G7 Leaders' Statement on
Economic Resilience and Economic Security

May 20, 2023

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. Recent events have highlighted vulnerabilities in economies around the world to natural disasters, pandemics, geopolitical tensions and coercion. Recalling our commitment from the 2022 G7 Elmau Summit, we are taking additional steps today to enhance our ongoing strategic coordination on economic resilience and economic security by reducing vulnerabilities and countering malign practices that exploit and reinforce them. This complements the corresponding steps we are taking to enhance supply chain resilience as laid out in the G7 Clean Energy Economy Action Plan. We underline the importance of cooperating both within the G7 as well as with all our partners to enhance global economic resilience, including by supporting a more significant role for low and middle-income countries in supply chains in a way that also promotes their diversification and local value creation and benefits local workers and communities everywhere. We will address non-market policies and practices designed to reinforce dependencies, and will counter economic coercion. We will continue to ensure that the clearly defined, narrow set of sensitive technologies that are crucial for national security or could threaten international peace and security are appropriately controlled, without unduly impacting broader trade in technology. We affirm that our cooperation to strengthen economic resilience and economic security will be rooted in maintaining and improving a well-functioning international rules-based system, in particular the multilateral trading system with the WTO at its core. To these ends, we will work and coordinate through the G7 framework to make year-on-year progress in a holistic manner.

Enhancing global economic resilience

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.

Building resilient critical infrastructure

We emphasize the importance of cooperating on enhancing security and resiliency in critical infrastructure particularly in the digital domain. We welcome projects that strengthen the resilience of the ICT ecosystem including mobile, satellite and core networks, submarine cables, components and cloud infrastructure. We support an innovative and competitive digital ecosystem of trustworthy vendors, welcome supplier diversification efforts, and continue to discuss market trends towards open, interoperable approaches, alongside secure, resilient and established architectures in a technology neutral way. Under the Japanese G7 Presidency and against the background of early deployments of Open RAN, we will continue to exchange views on open architectures and security-related aspects and opportunities. We support open, global, market-driven, and inclusive multi-stakeholder approaches for the development of technical standards for telecommunications equipment and services to enable openness and interoperability in a technology neutral way. We discussed that such infrastructure requires a rigorous evaluation of equipment, consistent with existing measures such as those outlined in the Prague Proposals, and the EU's 5G toolbox. We reaffirm the need to assess political, economic, and other risks of a non-technical nature posed by vendors and suppliers. We will continue our work to build resilient critical infrastructure by sharing information and best practices gained through our respective efforts.

Responding to harmful practices that undermine international rules and norms

Responding to non-market policies and practices to secure global economic resilience

We express renewed concerns about comprehensive strategies to use a range of non-market policies and practices such as pervasive, opaque, and harmful industrial subsidies, market distortive practices of state owned enterprises, and all forms of forced technology transfers, as well as other practices to create strategic dependencies and systemic vulnerabilities. Addressing non-market policies and practices can therefore be an integral aspect in enhancing economic resilience and thereby economic security. In light of increased use of non-market policies and practices to reinforce vulnerabilities, we reaffirm the need to make effective use of existing means while developing new

tools as appropriate. We will continue to actively develop stronger international rules and norms to tackle non-market policies and practices that distort the level playing field, and strengthen efforts at the WTO to better address these issues.

Addressing economic coercion

The world has encountered a disturbing rise in incidents of economic coercion that seek to exploit economic vulnerabilities and dependencies and undermine the foreign and domestic policies and positions of G7 members as well as partners around the world. We will work together to ensure that attempts to weaponize economic dependencies by forcing G7 members and our partners including small economies to comply and conform will fail and face consequences. We express serious concern over economic coercion and call on all countries to refrain from its use, which not only undermines the functioning of and trust in the multilateral trading system, but also infringes upon the international order centered on respect for sovereignty and the rule of law, and ultimately undermines global security and stability. At our respective domestic levels, we will use our existing tools, review their effectiveness and develop new ones as needed to deter and counter the use of coercive economic measures. Recognizing the importance of existing joint efforts including at the WTO, we will enhance collaboration by launching the Coordination Platform on Economic Coercion to increase our collective assessment, preparedness, deterrence and response to economic coercion, and further promote cooperation with partners beyond the G7. Within this Coordination Platform, we will use early warning and rapid information sharing, regularly consult each other, collaboratively assess situations, explore coordinated responses, deter and, where appropriate, counter economic coercion, in accordance with our respective legal systems. We will also coordinate, as appropriate, to support targeted states, economies and entities as a demonstration of solidarity and resolve to uphold the rule of law.

Countering harmful practices in the digital sphere

We express concern about regulations that unjustifiably require companies to localize data or those that allow governments to access data without appropriate safeguards and protections. As a result of geopolitical and geo-economic upheavals, global business value and supply chains, especially those of our critical infrastructure, are exposed to risks. We will therefore deepen our strategic dialogue to seek to counter malicious practices in the digital sphere to protect global value and supply chains from illegitimate influence, espionage, illicit knowledge leakage, and sabotage.

Cooperating on international standards setting

We recognize the importance of technical standards in the global economy and reaffirm our commitment to collectively support the development of open, voluntary and consensus-based standards that will shape the next generation of technology. These should be based on inclusive multi-stakeholder approaches in line with our common democratic values and principles. Reflecting on shared values and principles, we will identify and address issues related to international standards setting, where they arise, through information sharing and engagement in the established standards setting processes. We will deepen our cooperation through information sharing including with wider public and private stakeholders in international standards setting activities, and support effective standards setting. To this end, we reaffirm our continued collaboration including through the Framework for G7 Collaboration on Digital Technical Standards.

Addressing shared concerns regarding threats to international peace and security

Protecting international peace and security by preventing leakage of critical and emerging technologies

As we deepen research and development among G7 partners on critical and emerging technologies, we affirm our shared responsibility and determination to coordinate on preventing the cutting-edge technologies we develop from being used to further military capabilities that threaten international peace and security. To that end, we will share, as appropriate, information and experiences to further develop common understanding of such risks and the policy tools needed to address them, and take further actions where necessary, including those related to export and investment, corresponding to the circumstances of each country. We will further strengthen multilateral efforts to cooperate in the field of export controls to ensure gaps in our dual use technology protection ecosystem cannot be exploited. We have a common interest in preventing the narrow set of technological advances that are assessed to be core to enhancing the military and intelligence capabilities of actors who may use these capabilities to undermine international peace and security, from being fueled by our companies' capital, expertise, and knowledge. We recognize that appropriate measures designed to address risks from outbound investment could be important to complement existing tools of targeted controls on exports and inbound investments, which work together to protect our sensitive technologies from being used in ways that threaten international peace and security. As we continue to work to make our economic security toolkits fit for today's challenges, we will provide clarity to the private sector regarding these common goals. We will also continue to coordinate, share lessons, and seek to align our approaches where feasible to maximize the effectiveness of our efforts.