



FEBRUARY 2025

## Harnessing the potential of Digital Global Gateway: Towards sector-specific applications<sup>1</sup>

Halfway through the Global Gateway's initial phase of 300 billion euros in funding between 2021 and 2027, it is time to take stock of its development. Thus far, the focus has been on large, hard-infrastructure projects such as the Lobito Corridor.<sup>2</sup> Pivoting Digital Global Gateway beyond infrastructure and development to sector-specific applications is crucial to enhance the relevance and recognition of Europe's offers in partner countries. The Global Gateway's Digital pillar is important for both economic growth and normative reasons, as it helps countries to reap the benefits of the digital transition and contributes to the spread of liberal norms such as openness, transparency and privacy in the digital domain. This Policy Brief analyses the state of play and local needs on digital matters of three key partner countries: Indonesia, South Africa and India. These Global South nations stand out for their strong connectivity, vibrant digital economies and aspirations to move up the supply-chain ladder. Their technological development no longer requires mainly large, hard-infrastructure projects, but includes soft, sector-specific capabilities too. Europe competes with Chinese propositions and must reckon with the particularities of each of these countries' relationships with China. South Africa, for instance, sees virtually no limits in its cooperation with China, while Indonesia's strong emphasis on cost often drives it to Chinese offerings. Meanwhile, India's contentious and restrained relationship with its big neighbour leaves greater space for engagement with Europe.

### Introduction

Since its launch in December 2021, the number of Global Gateway-labelled projects has increased from 87 projects in 2023, to 225 projects in 2024, with 46 new projects

planned for 2025.<sup>3</sup> Although the criteria for labelling Global Gateway (GG) projects are rather unclear, the steady increase in projects shows that gradual progress is being made. Global Gateway's success relies on the European Union (EU) and its Member States jointly developing projects in partner countries. However, most Member States have been slow to get on board; and companies and business organisations involved in the Global Gateway

1 Building upon work published in 2023, this Policy Brief is the first of a mini-series of two that, taken together, offers actionable steps for the Dutch government to contribute to the EU's Digital Global Gateway.

2 European Commission, [Connecting the Democratic Republic of the Congo, Zambia, and Angola to Global Markets through the Lobito Corridor](#).

3 Council of the European Union, ["Global Gateway: Council endorses flagship project list for 2025"](#), 2 December 2024.

Business Advisory Group (established in 2023 to help bridge the gap with the private sector) report both a lack of continued, substantial engagement and unclarity of purpose. Furthermore, while Europe's flagship initiative abroad seeks to contribute to the twin green and digital transitions, specifically digital projects account for only 13 percent of the total number.

Although partner countries consider digitalisation efforts crucial to their economic and societal growth, Europe has been slow to cater to the Digital pillar – one of the five priorities, next to Education, Climate and Energy, Transport and Health. The number of digital projects increased from just eleven in 2023 to 29 in 2024. Most of these new digital projects focus on hard infrastructure and connectivity, such as the installation of fibre optics and deployment of 5G mobile networks. This adds to the development-oriented projects, pushed forward in recent years by the Digital 4 Development hub at the European Commission's Directorate-General for International Partnerships.<sup>4</sup> However, to maximise the impact of the Digital Global Gateway, it is essential to go beyond infrastructure and development.

Three elements in particular can enhance Global Gateway's success. First, the EU has to act on the fact that sector-specific applications provide local populations with the real benefits that digitalisation has to offer. So, while recognising that hard infrastructure is a necessary underpinning of digital growth, Global Gateway's Digital pillar should be more ambitious.<sup>5</sup> This offers opportunities for EU Member States like the Netherlands that are challenged in undertaking large-scale connectivity projects but can certainly deliver on sector-specific applications including health, agriculture or financial services. As such, more emphasis should be placed on soft infrastructure

and applications layers when designing new Global Gateway projects, as these can more readily serve and benefit local populations.

