

ECONOMIC SECURITY FORUM TOKYO

Tokyo Economic Security Forum

[Date] Monday, December 15, 2025, 13:00 -18:15

[Venue] Nikkei Hall (3F, Nikkei Building, 1-3-7 Otemachi, Chiyoda-ku, Tokyo, Japan)

[Organizers] Ministry of Economy, Trade and Industry | National Security Secretariat,
Cabinet Secretariat | Cabinet Office

[Co-organizers] Keidanren (Japan Business Federation) | Japan External Trade Organization (JETRO)

[Purpose and Overview] As the core event of the Economic Security Global Forum Weeks, the Forum aims to showcase Japan's economic security initiatives from Tokyo, whilst fostering mutual understanding and collaboration amongst key institutions in Japan and abroad. It convened stakeholders from governments, businesses, think tanks, and other organizations across various countries for four in-person panel discussions. A total of 24 speakers, including one who participated online, discussed "economic security policies and strategies," "public-private collaboration to strengthen industrial and technological foundations for economic security," "critical mineral supply chains," and "the nexus of national security and the economy."

[Attendance] A total of 539 participants attended the Forum, including 418 general participants and invited guests, and 121 speakers, accompanying persons, media representatives, and others.



13:00~

Opening Session

Highlights of opening session remarks by government officials from Japan and abroad



Ryosei Akazawa

Minister of Economy,
Trade and Industry
(via video message)

Ryosei Akazawa,

Minister of Economy, Trade and Industry (via video message)

- The international economic environment is undergoing a major shift, moving from an era of globalization to one in which governments play a much more active role in the market. In rapidly evolving areas of key technologies, including artificial intelligence (AI), security has emerged as another critical focus of competition among states. Furthermore, the “weaponization of the economy” is occurring, in which states employ economic tools to exert pressure on other countries and pursue their strategic objectives.
- To strengthen its economic security, Japan is pursuing a comprehensive approach to enhance its “strategic autonomy” by avoiding excessive dependence on other countries for essential technologies and goods. It is also working to ensure its “strategic indispensability” by expanding areas where Japanese technologies and products are indispensable to the international industrial structure. As concrete measures to enhance strategic autonomy, Japan has made securing a stable supply of critical minerals an urgent priority. To this end, it is promoting diversification of supply sources, strengthening national stockpiles, development of recycling technologies, and the creation of heavy rare-earth-free magnets. On the other hand, to enhance strategic indispensability, the Japanese government supports bold capital investment and R&D in strategic sectors including AI, semiconductors, quantum technologies, biotechnology, aerospace, and defense industries, aiming to strengthen the economy through crisis-management investments.
- For advancing these efforts, public-private partnerships and international collaboration are essential. In this context, we will consider the establishment of a public-private council on economic security as a framework for appropriate information sharing between the public and private sectors while ensuring the confidentiality of information, and for strengthening public-private partnerships. This Forum was established as a platform to further accelerate and advance public-private and international collaboration to overcome economic security challenges.

**Kimi Onoda**

Minister of State for
Economic Security
(via video message)

Kimi Onoda,

Minister of State for Economic Security (via video message)

- Three years after the enactment of the Economic Security Promotion Act, Japan has decided to strengthen efforts to safeguard its peace, security, and prosperity by strengthening and fully leveraging its comprehensive national power, including diplomatic, defense, and economic capabilities. The government is considering reviewing and enhancing the current system, including the addition of the healthcare sector to key infrastructure operators, in order to strengthen supply chain resilience. In addition, we plan to launch new initiatives, including the establishment of a comprehensive think tank function, to bring together expertise in diplomacy, intelligence, defense, economy, and technology, utilize it in policy-making, and strengthen public-private collaboration.
- Under the most challenging and complex postwar security environment, it is essential to conduct analysis and provide policy recommendations with a sense of urgency. From this perspective, the National Security Secretariat is taking the lead to consider establishing the functions of this think tank within the Research Institute of Economy, Trade and Industry (RIETI) during fiscal year 2026 so that the think tank can promptly conduct research and policy proposals requiring specialized expertise in response to government requests. Once the think tank is established, it will aim to actively build partnerships with all of you gathered here.

