



Report

# EU-PACIFIC TALKS | GLOBAL RACE IN EMERGING TECHNOLOGIES: LESSONS FOR EU-PACIFIC COOPERATION

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## About EUROPEUM

EUROPEUM Institute for European Policy is a non-profit, non-partisan, and independent think-tank focusing on European integration and cohesion. EUROPEUM contributes to democracy, security, stability, freedom, and solidarity across Europe as well as to active engagement of the Czech Republic in the European Union. EUROPEUM undertakes original research, organizes public events and educational activities, and formulates new ideas and recommendations to improve European and Czech policy making.



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## Introduction

In an era dominated by the rapid advancement of emerging technologies, global powers are engaged in a race that extends beyond mere technological prowess. The fourth debate of the third edition of the EU-Pacific Talks focused on examining the intricate dynamics between cooperation and competition in navigating this technological frontier. Against the backdrop of climate and industrial imperatives – more specifically, the EU Net Zero Act, Japan's Green Transition Act, and the US Inflation Act – this debate delves into insights on cooperation in the EU-Pacific regions, particularly addressing climate change, promoting technological innovation, and supporting sustainable development.

## Exploring legislative landscapes: EU, Japan, and the US Climate and Industrial Acts

During the first round of the debate, **Tomy Waskitho**, a Research Associate and Executive Assistant of the president of the Economic Research Institute for ASEAN in East Asia, highlighted the ambitious yet comprehensive nature of the climate and industrial acts implemented by Japan, the EU, and the US. A key point of convergence across these acts is the shared commitment to achieving net-zero emissions by 2050, aligning with the Paris Agreement. However, while Japan and the US exhibit more similarities in their approaches, particularly emphasising direct financial incentives and subsidies, the EU leans heavily on regulatory mechanisms such as the ETS (Emissions Trading System) alongside carbon pricing strategies. Japan shows more concerted efforts to engage with developing countries like those in the ASEAN region. This suggests that there are valuable lessons in international cooperation for the EU and the US to learn. According to Mr. Waskitho, working on decarbonisation requires collaboration, and it is not possible to achieve it alone. However, there is a significant challenge in the lack of

public participation in these initiatives, which underscores the necessity for broader societal engagement.

The debate then delved into a more focused analysis of the EU's legislative landscape, with particular emphasis on the Net Zero Industry Act and the Critical Raw Material Act as central pillars of the EU's ambitious targets. However, **Jannik Jansen**, a Policy Fellow from Jacques Delors Centre, Hertie School, raised concerns regarding the EU's national-centred approach, lacking a cohesive European-level instrument for coordinating and financing industrial policy, which could pose risks to effective implementation. Proposing a more strategic allocation of resources, all speakers basically agreed that the EU should prioritise sectors where it holds or can gain a competitive edge, advocating for collaborative efforts in areas like solar panel production while pursuing autonomous strategies in sectors such as wind and battery manufacturing. Despite these ambitions, a critical gap in financing was underscored, noting a disparity between ambition and investment in the EU's clean technology sector, which must be urgently addressed to realise its potential.

The discussion slowly shifted towards predictions and future prospects, focusing on the EU's targets for domestic production of clean technologies by 2030. While acknowledging the significant potential for sectors like batteries, wind energy, and hydrogen production, **Ciarán Humphreys**, a Research Fellow from the Institute for Climate Economics, highlighted challenges such as over-reliance on specific suppliers, particularly in the case of solar technology. Central to these challenges is the issue of investment, which took us back to concerns raised earlier about the EU's inability to mobilise sufficient public funding to support the growth of these industries. Despite other impediments, such as a lack of skilled labour and necessary resources, the debate concluded that investment remains the primary blocker to achieving the EU's ambitious clean technology targets. Despite these challenges, all speakers expressed optimism about the growing global focus on

green initiatives, suggesting potential opportunities for collaboration and expansion in the cleantech manufacturing base in the coming years.

## Cooperation vs. Competition

The second half of the debate started by emphasising the imperative for cooperation among the US, Japan, and the EU in response to China's dominance in critical areas such as mineral processing and manufacturing. Highlighting the benefits of collaboration, Tomy Waskitho underscored the potential for knowledge sharing, capacity building, and international advocacy as soft measures to address common challenges. Moreover, the support for emerging economies in charting realistic pathways to decarbonisation, emphasising the need for win-win solutions to global climate challenges, was advocated.

Following this, attention was turned to shared goals among the EU, Japan, and the US to maintain supply chain security, particularly given their dependency on China in the cleantech industry. However, it is important to remember the importance of viewing China not only as a competitor but also as a crucial trading partner because there are actually potential avenues for cooperation rather than solely focusing on competition.

Looking towards the future, the potential for strategic partnerships with other economies, including Canada, Australia, and India, with a particular emphasis on solar technology, was explored. Ciarán Humphreys emphasised the importance of creating mutually beneficial relationships with developing countries, moving beyond mere directives to decarbonise and instead fostering knowledge sharing and collaboration. Additionally, attention was drawn to ongoing efforts in the US to negotiate agreements on critical materials and cleantech with various countries, indicating a broader trend towards international cooperation in addressing common challenges.

## Final remarks

In the closing remarks of the debate, the importance of not solely relying on existing technologies but also investing in research and innovation to foster the development of new clean technologies was emphasised as we should avoid stagnation in progress. Even though we should keep in mind that there is urgency in reaching climate goals, the necessity of deploying existing technologies while simultaneously investing in innovation for long-term sustainability is the key. Moreover, the need for a strategic approach to technology selection and well-informed decision-making by national governments in supporting both technology deployment and development was underscored.

The debate concluded with a shared goal of mitigating climate change and promoting sustainable development worldwide. Speakers advocated for a balanced approach that prioritises both immediate action to meet targets and long-term innovation to address future challenges. Despite differing perspectives, all speakers expressed optimism for future cooperation and collaboration in this critical area of global concern.