Joint Statement 1st Japan-Germany Inter-Governmental Consultations Tokyo, 18 March, 2023

- 1. Today, the Governments of Japan and of the Federal Republic of Germany, under the cochairmanship of Prime Minister Kishida Fumio and Federal Chancellor Olaf Scholz, held the first round of Inter-Governmental Consultations (IGC) and had in-depth discussions with a focus on economic security. The two leaders were joined by relevant Ministers and other high representatives of the line-ministries mentioned in the Annex.
- 2. The relations between Japan and Germany are founded on mutual trust, common interests, lively exchanges in many areas and shared values of freedom, respect for human rights, democracy, the rule of law, open, free and fair trade, and the multilateral system. Japan and Germany have enjoyed a long-standing trustful cooperation as G7 and G20 members and, during their consecutive G7 presidencies (Germany in 2022, Japan in 2023), and have affirmed their intention to strengthen cooperation on economic security, which was taken up for the first time within the G7 under German Presidency 2022 at the G7 Elmau Summit, and will be discussed at the G7 Hiroshima Summit. Japan and Germany have also achieved a coordinated political approach in many areas and addressed both major systemic challenges and immediate crises in the capacity of their respective non-permanent membership of the United Nations Security Council and as members of the "Group of Four" on Security Council Reform. In addition to these coordination efforts, the Japan-EU Economic Partnership Agreement and the Strategic Partnership Agreement provide the basis for further intensifying economic and political cooperation, including in the bilateral context.
- 3. Both Governments shared the view that the IGC offers a new platform for Japan and Germany, as two of the leading industrialised and democratic economies, to strengthen their joint commitment to promoting the rules-based multilateral order and universal human rights, free trade and climate actions as well as to reaffirm their common interests in strengthening multilateralism. Both sides stressed the IGC's role in providing them with new avenues to push for concrete cooperation towards a peaceful and prosperous world.
- 4. Japan and Germany shared the view that Russia's war of aggression against Ukraine and the Russia's weaponisation of energy and food have caused global economic disruptions and global suffering, particularly in vulnerable countries. Both sides condemned in the strongest terms Russia's illegal, unprovoked and unjustifiable war of aggression against Ukraine and urged Russia to immediately and unconditionally withdraw all forces and military equipment from Ukraine. Both sides will continue coordinated support for Ukraine, for as long as it takes, as well as sanctions on Russia.
- 5. Japan and Germany shared the recognition that the security of Europe and that of the Indo-Pacific are closely interlinked. Both sides concurred on strengthening concrete cooperation

under Japan's vision for realising a "Free and Open Indo-Pacific (FOIP)" and Germany's "Policy guidelines for the Indo-Pacific." They reiterated the importance of maintaining a free and open Indo-Pacific, which is inclusive and based on the rule of law. Both sides strongly oppose any unilateral attempts to change the status quo by force or coercion that increase tensions.

- 6. Japan and Germany reiterated their commitment to fostering cooperation between Japan Self-Defense Forces and the German Federal Armed Forces. Both sides decided to make efforts to establish a legal framework for bilateral defense and security cooperation activities, such as rendering logistical assistance and support.
- 7. Japan and Germany expressed their intention to deepen their strategic dialogue against malicious practices in the real and cyber world to protect their global value and supply chains against illegitimate influence, espionage, illegitimate knowhow leakage, and sabotage, in the awareness that attacks on economic prosperity always have a destabilizing effect on democracy and social cohesion.
- 8. Japan and Germany expressed their intention to work towards making their democracies more resilient while at the same time pushing back any manipulative attempts, including hybrid threats, to undermine confidence in their democratic institutions. In this context, both sides reaffirmed their commitment to the G7 Rapid Response Mechanism (RRM) as part of their efforts to collectively safeguard their democracies from foreign threats, including by protecting their information environment, their democratic systems and open societies from disinformation.
- 9. At the first round of the IGC, Japan and Germany set economic security as the main topic for consultations against the backdrop of its increased significance in recent years. In this respect, both sides underlined the importance of cooperating both bilaterally as well as with partners around the globe to enhance economic resilience globally, including by strengthening the multilateral trading system with the WTO at its core.
- 10. Japan and Germany recognised that the COVID-19 pandemic has exacerbated various economic challenges including supply chain disruptions and increasing commodity prices. In particular, during the pandemic, vulnerabilities in the supply chain for specific items such as pharmaceuticals have threatened people's lives and livelihoods.
- 11. On the above-mentioned premise, Japan and Germany recognised the key roles of both countries in ensuring a free, fair and rules-based economic order, a more stable and resilient global economy, and economic security, as two of the leading industrialised and democratic economies. Both sides welcomed recent developments in both countries, including the initiation of enforcement of Japan's Economic Security Promotion Act and the enforcement of Germany's IT Security Act 2.0.

