

ENGAGING WITH EMERGING POWERS ACROSS KEY AREAS:

Opportunities and Caveats for
the European Union and Spain

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1. INTRODUCTION

Amid ongoing power shifts in the international order, the once-dominant Western powers are losing influence in relation to emerging powers in an increasingly multipolar world. For the European Union (EU), this transition has highlighted a stark disconnect with the Global South. This has deepened since the onset of the war in Ukraine, amplifying perceptions that Europe's response to the global climate, food and debt crises has been insufficient. The ubiquity of China in infrastructure building and in catering to the needs of the Global South stands in sharp contrast to the EU's position.

Moreover, the anti-Western rhetoric advocated by the Sino-Russian partnership has reinforced this sense of a major void.

This study first aims to analyse how the EU can engage more effectively with emerging powers by harnessing existing opportunities and reducing vulnerabilities to leverage cooperation. The emphasis, therefore, is on fostering shared interests and strengthening existing alliances, while remaining mindful of differing perspectives within these

relationships. With this objective in mind, we have chosen five emerging powers: Brazil, India, Indonesia, Saudi Arabia and South Africa, and have analysed the nature of their relationships with the EU in the following areas:

- (i) trade and investment;
- (ii) climate action and green technology;
- (iii) the digital realm;
- (iv) security and defence.

We have also examined the opportunities and caveats for the EU and for these emerging powers to advance and strengthen these partnerships.

The second aim of this study is to explore how Spain can harness this engagement at bilateral level, based on its influence in Europe's Southern Neighbourhood, especially in North and West Africa, the Mediterranean region and Latin America. While Spain's foreign policy is overshadowed by that of the EU, Madrid is making major inroads into forging a strategically autonomous foreign policy that extends beyond its traditional areas of interest.



2. BILATERAL RELATIONS BETWEEN THE EU / SPAIN AND EMERGING POWERS IN KEY AREAS

This section addresses the nature of the EU's and Spain's bilateral relations with the five emerging powers mentioned above in the chosen focus areas. Each section starts off by detailing the EU's priorities and outlining those of Spain in each respective area. We then move on to describe the priorities of the emerging powers on that same issue. Finally, existing and potential convergences and divergences between the EU / Spain and the identified partners are outlined.

2.1. TRADE AND INVESTMENT



2.1. TRADE AND INVESTMENT

2.1.1. PRIORITIES FOR THE EU AND SPAIN

The EU's historical and current strengths lie in its leading role as a trader and investor in the majority of the selected emerging countries. At global level, the EU is the third largest trading bloc after the United States (US) and China, accounting for over 15% of world GDP. The sheer size of the EU's Single Market has long been a tool for the European Union to gain global economic leverage and influence, irrespective of geopolitical shifts. It is clearly a key trade partner. For example, World Trade Organization (WTO) data from December 2022 shows that the EU has the largest network of Regional Trade Agreements (RTAs) in the world with 44 agreements in place.

It is important to note that the impact of the COVID-19 pandemic and the war in Ukraine have led to reviews of EU policies, including its trade, agriculture and energy strategies. In February 2021, the European Union adopted a new trade strategy known as 'An Open, Sustainable and Assertive Trade Policy' which seeks to actively implement the concept of 'Open Strategic Autonomy'. Under this approach, the EU prioritises multilateral cooperation but intends to act independently by introducing regulations on foreign subsidies and on countermeasures to ensure international trade agreements are enforced.

In addition, changes in the EU's domestic agenda, such as the approval of the European Green Deal (2020), the European Digital Decade initiative led by the 2030 Digital Compass (2021) and its Economic

THE CBAM ALSO HAS TRADE IMPLICATIONS FOR THE EU'S TRADE PARTNERS WHO PERCEIVE IT AS DISCRIMINATORY

Security Strategy (2023), are also impacting its trade relations. The proliferation of environmental and digital regulations, in addition to existing trade-related conditionalities on human rights and labour protection, clearly illustrate this scenario.

In particular, the Carbon-Border Adjustment Mechanism ([CBAM](#)), which will be fully implemented by 2026, will affect key exporters to the EU of carbon-intensive products and those at risk of carbon leakage, namely cement, iron and steel, aluminium, fertilisers, electricity and hydrogen. Similarly, the upcoming EU Deforestation Regulation ([EUDR](#)), set to come into force at the end of 2025, will affect countries exporting commodities such as cattle, wood, cocoa, soy, palm oil, coffee and rubber, as well as some of their by-products, including leather, chocolate, tyres and furniture. In addition, the Corporate Sustainability Due Diligence Directive ([CS3D](#)) which came into force in July 2024 also affects EU companies as well as non-EU companies operating within the EU space which have a minimum turnover of €450 million. The external perception of these regulations is that the EU is seeking to put protectionist trade measures in place to create a more resilient Single Market, in line with moves made by other leading economies around the world.

The EU is the world's main provider and the top global destination of foreign investment. Existing foreign direct investment (FDI) stocks held in the rest of the world by investors resident in the EU (outbound investments) amounted to [€9,382 billion](#) at the end of 2022. In October 2020, the EU implemented a common investment framework to [screen incoming FDI](#) for reasons of security and public order, aiming

to protect its interests while remaining an open investment environment. An EU White Paper from January 2024 also focused on [outbound investment screening](#) and especially on the risks of critical and emerging technologies (CETs).

Spain's trade policy is aligned with the EU's trade policy framework, including sustainability regulations such as the CBAM, deforestation laws and the CS3D directives. In 2023, [54.7%](#) of Spain's trade exports were to the Euro area, followed by the rest of the EU and Latin America. Similarly, [42.4 %](#) of its imports came from the Euro area, followed by Asia and America. Though Spain's trade basket is highly diversified, the core of its exports and imports centred on capital goods in 2023. Additional key [import-export sectors](#) include chemical products, as well as food, beverages and tobacco. Vehicles were a major export while energy was a key import in 2023.

Like the EU, Spain seeks to strengthen its influence in the global value chains grounded in a stable rules-based framework, by diversifying sources of supply and opening up new markets. In addition, it aims to develop cooperative frameworks for access to critical products. In doing so, it seeks to [promote the digital transition and sustainable development](#) of companies which already operate in the international arena.

2.1.2. PRIORITIES FOR EMERGING COUNTRIES

The priorities and focus areas of Brazil, India, Indonesia, Saudi Arabia and South Africa differ depending on the nature of their trade basket and their geo-strategic priorities. However, one of their common

traits is that [China is their top exporting partner](#) (for goods).¹ Four out of the five countries channel part of their trade basket via regional trading blocs. This is the case of Brazil via Mercosur, Saudi Arabia via the Gulf Cooperation Council (GCC), Indonesia via the Association of Southeast Asian Nations (ASEAN) and South Africa through the Southern African Development Community (SADC).

According to our study, Brazil is ahead of the game in seeking to include sustainable development clauses that refer to the environmental and social domains in its trade and investment policies. These were highlighted by Brasilia during the G20 Trade and Investment Working Group meeting held during its recent presidency. It also stated that it was keen to push through the reinstatement of the [WTO's](#) multilateral Dispute Settlement System by the end of 2024.

India, meanwhile, combines liberalising measures with protectionism in its trade and investment policies. Recent free trade agreements (FTAs) signed with the United Arab Emirates (UAE) and Australia signify a move towards preferential agreements instead of participating in mega trade blocs. In fact, it has stepped out of the Indo-Pacific Economic Framework for Prosperity (IPEF) and the China-led Regional Comprehensive Economic Partnership (RCEP) trade initiatives. New Delhi seeks to diversify its exports and increase its role in Global Value Chains (GVCs) to reduce its dependency on China. It furthers aim to integrate its Micro, Small, and Medium Enterprises (MSMEs) into the global trade agenda by building efficient trade logistics.

Indonesia is actively working to expand its trade agreements both bilaterally and

through ASEAN. While its export basket remains reliant on manufactured goods and food items, the country is experiencing a commodity-driven export boom fuelled by rising global prices. This shift has prompted Jakarta to prioritise [regulating commodities](#) and advancing its downstream commodity industry to capitalise on this trend.

Saudi Arabia is keen to diversify its export basket beyond fuels, which is its [main export](#) followed by after manufactured goods. It further aims to [attract more foreign investment](#) in infrastructure, tourism and green energy through the reforms undertaken to enhance transparency in investment, trade procedures and product regulations as part of its Vision 2030. This is in line with the GCC's quest to increase trade liberalisation through new FTAs and to diversify away from commodities and natural resource dependency. There is an ongoing, conscious effort to increase Saudi Arabia's non-oil sector products and invest in the digital economy to improve [trade diversification](#) and to export services.

Like Brazil and Indonesia, South Africa's trade is partly channelled through a regional trading bloc, the SADC in its case, at regional and third-country level. The country is open and keen to attract foreign investment to drive economic growth, improve international competitiveness and increase its access to foreign markets. Its [export basket](#) is diversified. It has a strong focus on manufactured goods, as well as ores and metals, but also includes fuels and all food items.

¹ For India this data applies to 2023-24.

2.1.3. BILATERAL RELATIONSHIPS

Trade and outward investment flows remain key to the EU's bilateral relationship with all the emerging powers referred to here. In fact, the EU ranks among the top five trade partners (for goods) in all cases. In addition, it was the leading trade partner (for goods) for [India](#) and [South Africa](#) in 2023. Moreover, the EU has signed trade agreements or is in the process of negotiating them with the other four emerging powers, some via regional trade blocs, i.e., Mercosur in the case of Brazil, the GCC in the case of Saudi Arabia and the SADC in the case of South Africa.

