

New EU–India Strategy: Prospects and Challenges

Nidhi Taneja

Introduction

In September 2025, the European Union unveiled a Joint Communication launching a New Strategic European Union(EU)-India Agenda, developed to deepen and broaden cooperation amid geopolitical flux and supply-chain realignments.¹ This initiative signals Brussels' intention to treat India not merely as a trade partner but as a pivotal actor in sustaining a rules-based global order, shaping digital standards, and co-constructing resilient value chains.² For New Delhi, the outreach is a welcome initiative as India seeks to consolidate its position in a multipolar world to balance relations with great powers, and modernise economically and technologically. The strategic reset is neither accidental nor cosmetic—it reflects convergence of interests under shifting global conditions. In spite of conflicting positions on geopolitical crises such as Russia–Ukraine. This Perspective assesses the prospects and challenges of the new EU–India strategy—its opportunities, constraints, and possible pathways forward.

Prospects: Windows of Strategic Opportunity

Elevating the EU–India Relationship Beyond Transactional Ties.

The New Strategic EU–India Agenda signifies a deliberate move from a largely transactional engagement toward a comprehensive strategic partnership built on five pillars—prosperity and sustainability, technology and innovation, security and defence, connectivity, and global governance.³ This framework acknowledges that economic cooperation alone cannot anchor long-term convergence. For Brussels, India is no longer just a growing market but a strategic actor in the Indo-Pacific, vital to maintaining a rules-based order and ensuring maritime and cyber security. The EU now seeks deeper defence collaboration in maritime domain awareness, counter-piracy, cyber resilience, and defence-industrial linkages.⁴

For India, the partnership aligns with its goal of strategic autonomy and with the initiatives like Make in India through co-development and co-production of defence technologies.⁵ The potential for cooperation in dual-use innovation and emerging technologies under the Trade and Technology Council (TTC) adds further substance.⁶ Together, these efforts mark a qualitative shift from donor–recipient cooperation to a mutually reinforcing strategic partnership.

Trade, Technology, and Supply-Chain Resilience.

Trade is the key pillar of the cooperation. The EU and India are pursuing a Free Trade Agreement, an Investment Protection Agreement, and a Comprehensive Air Transport Agreement, alongside digital and green trade norms.⁷ TTC—launched in 2023—

addresses regulatory convergence, supply-chain resilience, and standards development.⁸ Amid semiconductor shortages and the energy transition, India and the EU can jointly diversify critical supply chains.

Green Transition, Climate and Energy Cooperation.

India's pledge to achieve net-zero emissions by 2070 and expand renewables to 500 GW by 2030 opens major avenues for EU–India cooperation under the Global Gateway Initiative. The EU's expertise in green finance, clean technology, and regulatory frameworks can support India's transition toward green hydrogen, solar power, offshore wind, and sustainable mobility.⁹ The partnership's focus on energy efficiency, battery storage, and carbon capture technologies can foster industrial modernisation and climate resilience. The EU–India Clean Energy and Climate Partnership provides a structured platform for policy coordination, technology exchange, and capacity building.¹⁰

Connectivity and Corridor-Building.

Connectivity lies at the heart of the EU–India strategic partnership, serving as both an economic and geopolitical instrument. The India–Middle East–Europe Economic Corridor (IMEC), launched at the 2023 G20 Summit, complements EU initiatives under the Global Gateway by promoting resilient, transparent, and sustainable infrastructure.¹¹ For the EU, IMEC strengthens efforts to diversify supply chains and reduce dependence on traditional maritime chokepoints such as the Suez Canal. For India, it aligns with its ambition to emerge as a logistics and manufacturing hub linking Asia, the Gulf, and Europe.¹²

Collaboration could extend across ports, rail and maritime logistics, digital infrastructure, and green transport systems, integrating energy and data connectivity.¹³ Joint projects in smart ports, digital corridors, and customs harmonisation would enhance trade efficiency while supporting sustainable growth. The EU's Global Gateway financing tools and India's Act East and Neighbourhood policies together offer a framework for building infrastructure that is strategically secure, economically viable, and environmentally responsible.¹⁴

Common Positions in Global Governance.