**Seema Malhotra**

UK's Minister for the Indo-
Pacific at the Foreign,
Commonwealth &
Development Office

Seema Malhotra,

UK's Minister for the Indo-Pacific at the Foreign, Commonwealth & Development Office

- Geopolitical, economic and technological shocks are shaking up the world order. Access to resources is being contested like never before, and norms that liberal, developed countries like the UK and Japan have depended on for decades are being challenged. Nowhere is this clearer than in the growing risks to our shared economic security. These risks are significant, constantly changing, and impact governments, businesses, and people alike. But every challenge brings an opportunity to those who adapt quickly.
- The UK has taken bold steps. We have introduced new laws to ban suppliers where necessary and are using our investment screening powers to protect national security in the most sensitive areas of our economy. We are backing the sectors that will shape our future, and in the past six months we have published our Industrial Strategy, and Trade and Critical Minerals Strategies to improve access to finance and strengthen support for businesses. Because economic security is inseparable from national security. They are two sides of the same coin.
- Economic security is not a challenge that open, developed economies like ours can tackle alone. That's why partnerships matter. Whether through CPTPP, where Japan championed the UK's membership, or in the G7, G20 and at the WTO, we continue to work side by side to strengthen the foundations of global trade. Two years ago, the Prime Ministers of the UK and Japan agreed on an

Enhanced Global Strategic Partnership. Earlier this year, our respective Foreign and Business Secretaries held an Economic 2+2 dialogue, a first for the UK with any partner. Today I am proud to be here in Tokyo, launching our new UK-Japan Economic Security Partnership.



Yoshinobu Tsutsui

Chairman of Keidanren
(Japan Business
Federation)

Yoshinobu Tsutsui,

Chairman of Keidanren (Japan Business Federation)

- The Takaichi administration is aiming to realize a strong economy through investment towards crisis management and growth, and we see its approach to economic security is about to shift into a higher gear. Japan has so far enacted two laws, the Economic Security Promotion Act and the Act on the Protection and Utilization of Critical Economic Security Information, which have sequentially been put into effect. Keidanren has advocated to ensure that these laws are practical, consistent with the realities of corporate activities, and not overly restrictive, or to be “small yard, high fence”. As a result, we appreciate that the system of these acts has so far been designed in a way that generally reflects the views of the business community.
- Without public-private partnerships, there is no economic security. Businesses drive the economy while the government bears responsibility for security. Only through coordination between the two can economic activity and security be balanced, and economic security can be ensured. It cannot be determined a priori which areas fall within the scope of economic security. Ongoing communication between the public and private sectors is required on an issue-by-issue basis.
- In addition, with the intensifying “weaponization of the economy,” a country must possess both the political will and the means to deter economic coercion, and must also be prepared to counter it when it is coerced. In Keidanren’s proposal for WTO reform, we recommended clarifying the criteria for economic coercion and establishing a system of countermeasures within the WTO agreements.
- We also call on the CPTPP to establish provisions to deter economic coercion, provide remedies to the coerced countries, and take countermeasures.

13:35~

Panel 1

Economic Security Policies and Strategies



[Speakers] <From the left> Takashi Shiraishi (Honorable Emeritus Professor, Kumamoto Prefectural University)=Moderator, David Rader (Senior Fellow, Hudson Institute), Denis Redonnet (Deputy Director-General, Chief Trade Enforcement Officer, Directorate General for Trade, European Commission), Emily Woodburn (Deputy Director for Economic Security, Geopolitics and Economic Security Directorate, Department for Business and Trade, United Kingdom), Sujit Ghosh (Joint Secretary [East Asia], Ministry of External Affairs, Government of India), Tatsuji Narita (Director-General, Trade and Economic Security Bureau, METI)

[Economic Security Strategies and Future Initiatives in Each Country]

