

Policy Proposal: To Achieve Japan's Sustainable Growth Through Co-Creation with the Global South (Nov. 27, 2025)

By Global South Research Group

1. Why Is Cooperation with the Global South Necessary?

(1) The Growing Influence of the Global South

Against the backdrop of heightened geopolitical risks stemming from the “struggle for hegemony” between superpowers, the possibility of supply chain disruption is increasing. Risks associated with trade dependency on specific countries, along with the accompanying risk of economic coercion, are becoming apparent. Establishing an international economic order based on the “rule of law” rather than “rule by force” has become a critical task. This would also enable the strengthening of supply chains, which hold the key to the Japanese economy.

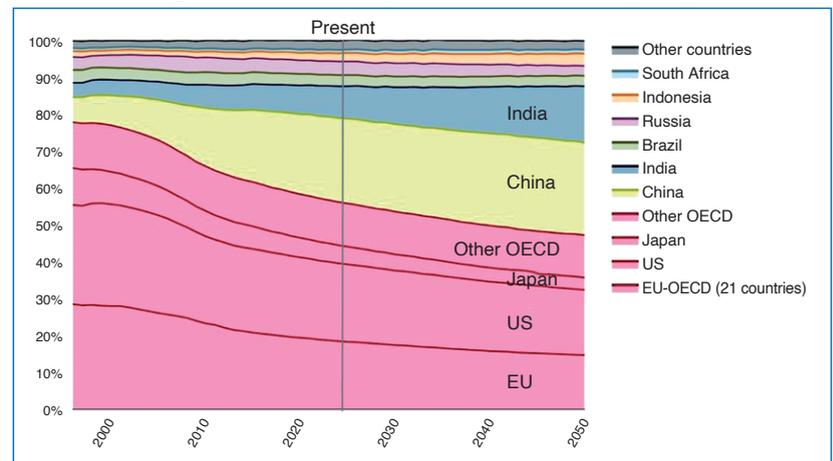
Meanwhile, the share of OECD advanced economies like the United States and EU in the global economy is declining and is projected to decrease further in the future (Chart 1). Since the 21st century began, the real GDP growth rates of emerging and developing economies have consistently outpaced those of advanced economies (Chart 2). Among these, ASEAN, India, the Middle East, Africa, and Latin America are often referred to as the Global South. Pursuing their own interests, they increasingly voice their own opinions. Even amid US-China or US-Russia rivalries, they avoid aligning with either side and are gradually gaining significant influence. A typical position is to condemn Russia's invasion of Ukraine as a violation of the UN Charter while refusing to participate in sanctions against Russia. China sometimes positions itself as a representative of the Global South. However, in this context, China is positioned alongside Russia as a challenger to the international order established by the US and its allies. It is not a “non-aligned neutral” developing country, nor is it part of the Global South.

(2) From US-Dependent Growth to a Middle-Power-Centered World Order

Amid this, the influence of the US, once the leader shaping the international order, has waned, accelerating the world's “drift away from America”. Particularly, President Donald Trump's prioritization

CHART 1

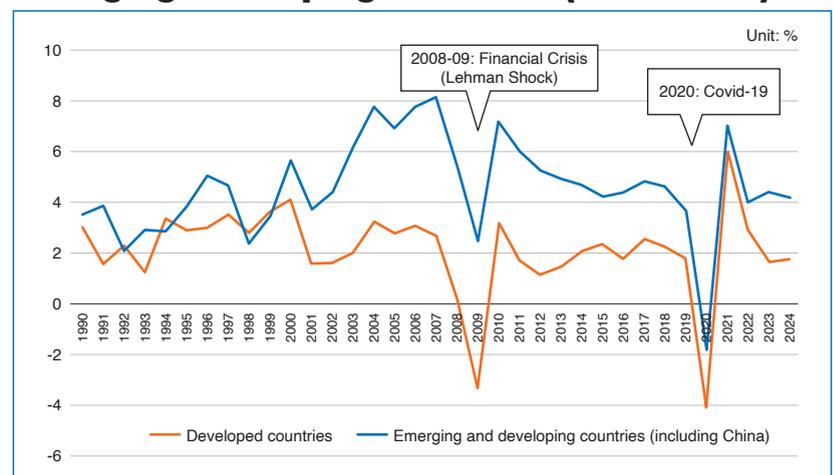
Share of global GDP: past & future projections



Source: OECD Outlook No. 95 – Long-term baseline projections (2014)

CHART 2

Real GDP growth rates of developed & emerging/developing countries (1990-2024)



Source: IMF WEO Database, October 2024

of “America First”, mutual tariffs, and reduction of foreign aid – all indicative of a disregard for international cooperation – have diminished America’s soft power and could further accelerate this global “drift away from America”.

In this multipolar world, Japan, grappling with a sluggish economy, must redouble its efforts to strengthen the resilience of its supply chains, which hold the key to its economy. Moreover, as mentioned earlier, geopolitical risks – such as the US-China rivalry, the Russia-Ukraine war, and instability in the Middle East – have become extremely heightened, making it increasingly necessary to integrate economic and security considerations. With American leadership waning, Japan must now pursue a new economic security diplomacy to simultaneously ensure the safety and sustainable growth of its economy.

The most critical task is rebuilding the “rule of law” and a “rules-based international economic order”. Achieving this requires cooperation with like-minded countries, particularly middle powers like those in Europe. In this context, it is vital to persistently persuade the US – which currently tends to downplay the rule of law and a rules-based international economic order – without excluding it, through forums like the G7. Within this multipolar world, Japan must strengthen its autonomy and originality in foreign strategy and play an active role in shaping the international order.

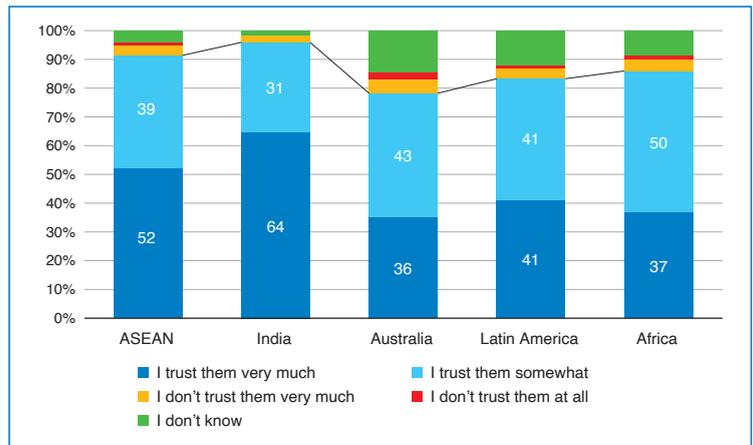
(3) The Need for Cooperation with the Global South as a Middle Power

Within this foreign strategy, another group of middle powers gaining prominence globally is the Global South. For Japan, alongside cooperation with the EU, collaboration with these nations is a critical task. It is necessary to build a new ecosystem based on “co-creation” with the Global South. In doing so, we must not forget that Japan’s longstanding economic exchanges, which do not rely on pressure or force, have provided Japan with important intangible foreign assets that neither the US nor Europe possesses. For example, goodwill stemming from Japan’s history of respecting partner nations’ uniqueness without imposing its own ideology; trust in the quality of Japanese industrial products and the integrity of the Japanese government; the development of human resources in developing countries fostered by Japanese corporate and government development cooperation; