

India Keeps a Close Watch as EU Leaders Make Beeline For China

Chinese charm offensive could lead to deeper economic engagement with Europe

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New Delhi: India is keeping a close watch as European leaders make a beeline to China amid apprehension that any closer EU-Beijing economic ties may increase EU investments in China and dilute their Indo-Pacific outreach.

German chancellor Olaf Scholz went to China in November. Charles Michel of the European Council visited Beijing in December. Spain's prime minister, Pedro Sánchez, is visiting China this week. And next week it's France's president, Emmanuel Macron, together with the European Commission president, Ursula von der Leyen.

Interestingly, China and France have completed their first LNG-gas trade using the Chinese Yuan. Chinese national oil company CNOOC and France's TotalEnergies have completed China's first yuan-settled LNG trade through the Shanghai Petroleum and Natural Gas Exchange. Approximately 65,000 tonnes of LNG imported from the UAE changed hands in the trade, according to Shanghai Exchange.

Meanwhile, Germany's statement that "fundamental democratic principles" should apply in the case of Rahul Gandhi, who has been disqualified from the Lok Sabha after his conviction in a defamation case, may irk India and may be viewed as interference in the country's internal affairs.

Top EU diplomat Josep Borrell will head to Beijing - likely en route to the G7 Foreign Ministers summit in Japan on April 16 - for "strategic dialogue" with Foreign Minister Qin Gang.

European government sources indicated to ET that visits to Beijing by European leadership is aimed at impressing upon China against extending military support to Russia.

"Each will attempt to convince



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China not to provide arms to Russia, amid fears in Europe that such a move could help start World War III. There is belief in Western European capitals that China wading in militarily would tip the balance permanently in Moscow's favour, while it could also usher in a broader conflict involving Nato and the United States," according to a report in the Hong Kong-based South China Morning Post (SCMP).

In Beijing, the Europeans will also try to gauge whether China is serious about assisting with peace efforts in Ukraine, reported SCMP quoting diplomats and experts. A position paper for peace published by the Chinese foreign ministry last month was immediately dismissed by Von der Leyen and Borrell as being pro-Russia. "We will look at the principles, of course, but we will look at them against the backdrop that China has taken sides," Von der Leyen had said in February.

However, the view in the Indian capital is that European outreach to China could also lead to deeper economic engagement amid Beijing's charm offensive after its opened up its borders closed following the Covid. Number of European countries have joined ranks with India in launching outreach to the Indo-Pacific region. Yet key European economies are heavily invested in China and the Chinese market and view China as a partner while being a rival.