Second, partners' local needs must be actively heard and prioritised, enabling EU Member States to tailor their offerings to meet partners' greatest needs rather than Europe's best offers. Lastly, it is important to acknowledge that, amid geopolitical tensions, partner countries can choose from a growing array of options, including China's Belt and Road Initiative (BRI) and its tech and digital arm, China's Digital Silk Road (DSR). European propositions to our partners must be built on a clear understanding of the partner's existing relationship with China and the benefits that it gets from such cooperation.

As a European digital frontrunner, the Netherlands is weighing in on future Global Gateway projects, including in the digital domain. Indonesia, South Africa and India are important emerging economies with which the Dutch government wants to enter into broad partnerships, including through a combination of trade, investment and development cooperation.<sup>6</sup> With the former two countries – Indonesia and South Africa – the Netherlands also shares significant historical ties, adding an extra dimension to these relationships. This Policy Brief analyses each of these countries' approach to digitalisation, offering a summary of their digital connectivity status, the government's key ambitions and plans in the digital domain, as well as key regulations and sectoral focus.<sup>7</sup> A following sub-section assesses their relationships with China, alongside other international outreach. In conclusion, this Policy Brief offers key take-aways for continued engagement with these partners, to help unlock

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4 Maaïke Okano-Heijmans and Wilhelm Vosse, [Promoting open and inclusive connectivity: The case for digital development cooperation](#), August 2021.

5 Alexandre Gomes and Maaïke Okano-Heijmans, [Dutch niches for Global Gateway in the digital domain: An initial enquiry](#), October 2023.

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6 Government of the Netherlands, [Development – Countries and regions](#).

7 The authors sincerely thank the local experts for their valuable input offered for these country case studies: Muhammad Habib (Centre for Strategic and International Studies, Indonesia); Tusi Fokane (independent consultant, South Africa); and Sameer Patil (Observer Research Foundation, India). Responsibility for the content and the opinions expressed in this Policy Brief rest solely with the authors.

the potential for collaboration within the GG's Digital pillar.

## Getting familiar: Indonesia, South Africa and India's digital drives

As frontrunners of digitalisation in their respective regions, Indonesia, South Africa and India are relatively well connected, aim to move up the technology value chain to higher value activities and sectors such as semiconductors, and each faces challenges on cybersecurity. The three have different priorities for the years to come, however. Indonesia has a clear focus on the opportunities arising from the digital economy, looking to leverage its large internal market and FinTech scene to accelerate growth. South Africa seeks sectoral-specific digital solutions and aspires to gain a share of India's market for IT-outsourcing. India, in turn, places its Digital Public Infrastructure (DPI) at the forefront of its digital diplomacy. Furthermore, the three countries each nurture distinct relations with China.

### Indonesia

Indonesia regards digitalisation mostly as a key enabler of its future economy. For instance, the National Long-Term Development Plan (RPJPN) 2025–2045, which operationalises the Golden Indonesia 2045 vision, includes digitalisation as part of its economic transformation chapter. Indonesia's Digital Vision (IDV) clarifies the country's digital ambitions to move from being a consumer of information technology (IT) services to a global innovator by 2045. Indonesia aims to quintuple the information and communication technology (ICT) sector's contribution to its Gross Domestic Product (GDP) from 4.4 percent in early 2024 to 21 percent by 2045.

By early 2024, almost 80 percent of Indonesia's population had access to the internet, up from 64 percent in 2018.<sup>8</sup> This growth has unlocked opportunities in accessing e-government

services and expanding Indonesia's digital economy. About 85 percent of Indonesia's subdistricts have access to 4G, although 5G reaches only about one percent of the population.<sup>9</sup>

Indonesia's geographic proximity to Singapore allows it to benefit from access to a global connectivity hub via submarine cables. Companies like Meta and Google are furthermore connecting Indonesia to the United States (US) through underwater cables. They hope to capitalise over time both on Indonesia's digital economy potential, but also to bypass the South China Sea, where territorial tensions with China are growing.

