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EU-India Renewed Strategic Partnership and Its Significance in the Shifting Global Landscape

The current mandate of President Trump is radically altering the close and longstanding ties that had been forged between India and the United States over the past years as America is now moving towards a more isolationist policy. It is striking to note that the [U.S. National Defence Strategy](#), released last January, puts the protection of the U.S. homeland and its Western Hemisphere before confronting adversaries such as Beijing or Moscow. India is not even mentioned. This new American geostrategic priority represents a major change from former US Democrat and Republican administrations, including President Donald Trump's first term, which had made the deterrence of China and thus, close cooperation with India, a core component of U.S. efforts. In this context of geopolitical volatility and fragmentation, the new rapprochement between India and the EU is crucially deemed to strengthen stability within the international system.

INDIA'S NEW GEOSTRATEGIC INTERESTS IN THE SHIFTING GLOBAL ORDER

Over the past twenty years or so, India's foreign policy encompassed three distinct themes. The first was India as one of the two great Asian powers driving the renewal of the East vis-à-vis the West, sometimes even associated with the notion of "Chindia". This approach was also one of the core elements of India's external strategy known as the "Look East Policy", which notably resulted in closer ties with ASEAN countries and with Japan[1].

Second, there was the theme of India increasingly becoming part of an "expanded West," as the world's largest democracy. The most significant expression of this was the U.S. recognition of India's status as a nuclear power—through the 2006 Indo-U.S. strategic agreement, later partly confirmed by the special status granted by the Nuclear Suppliers Group in 2008. For some, India was then becoming America's new special Asian partner and even, a natural ally in a range of sectors, such as defence procurement. The revival in 2017 of the Quadrilateral Security Dialogue (Quad), initially created in 2004 as a joint tsunami relief effort with Japan, further underpinned the proximity between the United States, India, Japan and Australia on Indo-Pacific geostrategic security as well as on economic and technological cooperation. After Prime Minister Modi came to office in 2014, he also "quickly identified the United States as an indispensable partner in his ambitious agenda to utilize technology to transform India's economy"[2].

And finally came, the notion of "Indian particularism": a modernized version of India's post-independence commitment—sustained throughout the Cold War era—to non-alignment, a doctrine from which Prime Minister Modi has, however, over the past years distanced himself.

Today, although India continues to believe that its natural sphere of influence lies in South Asia, its position has been increasingly challenged by China, making its eastward neighbourhood policy more complex and riskier. Moreover, India's global

[1] Karine Lisbonne de Vergeron, [Contemporary Indian views of Europe](#), Robert Schuman Foundation and Chatham House, 2006.

[2] Prmit Pal Chaudhuri, [Preparing For Genuine Multipolarity](#), Horizons "Pax Multipolaris? The Many Body Problem", Winter 2026, Centre for International Relations and Sustainable Development.

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ambitions appear to have developed at the expense of its relationships with its regional neighbours, who have grown increasingly hostile to New Delhi's quest for regional hegemony, even as economic instability and political fragility has threatened South Asia. Despite official statements in favour of regional solidarity since 2014, India's foreign policy has, in essence, remained outward-looking over the past few years — toward the United States, the Quad and the Indo-Pacific — rather than focused on South Asia.

However, the US-India relationship has suffered major strain over the past few months, notably with the U.S. President receiving the Pakistani Prime Minister at the White House in July 2025, an episode perceived by the Indian Prime Minister as a clear challenge. The fact that the United States had sought to potentially play a mediating role between India and Pakistan a few months before had already given India the impression that it could not always rely on Washington's support and, therefore, that it needed to focus on its own short- and medium-term strategic interests[3].

This is also true in trade and geo-economic interests. India's participation in the Shanghai Cooperation Organisation (SCO) summit at the end of August 2025 — an event New Delhi had not attended for seven years — further encapsulated the attempt by Prime Minister Modi to also provide a commercial response, on the one hand, to the tariffs newly imposed by the U.S. president that same year, and on the other hand, to India's nearly \$100 billion trade deficit with China in 2025. Moreover, the decision taken mid-September 2025 by Washington to further impose fees of \$100,000 for H1-B visas for foreign workers — nearly 70% of which are held by Indian nationals — was considered as an additional blow to bilateral ties. The U.S. President also called last year on the European Union to impose tariffs of up to 100% on China and India, so as to pressure the Russian President to end the war in Ukraine. Of the 50% tariff duties enacted by President Trump by end of August 2025, half were openly a U.S. sanction for New Delhi's continued imports of Russian oil and military products.