More specifically, there are ongoing FTA negotiations between the EU and the GCC, the EU and India, the EU and Indonesia and the EU and Mercosur. In fact, the FTA negotiations with Mercosur and the GCC have been underway for the past 25 years and 35 years, respectively. The [EU-Mercosur deal](#) was finally closed on 6 December 2024, despite a new added protocol on sustainability, as well as strong opposition from France, Poland, Austria, the Netherlands and potentially Belgium. Ratification is predicted for 2026 but remains elusive. Meanwhile, the EU-SADC negotiations revolve around an Economic Partnership Agreement (EPA). The EU exemplifies the growing influence of RTAs, advancing region by region, and maintaining its position as a [global leader](#) among supranational organisations in trade. However, Beijing is currently the EU's second largest trade partner after the US.

In terms of EU FDI, Brazil is the top recipient in Latin America, the second largest non-Asian investor in Indonesia and the leading investor in South Africa. There are, in addition, specific trade disputes at WTO

level linked to nickel exports (Indonesia) and citrus exports (South Africa) that are hindering further progress. More importantly, the CBAM also has trade implications for the EU's trade partners who perceive it as discriminatory since it privileges countries that choose carbon pricing over other decarbonisation policies. It also imposes a relatively heavier cost on producers with more carbon-intensive processes, which is the case of several of the emerging powers under study. India and South Africa have already threatened to file a complaint against the EU with the WTO, because of onerous reporting requirements linked to the CBAM and because European producers have been granted free emission allowances that will only be [phased out gradually](#).

Once the CBAM is fully operational, large economies such as Brazil and India are expected to suffer the CBAM shock, i.e., they may need tailored solutions and support from the EU on their path towards adapting their industries to a net-zero future. Similarly, the EU's upcoming deforestation regulation (EUDR) is likely to affect Indonesia's and Brazil's exports to the Union. Here too, the EU must brace itself for tangible resistance from its trading partners.

Spain

Brazil is Spain's 18th largest trading partner. It is the second largest destination for Spanish exports to Latin America, behind Mexico, and is the [largest supplier to the region](#). Spain is particularly interested in Brazil's energy and raw materials, namely biofuels, renewables and hydrogen. Spain and Brazil aim to move forward with trade and investment and, in this sense, the recent EU-Mercosur FTA is a welcome

development for Madrid. Mercosur is [Spain's 5th largest trade partner](#) outside the EU.

In 2023, India was Spain's [third largest trade partner](#) in Asia after China and Japan, followed by Indonesia. Spain's trade flows with [India](#) and [Indonesia](#) are increasing, and have strong growth potential. A '[Fast-Track Mechanism](#)' was introduced to ease reciprocal investments with India, together with stronger collaboration in renewable energy, healthcare, transportation, and technology. Spain's investment in [Indonesia](#) targets similar industries, including fashion, energy, infrastructure, aviation, defence and technology.

Saudi Arabia was Spain's [main trading partner](#) in the Middle East in 2023 with fossil fuels accounting for 81% of imports. Over the last decade, leading Spanish companies have secured significant public infrastructure contracts in energy, transport, tourism and water management in Saudi Arabia, mainly linked to the country's Vision 2030 strategy.

Not surprisingly, trade from Africa is mostly centred on North African countries, particularly [Morocco](#), which is the biggest trading partner by far both in terms of Spain's exports and imports. Notwithstanding, South Africa is the main destination for Spanish investment in Sub-Saharan Africa and third in the continent. [Goods trade between Spain and South Africa](#), which is mainly of an intra-industry nature, has also seen sustained growth in recent years.² The [citrus trade](#) between Spain and South Africa is marked by competition and regulatory challenges, with Spain being a leading EU citrus producer and South Africa a significant

exporter to the EU. Key issues include phytosanitary standards, EU import regulations and seasonal overlaps, which impact market dynamics.



² South Africa is Sub-Saharan Africa's largest car producer. Spain imports and exports car components from and to South Africa which uses Spanish components in its automobile industry.

2.2. CLIMATE ACTION AND GREEN TECHNOLOGY



2.2. CLIMATE ACTION AND GREEN TECHNOLOGY

2.2.1. PRIORITIES FOR THE EU AND SPAIN

Climate action and green technology are clearly two of the EU's top priorities as part of its ambition to transition to a net-zero economy by 2050. All Member States are legally bound to fight climate change as the EU's 'Fit for 55' policy framework sets out. This package aims to revise and update sector-wide EU legislation to [reduce net greenhouse emissions](#) by at least 55% by 2030. The implementation of the EU Green Deal (2020) is framed within the need for an EU green transition to tackle the climate crisis, as well as to boost its competitiveness in a socially balanced and fair manner by fostering economic growth, markets and jobs, as well as technological development. The Net-Zero Industry Act (2024) is the EU's undertaking to enhance European manufacturing capacity for net-zero technologies by supporting a clean energy transition and improving its energy resilience.

Since the inception of the EU Green Deal, there have been substantial shifts in world order, including Russia's invasion of Ukraine, increasing rivalry with China over green technology, such as Electric Vehicles (EVs) and exports of critical raw materials (CRMs), as well as an imminent change in US President, with Trump about to return to the White House. There are thus increasing concerns about the cost of the green transition, amidst a growing geo-strategic Europe which is also worried about its external energy engagement strategy, presented as part of the REPowerEU Plan

CLIMATE ACTION AND GREEN TECHNOLOGY ARE TWO OF THE SECTORS WITH THE HIGHEST POTENTIAL FOR ENGAGEMENT WITH THE EU

in May 2022. Thus, [climate action](#) is embedded here as the need to boost energy savings, diversify energy supplies and accelerate the roll-out of renewable energy to replace fossil fuels in homes, industry and in the generation of power.

However, the CBAM and the EUDR have broken new ground in this issue. As noted earlier, both regulations have sparked controversy in the eyes of the Global South, which accuses the EU of regulatory imperialism. There are also potentially negative spillover effects into trade flows. To prevent these from occurring, the Commission needs to support its trade partners in the implementation of carbon pricing by making financial and technological support for cleaner industry a key part of its climate diplomacy and external investment strategy. The need for [financial backing](#) to lower-income countries is critical, given the negative response that the CBAM has already triggered.

Spain's climate action priorities are outlined in its 2021-2030 integrated [National Energy and Climate Plan](#) (NECP). They are closely aligned with those of the EU's 'Fit for 55' and the aim to reach climate neutrality by 2050. They include:

- (i)** reducing GHG emissions by 55% by 2030, as well as achieving 48% renewable energy in total use and 81% in electricity generation;
- (ii)** improving energy efficiency by 43% compared to 2007;
- (iii)** reducing fossil fuel dependency from 73% (2019) to 50% (2030) and enhancing system resilience;
- (iv)** addressing energy poverty, supporting vulnerable consumers and ensuring a fair transition in rural areas;
- (v)** promoting innovation in industrial decarbonisation through renewable hydrogen and other energy-efficient technologies.

2.2.2. PRIORITIES FOR EMERGING COUNTRIES

All the emerging countries featured here have taken a pro-active stance towards reducing carbon emissions and diversifying their energy sources towards renewables. The core caveat, as witnessed in the latest COP 29 held in Baku (Azerbaijan), is putting together sufficient financing for developing countries to invest in technology transfer so they can mitigate and adapt to climate change.

There is also a common concern among many emerging powers about [balancing economic growth with environmental protection](#), given that they face growing energy demands yet need to try to combine industrialisation and decarbonisation in a way that is socially acceptable. In addition, some BASIC members including Brazil, South Africa and India, have historically been very vocal about the need to adhere to the principle of Common but Differentiated Responsibilities (CBDRs) embedded in the UN Framework Convention on Climate Change (UNFCCC) based on climate justice and SDG10, that is, the need to reduce inequalities within and among countries. Under this broader umbrella, the countries under study have differing priorities and face varying challenges.

Brazil leads in its use of [renewable energy sources](#), with 90% of its electricity coming from biomass, hydroelectric, solar and wind power. It is also a pioneer in the use of biofuels and is a leading player in green hydrogen production. Since President Lula returned to office, reducing deforestation in the Amazon has become a priority, with the launch of the Tropical Forest Finance Facility (TFFF) under the umbrella of the G-20 to preserve the world's tropical forests.

A pact between all three branches of the Brazilian government was reached in October 2024 to achieve ecological sustainability. Its [Ecological Transformation Plan](#) (ETP) includes mobilising sustainable sovereign bonds and its national climate fund to reduce its emissions by 48% in 2025 and by 53% in 2030, compared to figures for 2005.

India has committed to reducing emissions by 45% by 2030, ultimately seeking to become [climate neutral by 2070](#). PM Modi's Lifestyle for Environment (LiFE), which is a new framework for the transition to cleaner energy for the period 2021-2030, aims to increase green jobs, boost manufacturing of low emission products such as EVs and promote innovative technologies such as green hydrogen. In fact, the Indian government seeks to make India the global hub for production, use and exports of [green hydrogen and its derivatives](#) as a means to decarbonise its economy and reduce its dependency on fossil fuels. New Delhi has adopted [a broad-ranging approach](#) that bolsters investments in sectors and areas that are vulnerable to climate change including agriculture, rural livelihood security, water, health, disaster risk management, biodiversity and ecosystems.