Satellite connectivity emerges as one of the most effective solutions to bridge Indonesia's current connectivity gap. To address the vulnerability of its 17,500+ islands to earthquakes and tsunamis, Indonesia has been using the multi-purpose satellite SATRIA-1 since January 2024 to serve hard-to-reach areas.<sup>10</sup> SATRIA-2 will be procured in 2025.<sup>11</sup> Additionally, in June 2024, US company SpaceX's Starlink launched operations in Indonesia, increasing satellite-based connectivity options.<sup>12</sup>

Indonesia is also building two national data centres in Batam and Cikarang.<sup>13</sup> Temporary data centres were hit by a ransomware cyberattack in June 2024, leading to the resignation of the Director General of Application Informatics.<sup>14</sup>

8 United Nations Population Fund, [World Population Dashboard – Indonesia](#), October 2024; and Antara News – Indonesian News Agency, [Indonesia's internet penetration hits 79.5 percent, trend continues](#), 31 January 2024.

9 Open Signal, [Indonesia lags behind in 5G download speed and 5G availability among South-East Asian markets](#), 23 November 2023.

10 The project was implemented by the French Thales Alenia Group, out of the scope of Global Gateway. See: Thales Alenia, [Indonesia's SATRIA communications satellite successfully launched](#), 19 June 2023.

11 Indonesia Business Post, [Kominfo unveils plans for SATRIA-2 satellite through foreign investment](#), 11 November 2024.

12 Euronews, [Starlink's satellite internet service is launched in Indonesia](#), 8 June 2024.

13 Indonesia Business Post, [National data center in Cikarang set to begin operation in 2025](#), 14 August 2024.

14 South China Morning Post, [Indonesia's top communications ministry leader quits after cyberattack cripples services](#), 5 July 2024.

This is one of many recent cybersecurity incidents, and is illustrative of Indonesia's rather unbalanced approach to digitalisation that focuses on opportunities while underestimating associated risks.<sup>15</sup> Insufficient cyber awareness and digital literacy, as well as fragmented digital governance exacerbate these challenges.

On digital regulation, Indonesia has been very active in the past five years. Examples include the 2019 One Data Indonesia, aimed at improving data management and integration across Indonesia, and the 2022 Law on Personal Data Protection, modelled on the EU's General Data Protection Regulation (GDPR).<sup>16</sup> Moreover, the National Cyber and Crypto Agency is pushing the House of Representatives to prioritise a Cyber Security and Resilience Bill in the national legislative programme.<sup>17</sup>

Indonesia has furthermore been progressing rapidly in certain digital sectors. Chief among them is FinTech, driven by a fervent internal market,<sup>18</sup> while other sectors such as Health, Agriculture and Education are not yet as developed. Despite heavy investments in new education programmes, Indonesia still lacks the necessary ecosystems to link graduates with industries.

Looking ahead, Indonesia aspires to move up the technology ladder. President Prabowo Subianto, sworn in October 2024, has used his visits to the US and China to highlight the importance of strengthening digital cooperation

with both countries.<sup>19</sup> A strategic bet is to make the region of Batam a semiconductor hub in South-East Asia, and to increase its assembly, testing and packaging (ATP) capacity.<sup>20</sup> The Indonesian archipelago is also rich in critical raw materials, such as nickel, which is essential for semiconductors and batteries. In addition to mining, Indonesia wants to process and refine them too.<sup>21</sup> Indonesia also aims to become a leader in artificial intelligence (AI) in South-East Asia. The announcement by the US giant chips firm Nvidia to establish an AI development centre in Surakarta embodies this ambition.<sup>22</sup> On the other hand, the Prabowo Administration announced budget cuts of approximately 18 billion dollars for 2025.<sup>23</sup> Most ministries and government agencies will likely face significant difficulties implementing innovation-oriented measures, increasing cybersecurity, and cost will continue to be a key consideration in procurement of digital infrastructure.

### Indonesia looks to digital China: hard and soft solutions

Indonesia's non-aligned foreign policy facilitates engagement with multiple partners. The country has emerged as a central hub for China's global digital expansion, making it a key destination for China's BRI. This is especially true for tech infrastructure.

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15 Cyberlands, [Top 10 cybersecurity breaches in Indonesia](#), 11 November 2024.