- 12. Japan and Germany expressed concerns with and opposed economic coercion. Such practices, which undermine global security and stability, must be prevented. To this end, both sides expressed their intention to effectively address and explore joint actions as appropriate to such economic coercion in close coordination with partners around the world.
- 13. Japan and Germany committed to collaborating in protecting and promoting critical and emerging technologies. Both sides shared the view to continue to work with other states in strengthening effective and responsible export controls on materials, technology and research that could be used for military purposes in a way that keeps pace with the rapid technological developments. With regard to the promotion of critical and emerging technologies, including hydrogen and its derivatives such as ammonia and circular economy, both sides shared the view that it will be useful to exchange ideas on an even further intensified cooperation in various fields, including digitalisation and artificial intelligence. Both sides recognised the need to shape advances in technology responsibly through effective governance and would continue to strengthen international collaboration to promote and protect responsible, inclusive, transparent and sustainable design, development, and use of technology that respects privacy and enables safety and security of users, in line with human rights and their common democratic values. Both sides expressed their intention to deepen discussions in the Japan-Germany Joint Committee Meeting on Science and Technology Cooperation and other inter-ministerial dialogues, and concurred on strengthening such fora strategically.
- 14. Japan and Germany exchanged views on the measures to be taken with regard to the protection of critical infrastructure, and expressed their intention to continue the discussion on the developments. Both sides also stressed the importance of an open, secure, diversified and resilient telecommunication infrastructure, such as 5G and Beyond 5G.
- 15. Japan and Germany expressed concerns about the increasingly sophisticated malicious activities in cyber space. Both sides reiterated their commitments to promoting responsible state behaviour in cyber space for the sake of international peace and stability, and encouraged all states to deepen the substantive discussion on how existing international law applies to cyberspace based on the work of the Open-Ended Working Group on Developments in the Field of Information and Telecommunications in the Context of International Security and the United Nations Group of Governmental Experts on Advancing Responsible State Behaviour in Cyberspace in the Context of International Security. Both sides expressed their commitment to strengthening the cooperation on cybersecurity and conducting the Japan-Germany Cyber Consultation annually. Both sides reaffirmed the need to continue cooperation on "Data Free Flow with Trust" with a view to facilitating safe and secure cross-border data flows through enhancing security and privacy.
- 16. Japan and Germany expressed their shared view that transparency, diversification, security, sustainability, reliability and trust are essential elements in building resilient supply-chain

networks. Both sides committed to strengthening their cooperation on economic resilience to address and mitigate the risk of excessive dependencies. Both sides underlined their willingness to share best practices to address risks to critical global supply chains, especially in strategic sectors, such as critical minerals, semi-conductors, clean energy, hydrogen and batteries, taking into account the importance of accelerating the global energy transition to holistically address energy security, climate crisis and geopolitical risks. In this context, both sides expressed their intention to expand cooperation between relevant authorities including the Japan Organization for Metals and Energy Security and the German Federal Institute for Geosciences and Natural Resources in the field of security of critical minerals supply and corresponding governmental support for mining, refining, processing, and recycling. Both sides also reiterated the importance of cooperation to uphold the protection of human rights and decarbonisation in global supply chains.