- US economic security policy is undergoing a major shift from the traditional passive approach focused on foreign investment screening and export controls to a more active one, which involves large-scale public-private investment in strategic areas such as rare earths and magnets. These efforts will continue. This cannot be done by the US alone, and it will proceed by striking a balance between domestic capacity strengthening and increased cooperation with allies and partner countries.
- The EU published its Economic Security Strategy in 2023, and, in response to the rapid weaponization of the economy, it put forward a series of new policy proposals and frameworks in December 2025. The EU will continue to maintain the three Ps of Promote, Protect, and Partner as the pillars of its economic security strategy, while taking a more proactive approach, including investing in strategic projects and repurposing policy instruments. The EU will also establish an Economic Security Information Hub to strengthen information and analytical capabilities within government and in partnership with businesses. At the same time, it aims to deepen cooperation with trusted partners in this field and to work with Japan to jointly develop rules and standards.
- The rules of the global trading system are being rewritten. The weaponization of the economy has become commonplace, supply chains are becoming more vulnerable, and multilateralism has been challenged. The UK has established a Supply Chain Centre to collaborate with businesses in an effort to ensure the resilience of its supply chains. The UK will also create a new Economic Security Advisory Service to provide advice to businesses on economic security threats and to facilitate two-way dialogue. The UK considers international cooperation absolutely essential and has been strengthening its partnership with Japan, through such means as the UK-Japan Economic 2+2 Ministerial Dialogue held in March 2025.
- The world is facing increasing uncertainty and volatility, requiring a shift from “just in time” to “just in case.” Policies on critical technologies, critical infrastructure, and other key sectors can no

longer be determined solely by economic logic, and cooperation among like-minded countries is necessary. India has been strengthening public-private partnerships and international collaboration, and is domestically implementing programs including Make In India and production-linked incentive programs for manufacturing across 14 strategic sectors. The Government of India has placed rare earths and critical minerals at the core of its resource policy and is promoting the creation of homegrown capacity. India is also promoting bilateral cooperation with like-minded countries such as Japan, US and the UK, in addition to multilateral collaboration including with QUAD. During Prime Minister Modi's visit to Tokyo in August 2025, India and Japan launched the India-Japan Economic Security Initiative, which includes cooperation in five priority sectors: semiconductors, telecommunications, critical minerals, clean energy and pharmaceuticals.

- Japan's goal is to secure strategic autonomy, which avoids excessive dependence on other countries, as well as strategic indispensability, which makes Japan indispensable to them. To achieve this, the government is promoting a policy that ensures the combination of the 3Ps: promotion, protection and partnership. As strategic autonomy and indispensability rest with businesses, we have developed the "Economic Security Management Guidelines" for corporate managers to further deepen public-private partnerships. Many businesses tend to view economic security as a cost, but it is also important to see it as an opportunity for new business.

[Approaches to Collaboration in Advanced Technologies]

- Not every country can be good at everything. It is rational for countries to focus on areas of their comparative advantages, while financially supporting allies in areas where those partners are better positioned, thereby enabling a division of labor.
- International cooperation is essential for building resilient supply chains, regardless of whether the sector is in advanced technologies or foundational industries. Cooperation is taking concrete form in the critical minerals sector, with Japanese and European companies engaging in joint investments and offtake agreements. It is also important for countries to work together in responding to economic coercion. In supply chains, cooperation is important both on the supply side and the demand side.
- The UK published its Critical Minerals Strategy in November 2025 and is working to strengthen public-private and international cooperation to secure the critical minerals needed for advanced technologies, including public funding for key projects, demand aggregation, and enhanced stockpiling.
- As a first step, what is important for effective international and public-private cooperation is exchange of information, as it allows stakeholders to understand the extent of challenges and develop solutions.
- Supply chain resilience cannot be achieved solely by the efforts of upstream businesses. Midstream and downstream companies also need to align their awareness. In addition to international and public-private cooperation, collaboration among industry-driving businesses is also important.

14:40~

Panel 2

Public-Private Collaboration to Strengthen Industrial and Technological Foundations for Economic Security



[Speakers] <From the left> Takashi Ito (Special Advisor for Public-Private Partnership in Economic Security, METI), Takayuki Morita (President and CEO NEC Corporation), Mukesh Khare (General Manager: IBM Semiconductors & Vice President: Hybrid Cloud, IBM Research), Janne Känkänen (CEO, National Emergency Supply Agency [NESAs], Finland), Klevis Sevriani (Partner, Board Advisors, Japan)

[Reasons for Focusing Efforts in the Economic Security Sector]

- We did not build our business strategy around economic security from the outset. Rather, economic security issues themselves approached us. During the period of U.S.-Japan trade frictions, industrial policy was deemed as a non-tariff barrier. However, digital infrastructure such as the internet, mobile networks, and AI has become too influential to ignore in the context of economic security, causing us to reconsider industrial policy and the relationship between politics and the economy in order to maintain a competitive environment.
- China announced its “Made in China 2025” plan in 2015 and made clear that the government would protect its key priority industries. Likewise, the US and Europe made clear which areas they consider critical to their national interests. By identifying the industries that the state and government will protect as lifelines and by providing consistent policies and support, it will increase predictability for companies, in the sense that if they win in private-sector competition, they can secure a strong position globally. This is particularly important in an era when politics, the economy, and advanced technologies are increasingly closely interrelated.