16 DLA Piper Intelligence, [Law – Indonesia](#), last visited on 22 August 2024.

17 Antara, [Indonesia's BSSN pushes for cybersecurity bill in Prolegnas](#), 7 November 2024.

18 The Quick Response Code Indonesia Standard (QRIS), the national digital payments norm, has been an important lever in this growth. See: Bank BRI, [QRIS \(Quick Response Code Indonesian Standard\)](#).

19 Eurasia Review, [President Prabowo's Visit To China: Strategic Analysis Of Indonesia's Regional And Global Diplomacy](#), 3 November 2024; The American Presidency Project, [FACT SHEET: President Joseph R. Biden and President Prabowo Subianto Commemorate 75 Years of Diplomatic Relations](#), 12 November 2024.

20 The Diplomat, [Indonesia's bold bid to become a semiconductor hub](#), 16 August 2024; Antara, [Indonesia projected to be major semiconductor player: Airlangga](#), 26 August 2024.

21 Rem Korteweg and Vera Kranenburg, [The good, the bad and the ugly: Resource nationalism, geopolitics and processing strategic minerals in Indonesia, South Africa and Malaysia](#), May 2024.

22 The Jakarta Post, [Indonesia's drive for AI leadership in Southeast Asia](#), 7 December 2024.

23 Indonesia Business Post, [President Prabowo asked to be transparent on budget cuts for ministries, agencies](#), 12 February 2025.

Within Indonesia, China's DSR includes both hard and soft offerings. Hard infrastructural projects include 5G networks. For example, China's Huawei has partnered with Indosat Ooredoo Hutchison to roll-out 5G infrastructure in selected regions. The agreement includes equipment discounts above 20 percent compared to European competitors. Complementing this, DSR offerings include public seminars and conferences that promote the benefits of 5G, as well as vocational training for 100,000 officials in digital literacy and key areas such as AI, big data and cloud computing across 33 Indonesian universities.<sup>24</sup> Chinese firms, such as WeChat, are entering Indonesia's cashless payment systems by partnering with local Indonesian banks.

However, intensifying US–China tech rivalry is prompting Indonesian stakeholders to consider security and interoperability beyond China too. Prioritising these values over cheaper Chinese equipment may hinder Indonesia's digital targets. This is why tech cooperation with China is still deemed essential for accelerating digital access.

Indonesia's elites and ICT stakeholders are not yet very familiar with the European Global Gateway. This is reportedly because European Member States rarely use the GG label and seem to prefer bilateral cooperation. As of 2024, two out of four Global Gateway projects in Indonesia focus on digital: enhancing internet capacity via the Copernicus satellite system; and developing a connectivity hub in Indonesia's future capital, Nusantara.

## South Africa

Seeking to prepare South Africa (SA) for an era of increasing convergence between the digital and physical worlds, President Cyril Ramaphosa in 2018 announced the Presidential Commission on the Fourth Industrial Revolution (PC4IR). PC4IR targets the promotion of new technologies

in key economic sectors, greater investments in human capital, increased data security and accessibility, and legislative and policy reforms.

To this end, the national broadband policy SA Connect operationalises South Africa's goals on connectivity. This includes universal broadband coverage in under-served areas by 2030, in line with South Africa's overarching National Development Plan (NDP). As of 2023, South Africa had a reported coverage of above 99 percent in both 3G and 4G. The country's 5G coverage almost doubled from 2022 to 2023 to over 38 percent, despite clear urban–rural divides. The lowest connectivity level in rural areas is above 85 percent, making South Africa a leader in the African continent.<sup>25</sup> Satellite technology helps in providing connectivity to rural areas. Additionally, South Africa is connected through ten submarine cables, enhancing its international internet-traffic connectivity.

In the long run, South Africa has the strategic goal to challenge India as an alternative IT outsourcing destination. The country aims not only to reshore services outsourced over recent decades, but also to obtain part of the sector's world market share, which was estimated to be above 500 billion US dollars by 2022.<sup>26</sup> South Africa's 2021 ICT and Digital Economy Masterplan adds another layer to its ambitions on digital, identifying several economic sectors that would benefit from more digitalisation: mining, manufacturing, agriculture, finance, education, health and transport.<sup>27</sup>

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24 Rakhmat Zulfikar, [China's Digital Silk Road in Indonesia: Progress and Implication](#), 28 July 2022.

