itself as a constructive 'third way', distinct from the zero-sum dynamics that often characterise US-China rivalry (see Box 3).

### BOX 3: Priority areas of the EU's Indo-Pacific strategy



Source: European External Action Service<sup>12</sup>

### Why it matters for Australia

A more active European presence in the Indo-Pacific not only supports Australia's long-term security and prosperity, but also reinforces regional stability and the broader rules-based order on which Australia depends.

Europe is a critical economic partner. As a bloc, the EU is Australia's third largest trading partner, with two-way trade valued at almost AUD110 billion in 2024.<sup>13</sup> Both concluded a free trade agreement (FTA) in March 2026 that will create even greater trade and investment opportunities by eliminating 98 per cent of tariffs on Australian exports and expanding access to a large consumer base of around 450 million people, with a combined GDP of about AUD30 trillion.<sup>14</sup>

Beyond trade, European emphasis on supply chain resilience, economic diversification, and infrastructure investment aligns with Australia's own efforts to enhance its economic security. Australia is well positioned as a trusted and reliable partner. Recent initiatives, such as the EU–Australia partnership on critical minerals, highlight this growing alignment, underscored by the fact that Australian-run projects currently account for over ten per cent of the EU's strategic critical minerals projects.<sup>15</sup> Strategic cooperation is therefore rapidly expanding in critical minerals, green technologies, and industrial policy, particularly with key European partners such as France, Germany, and the United Kingdom, reinforcing both economic and strategic connections.<sup>16</sup>

As part of the Australia–EU Security and Defence Partnership, concluded alongside the FTA, both sides have committed to expanding cooperation in critical areas such as cybersecurity and economic security, as well as strengthening existing defence industrial ties. More broadly, greater European engagement contributes to a more balanced and resilient Indo–Pacific order. The deployment of naval assets and participation in joint military exercises by France, Italy, and Germany signal support for the rules-based order and adherence to international law in the region. Australia's first-ever participation in the NATO Summit in 2022 (alongside Japan, South Korea, and New Zealand) further signals that regional stability is no longer geographically confined but increasingly treated as a matter of shared global concern.<sup>17</sup>

Finally, both sides can leverage their growing strategic convergence to advance shared priorities, including transparency, democratic governance, human rights, and sustainable development. For example, European countries work closely with Australia on aid initiatives in the Pacific through coordinated development financing, climate action, governance support, and infrastructure investment. This collaboration has intensified amid rising strategic competition in the region and increasing calls from Pacific Island countries for more transparent and sustainable partnerships.

## Opportunities for Western Australia

Looking ahead, deeper engagement between Australia and Europe presents significant economic and security opportunities. Western Australia (WA) is central to this agenda and can serve as a critical hub linking European demand with Indo–Pacific resources, technology, and strategic geography.

Its Indian Ocean location positions WA not only as a key link between Europe and the Indo–Pacific, but also as an important actor in strategic and security cooperation. For example, WA hosts one of the world's largest telemetry, tracking, and command (TT&C) antennas, which supports the European Space Agency's deep-space missions.<sup>18</sup>

WA's role as a global resource hub with high ESG standards makes it an attractive partner in Europe's efforts to diversify and secure critical minerals supply chains. At the same time, the state's capacity in lithium production and potential in green hydrogen positions it as a pivotal partner in advancing shared energy transition goals. The free trade agreement also promises new commercial opportunities for Australian mining and agricultural exports such as canola, used in low-emissions biofuels.

## Further reading:

- [Fragmentations, distractions weaken Europe's Indo-Pacific pivot](#)
- [France refocuses its Indo-Pacific strategy](#)
- [What is the UK's Chagos deal and why has Trump criticised it?](#)

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## Endnotes

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