[Background and Significance of Technological Cooperation with Japanese Companies]

- It was during the COVID-19 pandemic that we realized how fragile the semiconductor supply chain is. In particular, we recognize that leading-edge semiconductors are highly concentrated in only one part of the world. It became very important to participate in building a much more balanced semiconductor supply chain, especially for leading-edge semiconductors.
- At a US-Japan summit meeting in June 2020 between President Trump and then Prime Minister Abe, it was confirmed that the two countries would build a cooperative relationship in critical technologies, including leading-edge semiconductors. Japan decided, as a nation, to be involved in building a leading-edge semiconductor ecosystem, and Rapidus was established in 2022. We

believe that not only inter-company cooperation, but also cooperation between nations and among allies, will enable a better supply of leading-edge semiconductors not just for Japan and the US, but for the world.

[What Should Governments Do to Protect the Competitiveness of Private Companies?]

- In Finland, under the principle that “security is everyone’s business,” we have placed great importance on cooperation between the public and private sectors as well as among companies. Resilience is extremely important not only for the state but also for companies, and it is also a source of competitiveness. With regard to preparedness and economic security, we believe that three points are particularly important. The first is an established framework for continuous dialogue between the public and private sectors. To ensure that society can continue to function in times of crisis, we have established “Preparedness Committees” bringing together 27 critical industries. The second is information. It is important to build a shared understanding between the public and private sectors by sharing information on risks and threats in critical supply chains, as well as on the availability of raw materials and key personnel. The third is the so-called “layers of resilience.” The first layer consists of regulation, including national and EU legislation on preparedness and resilience. The second layer is contractual-based preparedness. We have in total around 200 contracting partners representing critical sectors such as energy, digital services, food, water, and logistics. Our national stockpiling system is handled through these contracts for the most part. However, also other forms of strategic material preparedness, such as production reservations are established through contracts. The third layer is the network-based dialogue that we continuously promote. The participation of the private sector to this dialogue is voluntary, but we have witnessed that it not only good business continuity management, but also good corporate citizenship to participate in the societal resilience dialogue. In addition to these three points, I would also like to emphasize that international cooperation with like-minded countries is becoming increasingly important.

[How Should Companies View Economic Security?]

- In general, there are still relatively few opportunities for Japanese boards of directors to discuss economic security. However, based on the assumption that we will probably never return to the "era of globalization" of the past 30 years, if we do not make risk-diversified investments, we may damage our corporate value over the medium to long term.
- There are three key points we focus on in public-private cooperation. The first is the “Economic Security Management Guidelines.” It is important to view economic security not merely as a matter of regulatory compliance, but as an opportunity to make better management decisions. The second point is how to link this to corporate governance reform. Currently, preparations are under way to revise the Corporate Governance Code, and one of the items under consideration is the clarification of how to assess the appropriateness of management resource allocation. It is necessary to align the corporate governance reform initiative with mechanisms that encourage companies to direct crisis-management and growth investments toward areas such as the “17 strategic sectors” set out by the Japanese government. The third point is about a comprehensive think tank focused on economic security that the government is considering establishing. It is important for the think tank to play a central role in Japan's economic intelligence community so

that it does not end up as a mere research institute. It is also expected to serve as a foundation for building a public-private human ecosystem.

