



SOUTH ASIA

Asia is the world's largest and most populous continent. It is of great geostrategic importance to the EU, which is forging closer ties with countries in South Asia as a strong economic player and a major development and aid donor, working to foster institution-building, democracy, good governance and human rights. The EU also has security concerns in the region, such as the Kashmir conflict and Afghanistan.

This Fact Sheet describes the South Asia region. See also the Fact Sheets on East Asia ([5.6.8](#)) and Southeast Asia ([5.6.9](#)).

LEGAL BASIS

- Title V (EU external action) of the Treaty on European Union (TEU);
- Articles 206-207 (trade) and 216-219 (international agreements) of the Treaty on the Functioning of the European Union (TFEU);
- Partnership and Cooperation Agreements (PCAs) (bilateral relations).

SOUTH ASIAN ASSOCIATION FOR REGIONAL COOPERATION (SAARC)

The EU encourages regional integration and supports the South Asian Association for Regional Cooperation (SAARC). The member countries of the SAARC are Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka. The EU, China, Iran, Japan, South Korea, Mauritius, Myanmar and the US have observer status with the SAARC.

Development cooperation between the EU and the countries of South Asia covers financial and technical aid as well as economic cooperation. Priorities include regional stability, poverty alleviation, human rights, sustainable development, good governance and labour rights. EU-SAARC cooperation seeks to promote the harmonisation of standards and the facilitation of trade, and to raise awareness of the benefits of regional cooperation.

India

The EU-India strategic partnership promotes trade and economic cooperation. Each partner has regions that differ vastly in terms of economic strength, language and culture, a very large market, and a geostrategic position that poses security policy concerns.



The Council of the EU adopted [conclusions on 10 December 2018](#) seeking a deeper and broader engagement with India through the promotion of peace and security over the coming years.

India is carrying out political and economic reforms focused on modernising the administration, good governance, fighting corruption with demonetisation and transparency programmes, tackling social problems, developing the economy with the 'Make in India' and 'Invest India' initiatives, and imposing a nationwide goods and services tax.

The EU-India Agenda for Action 2020, adopted at the 2016 summit, sets up forums for foreign policy and security consultations. India is a nuclear power, like its neighbours Pakistan and China, and is faced with security problems, terrorism and armed border clashes, particularly with Pakistan in the autonomous state of Jammu and Kashmir.

A suicide bombing on 14 February 2019 killed over 40 Indian soldiers in Kashmir. The Pakistan-based terrorist group Jaish-e-Muhammed (JeM) claimed responsibility, and the airstrike launched by India in response to the attack led to the largest military confrontation between India and Pakistan in decades of military tension and conflict.

In August 2019, the Indian Government revoked the special status of the Jammu and Kashmir state. This decision resulted in violent protests and threatened political stability in the region. Over 900 million people were eligible to vote in India's seven-phase general election held over five weeks between 11 April and 19 May 2019. Narendra Modi's Hindu nationalist Bharatiya Janata Party (BJP) won 303 of the 545 seats in the Lok Sabha with the highest score in its history, defeating Rahul Gandhi's Indian National Congress party (INC) and its allies.

On 21 October 2019, Assembly elections were held in the states of Maharashtra and Haryana. The BJP-Shiv Sena alliance won the absolute majority of seats in Maharashtra, while no party reached a majority in Haryana, where BJP still secured 40 seats. The next elections will take place between November and December 2019 in the state of Jharkhand.

India's caste system is one of the world's oldest forms of social class organisation, which raises concerns about continued discrimination on grounds of caste. The country is also an ethnic and linguistic mosaic, with tensions in a number of states and reports of severe human rights abuses and violations of women's and children's rights.

Trade in goods between the EU and India was estimated at EUR 90 billion in 2018, with a hefty surplus of around EUR 2 billion in India's favour. The EU is also one of India's most important sources of investment, with EUR 76.7 billion in outward stocks and EUR 11 billion in inward stocks in 2017. India currently benefits from unilateral preferential tariffs under the EU Generalised Scheme of Preferences (GSP) which links unilateral trade preferences to respect for human and labour rights.

Pakistan

EU-Pakistan relations date back to 1962 and are currently based on the 2004 Cooperation Agreement. The EU, as a major development and aid donor, supports the promotion of democracy and institution-building in Pakistan. The EU has serious



concerns about the human rights situation, the blasphemy law and the special military courts in Pakistan.

