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The German-Japanese "Premium" Partnership

From Strategic Alignment to Practical Cooperation

Alexandra Sakaki

Chancellor Friedrich Merz's first visit to Japan, which took place on 28–29 October 2026, underscored the growing strategic importance of relations between Germany and Japan. The two countries regard each other as reliable partners with shared interests and values. The summit meeting with Prime Minister Takaichi Sanae focused on the two key challenges facing both Berlin and Tokyo: economic security and security and defence cooperation. The aim is to step up their collaboration not only in these areas but also on critical and emerging technologies. Both sides stand to benefit: by pooling their complementary economic, technological and industrial strengths, they can enhance their resilience, reduce dependencies and boost their defence capabilities. To date, much of that potential has remained untapped. In light of the increasing geopolitical and geo-economic upheavals, it is essential that the German-Japanese declarations of intent now be translated into concrete projects that reflect the partnership's growing strategic importance.

Chancellor Merz visited Japan as part of a five-day trip to Asia, which also took him to Singapore and South Korea. In a keynote speech in Singapore, he called for closer cooperation with Asian middle powers so that one-sided dependencies can be reduced and competitiveness strengthened. In the face of growing global trade restrictions, he spoke out in favour of open markets and sound international rules. More specifically, he proposed that the EU should reach an agreement with the Trans-Pacific Partnership (full name: the Comprehensive and Progressive Agreement for Trans-Pacific Partnership or CPTPP), in which Japan plays a leading role as one of the twelve members. In Tokyo, Merz also called for a global alliance of like-minded states to defend free global trade and support the World Trade Organization (WTO). The last stop on his trip was Seoul, where he attended the 19th Asia-Pacific Conference of German Business. He was accompanied by a thirty-member business delegation.

Germany and Japan adopted three substantial declarations covering strategic cooperation, economic security and high-tech cooperation. Alongside the political talks, Merz attended the German-Japanese Business Summit and visited the start-up

Stiftung Wissenschaft und Politik
German Institute for International and Security Affairs

company Kyoto Fusioneering, which works with Siemens Energy and other German companies. He thereby signalled that Germany recognises the considerable potential for bilateral cooperation on fusion energy as a critical technology. During his visit to Japan, a total of thirty cooperation agreements were signed between public- and private-sector stakeholders.

Strengthening bilateral relations

The visit is to be seen in the context of a partnership that has grown considerably closer over the last five years, as is reflected both in the stepped-up contacts between the two governments and in more frequent exchanges between ministries, parliaments and armed forces. At the same time, German-Japanese relations have become more firmly institutionalised. At Japan's suggestion, the foreign and defence ministers of the two countries met in 2021 and 2022 in the so-called 2+2 format to discuss geopolitical developments and security challenges. At Germany's initiative, the first German-Japanese intergovernmental consultations were held in March 2023, when then Chancellor Olaf Scholz travelled to Tokyo with six of his ministers. In 2025, the exchange between the foreign ministers was upgraded to a strategic dialogue. And at their meeting in late October 2026, Merz and Takaichi agreed to hold a further round of intergovernmental consultations next year and convene another 2+2 meeting as soon as possible. Both sides underscored the importance they attach to their relationship by describing each other as 'premium partners'.

At the same time, the scope of cooperation has broadened. Whereas, in the past, relations centred on trade, science, culture and coordination in multilateral forums, the additional priorities of economic security and security and defence cooperation have emerged over the last five years. This has given the partnership a strategic dimension, with greater emphasis on national security and resilience.

An important legal basis for closer cooperation was established with the 2021 German-Japanese Agreement on the Security of Information, which governs the exchange and protection of classified information, including situation reports, threat assessments and sensitive information on supply chains, advanced technologies and defence projects. Without this legal framework for sharing security-related information, close cooperation on economic security or defence would be difficult to achieve.

