

EU-JAPAN INDUSTRIAL COOPERATION FOR ECONOMIC SECURITY AND STRATEGIC AUTONOMY

Hybrid event, September 21, 2022

16:30 – 18:00 (Tokyo time) 9:30 – 11:00 (Brussels time)

The seminar was started by the opening remarks of Philippe de Taxis du Poët, MD of the EU side, the EU-Japan Centre for Industrial Cooperation. And the Ambassador Paquet of the Delegation of the European Union to Japan gave a keynote speech. Afterwards, presentations were held by five panelists, moderated by Tanabe, MD of Japan side, the EU-Japan Centre for Industrial Cooperation.

- Maive Rute, Deputy Director-General, DG for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW), European Commission

First, a presentation was given entitled "Supply Chains and Open Strategic Autonomy". As a trading nation (region), the EU places emphasis on trade as the engine of growth, and has stated that it will pursue open strategic autonomy to address issues in the value chain. The three pillars are: (1) global economic governance, (2) building mutually beneficial relationships, and (3) protection from unfair and exploitative practices. Next, as a supply chain concern, she cited China's dominant position in the rare earth supply chain as an example of a country that is highly dependent on a specific country and that specific country has a problem. She also introduced the proposal of the European Critical Raw Material Act to promote the mining and production of critical raw materials within the EU, and introduced Japan Organization for Metals and Energy Security (JOGMEC), which is already promoting similar efforts. She called on them to learn about the JOGMEC (its exploration and stockpiling scheme).

- Tetsuro Fukunaga, Director General for Trade Policy, Ministry of Economy, Trade and Industry (METI)

Fukunaga of METI began with a message from the late Mauro Petriccione, former chief negotiator for the Japan-EU EPA who passed away suddenly in August this year (2022). It says that Japan-EU regulatory cooperation is more important in the EPA than market access (tariffs) for agricultural products and automobiles. In addition, Fukunaga emphasized that resilience is the theme of Japan-EU cooperation, following green (Japan-EU Green Alliance) and digital (Japan-EU Digital Partnership), and also emphasized the importance of dialogue in this area. Furthermore, as the basic direction of economic security policy, he proposed (1) improving autonomy, (2) ensuring (Japan's) superiority and indispensability, and (3) maintaining and strengthening the international order.

Next, three business leaders presented their basic ideas and initiatives regarding economic security and strategic autonomy.

- Nikolaus Boltze, Country Representative, thyssenkrupp Japan

Borze pointed out that as a steelmaker, it is important to secure major raw materials and energy, including future green hydrogen, and the importance of iron recycling and scrap management. The stability and reliability of power grids and transportation systems was emphasized. He also said that a well-developed infrastructure for the supply chain is important for the industrial world, and mentioned secure data exchange, cyber security, and data sovereignty as elements of that. He also referred to Free and Open Indo-Pacific as the need for international cooperation for supply chain resilience, and emphasized the importance of ensuring safe and free shipping in the Indo-Pacific region.

- Nobuhiro Endo, Executive Advisor, NEC

Endo of NEC gave a presentation titled “Strengthen Value Creation Capabilities through ICT-based Value Chain for Open Economic Security”. He expressed his basic idea that the ability to provide high value on earth leads to the stabilization of the supply chain. He also mentioned that it is possible to create value for society through the value chain through the evolution of ICT, and mentioned NEC's

vaccine development case using AI as an example. He also stressed the need to strengthen global value chains for high-value solutions, and emphasized the importance of international data sharing and the need for Data Free Flow with Trust (DFFT).

- Virginie Cavalli, President and CEO, Air Liquide Japan
Cavalli of Air Liquide said that the factors contributing to economic security and strategic autonomy in Japan are (1) local production, (2) partnering with major suppliers, (3) efforts to conserve energy, and (4) hydrogen project as energy resilience. I mentioned business. She also stressed examples for enhancing opportunities for Japan-EU industrial cooperation; (1) deregulation (of existing technologies), (2) common regulations for new technologies, (3) harmonized definitions and qualifications for low-carbon hydrogen and renewable energy, and (4) clear policies on carbon pricing. As requests for deregulation in Japan, Cavalli introduced the need for deregulation regarding hydrogen stations, and the example of mandatory deployment of supervisory personnel at plants, which is not required in the EU.

After the presentations of each panelist, the discussion was held among the panelists (see recorded video for details) and Tanabe, MD of the EU-Japan Centre for Industrial Cooperation closed the seminar.

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