India and the EU share ethical commitments to democracy, multilateralism, and the rule of law, making them natural partners in strengthening a rules-based international order. The new agenda envisions cooperation on UN reform, WTO revitalisation, global health governance, sustainable development finance, and climate diplomacy.¹⁵

A well-functioning India–EU axis could lend greater legitimacy and balance to global institutions, recalibrating great-power rivalries and reinforcing norms of cooperative security and responsible technology governance.¹⁶ India's active role in

the G20, BRICS, and the Quad, combined with the EU's regulatory and developmental influence, offers a basis for issue-based coalitions on trade reform, digital governance, and equitable energy transitions.¹⁷

Challenges: Structural, Political, and Strategic Constraints

Divergence on Geopolitics and Strategic Autonomy.

India's multi-aligned diplomacy complicates EU expectations of geopolitical convergence. Its balanced stance toward Russia amid the Ukraine war, rooted in energy dependence, defence legacy ties, and strategic autonomy, has created friction with European partners advocating collective sanctions and value-based diplomacy.¹⁸ This divergence has limited the scope for deeper defence or intelligence cooperation, as mutual trust and interoperability remain constrained by differences in threat perceptions.

Regulatory and Normative Gaps.

The EU's regulatory framework—covering data privacy, environment, labour, and digital governance—poses challenges for India, as Brussels often seeks regulatory convergence for trade, investment, and technology cooperation. India, prioritising policy flexibility and developmental goals, resists uniform standards that could constrain innovation or domestic industry. Divergences are notable in areas like data localisation, carbon accounting, and product certification, which may slow progress on the Free Trade Agreement (FTA), investment protections, and technology-alignment talks.¹⁹

Asymmetric Expectations and Capacities.

The EU often links deeper engagement with conditionalities on human rights, labour, and environmental standards, reflecting its morally guided foreign policy. While these aim to uphold global norms, they can conflict with India's developmental priorities in sectors such as agriculture, manufacturing, and energy. Human Rights Watch notes that Brussels' new strategy risks overlooking domestic complexities, potentially creating friction in bilateral dialogues.²⁰ India has also raised concerns over the Carbon Border Adjustment Mechanism (CBAM), which may penalise carbon-intensive exports and affect industrial competitiveness.²¹

Implementation and Institutional Inertia.

Past EU–India initiatives in trade, connectivity, and defence have often stalled due to bureaucratic fragmentation and overlapping institutional responsibilities on both sides.²² The EU's multi-layered governance and India's complex administrative procedures frequently slow decision-making and agreement ratification. Without high-level political oversight and structured accountability, even well-designed programs

risk remaining aspirational. Delays in aligning regulatory frameworks, mobilising finance, and implementing projects have historically undermined progress.²³

Navigating Forward: Strategic Recommendations for India

Phased Trust-building in Security Cooperation. Initially, low-sensitivity initiatives should be implemented, such as joint maritime patrols, cyber exercises, humanitarian assistance, and disaster-relief drills. These activities will help develop operational familiarity, confidence, and interoperability between forces before progressing to higher-end defence collaboration.

Flexible Regulatory Bridges. Pilot projects should be formed in sectors such as digital technology, renewable energy, and pharmaceuticals to test mutual recognition, certification, and regulatory alignment. This will allow both sides to experiment with standards in a controlled environment, reduce compliance friction, and gradually harmonise policies without imposing abrupt, full-scale alignment.

Carbon-Transition Assistance. by providing targeted finance, technology transfer, and capacity-building support, the economic impact of EU measures like the Carbon Border Adjustment Mechanism (CBAM) will be cushioned. Assistance should focus on renewable energy, green hydrogen, and energy efficiency, enabling India to meet climate goals while maintaining industrial competitiveness.

Multilateral Coordination. Both India and EU should collaborate strategically in UN reform, WTO revitalisation, and G20 initiatives, while jointly promoting development, infrastructure, and climate projects in the Global South. This approach will enhance shared normative influence and strengthen multilateral institutions. It will position India and the EU as credible partners in shaping global governance.

People-to-People Linkages. Student exchanges, research collaborations, think-tank partnerships, and cultural diplomacy should be implemented to deepen societal connections, and build trust for strategic cooperation. These initiatives will cultivate long-term understanding, social capital, and policy advocacy that will reinforce formal institutional ties.

Accountability Mechanisms. Structured monitoring, annual ministerial reviews, and summit-level reporting of progress on strategic initiatives should be institutionalised. Establishing clear timelines, measurable deliverables, and transparent evaluation frameworks will ensure continuity, and prevent bureaucratic stagnation, and sustain momentum for ambitious EU–India partnership goals.