Indonesia also aims to achieve [climate-resilient development](#) within a sustainable framework that targeted higher GHG reductions of 31.89% (unconditional) and 43.2% (conditional) in 2022. Indonesia is strongly focused on adaptation, in line with the recent National Action Plan on Climate Change Adaptation in a wide range of areas, similar to those of India: agriculture, marine and coastal zones, forestry and land-use, and water. The decarbonisation of Indonesia's power system through the development and integration of renewable energy remains a core focus.

Saudi Arabia is unique in that it is both a leading oil producer whilst also seeking to play a key role in global conversations on climate change and energy. Riyadh launched the [Saudi Green Initiative](#) (SGI) in 2021, which combines environmental protection, energy transition and sustainability programmes with the aims of reducing emissions, increasing afforestation and land restoration, and protecting the land and sea. Saudi Arabia is also leading a [Middle East Green Initiative](#) (MGI), which is a regional effort across Middle East and North Africa (MENA) countries to mitigate climate change and meet the identified targets.

South Africa set out its goal of reaching net-zero emissions by 2050 in its [2020 Low-Emission Development Strategy](#). The country is a leading advocate of securing [higher levels of climate finance](#) with a view to achieving a floor of USD 8 billion per year by 2030. Key identified areas of adaptation and resilience are transport, agriculture, a decarbonised energy supply, the introduction of biofuels, and a focus on biodiversity and water. Pretoria has also become highly vocal on the issue of critical materials for the energy transition linked to predatory mining by outside partners.

2.2.3. BILATERAL RELATIONSHIPS

Climate action and green technology are two of the sectors with the highest potential for engagement with the EU. This is already happening via the [EU Global Gateway](#), remarkably so in the case of Brazil, as well as with India, Indonesia and South Africa. Saudi Arabia [is not currently a member](#) of the EU Global Gateway.

The EU wishes to support energy transition in the cases of Brazil, South Africa and Indonesia by promoting investments in

renewable energy generation and distribution to decarbonise their power grids. Brazil, which is a leading player in the bioeconomy, is particularly focused on promoting investment in green hydrogen production, alongside South Africa. Both countries are involved in the EU Global Gateway's climate and energy projects.

Preventing deforestation is another core area for the EU in Brazil and Indonesia. The aim is to focus on key sectors that have a major impact on forests (e.g. wood products) by creating sustainable and traceable supply chains, as well as engaging in land restoration. The EU's priorities include sustainable multimodal transport and mobility. It is also especially keen to address sustainable urbanisation in India.

The EU specifically supports joint Just Energy Transition Partnerships (JETPs) with Indonesia and South Africa. In the case of [Indonesia](#), the European Investment Bank (EIB) is backing the Partnership for Global Infrastructure and Investment (PGII) initiative launched in 2022 to the tune of €1 billion. The aim is to decarbonise Indonesia's power system through the development and integration of renewable energy, with €25 million in grants and technical assistance. The JETP involving [South Africa](#) was launched together with France, Germany, the United Kingdom (UK) and the US in 2021 and is now part of the EU Global Gateway. The partnership aims to accelerate the decarbonisation of South Africa's economy, with a focus on the electricity system.

In the case of India, current EU-India engagement in the realm of green and clean energy technologies is channelled via the [EU-India Trade and Technology Council \(TTC\)](#) launched in 2023. Three key areas of cooperation have been outlined as part of its second Working Group on Green and

Clean Energy Technologies, namely renewable and low-carbon hydrogen, batteries for electric vehicles and the establishment of standards. As part of this cooperation, India and the EU have agreed to work on joint wastewater treatment and on transforming wastewater into energy, and waste into hydrogen. Plastic marine litter and pollution are another area of focus, together with circularity aspects of batteries and the recovery of raw materials. Potential collaboration on developing standards towards interoperability, including renewable and low-carbon hydrogen, has also been discussed.

The EU's engagement with Saudi Arabia on environmental issues and climate change is radically different from its other partnerships since it is embedded in the [EU-GCC relationship](#). Moreover, the areas of focus extend to both climate change and guaranteeing energy security. Gulf countries are key to the Union's REPowerEU External Energy Strategy. Therefore, the [partnership](#) includes boosting Liquefied Natural Gas (LNG) supplies, hydrogen production and the gradual deployment of renewable energy, given the region's dependence on fuels.

Spain

Like the EU, Spain is developing robust engagement strategies on climate action and green technologies with the emerging powers under study. Multiple leading Spanish companies operate in these countries in the fields of renewable energy and water management, including desalination. Climate action and green technology are two of the areas where the Spanish corporate sector is flourishing.

In the case of [Brazil](#), Spain has committed to supporting the country in its preparations for next year's COP30, and remains actively

engaged in Brazil's infrastructure projects, especially under the umbrella of its New Growth Acceleration Program, with a focus on energy transition, water management and sustainable development. Spanish companies are also active in major [Saudi infrastructure projects](#), such as the high-speed rail link between Mecca and Medina, the Riyadh Metro, a number of desalination plants and energy projects including renewable energy and natural gas fractionation.

Spain is financing private-sector-led climate action projects in [South Africa](#) that contribute to a just energy transition, together with the agribusiness sector. In fact, Spain has significant [corporate](#)

[involvement](#) in the renewable energy sector in South Africa, as well as in [Indonesia](#), with leading Spanish companies in the field of renewable energy, the broader electricity sector and sustainable infrastructure projects operating in these countries.

Spain has invited both India and South Africa to join the [International Drought Resilience Alliance](#), which it is co-sponsoring with Senegal, since this has become a relevant challenge for the three countries. An [MoU](#) on renewable energy has also been discussed at bilateral level between Madrid and New Delhi, while Spain has joined the France and India-led International Solar Alliance (ISA) as part of its shared commitment to green transitions.



2.3. DIGITAL REALM



2.3. DIGITAL REALM

2.3.1. PRIORITIES FOR THE EU AND SPAIN

Digitalisation lies at the core of the EU's strategy to become more competitive. Given the current geo-political and economic juncture, digital transformation has become an imperative for the EU Single Market to strengthen its industrial base and to become more resilient. The EU's digital strategy is shaped by the [2030 Digital Decade](#), i.e., the overarching framework that sets out its digital roadmap guided by the [2030 Digital Compass](#), launched in 2021. The EU's Digital Decade package encompasses four areas: digital infrastructure (connectivity), digital skills, digitalisation of public services and digitalisation of businesses. The [EU approach](#) towards digital transformation aims to "promote its positive and human-centric vision of the digital economy and society" as envisioned in its 2030 Digital Compass.

The [2024 State of the Digital Decade](#) report provided a wake-up call for Member States to make greater efforts towards achieving the given objectives and targets and diminishing the existing disparities between EU countries. The EU is currently seeking to position itself as a global policy innovator to do away with its image as the 'king of regulation', as one of the most recurrent critiques levied against the EU's plans to innovate digitally is its hyper-focus on regulation. The EU has pioneered one of the world's most advanced, comprehensive pieces of legislation on data privacy and data protection: the [2016 General Data Protection Regulation](#) (GDPR). In 2022 the EU's Digital Services Act package followed,

DEVELOPING AND IMPLEMENTING ROBUST AI STRATEGIES REMAINS A CHALLENGE FOR ALL EMERGING POWERS IN THE STUDY

encompassing the Digital Services Act (DSA) and the Digital Markets Act (DMA) which apply across the whole of the EU. This [set of laws](#) aims to:

- (i)** secure a safe digital space that protects the fundamental rights of all digital service users;
- (ii)** establish a level playing field to foster innovation, growth and competitiveness, both in the European Single Market and globally.

Artificial intelligence (AI) is very much at the core of the EU's digital focus and has been on its radar for several years now. In fact, European countries signed a Declaration of cooperation on Artificial Intelligence in 2018. The main goals of the EU's AI strategy are to boost the EU's technological and industrial capacity, to create a solid base to roll out social-economic changes through AI and to modernise education to strengthen its labour market. However, the EU is particularly adamant about ensuring an appropriate ethical and legal framework for AI based on core European values and fundamental rights. In fact, it was a pioneer in the approval of the [AI Act](#), the world's first comprehensive legal framework on AI that was brought into force in August 2024. The goals of these new rules are to foster trustworthy AI in Europe and beyond, by ensuring that AI systems respect fundamental rights, and safety and ethical principles, thereby addressing the risks of AI models.

Aside from its domestic digital legislation, the EU is aware of the potential of the digital realm in expanding and consolidating its partnerships with third states. These key instruments include the TTCs with India and the US, respectively, as mentioned above. This framework addresses digital governance and digital connectivity, green and clean energy technologies, as well as strategic technologies.

This complements a series of [partnerships](#) that the EU signed with Asian countries and Canada in 2022 and 2023, including Japan, Singapore, and South Korea, to address issues related to the digital divide and to strengthen 'a fair, inclusive and equal digital environment for all'. The [Joint Commitment to Digital Transformation](#) in the EU-Africa Joint Vision for 2030 and the EU-Latin America and Caribbean (LAC) Digital Alliance testify further to this approach. One of the cornerstones of the EU Global Gateway centres on supporting partners' integration in the global digital system, as explored below in relation to the emerging powers under study.