- 17. Japan and Germany emphasised their strong concern with the accelerating and intensifying impacts of climate change and committed to take further immediate and concrete actions towards a rapid, resilient and just transition. Both sides recognised the importance of taking various and practical pathways according to each country's circumstance. Recognizing that recent crises, including supply constraints and food and energy price shocks, have highlighted vulnerabilities, Japan and Germany expressed their intention to strengthen economic resilience related to food and energy security based on the established multilateral order and in line with their commitment to keeping a limit of 1.5 °C temperature rise within reach. In order to ensure global energy security, both sides shared the importance of the diversification of supplies and that of the accelerated clean energy transition through investments in alternative sources and new technologies such as renewable energies, hydrogen and energy efficiency.
- 18. Japan and Germany highlighted the Climate Club will provide a high-ambition intergovernmental forum for discussion and serve as an enabling framework for increased cooperation, improved coordination and potential collective action.
- 19. Japan and Germany also reaffirmed their commitment to countering non-market policies and practices that not only undermine the level-playing field but create strategic dependencies and systemic vulnerabilities. In particular, both sides expressed their concerns and commitment to working on issues such as pervasive and harmful industrial subsidies, market-distortive behaviour of state-owned enterprises, and all forms of forced technology transfer.
- 20. Japan and Germany stressed their recognition that economic security is a significant policy issue not only bilaterally but also for the entire international community. Both sides expressed their commitment to supporting the improvement of economic resilience of developing and emerging countries to strengthen economic autonomy of those countries.
- 21. In the area of taxation, Japan and Germany reaffirmed their strengthened commitment to

- swiftly implementing both pillars of the OECD/G20 two-pillar solution to address the tax challenges arising from globalisation and the digitalisation of the economy.
- 22. Japan and Germany reiterated the importance of transparent and fair lending practices. Both sides called on all actors to adhere to internationally recognised rules and standards to promote transparent and fair development finance. Both sides, as major bilateral creditors for developing and emerging countries, expressed their intention to strengthen multilateral coordination to facilitate coordinated debt treatment for debt-distressed countries, including implementing the Common Framework for Debt Treatments beyond the Debt Service Suspension Initiative, in a predictable, timely, orderly, and coordinated manner.
- 23. Japan and Germany concurred on demonstrating their commitment to augmenting their collective resilience and tackling challenges to economic security under the G7 and expressed their commitment to coordinating closely towards the success of the G7 Hiroshima Summit.
- 24. Both sides confirmed that they will hold the next round of the IGC at an appropriate timing.
- 25. The two leaders expressed satisfaction with the discussions held at the first round of the IGC and reaffirmed their full commitment to further expanding and deepening Japan-Germany relations as strategic partners sharing fundamental values.

Annex

List of Participants in the 1st Japan-German Inter-Governmental Consultations

<u>Japanese Side</u>:

- Kishida Fumio, Prime Minister
- Hayashi Yoshimasa, Minister for Foreign Affairs
- Takaichi Sanae, Minister in charge of Economic Security
- Suzuki Shunichi, Minister of Finance
- Hamada Yasukazu, Minister of Defense
- Matsumoto Takeaki, Minister for Internal Affairs and Communications
- Nishimura Yasutoshi, Minister of Economy, Trade and Industry

German Side:

- Olaf Scholz, Federal Chancellor
- Robert Habeck, Federal Minister for Economic Affairs and Climate Action
- Christian Lindner, Federal Minister of Finance
- Nancy Faeser, Federal Minister of the Interior and Community
- Annalena Baerbock, Federal Minister for Foreign Affairs
- Boris Pistorius, Federal Minister of Defence
- Volker Wissing, Federal Minister for Digital and Transport