



## An EU approach to enhance economic security \*

Brussels, 20 June 2023

The European Commission and the High Representative today published a Joint Communication on a European Economic Security Strategy. This Joint Communication focuses on minimising risks arising from certain economic flows in the context of increased geopolitical tensions and accelerated technological shifts, while preserving maximum levels of economic openness and dynamism.

The proposed strategy sets out a common framework for achieving economic security by promoting the EU's economic base and competitiveness; protecting against risks; and partnering with the broadest possible range of countries to address shared concerns and interests. The fundamental principles of proportionality and precision will guide measures on economic security.

### A more comprehensive approach to risk management

Risks presented by certain economic linkages are evolving quickly in the current geopolitical and technological environment and are increasingly merging with security concerns. This is why the EU must develop a comprehensive approach on commonly identifying, assessing and managing risks to its economic security.

The Strategy proposes to carry out a thorough assessment of risks to economic security in four areas:

- risks to the resilience of supply chains, including energy security;
- risks to physical and cyber security of critical infrastructure;
- risks related to technology security and technology leakage;
- risks of weaponisation of economic dependencies or economic coercion.

The Strategy proposes a methodology for this risk assessment. It should be carried out by the Commission and Member States in cooperation with the High Representative, where appropriate, and with input from the private sector. It should be a dynamic and continuous process.

The Strategy also sets out how to mitigate identified risks through a three-pronged approach, namely by:

- promoting the EU's competitiveness, by strengthening the Single Market, supporting a strong and resilient economy, investing in skills and fostering the EU's research, technological and industrial base;
- protecting the EU's economic security through a range of existing policies and tools, and consideration of new ones to address possible gaps. This would be done in a proportionate and precise way that limits any negative unintended spill-over effects on the European and global economy;
- partnering with the broadest possible range of partners to strengthen economic security, including through furthering and finalising trade agreements, reinforcing other partnerships, strengthening the international rules-based economic order and multilateral institutions, such as the World Trade Organization, and investing in sustainable development through Global Gateway.

### Next steps

The Communication lays the basis for a strategic discussion with EU Member States and the European Parliament to develop a comprehensive approach to protect the Union's economic security. The European Council will consider the strategy during its meeting of 29-30 June 2023.

The Communication lays out the following new actions:

- develop with Member States a framework for **assessing risks** affecting the EU's economic security; this includes establishing **a list of technologies which are critical to economic security and assess their risks** with a view to devising appropriate mitigating measures;

- engage in a **structured dialogue with the private sector** to develop a collective understanding of economic security and encourage them to conduct due diligence and risk management in light of economic security concerns;
- further support EU technological sovereignty and resilience of EU value chains, including by developing critical technologies through **Strategic Technologies for Europe Platform (STEP)**;
- review the **Foreign Direct Investment Screening Regulation**.
- explore options to ensure adequate targeted support for **research and development of dual-use technologies**;
- fully implement the **EU's export control regulation** on dual use items and make a proposal to ensure its effectiveness and efficiency;
- examine, together with Member States, what security risks can result from **outbound investments** and on this basis propose an initiative by the end of the year;
- propose measures to improve **research security** ensuring a systematic and rigorous enforcement of the existing tools and identifying and addressing any remaining gaps;
- explore the targeted use of the **Common Foreign and Security Policy (CFSP) instruments** to enhance EU economic security including Hybrid and Cyber Diplomacy toolboxes and foreign information manipulation and interference (FIMI) toolbox;
- instruct the **EU Single Intelligence Analysis Capacity (SIAC)** to work specifically on the detection of possible threats to EU economic security;
- ensure that the protection and promotion of EU economic security is fully integrated in European Union's external action and **intensify the cooperation with third countries** on economic security issues.

## Background

Open, rules-based trade have shaped and benefitted the EU since its inception. At the same time, growing geopolitical tensions and greater geostrategic and geoeconomic competition, as well as shocks such as the COVID pandemic and Russia's war of aggression against Ukraine, have highlighted the risks inherent in certain economic dependencies. Such risks – unless properly managed – can challenge the functioning of our societies, our economies, our strategic interests and our ability to act. A comprehensive Strategy – including joint-up action across internal and external policies and a cohesive set of measures at EU and Member State level – is essential for the EU to assess and manage risks while at the same time maintaining our openness and international engagement.

## For More Information

[European Security Strategy - Communication](#)

[European Security Strategy - factsheet](#)

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## Quotes:

Global integration and open economies have been a force for good for our businesses, our competitiveness, and our European economy. And that will not change in the future. But we also have to be clear-eyed about a world that has become more contested and geopolitical. This is why the topic of economic security has become a priority for us and for many of our partners. And today, Europe becomes the first major economy to set out a strategy on economic security. It will ensure Europe's sovereignty, security and prosperity in the years to come.  
Ursula von der Leyen, President of the European Commission - 20/06/2023

Today's proposal sets-out our plan to de-risk – rather than decouple – our economic interdependencies on technologies we need the most. And to assert the EU's our position as a leader in the global technology race. When we don't act together, we are a playground. When we do act together, we are a player.  
Margrethe Vestager, Executive Vice-President for a Europe Fit for the Digital Age - 20/06/2023

The EU's economic strength is built on our unique Single Market and open, rule-based global trade. But current geopolitical shifts and the rapid development of sensitive technologies mean we have to strike a balancing act: we must uphold our economic security, while ensuring we continue to benefit from an open economy. This comprehensive approach on economic security will build on our strengths, maintaining and growing partnerships around the world, while addressing identified risks in a targeted and proportionate way.  
Valdis Dombrovskis, Executive Vice-President and Commissioner for Trade - 20/06/2023

Security is a concept that has new and multiple dimensions. One of them is economic security. We have learned how dependencies can be weaponised. With this strategy, we are combining economic security policy measures to reduce our excessive dependencies while preserving a global open rule-based trade system. To do this, we must engage with the broadest possible range of partners. As High Representative for Foreign Affairs and Security policy, I will ensure that our efforts to promote economic security become an integral part of the EU's external action, and are coherent with our broader foreign policy.  
High Representative/Vice-President Josep Borrell - 20/06/2023

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