Spain's priorities in the digital realm are not dissimilar to those of the EU, particularly in its humanistic approach towards digitalisation, i.e., prioritising inclusivity and digital rights. Madrid's specific priorities are outlined in its [Digital Spain 2026](#) agenda and are:

- (i)** to provide 100% ultra-fast speed broadband coverage by 2025, hereby eliminating the urban-rural digital divide in connectivity. Spain seeks to position itself as a hub for data and connectivity;
- (ii)** to take the lead in the deployment of 5G/6G and advanced technologies;
- (iii)** to advance the National AI Strategy and drive AI integration into its industrial value chains without neglecting cybersecurity. In fact, Madrid aims to set up a dedicated cybersecurity operations centre;
- (iv)** to promote the digitalisation of SMEs and public administrations to boost productivity, with special initiatives for the audiovisual and green technology sectors;
- (v)** to increase investment in improving citizens' digital competencies, with a special focus on vulnerable groups and professionals in key technology sectors.

2.3.2. PRIORITIES FOR EMERGING COUNTRIES

Brazil has clearly articulated its key challenges in the digital realm. They centre on:

- (i) achieving digital inclusion;
- (ii) tackling geo-political and economic challenges that destabilise global supply chains of digital goods;
- (iii) the need to create regulatory and legal frameworks for data protection, privacy and innovation.

In reality, these challenges apply to all the emerging powers included here, with India at the forefront in terms of a digitally empowered society and knowledge economy thanks to its successful Digital Public Infrastructure (DPI) initiative.

India's success in providing a [digital identity](#) (Aadhaar system) to over 1.3 billion people as well as their gradual financial and digital inclusion goes to show the centrality of digitalisation for the Indian government over the past two decades. In fact, having a digital identity has allowed for the provision of government services in education, health and tax revenue collection. Indonesia is also in the process of rolling out a digital ID, which should be in place by the end of this year, to [streamline access to public services](#). South Africa has just revealed its intentions to create a [national digital identity system](#) based on its already existing Smart ID card.

Building secure, reliable and high-quality digital infrastructures constitutes another key aim for all emerging powers in the study. This is closely linked to their overall aim to bridge the digital divide and provide universal access to digital services across the board. It is further related to data

sharing and data protection across agencies and government services within the different countries, as well as abroad. This has been made clear by Brazil, India, Saudi Arabia and South Africa, all of which have achieved a robust degree of DPI development and are currently searching for the best strategies to regulate data privacy and data protection. Cybersecurity risks lie at the heart of their concerns going forward.

Approaches to data privacy, as well as to international data flows, vary across the different countries, though all the emerging powers featured in this study have implemented or are in the process of deploying data privacy and protection legislation. [India](#) and [Saudi Arabia](#) have adopted a techno-nationalist approach, where the role of the state prevails over the private sector and individual user rights, particularly when it comes to data localisation. Brazil and South Africa are more open in their data regulation, aligning it with GDPR standards. [Indonesia](#) remains more open to cross-border data transfer and is keen to favour the corporate sector in its approach.

Both India and Brazil aim to take a leading role in global digital fora, as the outcome of the G20 Digital Economy Working Group during their recent G20 presidencies has showcased. South Africa is one of [Africa's digital economy leaders](#), in contrast to Eastern and Southern Africa which are lagging behind other African sub-regions in the digital realm. Saudi Arabia has become the regional pivot in the GCC countries, together with the United Arab Emirates (UAE), not only in terms of trade and climate change but also in relation to digital matters. Saudi Arabia, like India, is part of the India-Middle East-Europe Economic Corridor (IMEC), which has a

digital branch via land as well as undersea data cables in the future.

Developing and implementing robust AI strategies remains a challenge for all emerging powers in the study. Brazil and India are members of the Global Partnership on Artificial Intelligence ([GPAI](#)), which aims to back the adoption of AI grounded in human rights, inclusion, diversity, gender equality, innovation, economic growth and environmental and societal benefits. This is a clear priority for all these countries, particularly when it comes to the economic potential of AI, which requires knowledge-sharing and capacity-building on the topic, as well as regulation.

[Brazil](#) is well ahead of the game by Latin American standards and has already put forward a major new bill on AI which is currently under discussion. There is no AI regulation in place yet in the other countries featured here, though certain guidelines and frameworks have been set out in [India](#), [Indonesia](#), [Saudi Arabia](#) and [South Africa](#). In fact, Indonesia has the [highest AI adoption rate in Southeast Asia](#), ahead of Thailand and Singapore, thanks to its vibrant tech startup community. Both India and Indonesia rank among the top five countries with the largest number of AI-related tech startups.

2.3.3. BILATERAL RELATIONSHIPS

Currently, part of the EU's engagement in digital projects with the emerging powers under study is being channelled via the [Digital for Development \(D4D\) Hub](#). This is a strategic platform that aims to strengthen digital cooperation between the EU and its Member States (Team Europe), as well as with its partners in Africa, Asia-Pacific, Latin America and the Caribbean, and neighbouring EU countries. The D4D Hub

is actively engaged in Brazil, as well as in Indonesia and South Africa via the EU Global Gateway.

In the cases of Brazil and South Africa, the engagement at EU level is regional, not just bilateral. The EU-Brazil partnership in the digital realm is substantial, and is also partly linked to the EU-LAC Digital Alliance. In fact, EU cooperation with Brazil included the construction of the [BELL](#) submarine cable to enable transatlantic data-sharing needs between the European and Latin American research and education communities. The project, which connects Brazil to Argentina, Chile, Colombia, Ecuador and Venezuela, was finalised in 2021. The EU is also developing a [data governance project for Sub-Saharan Africa](#) on data policy frameworks and data use cases, as well as identifying investments in green and secure data infrastructure. The EU's [AfricaConnect in Sub-Saharan Africa](#) also aims to enhance Regional and National Research and Education Networks (RRENS-NRENS) through the use of digital connectivity, e-services and data infrastructure.

Thus, the digital arena stands out as one of the topics with the highest potential for cooperation between the EU and the identified emerging powers. Historically, the countries featured here include cybersecurity and digital skills training in their digital partnerships with the EU. However, the perception of the EU as the 'king of regulation' is a hindrance when it comes to trade negotiations on digital goods, particularly if there is no FTA in place, as is the case of India and Indonesia. Here, digital commerce is based on principles but not on rules.

The issue of EU regulation is an additional hurdle in instances such as the case of Saudi Arabia with whom Beijing already has

a robust techno-scientific cooperation strategy. This makes [Riyadh](#) more prone to technological localisation and makes the future of cooperation with the EU in the digital realm more challenging, particularly in areas such as AI, bio-tech and cybersecurity. In the case of [South Africa](#), however, the issue lies with its digital standards, especially in terms of cybersecurity, e-commerce and data interoperability, as these are not fully harmonised with global standards, though it must be said that the country is working to align its cybersecurity frameworks with international best practices. Notwithstanding these challenges, the EU remains a valuable source of digital know-how that the majority of emerging economies are seeking to learn from, particularly in terms of balanced engagement between the public and private sectors, as well as the ways in which it develops standards and implements regulations.

In the case of Brazil, the EU provides training to [Brazil's Data Protection Authority](#) on standard setting for data protection and privacy via the EU-led Data Protection Academy, created by the European Commission's DG JUST. Cooperation in standards and other regulatory measures in the digital arena are also planned via the EU Global Gateway in the case of Indonesia and at regional level in Africa. The [Africa-Europe Digital Regulators Partnership](#) in Sub-Saharan Africa aims to support the implementation of Africa's Digital Transformation Strategy 2020-2030 by focusing on establishing regulations for affordable, secure, high-speed connectivity and services at continent level.

Other key areas of cooperation are linked to supporting research in digital innovation, as well as to creating physical digital infrastructure (e.g., 5G networks, high-

speed digital and data connectivity). The EU's space programmes, such as the [Copernicus Earth Observation](#) programme, are also part of its digital collaborations with Brazil and Indonesia. In fact, there is an ongoing broader regional initiative known as the [Digital Transformation and Connectivity Initiative](#), which was launched in 2023 in the Philippines and aims to scale up service provision from the Copernicus mirror site to all ASEAN countries to provide high-speed internet capacity.

The case of EU-India cooperation in the digital realm is unique in that it comes under the broader umbrella of the [EU-India TTC](#), as referred to earlier. The first Working Group on Strategic Technologies, Digital Governance and Digital Connectivity within the TTC has focused on three initiatives:

- (i) coordination within the Global Partnership on Artificial Intelligence (GPAI) to bridge the gap between theory and practice on AI through research and applied activities;
- (ii) policy coordination in the semiconductor sector to reduce supply chain vulnerability in this industry, which culminated in an EU-India MoU on Semiconductors in November 2023;
- (iii) initiatives to increase interoperability between India's and the EU's DPI and to move towards promoting credible solutions for developing countries.

So far, there has not been much tangible output in this area, though there is clearly considerable potential for future collaboration.

Spain

Spain is engaged in the digital transformation of these emerging countries, and more significantly so with India, Saudi Arabia and South Africa. Both

Spain and India are committed to leveraging their countries' startup and innovation ecosystems, particularly in the digital and tech realm. The bilateral [Spanish-Indian Technology Cooperation Programme](#) aims to promote technological business cooperation and technology transfers between Spanish and Indian industries to increase their competitiveness. [Saudi Arabia's Vision 2030](#) and its emphasis on modernisation and technological transformation bring opportunities for collaboration in digital infrastructure, innovation, and smart technologies, which are areas in which Spanish companies have considerable expertise.