[Expectations for the Japanese Government]

- It is important for Japan to build a thriving ecosystem in the fields of AI and quantum technologies. This can be enabled through the partnership between Japan and the US, and these technologies were also identified during the visit of the US President to Japan in 2025. As a US company at the center of these two technologies, we are always willing to partner with Japanese companies. Japanese government support for these technologies should be stable and long-term.
- Japan's market is smaller than those of the United States and China, making it essential to create markets. We expect the Japanese government to build an environment in which Japanese companies can use their globally competitive technologies safely in the US and Europe. Efforts that lead to market creation include ensuring interoperability within regulatory frameworks and establishing mutual trust among governments in handling sensitive information, including intellectual property.
- The “17 strategic sectors” should be developed further. In making concrete efforts to do so, we must drill down into the question of which areas Japan needs to maintain autonomy in, whether in technologies, operations, or data, and share that understanding with our allies. Creating larger markets through such efforts will serve the economic security of Japan, the US, and Europe.
- In this uncertain geopolitical environment, future competitiveness will clearly need to rely on technology. Our country is fairly advanced in areas such as network technology, 5G, and 6G, and is also becoming increasingly relevant as a player in quantum technologies, where we continue to invest. We aim to be at the forefront of emerging fields that are important not only for creating economic value but also for security. We need partners, not only those geographically close to us, but also like-minded partners such as Japan.

15:55~

Panel 3

Critical Mineral Supply Chains



[Speakers] <From the left> Noah Barkin(Senior Advisor, Rhodium Group)=Moderator, Ichiro Takahara(Chairman & CEO, JOGMEC [Japan Organization for Metals and Energy Security]), Patricia Holmes (Chief Trade Law Officer and First Assistant Secretary, Trade Law and Economic Security Division, Department of Foreign Affairs and Trade, Australia), Frédéric Carencotte (President CEO, Carester), Sean M. Stack (Chairman, President and CEO, Proterial), Daisuke Kondo (Senior Executive Officer, Executive General Manager, Aisin-group Corporate Strategy Division, Aisin Corporation), Jeffrey Morrison (Senior Vice President, Global Chief Procurement Officer, General Motors)

[Initiatives for Diversifying Procurement of Critical Minerals]

- JOGMEC maintains national reserves to prepare for short-term supply disruptions of rare metals. Through this system, JOGMEC imports rare metals from various countries, supplying them to domestic supply chains. Furthermore, JOGMEC provides capital for upstream development, supporting projects that produce rare earths, such as those by Australia's Lynas and France's Caremag.
- It is also crucial for downstream end-users to make medium- to long-term offtake commitments, and it will be necessary as well for JOGMEC and the Japanese government to support such efforts in the future.

[Australia's Perspective as a Major Natural Resource Producer]

- JOGMEC's investment in Australia-based Lynas 15 years ago marked a significant turning point for the development of the entire critical minerals sector in the country. Since then, Lynas has grown into the world's largest producer of rare earths outside of China. Recently, Japan, Australia, and the U.S. announced their support for a large-scale gallium project. Australia is committed to meeting the demands of critical technology supply chains for gallium, a material essential for semiconductors and magnets.
- To further develop the critical minerals sector, Australia is dedicated to providing an appropriate domestic environment and sending appropriate signals. Australia recently launched the 22.7-billion-AUD-level "Made in Australia" initiative, intended to provide tax incentives and financial support. Furthermore, at the beginning of 2025, Australia announced the creation of a Critical Minerals Strategic Reserve, set to become operational by the end of 2026 with a budget allocation of 1.2 billion AUD. In November 2025, the Environmental Protection Reform Bill was also passed, aimed at realizing faster and simpler environmental approvals, as well as formulating clearer environmental standards.
- Governments play a vital role in bridging price gaps between countries serving as suppliers and enhancing diversity in providing supply. However, the industrial sector must also consider price premiums when making purchasing decisions. While Australia is committed to securing the necessary supply, this can only be achieved if it is accompanied by demand from partner countries and investments to enhance midstream processing capacity.

[France's Initiatives in Rare Earth Refining]

- I founded Carester in 2019 alongside five experts with extensive experience in rare earth refining, in an attempt to achieve two primary objectives: first, to provide refining services to mining companies—ranging from chemical processing to the separation of pure rare earths—and second, to launch our own refining business. We embarked on the recycling business in 2019 and began refining heavy rare earth elements in 2021.
- Supported by the governments of Japan and France and JOGMEC, we announced in early 2025 the construction of a new production facility. The plant has a projected capacity of 600 tons of dysprosium and terbium oxides, representing 15% of global demand. Its initial production is slated for 2027.

