

Supply Chain resilience in Japan's G7 Presidency

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G7 Hiroshima Summit

G7 Leaders' Statement on Economic Resilience and Economic Security

Building resilient supply chains

“The COVID-19 pandemic and Russia’s war of aggression against Ukraine has laid bare vulnerabilities in supply chains in countries around the world. Supply chain disruptions have had devastating impact for developing, emerging, and advanced economies alike. We recognize that **transparency, diversification, security, sustainability, and trustworthiness and reliability** are essential principles on which to build and strengthen resilient supply-chain networks among trusted partner countries both within and outside the G7. We encourage all nations to support **these principles on resilient and reliable supply chains**. We reaffirm our strong will to support the wider international community, particularly developing countries, in building their resilience, including through implementing the Partnership for Global Infrastructure and Investment. Our partnerships honor international law, are free and fair, and foster mutually beneficial economic and trade relationships.

Drawing lessons from recent incidents of weaponizing energy and other economic dependencies, we stand firmly against such behavior. We will enhance resilient supply chains through partnerships around the world, especially for critical goods such as critical minerals, semiconductors and batteries. We will step up our efforts to strengthen channels of communication to address supply disruptions and share insights and best practices, including from respective scenario-based stress testing.”



The “principles on resilient and reliable supply chains”

- Supply chain disruptions due to the global pandemic, etc.
 - No country can realize supply chain resilience by itself.
 - Addressing weaponization of economic interdependency, while avoiding deterioration of free trade & investment among like-minded countries.
- ⇒ interconnection between like-minded countries based on “trustworthiness” is necessary.

G7 Trade Ministers’ Meeting (on-line)

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(G7 Trade Ministers’ Statement, April 4th 2023)



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The “principles on resilient and reliable supply chains” and their applications

■ Resiliency and Efficiency

- Risks in excessively depending on a single source
- Promote awareness of the importance of supply chain diversification

■ Productivity

- Transparent, predictable and market-based business environment is key to private businesses’ participation

■ Sustainability

- Promote awareness of the international standards
- Economic efficiency through non-compliance with the international standards
- Compliance with the international standards leads to leveling the playing field

Finally...

“Fostering mutually beneficial partnerships and supporting resilient and sustainable value chains remains our priority to reduce risk both for our economies, as well as globally, and ensure sustainable development for all.”

(G7 Leaders' Statement on Economic Resilience and Economic Security)