A key driver of the closer bilateral relationship is the profound transformation of the international environment. European security is becoming increasingly intertwined with that of the Indo-Pacific, as demonstrated by Russia's war against Ukraine and Moscow's deepening cooperation with Beijing and Pyongyang. At the same time, doubts are mounting about the reliability of the US as the most important guarantor of security in Europe and Asia. The situation is compounded by geo-economic tensions. China is deliberately exploiting dependencies on raw materials and technologies to exert political pressure, while US tariffs are weighing on global trade. Meanwhile, recurrent crises in the Middle East highlight the vulnerability of energy supplies and maritime trade routes. All these developments heighten the risks for the export-oriented economies of Germany and Japan and thus increase the incentive to deepen bilateral cooperation in order to strengthen resilience, pursue shared interests more effectively and help preserve the rules-based international order.

The closer partnership has already proved its worth in recent years through acts of mutual solidarity. Since Russia invaded Ukraine, Japan has condemned Moscow's violation of international law, sided with its European partners and supported the G7 sanctions against Russia. Having committed more than €14 billion euros in bilateral aid to Ukraine as of the end of August 2026, Japan is the largest non-NATO supporter of Kyiv and is thus making a significant contribution to

European security. Germany, for its part, has voiced opposition to unilateral attempts to change the status quo in Asia by force and has expressed concern over China's expansionist actions in the East China Sea, the South China Sea and the Taiwan Strait. Repeated deployments of Bundeswehr units since 2021, alongside participation in bilateral and multilateral exercises with partners such as Japan, have demonstrated Germany's willingness to use its own resources to reinforce its political commitment to stability and security in the Indo-Pacific. In Japan, these signals have fostered trust and helped intensify exchanges between diplomats and security policymakers.

Economic security moves up the bilateral agenda

Economic security policy is aimed at strengthening a country's economic resilience and competitiveness, reducing unilateral dependencies and safeguarding its ability to act in the face of external risks. Its priorities include protecting critical supply chains, infrastructure and technologies and promoting strategically important future-oriented industries.

In recent years, both Germany and Japan have established economic security as a distinct policy area. Japan was among the first countries to do so. After China had restricted its exports of rare earths to Japan in 2010, Tokyo systematically strengthened the country's economic resilience. Since then, economic security has consistently been the focus of cross-party political attention and is now firmly embedded in Japan's national security agenda. In 2022, for example, Japan passed a comprehensive Economic Security Promotion Act, which was amended in June 2026. Germany is pursuing similar objectives at both the European level — notably through the 2023 EU Strategy on Economic Security — and the national level. Among other measures, it has established the Raw Materials Fund (2024) and adopted the KRITIS Umbrella Act (January 2026), which provides for the protection of critical infrastructure.

However, economic security cannot be guaranteed either by national measures in Japan and Germany or by European initiatives alone. International cooperation with reliable partners is essential, too. Both countries maintain close partnerships with, for example, Australia and Canada, which are key suppliers of critical raw materials. Closer German-Japanese cooperation could help make better use of such networks, pool resources and leverage complementary strengths.

The initial political and institutional foundations for such cooperation are already in place. Economic security featured prominently on the agenda of the German—Japanese intergovernmental consultations in 2023. During then Japanese Prime Minister Fumio Kishida's visit to Germany in July 2024, the two sides agreed to establish a dedicated dialogue on economic security, which, to date, has taken place during two rounds of talks, in November 2024 and October 2025. Representatives from various ministries, as well as from the Federal Chancellery and the Japanese National Security Secretariat, participated in discussions on topics such as resilient supply chains, critical raw materials and the protection of high-tech industries.

Practical cooperation aimed at greater economic resilience

So far, however, the political dialogue has translated into only a limited number of concrete bilateral projects. Opportunities for deeper research-and-development cooperation on strategically important technologies are already available. Existing joint projects cover areas such as quantum technology, fusion energy, hydrogen, AI-based robotics, semiconductors and next-generation telecommunications. The AI dialogue, which was agreed at the October 2026 summit and is to be held at the level of state secretary and deputy minister, offers the possibility to broaden cooperation

across the entire field — from joint research and secure, resilient supply chains to AI safety. Furthermore, the adopted declaration on advanced technology cooperation explicitly identifies such cooperation as part of economic security and recognises excessive dependencies on specific technological infrastructures as a structural vulnerability. Joint research and industrial cooperation are therefore intended not only to foster innovation but also to strengthen economic resilience.