[How Downstream Companies Perceive Disruptions in the Rare Earth Market]

- We are a manufacturer of rare earth magnets. Over the years, we have developed our technologies

in-house, currently holding more than 900 patents. As part of our efforts to make our operations thoroughly efficient, we have made significant investments. In Japan where we serve global markets as well as investments. In China, where we engage in a magnetic materials business tailored to our customers operating in the Chinese market. We have adopted a “local-for-local” strategy to help our customers diversify their supply chains and minimize risks. Furthermore, we have developed magnets that contain no heavy rare earth elements. They are applicable to a wide range of automotive motors—including those for brakes and steering, though excluding traction motors until 2026—and have already entered mass-production for shipment.

- While working on internal initiatives for monitoring inventory levels and searching for alternative components, we are acutely aware that communication between upstream and downstream companies, as well as with governments, is important.
- Before the pandemic, automotive supply chains were relatively stable and predictable. However, the supply-demand shocks triggered by COVID-19 transformed them into something entirely different. A close look at the supply chains has revealed many issues arising at deeper levels (Tier-N). To cope with this, we have worked over the past five years to thoroughly visualize and understand the supply chains. This has led us to recognize that the supply chains are long and complex, with dependency risks existing throughout the entire supply network. To counter such risks, we have explored ways to simplify and shorten the supply chains while building resilience, and the key is strategic partnership. We have engaged directly with Tier-N suppliers as partners, just as we do at the Tier-1 level, to understand the business structure of each company. Based on this, we are examining necessary support measures on a multifaceted basis, seeking to build long-term relationships with them.

[Public-Private Partnership and International Cooperation in Critical Mineral Supply Chains]

- Public-private partnerships require an approach covering the entire supply chain. However, from the perspective of individual companies, information regarding technologies, business partners and pricing is regarded as trade secrets, making it difficult in some cases to be fully transparent. Furthermore, the role of governments in such public-private partnerships is also vital. We intend to maintain communication with various governments to increase the number of successful models.
- Having traditionally advocated for a free-market economy, the Australian government has so far not proactively engaged in large-scale industrial intervention. That is why the government is currently considering such measures carefully within its internal deliberations. International cooperation is indispensable for addressing issues regarding critical minerals. The Australian government is advancing deep-level cooperation with the Japanese government and industry, while also building similar collaborative relationships with many other partner countries. Furthermore, cooperation on critical minerals is progressing through various frameworks such as the G7 and the QUAD. It is essential for each country to leverage its respective strengths for cooperation.

[Key Factors for Business Success]

- What is crucial in the mining sector is to find partners who trust the strategy and provide long-term support. For small and medium-sized enterprises (SMEs) in particular, having governments or government-affiliated institutions serve as investors is effective in ensuring credibility. It is also

important for offtake agreements to be long-term, spanning around ten years. Since the supply of raw materials is vital, building relationships with mining companies through each company's own government is also useful.

[Requests from Downstream Companies and the Future Vision]

- It is highly challenging for a company to strike a balance between competitiveness and a stable supply. In one respect, when investments are required for economic security purposes, it would be beneficial to have support systems that prevent the entire investment burden from being reflected in product prices. In another respect, while diversifying procurement sources increases costs and subsequently impacts pricing, it is necessary to encourage not only manufacturers but also end-users to recognize the value of the diversification through multilateral efforts.

17:15~

Panel 4

The Nexus of National Security and the Economy



[Speakers] <From the left> Kyoji Fukao (Chairman, Research Institute of Economy, Trade and Industry [RIETI] University Professor, Institute of Economic Research, Hitotsubashi University)=Moderator, Justin Bassi (Executive Director, Australian Strategic Policy Institute), Navin Girishankar(President, Economic Security and Technology Department, Center for Strategic and International Studies [CSIS]), Bronwen Maddox (Director and Chief Executive, Chatham House)=speaking online, Naoko Munakata (Professor, Graduate School of Public Policy, The University of Tokyo), Kazuto Suzuki(Professor, Graduate School of Public Policy, The University of Tokyo| Director & Group Head of Economic Security, Institute of Geoeconomics, International House of Japan)

[Reasons for the Growing Importance of the Economic and Industrial Base in National Security]