The elections to the National Assembly and the provincial assemblies in July 2018 took place amid political tensions between the then-ruling Pakistan Muslim League-Nawaz Sharif Group (PML-N) and opposition forces, led by the Pakistan Tehreek-e-Insaf (PTI), which won the elections. The EU deployed an Election Observation Mission (EOM), led by Chief Observer Michael Gahler (EPP, Germany), with 10 observers from the European Parliament.

Pakistani politics have been in constant turmoil since the revelations of corruption by the former Prime Minister, Nawaz Sharif, in the Panama Papers case in 2016. Sharif was forced to step down in July 2017 and was sentenced to 10 years' imprisonment in July 2018.

The two biggest opposition parties are currently facing corruption scandals. Shehbaz Sharif, brother of Nawaz Sharif and current president of the Pakistan Muslim League (PML), is under investigation for corruption during his time as chief minister of Punjab. In June 2019, Asif Ali Zardari, current de facto leader of the Pakistan People's Party and former president, was arrested under money laundering allegations.

The army is still involved in internal and foreign politics, with a broad mandate for security and counter-terrorism issues, while sectarian tensions, terrorism and insecurity are increasing day by day.

In August 2019, the EU extended its support to Pakistan with a EUR 4million programme to fight against terrorism after the EU-Pakistan Strategic Engagement Plan in June 2019. However, relations with India deteriorated following India's decision to revoke Jammu and Kashmir's special status.

Pakistan is a major beneficiary of the EU's unilateral trade preferences under the GSP+ component of the GSP scheme which were reinstated in 2014. As part of the process, Parliament's Committee on International Trade monitors compliance with the GSP+ requirements on the basis of the Commission's biennial assessment report for Pakistan (2016-2017). The EU is Pakistan's second largest trading partner (after China), with total two-way trade worth EUR 12.6 billion in 2018 and the EU taking in 35% of Pakistan's total exports. Pakistan enjoys a EUR 1.2 billion trade surplus with the EU.

The EU is a significant donor of development assistance and humanitarian aid to Pakistan. Funding under the Development Cooperation Instrument for 2014-2020 amounts to EUR 653 million.

Afghanistan

An EU-Afghanistan Cooperation Agreement on Partnership and Development (CAPD) was signed on 18 February 2017 and approved by the European Parliament on 13 March 2019.

On 26 August 2018, the EU and its Member States approved the EU Country Roadmap for Engagement with Civil Society in Afghanistan 2018-2020.

The Taliban — and, more recently, the so-called Islamic State (IS) group — pose serious security challenges. Afghanistan is in danger of becoming a failed state. Greater



regional cooperation would be an important driver of national and regional stability. The EU, with strong support from the European Parliament, seeks an Afghan-led, Afghan-owned and Afghan-controlled peace process. From the institutional point of view, the main challenges faced by Afghanistan were the parliamentary and district council elections of 20 October 2018 (due since 2015) and the constitutional reform pending since the 2014 elections.

Afghanistan is the largest recipient of EU development funding in Asia. The EU allocated EUR 1.4 billion to Afghanistan for the 2014-2020 period. Some 20% of the funds are reserved for 'incentive payments' tied to reforms. The international community pledged EUR 13.6 billion in support of peace, security and economic development in Afghanistan for the period 2017-2020. Afghanistan benefits from the EU's most favourable trading regime, the 'Everything But Arms' (EBA) scheme. At the Brussels Conference for Afghanistan of October 2016, the EU and its Member States — Afghanistan's largest international donor — together committed EUR 5 billion. The EU announced at the Geneva Ministerial Conference in November 2018 that it would donate EUR 474 million for public sector reforms and support for state-building.

The EU-funded project, Border Management in Northern Afghanistan was completed on 7 September 2019. The EU has already contributed to the development of seven border crossing points (BCP) in the country.

In June 2019, the Afghanistan Peace Support Mechanism, which is funded by the EU, was launched. In August 2019, the EU delegation to Afghanistan allocated EUR 1 million to the Salam Afghanistan Media Organisation in order to ensure better public awareness and transparency on election news and reporting.

Parliament has expressed serious concern at the growing insurgency and at the Taliban's actions against minorities such as the Shia Hazaras.