25 Independent Communications Authority of South Africa, [State of the ICT Sector in South Africa - 2024 Report](#), 31 March 2024.

26 Precedence Research, [Industrial Distribution Market Size to Surpass USD 12.39 Trillion by 2033](#), 3 July 2024; Grand View Research, [IT Services Outsourcing Market Size, Share & Trends Analysis Report, 2023–2030](#), 2023; IMARC Group, [IT Outsourcing Market Report 2024–2032](#), 2023.

27 Department of Communications and Digital Technologies, [PC4IR Strategic Implementation Plan \(PC4IR SIP\)](#), March 2021.

South Africa is also positioning itself in the arena of technological innovation with initiatives such as the Artificial Intelligence Institute (AIISA), launched in November 2022. AIISA aims to increase access to advanced digital skills and to develop and research innovative applications in sectors such as farming and food production, mining and coal, justice, biometrics and manufacturing. Leading South African universities are also working in these fields. Additionally, the Defence Artificial Intelligence Research Unit (DAIRU), a military-focused AI hub launched in May 2024, is the first of its kind on the continent.<sup>28</sup>

However, South Africa faces significant challenges to achieving its digital ambitions. A critical issue is the shortage of skilled professionals in science, technology, engineering and mathematics (STEM) fields, hampering the country's ability to drive growth in its economy, employment and innovation. Another major challenge lies in cybersecurity. South Africa faced the most ransomware cyberattacks in Africa in 2023, ranking eighth globally.<sup>29</sup> The chairperson of the country's Information Regulator has voiced the opinion that South Africa does not take cybersecurity 'seriously', a concern underscored by the recent attacks.<sup>30</sup>

### **South Africa's international outlook: multi-alignment, Africa first**

South Africa's foreign and economic policy has a strong 'Africa first' focus. The country plays a leadership role within the African Union and is deeply committed to strengthening South-South relations. As a member of BRICS<sup>31</sup> and active participant in the G20 and G77, South Africa also

initiated dialogue in 2023 with the Association of South-East Asian Nations (ASEAN). Through these fora, South Africa actively advocates to tackle cybersecurity, skills development and other technological challenges. Its sluggish growth of recent years notwithstanding, South Africa remains the biggest economy in Africa and one of the continent's digital economy leaders, with its digital economy projected to reach 15–20 percent of GDP in 2025.<sup>32</sup>

South Africa was the first African country to join the BRI and enjoys a close bilateral political relationship with China. Indeed, in 2023, China surpassed the EU to become South Africa's largest trading partner.<sup>33</sup> Currently, over 70 percent of South Africa's telecommunications infrastructure is provided by Chinese enterprises.<sup>34</sup> Chinese company Alibaba has collaborated with South African Telkom's subsidiary BCX to launch cloud services and data centres throughout South Africa,<sup>35</sup> while Huawei is leveraging data centres in South Africa to promote cloud adoption. In September 2024, after meeting President Xi Jinping and elevating China-South Africa ties to an 'all-around strategic cooperative partnership', President Ramaphosa visited Shenzhen, China's hub for technology and innovation. There, he met with prominent companies and emphasised South Africa's commitment to attracting Chinese investment.

Complementing bilateral agreements already in place covering trade and investment promotion, infrastructure development and workforce exchange, digital ties have been deepening in recent years. China and South Africa signed a Memorandum of Understanding (MoU) on Digital Economy in 2022, followed by another MoU on Strengthening Investment Cooperation in Digital industrialisation in 2023.

28 South Africa Artificial Intelligence Association, [Defence Artificial Intelligence Research Unit \(DAIRU\) opens in South Africa](#), 6 May 2024.

29 Infosecurity Magazine, [Experts Urge Clearer Direction in South Africa's Cyber Strategy](#), 19 January 2024.

30 IT Web, [Data breaches rising at alarming rate, says InfoReg](#), 22 February 2024; and Infosecurity Magazine, [Experts Urge Clearer Direction in South Africa's Cyber Strategy](#), 19 January 2024.