Since the US Supreme Court Ruling on 20th February 2026, which finally swept away the tariffs that had

been imposed by President Trump, New Delhi was expecting to potentially sign an interim deal with the United States in return for a commitment that India would halt Russian oil imports, lower duties on US goods and buy around \$500 billion of American products. India, however, only slowed down on its Russian oil purchases, and in the current geopolitical and economic context of the war in Iran, US officials are now urging New Delhi to increase buying Russian oil again to help ease the threat of a potential global energy crisis, making the volatility of the bilateral relationship even more palatable to New Delhi.

India's continued imports of Russian crude oil since 2022 are also explained by the availability of inexpensive and lucrative energy supplies, given that India hosts the world's largest oil refinery—Jamnagar, located in Gujarat—the vast majority of whose inputs come from Russia, and which has grown into an international hub for processing petroleum-based products, exporting beyond India's borders. But maintaining these imports also stems from larger strategic priorities for New Delhi, namely its relationship with China. Indeed, since 2022, India has sought to carefully keep its ties with Russia, in the hope of having Moscow remain in a potentially neutral position should any future tension arise between New Delhi and Beijing.

In parallel, the deployment of sixty-five Indian military personnel—including the Kumaon Regiment, one of the oldest units in the Indian Army—during the Zapad military exercises in Russia and Belarus in September 2025, represented a worrying signal. The Belarusian exercise, which stretched across vast areas east of Moscow and in the Arctic, up to the Baltic Sea and Belarus's western border near Poland and Lithuania, notably included ballistic missile launches as well as simulated airstrikes. Indian participation in this exercise demonstrated New Delhi's continued prioritization of its relations with Moscow, on which Modi still relied in a context of increasing mistrust towards the United States. It should be noted, however, that despite the current disputes between India and the U.S. on trade and strategic issues, the Quad has remained a significant component of Indo-American relations, as their interests continue to converge in their assessments of the risks in the Indo-Pacific with regard to China.

[3] Karine de Vergeron, [India's geopolitical pragmatism between Beijing, Moscow and Washington](#).

Nouveaux regards sur l'Asie, n°17, France-Asia Foundation, October 2025.

In the light of all these developments, Indian thinkers believe that maintaining durable alliances in the current redefined multipolar world order is an illusion, and that Donald Trump's presidency has opened the door to a form of client-based *realpolitik*, giving priority rather more to commercial aims at the expense, if necessary, of longer-term strategic geopolitical interests. The U.S. under President Trump represents a new form of isolationism, one which is no longer seen as having the wish to be a guarantor of global security. Some Indian experts further argue that the progressive movement in the U.S. Democratic party, in the shape of the newly elected mayor of New York, is potentially equally isolationist, thus assuming that part of the current policy will remain, regardless of the country's political direction. In this context, future work with America will be increasingly considered as transactional rather than predominantly strategic in particular with regard to the Indo-Pacific.

India is, therefore, now favouring increasing cooperation with so-called "middle powers"[4] to hedge its position with the United States. It is expanding a "multi-aligned" geopolitical strategy as opposed to the more traditional "non-alignment" policy, thus reaffirming its strategy of pragmatism and case-by-case decision-making, a method it has long applied in its relationship particularly with the European Union.

The first on the list of India's most important strategic middle power is Japan. The visit of Prime Minister Modi in Tokyo at the end of August 2025, a day before the meeting of the SCO Summit in Tianjin, was in fact considered to be much more important to Indian leaders. Japan and India then signalled their determination to forge a new strategic partnership, so-called "Economic Security Initiative". They unveiled an ambitious target of ten trillion yen of Japanese public and private investment in India over the next five years to reduce economic coercion and economic dependence on the United States and China in critical strategic sectors. They announced four supply chain agreements, a number, which has been expanded to over eight over the last months, including increased cooperation on semiconductor design and manufacturing, rare earths procurement as well as artificial intelligence advancement and cybersecurity.

Equally important is Europe, seen from Delhi as the world's largest collection of middle powers. It is followed by Canada, the United Kingdom, the United Arab Emirates or Russia.

EU-INDIA TRADE AGREEMENT: A RENEWED PARTNERSHIP

So, where does Europe really fit in this new geopolitical geometry? India's relationship with the EU has been a longstanding one since the country was one of the first to establish diplomatic relations with present-day EU when representatives of the then European Economic Community met with several Indian diplomats based in Europe in 1961. But it was not until much later that the first high-level summit between India and the EU took place in Lisbon in June 2000, marking the real beginning of meaningful bilateral relations. It was followed in 2005 by the launch of a "strategic partnership" between the two parties. The push to deepen bilateral cooperation in recent years is all the more important given a certain inertia in the intensity of the bilateral link. In 2023, the first India-EU Trade and Technology Council was launched but the absence of regular annual EU-India high level meetings between 2020 and 2026, or only sporadically, reinforced deep-seated Indian perceptions of Europe's fragmentation and its continued preference to deal with national member states rather than with the EU level as a whole.