Madrid and Pretoria signed an [MoU](#) on Industry 4.0 in 2022 that aims to foster collaboration on digital innovation, advanced manufacturing, and technology development. In addition, both governments agreed to the potential integration of Spanish language teaching in South African schools, as well as the [development of cultural and digital skills](#). There is also potential for digital cooperation between [Spain and Indonesia](#) since both countries have a shared vision on digital transformation in the Indo-Pacific region. Several Spanish companies are contributing to Indonesia's technological modernisation initiatives, especially in IT systems and digital infrastructure development.



2.4. SECURITY AND DEFENCE



2.4. SECURITY AND DEFENCE

2.4.1. PRIORITIES FOR THE EU AND SPAIN

The EU launched its [Strategic Compass](#) for Security and Defence in 2022 just a few weeks after Russia's invasion of Ukraine. The ultimate aim was to strengthen and increase the EU's capabilities as a security provider in an increasingly volatile, complex and fragmented security environment. The EU's current security concerns go beyond the traditional military threats and armed aggression, and now include the instrumentalisation of irregular migration, outside interference as a destabilising force, competition for resources and state fragility. Against this backdrop, terrorist threats including hybrid tools, disruptive technologies, cyberattacks, disinformation and other non-military sources of terrorism have become the norm.

The EU's security architecture is inextricably linked to the North Atlantic Treaty Organization (NATO), which remains the foundation of collective defence for the majority of its members. This is why there is an EU-NATO Strategic Partnership. However, not all EU Member States are NATO members, for example, Austria, Cyprus, Ireland and Malta do not belong to NATO. In the light of the ongoing threats posed by Russia and Trump's imminent second term in office as of January 2025, the EU will need to step up and increase its contribution to NATO.

The EU's commitment to bolstering collective defence took a tangible step forward in June 2023 with the launch of its European Defence Industrial Strategy

ITS DIFFERENTIATED APPROACH FROM THE EU REGARDING THE ISRAELI-PALESTINIAN CONFLICT HAS EARNED SPAIN LEGITIMACY AND STATUS WITH ITS GLOBAL SOUTH PARTNERS

(EDIS) and the accompanying European Defence Investment Plan (EDIP). The EU's key security priorities are embedded in the European Defence Agency's 2023 [EU Capability Development Priorities](#) which are central to defence planning across the Union. These include land, space, maritime, cyber, air and strategic enablers and force multipliers. The key caveat for EU member states is to increase financial contributions, as well as joint procurements and production of ammunition. Though total [European defence expenditure](#) already reached a record high (€279 billion) in 2023.

Security is still mostly managed at Member State-level, though Ursula von der Leyen has called on the EU to take on "[strategic responsibility](#)", stressing the need to identify "flagship capabilities at European level", thus alluding to "complex platforms that are beyond the capacity of individual Member States", i.e., satellites, strategic transportation, and air defence systems. This constitutes a key objective, as well as a leading challenge, for the EU's future today.

The EU's Common Security and Defence Policy ([CSDP](#)) has historically focused on missions and operations to project power and protect EU interests around the world. Today, there are 24 ongoing CSDP missions, 13 of which are civilian, ten of which are military and one which has a military and civilian role. These are deployed across Africa, the Western Balkans and Eastern Europe, as well as in the Middle East. Regionally, the EU and its Member States remain committed to supporting Ukraine and the Eastern neighbourhood. This is evidenced by the continuation of the EUFOR military [Operation Althea](#) after 20 years in Bosnia-Herzegovina.

The widely supported [EUMAM Ukraine](#) has become the EU's flagship CSDP mission. Twenty-four Member States and Norway (the mission is open to third-states) provide military equipment and training to Ukrainian troops via the European Peace Facility (EPF). A key aim is to establish the [Rapid Deployment Capacity](#) (RDC) by 2025, including command and control functions, flexible decision-making arrangements and an extended framework for common costs. The focus of the EU's military CSDP is thus shifting away from advising, training and capacity-building missions towards large-scale crisis management and peace support operations.

In line with the 2022 Strategic Compass, the EU also adopted a revised [Maritime Security Strategy](#) (EUMSS) in 2023 to strengthen the EU's ability to respond to threats in the maritime domain and protect its interests at sea. Following the Maritime Strategy and building on Operations Aspides, Atalanta and Irini as well as the Coordinated Maritime Presences (CMP) in the Gulf of Guinea and the northwest Indian Ocean, the EU can now provide significant added value in the maritime domain.

Demand for the EU's naval presence around the world is growing and existing operational areas can be complemented by new activities in the Indo-Pacific. EU Member States are seemingly more able and willing to deploy naval forces than land forces as several Member States have shown by contributing maritime assets to US-led operations, such as 'Prosperity Guardian', and to the French-led 'Operation Agenor' in the Strait of Hormuz. EU-supported logistics bases and maritime hubs in key ports from the Red Sea to the Strait of Malacca could also be considered to facilitate a [permanent European naval](#)

[presence](#) in the Indian Ocean and beyond. Spain's current priorities in security and defence are also obviously tied to NATO and to the EU, particularly against the backdrop of the ongoing war in Ukraine. While supporting the EU's response to Russia's aggression on Kiev, Spain's backyard is actually the Mediterranean and North Africa. Thus, Madrid is also seriously concerned about security developments in the Sahel, the Gulf of Guinea and the MENA region, not least the weaponisation of illegal migration, illegal fishing and piracy. Some of these threats spill over into maritime safety and security, where Spain remains an active security provider. Spain is also keen to preserve regional stability in Latin America and the Caribbean, as well as in the Indo-Pacific.

According to its [2021 National Security Strategy](#), Spain is aligned with the EU in that it seeks to strengthen its strategic autonomy in defence and its crisis management model, as well as its responses to hybrid threats, cybersecurity and tech intelligence. It further aims to secure its technological capabilities and strategic sectors to safeguard national security and resilience in the mid-term.

2.4.2. PRIORITIES FOR EMERGING COUNTRIES

The majority of emerging powers have shared security threats with the EU at non-traditional security levels, though they have very different agendas, largely shaped by their geo-political contexts and their immediate security priorities. The countries under study are leading security providers in their respective regions, some of which are navigating extremely turbulent situations, as is the case of Saudi Arabia and the ongoing armed conflicts in the Middle East.

South Africa also views its interests as being inextricably linked to those of Africa. It has historically played a role in conflict resolution and transitional justice in the African continent linked to its own political history, sometimes via the African Union (AU). South Africa has successfully balanced its African Agenda with its Western relationships and, for the most part, has received positive reception for its involvement in mediation efforts across the continent. Its re-election to the Peace and Security Council (PSC) within the AU is an indication that there is some institutional acceptance of South Africa's role in conflict prevention and resolution at pan-African level.

Brazil has long played a key peacemaking role, notably launching its own version of '*responsibility while protecting*' in contrast to the Canadian-led '*responsibility to protect*' doctrine in the early 2000s. Brazil is currently the world's [14th largest military spender](#), which is hindering its efforts to gain a permanent seat on the UNSC. Nonetheless, Brasilia is keen to advance its peace agenda and has proposed a G20 centred on peace. In May 2024, [Brazil launched a joint proposal with China](#) for peace negotiations on Ukraine involving both Russia and Ukraine, which sent shockwaves across European capitals. This highlights Brazil's ambition to develop a strategically autonomous security of its own.

India's long-standing border dispute with China continues to be a leading security concern, as is [Beijing's attempt to attract New Delhi's smaller neighbours](#) through its provision of infrastructure and development assistance. All of New Delhi's neighbours, except Bhutan, are part of Beijing's Belt and Road Initiative (BRI). Historically, India has been and remains wary of any kind of alliance, particularly when it comes to

security. However, it has become adept at joining minilateral partnerships with a wide range of actors, including some alliances relevant to security, such as the Quadrilateral Security Dialogue (QUAD), the Indian Ocean Rim Association (IORA), the Shanghai Cooperation Organisation (SCO), and the ASEAN Defence Ministers Meeting Plus. This provides India with sufficient leeway to pursue its own security interests. New Delhi is also [keen to engage in joint procurement of defence equipment](#) with Western partners, as well as to develop its own supplies further via its 'Make in India' scheme.

Indonesia is the world's largest archipelago, highlighting its security priorities in the maritime realm. Moreover, Indonesia has to find its own space amidst US-Chinese competition in the Indo-Pacific, not only economically, but also from a security standpoint. Against this backdrop, maritime security in the South China Sea remains one of its top priorities. The country faces serious [non-traditional security issues](#) linked to illegal fishing and environmental crimes, as well as narcotics and human trafficking. For decades, terrorism has been a persistent domestic concern, especially since these attacks have sometimes targeted foreign tourists, thereby affecting its burgeoning tourist industry. However, since the 2002 Bali bombing, the country has worked hard to counter the proliferation of terrorist activities.

Saudi Arabia's security priorities can be viewed through the lens of the GCC countries. Today's highly volatile security situation in the Middle East and the threat of a wider war between Iran and Israel have mobilised [Gulf countries to seek common ground](#) with their Western partners. The US remains the primary security provider in the Middle East but there is a growing effort to engage with the EU as well, with a view to

building new, more effective security frameworks. Meanwhile, all GCC states are pursuing a de-escalation strategy with Iran, including regular diplomatic talks. Non-state armed actors, particularly jihadist groups, remain a serious concern. The related topic of drones and missile proliferation in the Middle East, both by state and non-state armed actors, is an additional priority for Saudi Arabia at present.