On 28 September 2019, presidential elections took place. The final result was supposed to be announced on 7 November 2019 but the electoral commission said that the results would be delayed. On 22 October 2019, representatives from the EU, UN, UK, US, France, Germany, Italy and Norway met in Brussels and urged Afghanistan to ensure transparency in the results. The Taliban carried out several attacks during the presidential campaign.

Bangladesh

EU-Bangladesh relations date back to 1973. The 2001 Cooperation Agreement covers trade, economic development, human rights, good governance and the environment. The third Bangladesh–EU Diplomatic Consultations took place on 19 July 2018, covering a wide range of political issues and developments.

The EU has committed up to EUR 690 million under the 2014-2020 Multiannual Indicative Programme. It has stressed Bangladesh's need for policy reforms in order to improve its business environment and attract more trade and investment.

In July 2019, the EU launched two programmes in Bangladesh targeting public financial management and national social security reforms.



Bangladesh is a parliamentary democracy in which power alternates between two parties, the Awami League (AL) and the Bangladesh Nationalist Party (BNP).

Thanks to a dynamic private sector and a low-cost workforce, Bangladesh's economic growth in 2018 was 7.3%, and it is among the few countries to have achieved the Millennium Development Goals. However, labour rights and working conditions continue to be a serious issue in Bangladesh, especially in industrial garment factory areas around Dhaka.

As a Least Developed Country (LDC), Bangladesh benefits from the EBA arrangement, the most favourable trading regime available under the EU's GSP.

At the UN Security Council meeting on 28 February 2019, Bangladesh announced that it was closing its border to Rohingya refugees from Myanmar. Since August 2017, over 700 000 Rohingya refugees have fled from persecution in Myanmar to Bangladesh. In October 2019, Amnesty International released a statement urging Bangladesh to investigate extrajudicial killings and enforced disappearances of Rohingya refugees across the country. In August 2019, thousands of refugees protested against the attempt from Bangladesh, Myanmar and the UN to repatriate them over security concerns. Due to overcrowded refugee camps, Bangladesh is planning to relocate thousands of Rohingya refugees to an island in the Bay of Bengal.

Sri Lanka

EU-Sri Lanka relations date back to the 1975 Cooperation Agreement, upgraded in 1995 by a third-generation Cooperation Agreement on Partnership and Development. The EU GSP+ benefits were restored for Sri Lanka in May 2017 as an incentive for political reforms and compliance with international conventions on human rights, labour rights, environmental protection and good governance. Sri Lanka was granted access to the EU for its exports under the EU's Generalised Scheme of Preferences Plus (GSP+) in May 2017 and the European Parliament is closely monitoring Sri Lanka's progress in complying effectively with the GSP+ criteria. The EU has provided Sri Lanka with EUR 760 million in development assistance over the past decade. The EU is Sri Lanka's second largest trading partner (after India), with two-way trade in goods worth around EUR 4.5 billion in 2018 and a EUR 1.3 billion trade balance in favour of Sri Lanka.

Sri Lanka suffered a civil war from 1983 to 2009 between the Sinhalese-dominated government and the Liberation Tigers of Tamil Eelam (LTTE). Encouraged by the army's victory, the then President, Mahinda Rajapaksa, called early presidential elections in January 2015 but was defeated by Maithripala Sirisena of the Sri Lanka Freedom Party (SLFP). President Sirisena appointed Ranil Wickremesinghe of the United National Party (UNP) as his prime minister. After parliamentary elections in August 2015, the UNP formed a unity government with the SLFP, based on an agenda of good governance, national reconciliation and re-engagement with the international community. The change of government has led to strong economic growth and enhanced cooperation with the EU. The EU and Sri Lanka held the 22nd meeting of the Joint Commission on 14 February 2019 in Brussels.



Human rights must be a priority. In a country divided by ethnic and religious tensions, Sri Lanka has a long way to go to meet international standards and the new elections might be an opportunity to address topics such as the death penalty, torture, transitional justice, freedom of expression, religious extremism and gender equality.

On Easter Sunday, 21 April 2019, over 250 people were killed in nine bomb attacks that targeted three Catholic churches and hotels in Sri Lanka. The so-called Islamic State claimed responsibility, but the Sri Lankan Government also accused members of the National Thowheed Jamath (NTJ), a splinter group from the Sri Lanka Thowheed Jamath (SLTJ).