31 Earlier Brazil, Russia, India, China and South Africa, plus Egypt, Ethiopia, Indonesia, Iran and United Arab Emirates as of January 2025. See: Al Jazeera, [Indonesia joins BRICS group of emerging economies](#), 7 January 2025.

32 GSMA, [Digital Economy South Africa report](#), 8 November 2024.

33 Cyril Ramaphosa, [Relations between China and South Africa enter a new era of opportunity](#), 9 September 2024.

34 Global Times, [China-Africa Digital Cooperation Continues Advancing](#), 29 July 2024.

35 Data Center Dynamics, [BCX Launches Alibaba Cloud Region in Johannesburg, South Africa](#), 9 October 2023.

Despite South Africa's strong ties with China, the EU also maintains strong trade relations with South Africa. The EU is regarded as an important foreign investor in South Africa, with most projects focusing on energy transition, finance and manufacturing. The South Africa–EU Strategic Partnership, which includes digital transformation projects, is the only country-level EU strategic partnership on the African continent. There are four Global Gateway projects in South Africa, one of which is in Digital: the implementation of a time synchronisation system to improve national air-traffic and navigation cybersecurity.

### India

India's digital landscape has evolved greatly since its first wave of internet penetration in the early 2000s. The widespread adoption of smartphones and increased internet access in the 2010s further accelerated India's digitalisation efforts. Over 70 percent of India's population now has mobile devices,<sup>36</sup> and the price of data in India is among the lowest in the world.<sup>37</sup> By late 2023, India achieved 99 percent 4G coverage across the country, and above 52 percent for 5G.<sup>38</sup> As of August 2024, almost 955 million of India's 1.4 billion population were connected to the internet,<sup>39</sup> making it the second largest user base in the world, after China. India is furthermore implementing the BharatNet Project to provide fibre-optic connectivity for rural areas,<sup>40</sup> and the satellite-operated internet service Starlink is expected to launch its services in India soon.<sup>41</sup>

India's path of digitalisation is known for its Digital Public Infrastructure (DPI), or India Stack,<sup>42</sup> which encompasses a variety of digital systems to manage public and financial services, fostering the country's digital transformation. DPI has two flagship projects: Aadhaar and the Unified Payment Interface (UPI). Aadhaar, the national twelve-digit unique identifier introduced in 2019, has enabled a massive shift towards online government services provisioning. By 2022, there were almost 1.3 billion Aadhaar holders, serving about 93 percent of the population.<sup>43</sup> The UPI, launched in 2016, is a platform that enables seamless peer-to-peer payments. UPI transactions have grown spectacularly, from less than 1 billion transactions in 2018 to over 83 billion in 2023.<sup>44</sup> The ubiquity of both Aadhaar and the UPI have been key in enabling digital adoption in India. India placed India Stack on the agenda of the G20 summit it hosted in 2023, with significant plans to export it to other countries in the Global South. The India Stack has inspired experts and policymakers in Europe too,<sup>45</sup> and will remain an important tool in India's efforts to promote and shape the digital domain abroad. Digital India is an umbrella programme to facilitate the digitalisation of services in important economic areas, such as agriculture, land records, public-sector digitisation, FinTech, health and education.<sup>46</sup>

The training and availability of human capital in the field of IT and technology, together with DPI developments, have been key for India's progress over recent decades. They have enabled India to grow and retain a massive lead in IT and internet services, sectors in which it

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36 Communications Today, [India's mobile phone penetration reaches 70–80 percent, 120 cr devices active](#), 12 July 2024.

37 Cable.co.uk, [The cost of 1GB of mobile data in 237 countries](#), 2023.

38 ET Telecom, [World Telecom Day: India has 99 percent coverage with 4G; nearly 4.42 lakh 5G BTSs deployed, says Ministry of Communications](#), 17 May 2024; Ookla Research, [India's 5G Driving Improved Consumer Experience as Adoption Increases](#), 31 March 2024.

39 Telecom Regulatory Authority of India, [The Indian Telecom Services Yearly Performance Indicators 2023–2024](#), 14 August 2024.

