

Japan-UK Economic 2+2 Joint Press Release

On March 7, from 6:30 p.m. to 8:30 p.m. for approximately 2 hours, the Japan-UK Economic 2+2 Ministers' Meeting ("Economic 2+2") was held. The meeting was attended by Mr. IWAYA Takeshi, Minister for Foreign Affairs of Japan, Mr. MUTO Yoji, Minister of Economy, Trade and Industry of Japan, the Rt. Hon. David Lammy MP, Secretary of State for Foreign, Commonwealth and Development Affairs of the United Kingdom of Great Britain and Northern Ireland, and the Rt. Hon. Jonathan Reynolds MP, Secretary of State for Business and Trade of the United Kingdom of Great Britain and Northern Ireland. The overview of the meeting is as follows.

1. At the outset, Minister Iwaya stated that it was his pleasure to host the first Japan-UK Economic 2+2 Ministers' Meeting in Tokyo, the establishment of which was announced by the leaders of Japan and the UK to promote dialogue on how trade and economic security converges with foreign policy; and hoped that today's meeting would be an opportunity for both countries, as each other's closest security partners in Europe and Asia, to strengthen their economic ties, building on the strong foundations of the Japan-UK Global Strategic Partnership articulated by the Hiroshima Accord.

Minister Muto stated that he welcomed holding the Japan-UK Economic 2+2 Ministers' Meeting and expressed his expectations for enhanced cooperation in areas such as economic security, energy, and innovation between Japan and the UK, which share fundamental values and continue to build a strong relationship.

Foreign Secretary Lammy thanked Japan for hosting this inaugural meeting and underscored the importance of the dialogue in addressing the increasing convergence between economic and foreign policy issues and the significance of UK-Japan collaboration to forge a path in an increasingly volatile world.

Minister Reynolds stated national security and economic growth are mutually reinforcing, and that he looked forward to using the discussion to explore areas of cooperation where the UK and Japan can jointly mitigate global risks to economic growth and trade.

2. The global economic order now faces significant challenges. With shared fundamental values including freedom, democracy, and rule of law, the four Ministers from Japan and the UK committed to work to uphold these values by sustaining and strengthening a free, fair, and rules-based global economic order, and discussed issues on (1) Economic Security, (2) Free and Open International Trade, (3) Energy Security, (4) Global South as follows.

(1) Economic Security

The four Ministers concurred that, given challenges in global trade, enhancing economic resilience internationally is an important contributor to sustainable and stable global growth.

The four Ministers affirmed that coordination between partners and like-minded countries is essential to bolster economic resilience. Ministers also confirmed that the relationship between Japan and the UK is increasingly important and expressed their joint ambition to strengthen cooperation on economic resilience and economic security, including sharing analysis and insights, enhancing supply chain resilience and cooperation on critical and emerging technology issues.

The four Ministers instructed officials to have meetings to take forward discussions to address the economic security challenges facing Japan and the UK, including enhancing supply-chain resilience, developing a fair market, and other relevant issues – with a view to enhancing their economic security partnership.

The four Ministers concurred that this would support the industrial strategy partnership as discussed in the Strategic Economic Policy and Trade Dialogue.

The four Ministers expressed concern over economic coercion, non-market policies and practices including harmful industrial subsidies, market-distorting practices of state-owned enterprises, as well as forced technology transfer, and harmful non-market overcapacity and other market distortions resulting from the non-market policies and practices.

The four Ministers also reconfirmed the importance of cooperating with like-minded countries to build resilient and reliable supply-chains, including those for critical minerals that are essential for net-zero transition and digitalisation.

In this regard, the four Ministers concurred to explore criteria that take into account not only economic factors, but also factors linked to the Principles on Resilient and Reliable Supply Chains, comprising of transparency, diversification, security, sustainability, and trustworthiness and reliability.

Furthermore, the four Ministers concurred on continuing discussions to strengthen the coordination of their respective policies to further promote and protect critical and emerging technologies, recognising the importance of strategic public-private partnership, information exchange on economic security and the value of our two countries' like-mindedness. The four Ministers concurred on deepening cooperation on export controls and research security to further facilitate the exchange of controlled goods and technologies between the two countries.