The current geopolitical and geoeconomic context is fundamentally changing this strategic engagement. The negotiations for the bilateral EU-India Free Trade Agreement, launched in 2007, then suspended in 2013 and relaunched in 2022 to strengthen cooperation, were given a significant push when President Trump enacted his tariffs against India and the EU last year. The EU is India's second largest trading partner before the United States, but after China, totalling 11.5% of India's trade in goods in 2024. Indo-EU trade has further increased by around 90% over the past ten years and India is, for the EU, an interesting alternative in terms of the diversification of European supply chains. However, in 2024, it only represented some 2,5% of EU's total trade, ranking 9th, after the United States, China, the United Kingdom or Japan.

[4] Primit Pal Chaudhuri, *ibid.*

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With the final conclusion of the negotiations for the FTA announced during the [16th EU-India Summit](#) on 27th January 2026, the EU appears as India's most reliable economic and technological partner. Until now the 50 percentage point tariffs imposed by the U.S. since last year have cost India 1.6% of GDP. The EU-India FTA thus provides India with a crucial hedge, whilst, for the EU, it represents a substantial trade diversification from other partners in Asia such as China (an estimated 5% to 9%)[5]. The agreement, which is still to be ratified by the EU and India over the course of the year, with a possible entry into force in 2027, is further expected to double EU goods exports to India by 2032 with the elimination or reduction of tariffs to a value of over 90%, whilst excluding a range of politically sensitive agricultural products on both sides. Considering the scale of the fast-growing Indian market[6] and that of the EU, it is the largest trade deal that each has ever concluded and will ease trade across around a quarter of the world population and a quarter of global GDP.

With Indian manufacturing picking up in terms of expertise and quality, there are new opportunities in a range of sectors. The French company Saint Gobain has, for example, now become the biggest glass manufacturer in India with over 85 manufacturing lines both for Indian but also foreign operators in the country, such as Japanese car manufacturers. The American company Apple is generally the most telling example of India's improved manufacturing supply chain with over 25% of all iPhone sold globally now assembled in India, a 53% increase in production year on year. The goal for the company is to reach a share of 50% assembly in India over time. These dynamics are partly supported by the Indian government new income tax exemptions for 2026/2027 allowing foreign companies to provide, over a period of five years, equipment to Indian contract manufacturers without triggering tax liabilities. A forthcoming conclusion, therefore, of the EU-India Investment Protection Agreement, still under negotiation, would further provide stronger legally binding investor protections in addition to the Free Trade Agreement already agreed upon.

Overall, the question is whether successes such as Apple in India could be replicated with European companies investing more significantly in the country also for foreign exports. Europe remains the second largest industrial base in the world after China. Further areas for strategic cooperation of European companies with India notably include machine tools, for example with German companies, nuclear reactors and artificial intelligence, notably with France, or more generally European semiconductors and pharmaceuticals. It is worth noting here that the Indian company Sarwan AI recently adopted the French Mistral architecture at its core for the development of one of its Small Language Model, a multilingual hybrid reasoning model, and there is potential for more development and cooperation in that field. Moreover, reviving the outdated Trade and Technology Council, which was created in 2023, should be another priority to further support longstanding strategic EU-India economic cooperation.

EU-INDIA NEW COOPERATION IN DEFENCE AND SECURITY

In parallel to the FTA, the new [EU-India Security and Defence Partnership](#) also agreed upon for the first time at the end of January, represents a key step in response to the challenges of the shifting global strategic landscape, with a view to establishing a new framework for bilateral security cooperation. The Partnership will expand relationships in areas such as maritime security, cyber defence and counterterrorism. But it also bears a significant weight in the context of India's increased needs in defence procurement and strategic defence orientation.

The four-day armed conflict between India and Pakistan in May 2025, the so-called Operation Sindoor by the Indian army, indeed, revealed the exhaustion of India's depleted weapon arsenal. Although the Indian economy is over ten times that of Pakistan, the air-force capabilities were almost comparable, since the Indian air force is experiencing a critical shortage, with only 29 active squadrons remaining, following the retirement of the Mig-21 fighter aircraft. This means that India's air defence equipment is in critical need of modernization. There are also similar issues pertaining

[5] See "The EU-India Trade Deal. Strategic Diversification in an area of uncertainty", J. Hinz, R. Langhammer, H. Mahlkow, V. Thakur, Kiel Institute for the World Economy, n°202, January 2026

[6] According to the Indian government, India would have surpassed Japan as the fourth largest national economy last year and could potentially overtake Germany as the third by 2030.

to the security of the Indian Ocean with a clear realization that New Delhi must strengthen its own navy. The country is planning a huge naval expansion to hedge the risks in the region: it launched over twelve new warships in 2025 and an additional fifty-five are currently under construction with a strategic goal to increase the fleet to hundred and fifty vessels by 2030.