40 Ministry of Communications, Government of India, [BharatNet Project](#), 11 November 2024.

41 BBC, [Musk v Ambani: Billionaires battle over India's satellite internet](#), 23 October 2024.

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42 Carnegie Endowment for International Peace, [The Future of Digital Public Infrastructure: A Thesis for Rapid Global Adoption](#), 13 February 2024.

43 Government of India, [Aadhaar Dashboard](#).

44 Stanford Social Innovation Review, [Digital Public Infrastructure for the Developing World](#), 25 March 2024.

45 Observer Research Foundation, [From the South, for the World: India's Digital Public Infrastructure](#), 23 February 2024.

46 Department of Electronics and Information Technology, Government of India, [Digital India](#).

leads globally. From an industrial viewpoint, India aims to develop its own manufacturing of telecom and connectivity hardware to reduce its current dependencies on Chinese hardware and import costs in this critical area. The Production Linked Incentive (PLI) scheme, introduced in March 2020, aims to expand domestic hi-tech manufacturing capabilities across key sectors, including electronics. Moreover, India is working towards stepping into semiconductor manufacturing.<sup>47</sup>

India lacks a national cybersecurity strategy to tackle growing threats effectively. This is problematic, as the rapid pace of digital adoption has led to predictable challenges in this field, such as cyber fraud and a lack of cyber awareness by internet users. India also faces recurring attacks from neighbouring countries, including China, Pakistan and North Korea, which often target critical infrastructure or attempt to collect sensitive data from Indian government and military personnel.

### India: beyond non-alignment, keeping China out of digital

Historically fraught with tension, Sino-Indian relations took a sharp downturn after the 2020 border conflict in the Himalayas. While trade continues (and India's import dependence grows), tech and digital ties stalled. Rising tensions prompted the Indian government to ban hundreds of Chinese apps, including TikTok and AliExpress.<sup>48</sup> While much of India's 4G deployment initially relied on Huawei equipment, Indian policymakers are now consciously keeping Chinese telecom companies away, through a 'trusted source' model.<sup>49</sup> In addition, the Indian government is trying to change the current situation, in which around one million CCTVs from Chinese companies are installed in Indian government premises. Standard-setting

is another area where India looks to the West.<sup>50</sup> Forums such as the Quad (with the US, Japan and Australia) and the India-US Initiative on Critical and Emerging Tech (iCET) serve to advance cooperation on emerging technologies.<sup>51</sup>

There are currently three Global Gateway projects in India: two in the Climate and Energy pillar, and one under the Transport pillar, but none in Digital. The potential for cooperation in the digital domain between the two blocs is significant, but it remains largely untapped.

### Concluding remarks

Global Gateway is slowly but steadily getting off the ground. Now halfway through its initial budgetary phase, the number of flagship projects is increasing. The development of these projects and their impact on partner countries deserve careful assessment, and partner countries' calls for an extended scope cannot be ignored. This is even more important when Digital Global Gateway collaboration is paralleled by alternative propositions, particularly the Chinese DSR. European actors must invest significant effort in understanding the diverse requirements and preferences of Global South countries, which often extend beyond infrastructure needs and also include sectoral applications and use cases. This is especially true for the countries of focus in this Policy Brief – Indonesia, South Africa and India – which are already relatively well connected.

The next step in engaging with these countries – and others with similar profiles – requires a broader approach than Global Gateway has thus far adopted. This includes awareness and recognition of their preferences for sector-specific applications and development, as highlighted in this Policy Brief. Figure 1 presents an overview of the main sectors of interest per country, as well as their availability to cooperate with China on digital matters.

47 The Diplomat, [The Dawn of India's Semiconductor Era](#), 15 March 2024; Rediff, [India's Semiconductor Ambitions: Global Player Potential](#), 6 July 2024.