- National security and the economy are indivisibly linked, as a lack of security in both economic and technological domains leads not only to instability but to the undermining of sovereignty. This is precisely the situation we find ourselves in today. Unlike the Cold War era, when Western nations did not depend on the Soviet Union's economy or technology, many countries now rely on China for both. This is an unprecedented situation. Research by the Australian Strategic Policy Institute (ASPI) reveals that China ranks first globally in 66 out of 74 critical technologies essential to society.
- Currently, we face four "shocks." The first is the "Import Shock," where overcapacity and mercantilism have caused Western industries to hollow out to some degree. The second is the "Dual-use Shock," in which national security is threatened by a wide range of critical technologies. The third is the "Bad Actor's Shock," characterized by not only the theft of

intellectual property but also cyberattacks in the U.S. that increased by 85% during a government shutdown. The fourth is the “Innovation Shock,” which has belatedly spread the recognition that the global center of innovation is shifting.

- Economic security was integrated into the U.S. National Security Strategy released in December 2025. Similarly, Japan’s 2022 National Security Strategy includes a chapter dedicated to economic security. Defining economic security as an integral part of national security has become a global trend. The keys to this approach lie in two keywords: indispensability and autonomy. Economic issues will increasingly shape international relations, which will serve as a cornerstone of national security.

[The Future of the International Economic Order]

- Efforts should continue to be made to realize free trade, even on a scale less extensive than in the past. It is essential to protect free trade as much as possible and strive to rescue the functions of the World Trade Organization (WTO) that remain intact. Even if far from perfect, the WTO remains an effective instrument for raising and resolving disputes. Regarding decoupling, nations must now be more cautious than ever about economic security, making it necessary to enhance trust in supply chains, including those for critical minerals. In this respect, international cooperation is truly effective. We must consider the implications if critical technologies were to be excluded from society. From this perspective, it is preferable for the world not to be completely fragmented. Even if the United States and China settle into parallel zones, maintaining a degree of permeability between them remains desirable.
- It is crucial to redesign the quality of interdependence rather than being focused on the dichotomy of “interdependence versus decoupling.” This approach requires resistance to the abandonment of the rule-based trading system, in favor of effective measures to supplement areas where current rules fail to function. In areas like critical minerals and semiconductors—where supply disruptions directly impact national security and industrial foundations—we must pursue selective de-risking and build new, alternative supply chains among allies and like-minded partners to reorganize a picture of interdependence. Specific measures include joint investment in supply chains, the collective creation of markets that properly assess non-price factors such as supply resilience and cybersecurity, and the alignment of trade remedies and investment screening, as well as concerted actions against economic coercion. These efforts must be made by countries and economies committed to rule compliance and mutual assistance. The ultimate goal should not be fragmentation, but rather strategically managed interdependence.

[Roles of Think Tanks for Comprehensive Analysis of Japan’s Economic Security]

- There are four key points: 1) engaging the private sector to share visions, strategies and information; 2) developing intelligence through fact-based analysis, such as identifying choke points in semiconductor supply chains; 3) analyzing overseas trends and policy-making processes, while seeking close cooperation with international think tanks; and 4) promoting information dissemination and public awareness through various channels. These actions must steadily be implemented.
- It is important to recognize that we're in the midst of an “economic Cold War” that requires a fundamental change in modern economic policy and strategy. There are four key implications: 1) Supply chain resilience is an overarching priorities that requires an analysis not only of trade

flows but also investment flows; 2) Given the wide range of potential outcomes, government and business will need to conduct more systematic scenario analysis and wargaming – both of which would benefit from AI tools; 3) Economic security policies need to be subject to more systematic impact evaluation to understand ‘what works’; and 4) Support for research institutions, including think tanks and universities, form an essential mechanism for building the talent pipeline for the next generation of economic security experts and “economic warriors.”

- Regarding “contestability” toward the government, even think tanks established by the government must conduct analysis and judgment independently, while the government is required to provide funds from long-term perspectives. Furthermore, collaboration with other think tanks and partnerships with the industry are indispensable.
- While governments are bound by various restrictions, think tanks can explore alternatives without being subject to political pressure. Furthermore, think tanks can bridge the gap between the industry and the government. One of the most important roles they can play is to bring together the private sector and the government to seek alternative solutions.



For more information, please visit our website.



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