Conclusion

The new EU–India Strategy is an ambitious blueprint to reframe relations within a fractured global order. It offers real promise: convergence on defence, technology, connectivity, and climate. For India, it diversifies partnerships and enhances industrial modernisation; for the EU, it embeds engagement in Asia’s strategic core. However, geopolitical divergence, regulatory asymmetries, and domestic constraints persist. The partnership’s success depends on incremental trust-building, pragmatic flexibility, and sustained political will. Managed wisely, the EU–India axis could evolve into a stabilising pillar of twenty-first-century multipolarity—a partnership defined less by idealism and more by constructive interdependence.

Endnotes

¹ “Joint Communication on a New Strategic EU–India Agenda”, *European External Action Service*, Sep 2025, https://www.eeas.europa.eu/eeas/joint-communication-new-strategic-eu-india-agenda_en.

² “India – International Partnerships”, *European Commission*, 2025, https://international-partnerships.ec.europa.eu/countries/india_en.

³ Ibid.

⁴ “College Readout: Press Remarks by High Representative/Vice President Kaja Kallas on the New EU–India Strategic Agenda”, *European External Action Service*, Sep 2025, https://www.eeas.europa.eu/eeas/college-readout-press-remarks-high-representativevice-president-kaja-kallas-new-eu-india-strategic_en

⁵ Ibid.

⁶ “It’s Time to Upgrade the EU–India Relationship”, *Centre for European Reform*, Apr 2024, <https://www.cer.eu/insights/its-time-upgrade-eu-india-relationship>

⁷ Ibid.

⁸ Ibid.

⁹ “Global Gateway: Strengthening EU–India Cooperation on Sustainable Connectivity”, *European Commission*, 2025, https://international-partnerships.ec.europa.eu/countries/india_en

¹⁰ “EU–India Clean Energy and Climate Partnership”, *Delegation of the European Union to India*, updated 2024, https://www.eeas.europa.eu/delegations/india/eu-india-clean-energy-and-climate-partnership_en

¹¹ “Global Gateway: EU–India Cooperation on Sustainable and Secure Connectivity”, *European Commission*, 2025, <https://international-partnerships.ec.europa.eu>

¹² “India–Middle East–Europe Economic Corridor (IMEC): Joint Statement”, *Ministry of External Affairs, Government of India*, Sep 2023, <https://mea.gov.in>

¹³ “EU–India Connectivity Partnership”, *European External Action Service*, 2024, <https://www.eeas.europa.eu>

¹⁴ “Reimagining Connectivity: The IMEC and the Future of EU–India Cooperation”, *Observer Research Foundation*, 2025, <https://www.orfonline.org>

¹⁵ “Joint Communication on a New Strategic EU–India Agenda”, *European External Action Service*, 2025, <https://www.eeas.europa.eu>

¹⁶ “India, the EU, and the Future of Multilateralism”, *European Council on Foreign Relations*, Mar 2025, <https://ecfr.eu>

¹⁷ “Revitalizing Multilateralism through the EU–India Partnership”, *Carnegie Europe*, 2024, <https://carnegieeurope.eu>

¹⁸ “EU–India Relations and the War in Ukraine: Policy Brief”, *European External Action Service*, March 2024, <https://www.eeas.europa.eu>

¹⁹ Ibid.

²⁰ “EU’s New India Strategy Overlooks Domestic Repression”, *Human Rights Watch*, Sep 2025, <https://www.hrw.org/news/2025/09/19/eus-new-india-strategy-overlooks-modis-repression>

²¹ “EU Carbon Border Mechanism and India’s Export Challenge”, *Financial Times*, 2025, <https://www.ft.com/content/6f324116-2707-440d-8808-c98749f8bc87>

²² Ibid.

²³ “Managing Institutional Bottlenecks in EU–India Engagement”, *European Policy Centre*, 2024, <https://www.epc.eu>

About the Author

Nidhi Taneja is a Political Science graduate with a master’s in public administration. She cleared UGC NET with 99.01 percentile. She is currently working as a Research Intern at the USI Centre for Strategic Studies and Simulations (CS3), where she focuses on developments happening between Europe and India.

Article uploaded on 14-05-2025

Disclaimer: The views expressed are those of the author and do not necessarily represent the views of the organisation that he belongs to or of the USI of India.