The key issue for India, in this context, is the development of a more solid strategic defence ecosystem by fostering its private sector. There is a strong belief amongst Indian defence experts that the new fifth-generation fighter program, needed by India, should be privately produced to ensure better efficiency and delivery. India allows up to 100% in Foreign and Direct Investment in the defence sector via the government and 74% without prior government approval, thus fostering better investment for technology development in this sector. Moreover, Delhi considers that one of the lessons of the war in Ukraine is the crucial importance of quantity (especially in drones), and thus of finding the good partners, which could help enhance India's scale in defence procurement.

The traditional Indo-Russian relationship is fast becoming limited to trade and commodities (oil, minerals, defence equipment) with significant challenges for the Russian defence industry in the mid-term since India has been banning new Russian defence equipment made with Chinese components, notably Chinese chips. However, India remains heavily dependent on Russian military equipment. Imports of defence materiel from Russia still accounted for 40% of India's total imports in this sector between 2021 and 2025, down from 51% from 2016 to 2020, as the country increasingly seeks to diversify its suppliers^[7]. France is second at 29%, followed by Israël (15%).

Within the EU, France is India's first defence partner in particular through the sale of the Rafale aircrafts over the past years. France has also gradually become India's most obvious global defence partner to increase cooperation. This follows several projects with a focus on co-design, co-development and co-production of defence platforms. Both countries have deepened

relationships in civil nuclear energy, including projects in large capacity nuclear power plants and emerging areas such as Small Modular Reactors and Advanced Modular ones. The growing intensity of the [France-India partnership](#) reflects a commitment to enhanced long-term cooperation, ranging from climate change to increased trade and technological cooperation, counter-terrorism and defence and security issues.

Among the key agreements signed over the few last years was the joint production of helicopters for combat and reconnaissance missions in 2024. Airbus has thus established the first 'Made in India' civil helicopter assembly line in partnership with Tata Advanced Systems. It was inaugurated in February 2026 with a delivery schedule planned for 2027. Safran has also developed a new facility in India for the maintenance, repair and overhaul of Rafale fighter jet engines. There is also further optimism that India could purchase an additional 114 Rafale jets with a large share of this to be built in India with supply chain integration. Moreover, France is, seen from Delhi, as the only European country with a fully-fledged Indian Ocean strategy, with a population of 1.65 million French citizens and seven thousand French military personnel in the region.

It is also one of India's most reliable allies within the United Nations Security Council and is seeking to position itself as a unique partner capable of cooperating not only on cutting-edge technologies such as the Rafale, but also, in assisting India with the issue of its nuclear submarines. With the lease agreement for the Russian Akula-class nuclear-powered submarine having expired in 2021, the Indian Navy currently has no functioning nuclear-powered attack submarines in its fleet and, therefore, does not presently have the full capacity to project power into the Indo-Pacific. And so, at the end of 2024 the Indian government approved the construction of two new nuclear-powered submarines in India for which France could share some advanced technological know-how and expertise.

More generally and in this new geopolitical context, Europe, as a whole, is now starting to be considered as a large untapped market for India. Although it has never really worked with the EU in defence, except for

^[7] [Trends in international arm. transfer](#), SIPRI Fact Sheet, March 2026.

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France, there is potential for the new EU-India Security Partnership to change this dynamic. More cooperation could also be sought in nuclear reactor technology, artificial intelligence and space between India and the EU. India is indeed spending a lot of capacity on micro-satellites, and, within the EU, France has the most developed commercial space-launch program, which could represent a further spinoff from aerospace cooperation. There may also be potential for India and the EU to work together, for example, on undersea cable protection, especially in the Indo-Pacific. Many Indian thinkers here believe that the relative decline of the Atlantic Alliance could, indeed, inspire Europeans to invest more in India's rise as a defence and security power for their own strategic purposes.

New Delhi now views the European Union as a major pole in the global order, and increasingly as an autonomous one. The silver lining for the EU is also a more geostrategic approach to EU trade relationships with the clear need to foster greater European strategic autonomy by reducing EU dependency on any single partner, whilst expanding commercial opportunities and geostrategic clout. As democracies are increasingly becoming a minority in the new shifting global order, it is, above all, a striking testimony of Europe's influence as a geopolitical force and its continued ability to lead by promoting open markets and rules-based trade.

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