2.4.3. BILATERAL RELATIONSHIPS

The core of the engagement between the EU and the emerging powers under study focusses on non-traditional security concerns such as organised crime, corruption, illegal migration and drug trafficking, disaster risk management, counter-terrorism measures and the fight against violent extremism. This is true for Brazil, Indonesia and South Africa. The reluctance of these countries to engage in traditional security arrangements with the EU is closely related to their own security agendas and those that are relevant in their regions.

Brazil, for example, [has often differed](#) with the EU in its views on the main international security crises of the 21st century, ranging from Libya and Syria to Palestine. The Ukraine conflict is no different. Europe's extensive support for Ukraine is perceived as being deeply unfair by many Latin American, African and Asian states, including Indonesia and South Africa, who feel that human lives in Sudan and in Gaza have less value than lives in Ukraine. Conversely, in the EU, South Africa's official stance of non-alignment on the Ukrainian conflict has come under [intense scrutiny](#), due to suspicion that Pretoria may be falling into the Sino-Russian orbit. This has even been viewed as detrimental to its partnership with the EU.

Against today's geo-strategic backdrop, it is key to highlight that while the emerging powers under study understand the EU's vulnerability vis-à-vis Russia and the need to react to the threat on its doorstep, they do not share the EU narrative regarding the Russian war in Ukraine. The EU has thus been surprised by lukewarm public condemnation of Russia's actions in Ukraine, including reactions from some of its allegedly close partners such as Brazil, India and South Africa.

The case of India is particularly salient, since New Delhi has not publicly condemned Russia's invasion of Ukraine either. Yet the country's partisan positioning towards the Russian war in Ukraine has not had an impact on EU policies towards India. On the contrary, the [relationship has been strengthened](#). This has a lot to do with India's growing geo-strategic role as a potential counterbalance to Beijing and as a key emerging pole in the Indo-Pacific. Nevertheless, there are red lines for the EU too. New Delhi's defence and geo-economic relationship with Moscow does hinder the potential for defence cooperation with the EU based on concerns of leakages around dual-use technologies.

Despite this, there is [strong potential for maritime security cooperation](#) with multiple EU initiatives focused on the Indian Ocean Region (CRIMARIO I & II, ESIWA) programmes, bearing in mind past Indian Navy-EU Naval exercises off the coast of Guinea and off the Gulf of Aden. The EU has recently become a Dialogue Partner at the IORA. As a result of the Houthis attacks in the Red Sea, the EU launched a defensive maritime security mission in the Red Sea (known as ASPIDES), mirroring the EMASoH mission operating in the Gulf since 2019. There is particularly strong potential for increased EU maritime security cooperation with India and Saudi Arabia. In the case of Indonesia, the focus

of EU cooperation is more linked to [maritime safety and the blue economy](#).

Counter-terrorism remains a strong area for EU cooperation with all partners, particularly with Indonesia, India and Saudi Arabia. Interestingly, the bulk of security dialogue between Saudi Arabia and the EU is currently taking place at [GCC Regional Security level](#). Inevitably, this forum has also focused on the implications of [the broader regional security situation](#) in the Middle East, Yemen, the Red Sea, Iraq, Iran, the Sahel, Somalia and Ukraine. The EU sees Saudi Arabia as a beacon of stability in the region, and potentially a peace broker too. In the long run, Europeans will expect Riyadh to play a more [prominent and effective geopolitical role](#) in the crises of the Red Sea, Sudan and Gaza.

Spain

Spain is influenced by the EU's overall security and defence policies but is increasingly showing real signs of strategic autonomy. In an exceptional move, Madrid recognised [Palestinian statehood](#) in June 2024 and has backed South Africa's genocide case at the International Court of Justice (ICJ), condemning Israel's actions in Gaza. However, this robust stance could easily revert with a change of government in Madrid. It is worth noting though that Spain's outspoken stance against Israel's disproportionate retaliation in Gaza has only received public backing from Ireland and Belgium within the EU. Madrid is also supportive of [Riyadh's mediation](#) efforts towards a political resolution of the ongoing war in Gaza based on the two-state solution. Its differentiated approach from the EU regarding the Israeli-Palestinian conflict has earned Spain legitimacy and status with its Global South partners, including the countries featured in this study.

Spain's cooperation in defence with some of the emerging powers included here is increasing. This is particularly true in the case of India. President Sanchez's recent trip to India is a testament to Madrid's growing support for defence collaboration in the form of joint ventures aligned with India's "Make in India" initiative to [enhance bilateral industrial partnerships](#). An Industry 4.0 agreement has also been signed with South Africa to foster cooperation on [technology and defence](#).

Spain is also supporting Saudi Arabia and South Africa in the realm of counterterrorism. In the case of Saudi Arabia, Madrid is providing financial backing and combating related crimes under a [bilateral security cooperation](#) agreement brought into force in 2017. In the case of South Africa, Madrid and Pretoria have held discussions on the impact of the war in Ukraine, as well as on regional insurgencies and instability in the Sahel. There is additional potential for collaboration with [Brazil](#) and [Indonesia](#) in cybersecurity.



3. KEY RECOMMENDATIONS

Six policy recommendations are outlined below, four of which are linked to the EU's relations with emerging powers, whilst two are specific to Spain.

In terms of the EU's bilateral relations:

1. OVER REGULATING SUSTAINABILITY IS RISKY WHEN IT COMES TO TRADE

The EU's historical and current strength lies in its leading role as a trader and investor in the majority of the selected emerging countries. The EU is currently negotiating FTAs with the GCC, India, Indonesia and Mercosur (agreement has just been reached in the latter). Negotiations between the EU and SADC centre on an EPA. This proliferation of trade agreements, however, contradicts the mushrooming of sustainability regulations to a certain extent. These are often damaging to EU partners' trade baskets and are thus perceived as protectionist measures in disguise. This could backfire over time. There are increasingly attractive alternatives to the EU as a trade bloc, with South-South trade becoming one of the main forces behind global economic growth and development.

2. INVESTMENT IS REQUIRED IN CLIMATE ACTION AND GREEN TECH PARTNERSHIPS WITHOUT NEGLECTING DEVELOPMENT NEEDS

There is a clear demand for across-the-board partnerships on climate action and green technology that benefit all concerned. The EU is perceived as technically and financially capable of delivering the goods in this realm. Emerging powers have a lot to gain from the EU's knowledge sharing and green tech transfer know-how in supporting their energy transition and decarbonising their power grids. The provision of financial support to integrate EU sustainability regulations has become an imperative, given the negative response that the CBAM has already triggered.

However, the majority of emerging powers are keen to balance economic growth with environmental protection, given that they face growing energy demands yet need to try to combine industrialisation and decarbonisation in a way that is socially acceptable. Countries like Brazil, South Africa and India have historically been very vocal about the need to maintain CBDRs to reduce inequalities within and among countries when it comes to climate action. The EU cannot neglect these claims and should avoid a one-size-fits-all replication of the EU's Green Deal in very different external contexts.

3.

THE PROVISION OF DIGITAL TRANSFORMATION PROCESSES MUST BE CONCEIVED AS A PUBLIC GOOD

The digital realm is another issue area with huge potential for the EU to engage with emerging powers. There is a clear need for digitalisation processes as a means to boosting economic development as well as driving technological innovation. The EU's Global Gateway has become a useful channel to provide digital connectivity and digital transformation in third states.

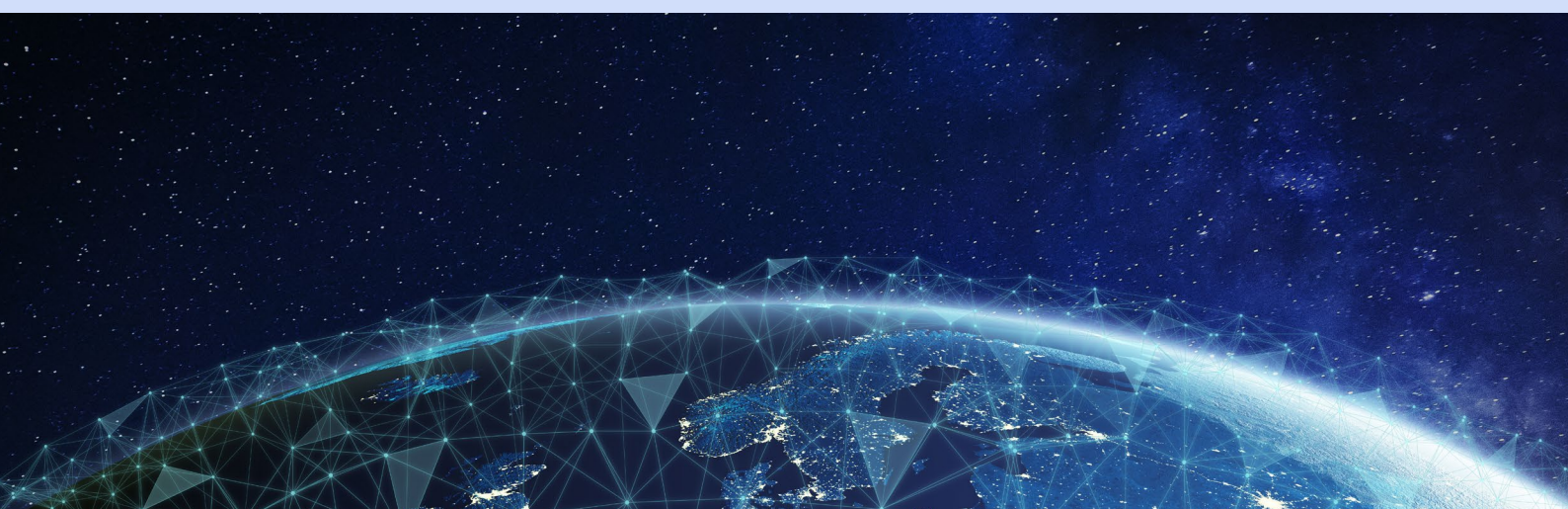
The caveat we must not forget here is that, in many instances, the digital divide and basic digital inclusion continue to be major challenges for emerging powers. Thus, the EU should design and implement its digitalisation projects as a public good, along the lines of successful initiatives in emerging powers such as India and Mauritius. Additionally, this approach could help the EU reshape its image from being the 'king of regulation' to using regulation as a strategic advantage. Europe must therefore be ready to discuss and persuade the rest of the world about the benefits of its approach towards data privacy and data protection. This could create avenues for cooperation with emerging powers on the interoperability of digital standards and regulations.