On 30 August 2019, the EU-Sri Lanka joint commission working group on governance, rule of law and human rights took place in Colombo. Sri Lanka committed implementing international conventions and in exchange, it was readmitted to the EU GSP+ scheme. Discussions involved progress on human rights and fundamental freedom, women and children's rights, minorities' rights, and the abolition of torture and the death penalty.

In August 2019, the Commission allocated EUR 8.5 million to Sri Lanka as part of its instrument contributing to stability and peace, for the fight against violent extremism, the building of community resilience and the promotion of peace and tolerance.

Nepal

EU-Nepal relations date back to 1973 and are based on the 1996 Cooperation Agreement. With nearly a quarter of the population living on less than two US dollars a day, Nepal depends on external aid for 25% of its budget. The 10th EU-Nepal Joint Commission meeting was held on 28 June 2018 and took stock of the implementation of ongoing cooperation.

The Financing Agreement for the EU Contribution to Agriculture and Rural Development (CARD) in Nepal, which is worth EUR 40 million, was signed at the meeting. The EU is one of Nepal's biggest development aid donors and has tripled its development assistance to EUR 360 million for 2014-2020. The EU has also reiterated the importance of Nepal taking greater advantage of the trade preferences it grants under the Everything But Arms scheme (EBA), as total two-way trade in goods amounted to EUR 500 million in 2018. On 8 November 2019, the joint commission between Nepal and the EU was held in Kathmandu. There are high levels of inequality between the upper and lower castes and marginalised communities such as the Madhesi. China and India are competing for influence in the country.

The Communist Alliance (made up of the Communist Party of Nepal-Unified Marxist-Leninist (CPN-UML) and the Communist Party of Nepal-Maoist Centre (CPN-MC)) defeated the Congress Party by an overwhelming majority in the December 2017 parliamentary elections. The Communist Alliance also won the local elections that took place in three phases between May and September 2017 after being boycotted by the Madhesi representatives in Terai.

Bhutan

Isolated from the outside world for centuries, Bhutan is adapting to globalisation and strengthening its economy, while at the same time preserving its ancient traditions. It



made a peaceful transition to parliamentary democracy under the constitution adopted in 2008, guaranteeing the separation of powers under a constitutional monarchy.

The EU Multi-Indicative Plan 2014-2020 allocates EUR 49.3 million in assistance for Bhutan. The EU has had a strong presence in Bhutan since 1982, working to reduce poverty, promote democratisation and good governance and support sustainable agriculture and renewable natural resources. A new 'EU-Bhutan Trade Support Project' was launched on 24 May 2018 with the aim of improving value addition, market linkages and the trade and investment regulatory framework.

Parliament has repeatedly acknowledged Bhutan's unique development philosophy, initiated when it opened up to globalisation. It is based on the concept of Gross National Happiness (GNH), which statistically measures people's quality of life and balances spiritual and material advancement.

In November 2019, the eighth EU-Royal Government of Bhutan Biennale Consultation took place and the EU encouraged Bhutan to implement the human rights conventions that could give the country access to the GSP+ scheme.

The Maldives

Although there is still no formal cooperation agreement with the Maldives, the EU provides cooperation support for rural communities, tourism and climate change mitigation. On 16 July 2018, the EU Foreign Affairs Council adopted a framework for targeted restrictive measures against persons and entities responsible for undermining the rule of law or obstructing an inclusive political solution in the Maldives, as well as persons and entities responsible for serious human rights violations.

The Maldives is vulnerable to climate change and is exposed to rising sea levels and coastal erosion, which pose a serious threat to the viability of the country. The country also suffers from high youth unemployment, gang violence and drug addiction, and there has been increasing political and social unrest since opposition leader Mohamed Solih defeated former President Abdulla Yameen Abdul Gayoom in September 2018.

The Maldives graduated in 2011 from the UN's Least Developed Country (LDC) category and attained upper-middle income status in 2013. The economy is based mainly on tourism and fisheries. The EU is the Maldives' fourth largest trading partner, accounting for a 10% share of total trade in goods (2017).

In the April 2019 legislative elections, Mr Solih's Maldivian Democratic Party, the governing coalition, won the majority of seats, while the opposition party went from 33 to 5 seats.

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