

**The German-Japanese Forum 2023**

Your Excellencies Chancellor Scholz and Prime Minister Kishida,

We are pleased to inform you that the German-Japanese Forum held its 31st joint meeting on November 16 and 17, 2023. It was the first in-person meeting in Berlin since the onset of the Covid-19 pandemic. Through three sessions and a subsequent public panel discussion newly introduced upon this opportunity, members from Germany and Japan from diverse professional backgrounds engaged in frank and constructive exchanges. We are deeply grateful to the German and Japanese governments for their continuous generous support to the Forum, and to the German Bundestag for their important cooperation in providing the venue.

The outline and main outcomes of our discussions, and our recommendations to the German and Japanese governments are presented in the following paragraphs.

The joint meeting had set three sessions as its agenda: (1) Current political and economic situation in Germany and Japan, and their responses as democratic countries to structural changes in the economy and society (triggered by climate change, declining birthrate and aging population, immigration, etc.); (2) Foreign policy and Germany-Japan cooperation in the face of changes in the international order such as the new East/West divide and the rise of the “Global South”; and (3) Direction of Japan-Germany cooperation in economic security.

First of all, we would like to point out two opinions repeatedly voiced by members on both sides throughout the two-day meeting. The opinions (1) welcomed the fact that **German-Japanese exchanges in various fields by the government, business, and academia are becoming more active and reaching an unprecedented level**; and (2) emphasized that **Japan and Germany, which have democratic values in common, can easily share a long durée vision in tackling various economic and social issues and can build a wide-ranging cooperative relationship into the future.**

To summarize the discussions in more detail, in the first session on "Current Political and Economic Situation in Germany and Japan: Democracy's Capacity to Act on Issues Such as Climate Change, Immigration, Demographic Challenges, Defense Spending," the members shared a basic

understanding that both Japan and Germany confronted with numerous problems such as the unstable international order, a declining population, a falling birthrate, and an ageing population, should "upgrade" our democracies to maximize national interests while suppressing populism. "Upgrading" democracies means (1) **encouraging the active political participation of young people** to enhance coordination of interests between generations, and (2) **being open to diverse ideas while respecting minority opinions** for vigorous discussions and rational solutions. To this end, **increasing opportunities for discussion at the community level** can be a trigger for upgrading. In addition, both from the point of view of political participation of young people and exchange between Japan and Germany, it was suggested that Germany include Japan among the countries covered by the International Parliamentary Scholarship Scheme (IPS), which allows foreign young people to gain experience working in the German Bundestag and parliamentary offices.

Among the individual issues, immigration problem was given a particular focus. In Germany, the accelerating influx of immigrants has led to frequent social conflicts, and response to illegal immigration has not been sufficient to keep up. And these situations are a major factor in the growth of right-wing populist forces. To remedy this situation, several members pointed out that **an approach to enhance the value of "staying in the home country" by supporting the development of migrant outflow countries through increased ODA and private investment, could be effective in reducing the inflow of migrants to Germany** and that **such an approach would also strengthen relations with the countries of the Global South.**

On the other hand, in Japan, there is growing interest in accepting foreigners, and some argue that this should be one important means of maintaining the vitality of the Japanese economy and society. However, in the process of receiving large numbers of foreigners, various social issues such as living conditions will arise, and the experience of Germany as an "advanced immigration country," can be a model reference for dealing with these challenges in Japan. For example, Germany has struggled to get immigrants to learn German, but remains persistent in promoting its language education as an 'up-front cost' to curb future population decline. **Japan should actively gather information about Germany's challenges and policy efforts in the area of immigration and learn from their knowledge in its policy formulation.**

In the second session on "Foreign Policy: War in Ukraine, The New East-West Divide, and The Global South," against the backdrop of continued Russian aggression in Ukraine and Chinese authoritarianism threatening the free and open international order, discussions were based on a common understanding that we must not allow aggressors who use violence to benefit from it, and that Japan and Germany, as trading nations, must continue to contribute to stabilizing the international order. **A number of voices welcomed the current situation in which Japan-Germany exchanges have become more active, especially on security issues, and bilateral relations are deepening, through the holding of the first-ever Germany-Japan intergovernmental consultations (in March 2023), the regularization of "Germany-Japan 2+2 talks", and the conduct of joint exercises between the German military and the Japanese Self-Defense Forces,** and so on.

Germany and Japan should continue to deepen their cooperation and confront together attempts to change the status quo by force. It is also important that both countries build partnerships with the Global South countries by persistently communicating the significance of democracy and free trade. Specifically we would like to make the following recommendations: (1) **continue mutual exchanges between defense officials** that will also strengthen deterrence; (2) **expand bilateral cooperation to other technological fields such as cybersecurity;** and (3) work together to support the growth of developing countries through **cooperating on ODA to third countries.** In addition, we believe that Germany and Japan should seek the cooperation of their neighboring countries such as France and South Korea, which share the principles of free trade, respect for human rights, and compliance with international rules, in bringing the Global South countries into the network of democracy.

In the third session on "German-Japanese Economic Security Strategy - Towards Concrete Bilateral Cooperation Reflecting Japanese-German Intergovernmental Consultations Results" and the subsequent public panel discussion on "Shaping Economic Security Together," we raised the issue of economic security, which was also the main topic of the German-Japanese intergovernmental consultations in March 2023.

The variety and complexity of risks that companies face in their business activities have increased in recent years and it has become impossible for any company to manage and control all risks on its own for various reasons including cost. To strengthen economic security, it is important that company and company, company and government, or government and government share risk information and work together to take countermeasures based on strong, trusting relationships. **It is only natural that**

**Japan and Germany, which have in common of both being manufacturing nations and heavily dependent on imported resources, have begun to explore areas where they can cooperate on economic security.**

During this discussion, the following points emerged from the members and received broad consensus: (1) As the transition to electric vehicles progresses in the automotive industry, which is the most important industry in both countries, the risks to economic security increase (due to the increased use of scarce resources and semiconductors); (2) Aggressively implementing green energy is not only a way of responding to climate change, but also of reducing economic security risks; and (3) Looking at economic security more broadly, the decline in the working-age population is also seen as a risk factor for both Japan and Germany, and active labour-saving investment and the development of highly productive human resources are important.

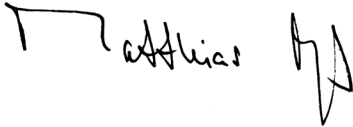
At the same time, **the discussion also highlighted the gap that exists between the current state of risk management for economic security in Japan and Germany.** In Japan, China's economic intimidation since the 2010s (e.g., the embargo on rare earths) has made companies and the government more aware of risk management. This has led to a degree of prudence in business strategy and industrial policy, as well as opportunities for public-private information exchanging. Meanwhile, in Germany, awareness of economic security issues has risen rapidly in recent years following the Covid-19 pandemic and the Russian gas supply disruptions, but real action is generally just beginning in earnest.

**Therefore, an important step for bilateral cooperation on economic security would first be to position the Japanese experience accumulated since the 2010s as a leading case and to promote information sharing at all levels of business and government.**

We sincerely hope that the outcome of our discussion will provide useful clues for further strengthening the German-Japanese relationship, and contribute to the prosperity of the generations to follow.

Kindly allow us to once again express our heart-felt gratitude for the continuous support that you, Chancellor Scholz and Prime Minister Kishida, have given the German-Japanese Forum. We sincerely appreciate your strong interest in our activities.

Respectfully yours,



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