Beyond technological cooperation, further concrete initiatives are needed to reduce economic vulnerabilities and secure supplies of strategically important goods, such as rare earths. The summit laid the groundwork for such efforts through the declaration on economic security and a declaration of intent between the two countries' economy ministries on cooperation in critical minerals. Berlin and Tokyo intend to expand the extraction, smelting, refining and processing of these raw materials and, by pooling their efforts in such contexts as the G7, promote recycling and strategic stockpiling. Germany and Japan could, for example, jointly finance mining projects in third countries or support them through offtake agreements. Another potential area for cooperation is the recycling of electronic waste to recover rare earths, as both countries possess the relevant expertise. Japan has already launched a project with France to recover heavy rare earths, whose supply chains are largely dominated by China. Further opportunities for cooperation are to be found in the production of semiconductors and batteries for electric mobility, for example. The third round of the German-Japanese dialogue on economic security, which is planned to take place before the end of this year, should be used to identify prospective joint projects and provide political backing for their implementation.

Cooperation between the EU and Japan provides another important framework for deepening collaboration on economic security. In 2023, the European Commission and the Japanese Organization for Metals and Energy Security (JOGMEC) agreed to step up the exchange of information and expertise across the entire value chain of critical raw materials, including potential mining, processing and recycling projects as well as their financing. With the EU-Japan Competitiveness Alliance, concluded in 2025, both sides reaffirmed their commitment to reducing strategic dependencies, making supply chains more resilient and responding jointly to economic coercion and competition-distorting practices. The EU, for its part, had already stipulated in its 2024 Critical Raw Materials Act that by 2030, no more than 65 per cent of the EU's annual consumption of any strategic raw material should come from a single third country. In order to expedite progress towards reaching this diversification target, Germany should make greater use of existing cooperation frameworks. Through these frameworks, Japan could become a strategic partner in building resilient supply chains and joint projects with other European partners could be given a boost. At the same time, Germany should work at the EU level to intensify cooperation with Japan in other areas of economic security, including countering economic coercion and safeguarding sensitive technologies.

In protecting European industry against Chinese overcapacity and subsidies, the EU must ensure that its measures do not inadvertently disadvantage strategic partners such as Japan. During the chancellor's recent visit, concerns about the potential disadvantages for Japanese companies were raised on several occasions, particularly in connection with the planned Industrial Accelerator Act. The local-content requirements of that act risk putting Japanese companies at a disadvantage. Germany should therefore work with like-minded EU Member States to ensure that Japan is recognised as a trusted partner in the drafting of the legislation and that, as far as possible, Japanese products and intermediate inputs are put on an equal footing with those from the EU when compliance with European requirements is assessed. This would help protect European interests without

undermining supply-chain diversification through the imposition of new trade barriers on strategic partners.

Growing impetus in security and defence cooperation

Against the backdrop of an international security environment that has deteriorated since 2022, Germany and Japan have been fundamentally reassessing their security stances since 2022. Germany has not only approved a €100 billion special fund for the Bundeswehr but is also significantly increasing its regular defence budget. Japan, meanwhile, has increased its defence spending by more than 70 per cent since 2022 to around 9 trillion yen (approximately €51 billion). In Japan, there is broad political and societal consensus that security policy reforms are necessary, although some difference of opinion exists about financing and the specific design of those reforms. Both countries are adapting their armed forces to meet changing requirements, drawing lessons from modern warfare and developing capabilities for new operational domains such as space. At the same time, they recognise that credible deterrence requires a defence industry capable of rapidly scaling up production in the event of a crisis. Similarly, the protection of the information and cyber domains is gaining in significance. Both countries find themselves increasingly exposed to hybrid influence operations, which range from foreign information manipulation to cyberattacks on government institutions and critical infrastructure.

The fact that German and Japan are pursuing similar security policy reforms is another reason for the shared interest in closer bilateral cooperation in this area. Alongside their security policy dialogue, the two are expanding bilateral military cooperation through joint exercises that involve all branches of the armed forces and thus strengthen interoperability. The scale of this cooperation was evident during the chancellor's visit: the German Air Force took part in a ten-day bilateral exercise on the southwestern Japanese island of Okinawa, the purpose of which was to practise evacuating wounded personnel. Germany deployed an A400M transport aircraft and around 100 military personnel for the exercise. Such exercises are facilitated by the 2024 Acquisition and Cross-Servicing Agreement (ACSA), which regulates the reciprocal provision of supplies such as fuel and spare parts.

New opportunities for defence industry projects

Cooperation in the defence industry is, however, still in its infancy, despite the potential benefits being significant. Joint development and procurement projects would enable Germany and Japan to share investment costs, pool industrial and technological expertise and achieve economies of scale through larger production volumes. Moreover, they provide the companies involved with more predictable sales prospects and help alleviate production bottlenecks in the event of a crisis. Thus, cooperation could contribute to a more closely integrated defence industrial ecosystem capable of underpinning deterrence in both Europe and the Indo-Pacific.

There are historical reasons why this potential has remained largely untapped. Since 1945, the security policies of both countries have been shaped by a culture of anti-militarism, particularly in Japan, where the arms export policy amounted, in effect, to an export ban. During this period, Japan's defence industry produced almost exclusively for the domestic market and engaged in international cooperation only with its ally the United States. Having gradually loosened its export rules in recent years, Tokyo overhauled them fundamentally in April 2026. Since then, Japan can supply lethal weapon systems also to those countries with which it has an agreement on the transfer of defence equipment. Such an agreement has been in place with Germany since 2017, which means that new

opportunities for defence industrial cooperation are now opening up.

In their October 2026 summit declaration, the two countries reaffirmed their commitment to making the most of those opportunities. Although Germany and Japan's military requirements differ in some respects owing to the former's continental and the latter's maritime orientation, they share capability needs in many areas. Furthermore, they have complementary technological strengths. Of particular interest to Germany are Japan's capabilities in areas such as hypersonic technology, space, air defence, sensor technology and standoff weapons. Since defence production in both Germany and Japan is nearly at full capacity, joint development projects are of particular interest as they can serve, among other things, to broaden the defence industrial base. Alongside bilateral initiatives, Germany should explore opportunities at the EU level — for example, under the EU-Japan Security and Defence Partnership — to integrate Japan more closely into European defence industrial programmes and funding initiatives. It should also seek to strengthen defence industry cooperation with Japan within the NATO framework and promote the development and adoption of shared standards.

The summit declaration identified uncrewed systems as a specific area for bilateral defence industrial cooperation. Both countries are already investing heavily in this field; and the first industrial projects under consideration demonstrate the potential of coordinated efforts. Since 2023, Japan has held observer status in the European "Eurodrone" programme, under which a large, long-range reconnaissance drone is being developed. In June 2026, Airbus and Kawasaki Heavy Industries agreed to explore the possibility of developing a Japanese variant for anti-submarine warfare. Such a drone could be used for maritime surveillance in both the Indo-Pacific and Europe and would thus have considerable export potential. Meanwhile, German start-ups are making inroads into the Japanese market. The drone manufacturer Helsing, which is cooperating with the Japanese firm Rakuten, hopes to secure a procurement contract from the Japanese Ground Self-Defence Force following the completion of field tests of its HX-2 attack drone. Closer cooperation could generate benefits at the industrial level, too. While German companies can share valuable operational insights from the war in Ukraine, Japan has key expertise in developing supply chains that bypass China.

At the summit, Merz also raised the possibility of German participation in the Global Combat Air Programme (GCAP), through which Japan, the UK and Italy are jointly developing a next-generation fighter aircraft. Following the failure of the German-French-Spanish Future Combat Air System (FCAS) fighter jet project, participation in the GCAP could offer Germany comparatively rapid access to an already advanced development programme with financially strong, strategically important partners. However, the industrial workshares within the GCAP have already been largely allocated and Japan is keen to keep to the project timetable. Therefore, assuming that the GCAP broadly meets Germany's military requirements, a pragmatic solution that takes account of the interests of all parties involved would need to be found quickly.

Further dimensions of security policy cooperation

Even if national and collective defence remains the Bundeswehr's top priority, Germany should ensure that its defence industry cooperation with Japan is complemented by joint exercises and personnel exchanges — for example, of liaison officers. To facilitate joint exercises, the two countries should begin negotiations on a reciprocal access agreement (RAA), as proposed by Defence Minister Boris Pistorius in March 2026. This would give substance to the intention, set out in the summit statement, to "further explore opportunities and frameworks to enhance and facilitate operational cooperation".