The four Ministers welcomed the signing of Memorandums of Understanding between Japanese and UK industry partners that will facilitate joint Japan-UK

supply chains and collaboration in the development of next-generation quantum computing.

The four Ministers concurred on further strengthening effective export controls on materials, technology, and research that could be used for military purposes in a way that keeps pace with rapid technological developments.

The four Ministers expressed their desire to see a just and lasting peace in Ukraine which ensures its future sovereignty and security. The four Ministers reaffirmed their continued support to Ukraine in pursuit of peace through strength, in line with Ukraine's needs. The four Ministers expressed their resolve to continue our comprehensive sanctions and economic measures to restrict as far as possible the revenues, goods, and technology Russia uses to fund and conduct its illegal war of aggression against Ukraine.

To that end, the four Ministers concurred to continue action against Russia and countries supporting the Russian military complex through technical discussions to prevent diversion of key critical, specialist and emerging technologies. They reiterated their concern for China's increasing support to Russia and Russia's defense industrial base, which is decisively enabling Russia to maintain its illegal war in Ukraine.

(2) Free and Open International Trade

The four Ministers reaffirmed the importance of the rules-based multilateral trading system with the WTO at its core as an important structure that affords legal stability and predictability for businesses, and concurred on moving towards strengthening all of the WTO's functions, including negotiation, monitoring, deliberation and dispute settlement, as it marks the 30th anniversary of its establishment with an eye to the outcome of the 14th WTO Ministerial Conference (MC14) scheduled for next March.

The four Ministers recognised the role played by plurilateral discussions and negotiations within the WTO in advancing issues of interest and called for the early incorporation of the Investment Facilitation for Development Agreement and the Agreement on Electronic Commerce into the WTO's legal framework.

The four Ministers also confirmed that they will work closely together in WTO discussions, including addressing contemporary trade-related issues such as non-market policies and practices, as well as climate change.

The four Ministers emphasised the importance of developing robust international rules and norms and effectively utilising existing tools to ensure a global level playing field.

In addition, the Japanese Ministers welcomed the UK's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) last December, and the four Ministers recognised that the CPTPP is an important pillar in promoting a free and fair rules-based economic order in the Indo-Pacific region.

The Ministers confirmed that they would continue to work closely together with other parties to ensure CPTPP remains a modern, high-standards agreement.

(3) Energy Security

The four Ministers discussed energy security risks and opportunities for Japan-UK collaboration to support further development of clean energy supply-chains.

Ministers welcomed the signing of the Memoranda of Cooperation on offshore wind cooperation among governments, organisations, companies and on cooperation in advanced robotics and autonomous systems, and welcomed the civil-nuclear collaboration between companies and research institutions of both countries, including on advanced nuclear technologies, fusion energy, and nuclear decommissioning.

They reaffirmed that they would continue promoting energy cooperation between Japan and the UK to deliver energy security for their citizens.

Furthermore, they acknowledged their collaboration in the clean energy sector and emphasised the importance of creating Japan-UK collaborative projects to accelerate the clean energy transition in third countries and to strengthen coordination in pursuit of this.

The four Ministers also reaffirmed their shared commitment to keeping a limit of 1.5C temperature rise within reach and achieving net zero by 2050.

They confirmed the need to reduce reliance on energy supply from unreliable and hostile actors.

All four Ministers concurred that Russia's illegal, unjustifiable and unprovoked full-scale invasion of Ukraine threatens the security of the Euro-Atlantic and Indo-Pacific, which is inseparable.

(4) Engagement with Global South

The four Ministers shared the recognition that it is important to further enhance cooperation with Global South countries to maintain and strengthen a rule-based international economic order and affirmed that they would engage with the Global South towards sustainable development and trade mechanisms that support economic development and poverty reduction.

They noted the importance of the WTO 14th Ministerial Conference, which will be held in Cameroon – in supporting this.

3. The four Ministers reaffirmed the need for Japan and the UK to remain advocates of a free, open, and rules-based international economic order in the face of growing risks of global economic fragmentation and concurred on continuing their bilateral cooperation in areas such as the economic policies of both countries and economic security, while deepening discussions and cooperation with like-minded countries in related fields.