

INDIA, A STRATEGIC PARTNER

Information Report by Messrs Ladislas Poniatowski, Rachid Temal, Hugues Saury, Olivier Cigolotti and Joël Guerriau, on behalf of the Foreign Affairs, Defence and Armed Forces Committee

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From being a theoretical "natural" partner, India has gone on to become one of the key focuses of France's open and inclusive strategy in the Indo-Pacific region. India's attachment to the Concert of Nations and its affirmation as an international power are backed by France, guaranteeing respect for international law and the promotion of multilateralism. Given the uncertainty caused by the pandemic, France wishes to strengthen its strategic partnership with India in the nuclear and defence sectors. By favouring a pragmatic approach, France can also become a partner of the "Make in India" policy.



Source: Directorate-General for International Relations and Strategy (DGRIS) of the Ministry for the Armed Forces.

Main recommendations

1. Affirm the inclusive and open nature of France's Indo-Pacific strategy.

France is a coastal power in the Indo-Pacific region, with 1.6 million French citizens spread across seven overseas local authorities and territorial communities (DROM-COM), the world's second-largest exclusive economic zone

covering 11 million km², and €108 billion of French direct investment in the Indo-Pacific. The Indo-Pacific region stretches from the coasts of East Africa to the western seaboard of the Americas, and is the fastest growing part of the world, an area known for its strategic straits and hydrocarbon trade, as well as being an important transit point for submarine internet cables. It is also a theatre of rivalry between China and the United States.

The *Revue stratégique de défense et de sécurité nationale* (Strategic Review of Defence and National Security), published in 2017, attaches considerable importance to the Indo-Pacific region, which stretches from the coasts of East Africa to the western seaboard of the Americas, in which the interests of France and its European partners are growing rapidly. The Ministry of Defence has issued a publication presenting the French defence strategy in the Indo-Pacific. However, France has not drawn up a White Paper on Strategic Affairs presenting its geo-strategic vision.

Such a document would be beneficial by setting out the French doctrine and thus facilitating its dissemination throughout the countries around the Indo-Pacific rim, which sometimes seem puzzled by France's positioning as a counter-balancing coastal power, and have no desire to be caught up in a process of confrontation between competing blocs in this region.

First proposal: Draw up a White Paper on France's vision for the Indo-Pacific zone.

2. Support the affirmation of India, a major parliamentary democracy and strategic partner of France, as a counter-balancing regional and international power.

India advocates respect for international law as a peaceful means of settling international disputes. This conception, shared with France but also with Australia – another of France's strategic partners in the Indo-Pacific region – is a guarantee of stability and growth. This requires support for India's candidacy for

membership of two organisations: the enlarged United Nations Security Council (UNSC), and the Indian Ocean Commission (IOC). Trilateral cooperation between Paris, New Delhi and Canberra can be strengthened in the framework of the Indian Ocean Naval Symposium (IONS), which France will chair in 2020, promoting the interoperability of the navies of these three nations.

Although it refuses to allow third countries to intervene in the settlement of its cross-border conflicts (with China in the Himalayas), in the management of its neighbourhood relations (with Pakistan), or in the treatment of the status of its territories (Kashmir) or religious minorities (citizenship law), India's firm commitment to the Concert of Nations and respect for international law are guarantees of internal and regional stability, while also ensuring progress on issues such as environmental protection and support for vulnerable populations.

India is a COP 21 signatory, created the International Solar Alliance with French support, and is working hard to ensure the preservation of natural environments and fishery resources.



Second proposal: Support India as a counter-balancing power in the Concert of Nations, by backing its candidacy for membership of the United Nations Security Council, the Indian Ocean Commission and the Indian Ocean Naval Symposium.

3. Reinforce strategic dialogue in the defence and civil nuclear energy sectors.

The construction of six EPRs in India is a key strategic issue, due to the sensitivity of the technologies concerned but also to India's need to secure its energy supply. This energy component of the strategic partnership is already a decade old and has been very slow to materialise. The cooperation project between EDF and the Nuclear Power Corporation of India (NPCIL) was signed in March 2018, and particular attention should be paid to monitoring this issue. In this area, discussions at the highest level could offer the Indian authorities the complete commitment of the French State.

Similarly, in the military equipment sector, a previous inter-governmental agreement enabled the completion of the procurement procedure for 36 Rafale fighter aircraft. For this type of relationship involving technology transfers in the form of industrial offsets provided in return for the Indian order, the government-to-government agreement procedure must benefit from interministerial solidarity to guarantee the attractiveness of French bids for Indian invitations to tender, when they are not replaced by domestic production.

Finally, bilateral cooperation in the defence sector will be facilitated by the definition of a stable legal framework, which will apply to the military personnel of each country operating in the Indian Ocean (by virtue of the cross-servicing agreement), as at the Mérignac base where Indian Rafale pilots are trained. The drafting of a Status of Forces Agreement (SOFA), formalising the legal agreement between a country and a foreign nation whose armed forces are stationed in that country, is a reflection of the partners' mutual trust.

Third proposal: Consolidate the partnership by signing state-to-state agreements in the defence sector and by implementing parliamentary diplomacy initiatives in the civil nuclear energy sector.

4. Act pragmatically in the economic field: become a partner of the "Make in India" policy, by relying on powerful sectors

The "Make in India" policy will be a higher priority than ever after the global economic crisis resulting from the COVID-19 pandemic. In this context, France, whose groups and companies opted for long-term internationalisation at a very early stage by establishing a presence on growing markets, must become a partner of this Indian policy without being naive. The transfers of technology and know-how associated with the "Make in India" initiative require substantial research and development efforts to ensure that France remains an attractive partner, particularly with a view to developing exports from India to countries in the Indo-Pacific zone.

The innovative dialogue between New Delhi and Paris to resolve possible deadlocks due to customs duties, tax barriers or any other standards, must be further enhanced in order to optimise the opening up of the Indian market to French companies, and vice versa. Genuine opportunities are available for French companies to explore or develop in the pharmaceutical industry, the renewable energy, urban development and smart city sectors, or in the digital and space technology industries, underpinned by highly advanced dual technologies. The actions implemented by the Agence Française de Développement (AFD – French Development Agency), prioritising sectors of excellence and French expertise, are limited by the terms governing the agency's interventions in India.

Priority should be given to completing the procedure for revising the cooperation agreement governing the AFD's activities so that it can intervene

by providing direct loans to public enterprises attached to the States.

Fourth proposal: Build an economic strategy to accompany the "Make in India" initiative, based on improving the terms of AFD interventions.

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India is a country with a strong parliamentary democracy and will be our major partner for the next ten years. The upheavals caused by the global COVID-19 crisis could hinder the desired development of our economic and strategic relationship.

The Senate intends to use parliamentary cooperation as an instrument to foster a pragmatic dialogue between the political forces of our two countries and promote the development of Franco-Indian relations, but without any naivety.

France's Indo-Pacific policy has a vital role to play in enabling our nation to remain the counter-balancing power it is today.

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