4.

THE EU'S SECURITY CONCERNS MUST BE FRAMED IN A BROADER RANGE OF NARRATIVES

Security cooperation remains the 'elephant in the room' in EU partnerships, since most third states perceive the EU as being part of the US-led NATO fold. There is additional scepticism over the EU's capabilities as a legitimate security guarantor for its Member States, at individual level. The EU's unequivocal support for Ukraine, while understandable, is perceived as being hypocritical and delegitimising by Global South countries, including the emerging powers, going against the EU's human rights narrative and ongoing wars in the Middle East and Africa. The EU would do well to diversify its narratives around its key security concerns beyond Ukraine, certainly when seeking to engage with other geographies.

There is vast potential for advancement in the areas of cybersecurity, anti-terrorism and maritime security, as well as non-traditional security threats such as maritime safety, climate crimes and disaster risk management. The potential for collaboration in critical and emerging technologies is another highly promising area.



In terms of Spain's bilateral relations:

5.**SPAIN SHOULD CONTINUE TO PURSUE ITS PATH OF STRATEGIC AUTONOMY**

Given on its geo-political location and historical ties, Madrid should not shy away from continuing to safeguard its backyard against an EU that is currently hyper-focused on its Northern and Eastern borders. Regions such as the Sahel, the Eastern Mediterranean and Latin America are becoming increasingly important to Europe, largely due to the void filled by Russia and China when Brussels was nowhere to be seen. Spain can continue to try to close this gap and should remain faithful to its own interests and values when advancing its foreign policy agenda. Madrid needs to launch its own Indo-Pacific Strategy, independent from that of the EU, as France, Germany, Lithuania, the Netherlands and the Czech Republic have done.

6.**SPAIN SHOULD LEVERAGE ITS UNTAPPED POTENTIAL IN MARITIME SECURITY AND SAFETY**

Spain is a maritime power that is actively engaged in many of the EU's naval exercises and operations, certainly in regions such as the Gulf of Aden, the Gulf of Guinea and off the coast of Somalia. Given the growing strategic importance of critical maritime infrastructure both above and below sea level, Spain would do well to strengthen this area of its security and foreign policy apparatus, as Germany is currently doing in the Indo-Pacific. The emerging powers featured here are also keen to collaborate in maritime domain awareness (MDA) activities, as well as to reduce piracy, illegal trafficking and illegal fishing.

4. ANNEXES

ANNEX I

TABLE I – INDICATORS FOR EMERGING POWERS AND SPAIN

GENERAL DATA						
INDICATOR	BRAZIL	INDIA	INDONESIA	SAUDI ARABIA	SOUTH AFRICA	SPAIN
GDP 2023 (million current USD)¹	2 141 882	3 581 560	1 370 639	1 065 583	377 952	1 603 220
GDP per capita 2023 (current USD)²	10 144	2 491	4 874	32 034	5 979	33 462
GDP growth 2023, YoY (%)³	3.10	6.70	5.01	-0.90	0.60	3.93
GDP growth forecasts for 2029 (%)⁴	2.5	6.5	5.1	3.5	1.5	1.6
Gross National Income (GNI) 2023 (million current USD)⁵	2 110 557.04	3 497 821.55	1 335 866.35	1 073 418.4	372 625.68	1 569 857.96
FDI outflows as % of GDP 2023⁶	1.4	0.4	0.5	1.5	-0.7	1.9
Human Development Index ranking (2021, out of 193 countries)⁷	84	135	113	37	105	27
IHDI (Inequality adjusted HDI, 2022)⁸	0.577	0.444	0.588	N/A	0.462	0.796
BRICS member⁹	YES	YES	NO	NO (unanswered invitation ¹⁰)	YES	NO
G20 member¹¹	YES	YES	YES	YES	YES	Guest country ¹²
OECD member¹³	Key partner and accession candidate	Key partner	Key partner	MoU to strengthen cooperation	Key partner	YES (founding member)
Shanghai Cooperation Organisation member (SCO)¹⁴	NO	YES	Dialogue partner	NO	NO	NO
WTO member¹⁵	YES (since 1995)	YES (since 1995)	YES (since 1995)	YES (since 2005)	YES (since 2005)	YES (since 1995)
Indian Ocean Rim Association member (IORA)¹⁶	NO	YES	YES	Dialogue partner (since 2023)	YES	NO

1 United Nations Conference on Trade and Development (UNCTAD), Data Hub, "Country Profile" (<https://unctadstat.unctad.org/CountryProfile/en-GB/index.html>).

2 *Ibid.*

3 *Ibid.*

4 International Monetary Fund (IMF), "World Economic Outlook: Real GDP Growth", Map (2024) (https://www.imf.org/external/datamapper/NGDP_RPCH@WEQ/OEMDC/ADVEC/WEOWORLD/EU).

5 World Bank, "World Development Indicators" (<https://databank.worldbank.org/source/world-development-indicators>).

6 United Nations Conference on Trade and Development (UNCTAD), Data Hub, "Country Profile" (<https://unctadstat.unctad.org/CountryProfile/en-GB/index.html>).

7 United Nations Development Programme (UNDP), "Human Development Index (HDI)" (<https://hdr.undp.org/data-center/human-development-index#/indicies/HDI>).

8 United Nations Development Programme (UNDP), "Country-Specific Data Center" (<https://hdr.undp.org/data-center/specific-country-data#/countries/>).

9 BRICS Portal (<https://infobrics.org/>).

10 Stuenkel, O. and Treadwell, M., "Why is Saudi Arabia Hedging its BRICS Invite?", Carnegie Endowment for International Peace, 21 November 2024 (<https://carnegieendowment.org/emissary/2024/11/brics-saudi-arabia-hedging-why?lang=en>).

11 G20, "About the G20" (<https://www.g20.org/en/about-the-g20>).

12 G20, "Invitees" (<https://g20.org/about-g20/invitees/>).

13 Organisation for Economic Co-operation and Development (OECD), "Countries" (<https://www.oecd.org/en/countries.html>).

14 Shanghai Cooperation Organisation, "About SCO" (<https://eng.sectsco.org/20170109/192193.html>).

15 World Trade Organization (WTO), "Regional Trade Agreements" (https://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm).

16 Indian Ocean Rim Association (IORA), "Member States" (<https://www.iora.int/member-states>).

CLIMATE ACTION

INDICATOR	BRAZIL	INDIA	INDONESIA	SAUDI ARABIA	SOUTH AFRICA	SPAIN
Climate Change Performance Index (CCPI) (score out of 100) ¹⁷	57.25	67.99	50.84	18.15	52.74	61.57
Share of global emissions of CO ₂ from combustible fuels, 2022 (%) ¹⁸	1.2	7.4	1.9	1.6	1.2	0.6
Share of modern renewables in final energy consumption, 2021 (%) ¹⁹	42.9	17.96	13.33	0.07	4.35	18.95
Change in share of modern renewables in final energy consumption 2000-2021 (%) ²⁰	14	52	48	0	28	140
Change in share of total coal supply, 2000-2022 (%) ²¹	6 ²²	219	690	N/A	7	-87 ²³

DIGITAL REALM

INDICATOR	BRAZIL	INDIA	INDONESIA	SAUDI ARABIA	SOUTH AFRICA	SPAIN
ICT Development Index, 2023 ²⁴	81.9	N/A	80.1	94.9	80.5	91.4
Fixed-broadband subscriptions (per 100 people, 2023) ²⁵	22.9	2.35 ²⁶	4.82	43.6	3.41	38.1
Mobile phone subscriptions (millions, 2023) ²⁷	213	1 140 ²⁸	352	52.5	108	61.2
Individuals using the Internet (% of population, 2023) ²⁹	84.2	43.5	69.2	100	74.7 ³⁰	95.4
International Standardization Organization (ISO). (ISO/IEC JTC 1/SC 42 for standardization in Artificial Intelligence) ³¹	YES	YES	Observing member	YES	Observing member	YES
Signatories to the Declaration for the Future of Internet ³²	NO	NO	NO	NO	NO	YES

SECURITY AND DEFENCE

INDICATOR	BRAZIL	INDIA	INDONESIA	SAUDI ARABIA	SOUTH AFRICA	SPAIN
2023 Military expenditure (million USD, in constant 2022 prices and exchange rates) ³³	21 175.7	83 334.5	9 384.8	73 983.9	2 958.6	22 293.2
Changes in military expenditure, 2014-2023 (%) ³⁴	-12	44	29	-18	N/A	42
2023 Military expenditure (as % of GDP 2023) ³⁵	1.08	2.44	0.68	7.09	0.73	1.51

17 The Climate Change Performance Index measures Greenhouse Gas Emissions (GHG), Renewable Energy and Energy Use. Climate Change Performance Index (CCPI), "CCPI 2025 Results" (<https://ccpi.org/wp-content/uploads/CCPI-2025-Results.pdf>).