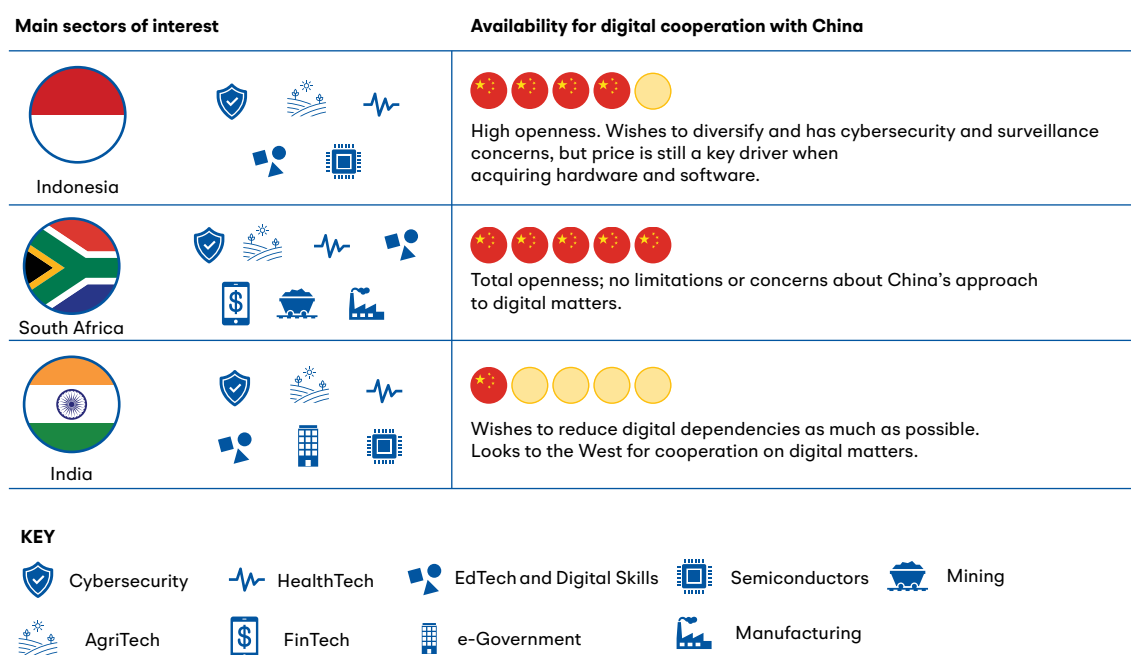
48 Atlantic Council, [The problem with India's app bans](#), 27 March 2023.

49 The Economic Times, [5G: End of the road for Huawei and ZTE in India?](#), 30 May 2022.

50 Sameer Patil and Prithvi Gupta, [The Digital Silk Road in the Indo-Pacific: Mapping China's Vision for Global Tech Expansion](#), 3 January 2024.

51 Carnegie India, [India-US Emerging Technologies Working Group](#).

**Figure 1 Summary of findings: sectoral wishes and relations with China of Indonesia, South Africa and India**



Indonesia, South Africa and India are all seeking to strengthen their position in global supply chains, and consider digitalisation as a critical means to this goal. Delivering concrete benefits to their populations requires more funding and investment on sectoral applications, such as HealthTech, EdTech or Manufacturing. These three countries also require stronger cybersecurity to address the steep growth of their digital economies over the past decade. As such, Global Gateway projects must cater to these needs while aligning with local priorities.

To ensure that Global Gateway projects fill existing gaps and offer alternatives, as appropriate, it is important to recognise how

each partner country engages with Chinese propositions. South Africa, for instance, sees virtually no limits in its potential cooperation with China. Indonesia does not explicitly favour China, but its strong emphasis on cost often drives it to Chinese offerings over alternatives. India, on the other hand, has a contentious and restrained relationship with its neighbour, which opens up space for greater engagement with Europe.

These differences in engagement with China call for tailored approaches by the EU and its Member States, including the Netherlands, to ensure that projects align with the unique needs of each partner country and build upon EU Member States' own strengths.

### About the Digital Global Gateway Policy Brief series

This Policy Brief is the first of two that, taken together, offers actionable steps for the Dutch government – and, similarly, other EU Member States – to contribute to the EU’s Digital Global Gateway. This builds on a 2023 mini-series that focused on Egypt, Kenya and Vietnam, available at [www.clingendael.org](http://www.clingendael.org).

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