

Reducing vulnerabilities, preserving openness: EU–Japan perspectives on economic security

Economic security has increasingly moved to the centre of national strategies across advanced democracies. As economic interdependence is more frequently leveraged for geopolitical purposes, governments are reassessing vulnerabilities in critical sectors, strengthening supply chain robustness, and seeking to mitigate excessive dependencies, while continuing to uphold open and rules-based economic principles. Following recent elections, Japan has elevated economic security to the forefront of its policy agenda, building on its experience in navigating external economic pressure and managing strategic risks in the Indo-Pacific.

At the same time, the European Union is further developing its own economic security framework. In this context, Japan brings both substantial policy experience and a strategic partnership perspective to addressing common challenges. Although the EU and Japan share a high degree of strategic alignment, the priority now is to translate this convergence into a focused set of concrete and actionable joint initiatives. This roundtable will examine practical pathways for deepening EU–Japan cooperation across priority areas such as supply chain resilience, critical raw materials, responses to economic coercion, investment screening mechanisms, and collaboration on emerging technologies.

To steer the discussion, participants are invited to reflect on:

1. Where can the EU and Japan most effectively translate their shared economic security principles into a limited number of concrete and deliverable joint initiatives?
2. How can cooperation on supply chain resilience and critical raw materials move beyond information-sharing toward coordinated action, including dependency mapping, diversification, and project implementation?
3. What mechanisms could strengthen EU–Japan coordination in responding to economic coercion and managing systemic economic risks while preserving open market principles?
4. How can the EU and Japan better coordinate on investment screening, outbound investment risk review, and the governance of emerging technologies in ways that reduce strategic vulnerabilities without undermining openness and innovation?

Annex

EU–Japan economic linkages

- EU exports of goods to Japan reached €68.8 billion in 2024.
- Total EU–Japan trade in services amounted to €58 billion in 2023.
- Japanese investment stock in the EU stood at €212.5 billion, while EU investment in Japan stood at €86.6 billion in 2023.

EU–Japan policy framework in 2025

- The 30th Japan–EU Summit on 23 July 2025 launched the Japan–EU Competitiveness Alliance.
- The Joint Statement endorsed the expansion of the Japan–EU High-Level Economic Dialogue.

Critical raw materials: measurable resilience targets

- Under the Critical Raw Materials Act, by 2030, the EU aims to meet 10% of annual needs through extraction, 40% through processing, and 25% through recycling.
- No more than 65% of annual needs for any strategic raw material at a relevant processing stage should come from a single third country.

Japan’s economic security architecture

- Japan’s Economic Security Promotion Act has four practical pillars:
 - stable supply of critical products
 - stable provision of essential infrastructure services
 - support for specified critical technologies
 - and non-disclosure of selected patent applications

Economic coercion and outbound investment

- The EU’s Anti-Coercion Instrument entered into force on 27 December 2023.
- On 15 January 2025, the Commission adopted a Recommendation asking Member States to review outbound investments in semiconductors, artificial intelligence, and quantum technologies.

Digital Partnership deliverables

- At the third EU–Japan Digital Partnership Council on 12 May 2025, both sides announced new deliverables in AI, 5G/6G, semiconductors, high-performance computing, and quantum technology.
- The EU and Japan struck an agreement to strengthen cooperation on data governance, online platforms, submarine cables, Arctic connectivity, digital identities, trust services, and cybersecurity.