18 International Energy Agency (IEA), "Countries" (<https://www.iea.org/countries>).

19 *Ibid.*

20 *Ibid.*

21 *Ibid.*

22 Data for 2000-2023.

23 Data for 2000-2023.

24 International Telecommunication Union (ITU), "Global ICT Development Index 2023" (<https://www.itu.int/itu-d/reports/statistics/IDI2023/>).

25 International Telecommunication Union (ITU), "Internet Penetration Data" (<https://datahub.itu.int/data/?i=19303&v=chart>).

26 Data for 2022.

27 International Telecommunication Union (ITU), "Mobile Cellular Subscriptions" (<https://datahub.itu.int/data/?i=178&v=chart>).

28 Data for 2022.

29 International Telecommunication Union (ITU), "Fixed-Broadband Subscriptions," (<https://datahub.itu.int/data/?i=11624&v=chart>).

30 Data for 2022.

31 International Organization for Standardization (ISO), "ISO/IEC JTC 1/SC 42, Artificial Intelligence Committee" (<https://www.iso.org/committee/6794475.html>).

32 European Commission, "Declaration for the Future of Internet" (<https://digital-strategy.ec.europa.eu/en/library/declaration-future-internet>).

33 Stockholm International Peace Research Institute (SIPRI), "Military Expenditure Database" (<https://www.sipri.org/databases/milex>).

34 Stockholm International Peace Research Institute (SIPRI), "Trends in World Military Expenditure, 2023" (https://www.sipri.org/sites/default/files/2024-04/2404_fs_milex_2023.pdf).

35 Stockholm International Peace Research Institute (SIPRI), "Military Expenditure Database", *op. cit.*

ANNEX II

TABLE II – INDICATORS FOR EU27 AND SPAIN

GENERAL DATA		
INDICATOR	EU27	SPAIN
GDP 2023–Q4 (current prices, million euro)³⁶	4 513 616.4	396 068.0
GDP per capita 2023 (EU27, Chain linked volumes (2015), euro per capita)³⁷	31 030	25 730
GDP growth rate 2023 (EU27, Chain linked volumes, YoY, % of change)³⁸	0.4	2.7
GDP growth forecasts for 2029 (%)³⁹	1.5	1.6
GNI 2022 (Current prices, PPP converted, US dollars/capita, 2022)⁴⁰	57 214	48 914
Share of EU27 in world trade, 2020 (%)⁴¹	14.8	N/A
FDI outflows as % of GDP 2022⁴²	59	1.9 ⁴³
G20 member⁴⁴	YES ⁴⁵	Guest country
OECD member⁴⁶	Takes part in the work of the Organisation, in accordance with the Supplementary Protocol to the Convention on the OECD ⁴⁷	YES (founding member)
WTO member⁴⁸	YES (since 1995)	YES (since 1995)
Indian Ocean Rim Association (IORA)⁴⁹	Dialogue Partner (since 2024)	NO

36 Eurostat, "GDP and main components" (https://ec.europa.eu/eurostat/databrowser/view/namq_10_gdp/default/table?lang=en).

37 Eurostat, "Real GDP Growth" (<https://ec.europa.eu/eurostat/databrowser/view/tipsna40/default/table?lang=en>).

38 Eurostat, "Real GDP Growth Rate" (https://ec.europa.eu/eurostat/databrowser/view/tec00115/default/table?lang=en&category=t_na10.t_nama10.t_nama_10_ma).

39 International Monetary Fund (IMF), "World Economic Outlook: Real GDP Growth", Trend (1980-2029) (https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD/EU).

40 Organisation for Economic Co-operation and Development (OECD), "Gross National Income" (https://www.oecd.org/en/data/indicators/gross-national-income.html?oecdcontrol-e4e765a1a9-var1=EU27_2020).

41 Eurostat, "Share of European Union EU27 (from 2020) in the World Trade" (https://ec.europa.eu/eurostat/databrowser/view/ext_lt_introeu27_2020/default/table?lang=en).

42 Eurostat, "Foreign Direct Investment: Intensity Ratios" (https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Foreign_direct_investment_-_intensity_ratios).

43 Data for 2023.

44 G20, "About the G20", *op. cit.*

45 The EU27 is a member of the G20. Italy, France and Germany are also G20 members.

46 Organisation for Economic Co-operation and Development (OECD), "European Union Overview" (<https://www.oecd.org/en/countries/european-union.html>).

47 Bulgaria (accession candidate), Croatia (accession candidate), Cyprus, Malta and Romania (accession candidate) are not members of the OECD.

48 World Trade Organization (WTO), "European Communities" (https://www.wto.org/english/thewto_e/countries_e/european_communities_e.htm).

49 "Joint IORA-EU Press Release: European Union Becomes 12th Dialogue Partner," European External Action Service (EEAS), 2 February 2024 (https://www.eeas.europa.eu/delegations/mauritius/joint-iora-eu-press-release-european-union-eu-becomes-12th-dialogue-partner-indian-ocean-rim_en?s=110).

CLIMATE ACTION		
INDICATOR	EU27	SPAIN
Climate Change Performance Index (CCPI) (score, out of 100) ⁵⁰	63.76	61.57
Share of energy from renewable sources, 2023 (%) ⁵¹	24.531	24.852
Change in share of energy from renewable sources, 2014-2023 (%) ⁵²	40.85	56.50
Investments in climate change mitigation, 2023 (million euro) ⁵³	95 286.57	3 310.68
Share of fossil fuels in gross available energy, 2022 (%) ⁵⁴	70.84	74.08
Change in share of fossil fuels in gross available energy, 2013-2022 (%) ⁵⁵	-3.36	-1.31
Electric vehicle (cars) sales share, 2023 (%) ⁵⁶	22	12

DIGITAL REALM		
INDICATOR	EU27	SPAIN
Level of internet access in households, 2024 (%) ⁵⁷	94.09	96.83
Individuals who have basic or above-basic overall digital skills, 2023 (%) ⁵⁸	56	66
International Standardization Organization (ISO) (ISO/IEC JTC 1/SC 42 for standardization in Artificial Intelligence) ⁵⁹	Signatories: 13 EU Member States Observing members: 13 EU Member States	YES
Signatories to the Declaration for the Future of the Internet ⁶⁰	YES (EU and Member States)	YES

SECURITY AND DEFENCE		
INDICATOR	EU27	SPAIN
2023 Military expenditure (million USD, in constant 2022 prices and exchange rates) ⁶¹	923.6	22 293.2
2023 Military expenditure (as % of GDP 2023) ⁶²	0.01	1.51
European Defence Agency (EDA), Military spending, 2023 (as % of GDP) ⁶³	1.6	1.2
European Defence Agency (EDA) Total defence expenditure, 2023 (billion euro) ⁶⁴	279	17.4
Change in military expenditure, European Defence Agency (EDA) 2022-2023, YoY (%) ⁶⁵	10	10

50 Climate Change Performance Index (CCPI) 2025, "CCPI Results", November 2024 (<https://ccpi.org/wp-content/uploads/CCPI-2025-Results.pdf>).

51 Eurostat, "Share of energy from renewable resources" (https://ec.europa.eu/eurostat/databrowser/view/nrg_ind_ren/default/table?lang=en&category=nrg.nrg_quant.nrg_quanta.nrg_ind_share).

52 Calculation made by the author. *Ibid.*

53 Eurostat, "Investments in climate change mitigation by NACE Rev. 2 activity" (https://ec.europa.eu/eurostat/databrowser/view/env_ac_ccminv/default/table?lang=en&category=env.env_egs).

54 Eurostat, "Share of fossil fuels in gross available energy" (https://ec.europa.eu/eurostat/databrowser/view/nrg_ind_ffgae/default/table?lang=en&category=nrg.nrg_quant.nrg_quanta.nrg_ind).

55 Calculation made by the author. *Ibid.*

56 International Energy Agency (IEA), "Global EV Data Explorer" (<https://www.iea.org/data-and-statistics/data-tools/global-ev-data-explorer>).

57 Eurostat, "Level of internet Access – households" (https://ec.europa.eu/eurostat/databrowser/view/tin00134/default/table?lang=en&category=t_isoc.t_isoc_i.t_isoc_ici).

58 Eurostat, "56% of EU people have basic digital skills" (<https://ec.europa.eu/eurostat/fr/web/products-eurostat-news/-/ddn-20231215-3>).

59 International Organization for Standardization (ISO), "Participation ISO/IEC JTC 1" (<https://www.iso.org/committee/45020.html?view=participation>).

60 European Commission, "Declaration for the Future of Internet, *op. cit.*

61 Stockholm International Peace Research Institute (SIPRI), "Military Expenditure Database", *op. cit.*

62 *Ibid.*

63 European Defence Agency (EDA), "Defence Data 2023" (<https://eda.europa.eu/publications-and-data/defence-data>).

64 *Ibid.*

65 "EU Defence Spending hits new records in 2023, 2024", European Defence Agency (EDA), 4 December 2024 (<https://eda.europa.eu/news-and-events/news/2024/12/04/eu-defence-spending-hits-new-records-in-2023-2024#:~:text=At%20a%20record%20%E2%82%AC279,increasing%20spending%20by%20over%2010%25>).



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