Another area that offers considerable potential for cooperation is space security, in which both Germany and Japan are making substantial investments. Bilateral space cooperation, which has so far been predominantly civilian in nature, should therefore be extended to cover security-related issues. In this case, geographical distance is more an advantage than a disadvantage. Exchanging satellite data and analytical findings could improve reconnaissance capabilities in both Europe and the Indo-Pacific. Furthermore, space monitoring itself benefits from geographical dispersion. Sensors and ground stations at multiple sites extend coverage, allow observations to be cross-checked and increase resilience against system failures. The two governments should therefore develop specific mechanisms for sharing their space capabilities and make their implementation a political priority.

The October 2026 summit declaration also envisages closer cooperation on countering foreign information manipulation and interference (FIMI). To this end, Berlin and Tokyo intend to step up exchanges of threat assessments and best practices in order to improve their ability to detect manipulation attempts and strengthen societal resilience. The two sides can draw on each other's experience and develop joint approaches to countering such threats.

Consolidating the German-Japanese partnership

Germany and Japan are becoming increasingly important strategic partners for each other. Both are seeking to strengthen their economic and defence capabilities and uphold the rules-based international order. Their complementary strengths provide a solid foundation for the joint pursuit of those goals. The two issues that took centre stage at the October 2026 summit — economic security and security and defence cooperation — are closely interlinked. Without resilient supply chains, technological innovation and robust industrial capacity, neither sustained economic competitiveness nor credible deterrence can be achieved in the long run.

But to live up to the expectations of a "premium" partnership, the two countries need to boost their efforts to translate a shared agenda into practical cooperation. The summit declarations have identified important levers for action and reaffirmed the political will to deepen cooperation, but such political declarations of intent need to be matched by concrete initiatives. Significant gaps remain, particularly in securing critical raw materials and launching joint defence industry projects.

The conditions for closer cooperation are more favourable today than they were just a few years ago. Germany has recalibrated its approach towards China in response to security and economic challenges and thereby aligned itself more closely with the Japanese perspective. Nevertheless, differences in threat perceptions and strategic priorities persist. In Berlin, China is still viewed mainly through an economic lens, whereas Tokyo sees it first and foremost as posing a direct security threat. At the same time, the two countries continue to devote attention mainly to their respective regional contexts. Germany's focus is on Europe and cooperation within the EU and NATO, Japan's on the Indo-Pacific and its alliance with the United States. However, owing to growing doubts about the reliability of the US as a partner, both governments are increasingly turning their attention to the bilateral partnership.

Against this background, it is evident that realising the potential of the German-Japanese partnership will require stronger political direction. Neither country must allow its domestic and foreign policy priorities to detract from the pursuit of closer bilateral ties. Domestic reform agendas, economic pressures and the need to address urgent foreign policy issues all make demands on government attention and resources. Berlin and Tokyo should therefore drive bilateral cooperation forward through a whole-of-government approach — one that is anchored in a shared strategic agenda. Among other things, this means addressing existing conflicts of interest — for example, when European industrial policy measures make it more difficult for Japanese companies to participate in joint initiatives. Moreover, the implementation of specific projects requires clear accountability, binding timetables, adequate resources and the dismantling of procedural obstacles.

The next two years offer an opportunity to build on the political momentum generated by the October 2026 summit and consolidate the partnership. Further high-level dialogue formats are already on the agenda, including the 2+2 talks and the intergovernmental consultations planned for 2027. The 2028 Hannover Messe, in which Japan is to play a role as partner country, will provide another opportunity to showcase the potential for economic cooperation. In the meantime, regular parliamentary exchanges can help keep political attention focused on the partnership. And, finally, bilateral cooperation should be closely coordinated at the EU and NATO level so that its impact extends beyond the German-Japanese partnership framework.

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SWP
Stiftung Wissenschaft und Politik
German Institute for International and Security Affairs

Ludwigkirchplatz 3—4
10719 Berlin
Telephone +49 30 880 07-0
Fax +49 30 880 07-100
www.swp-berlin.org
swp@swp-berlin.org

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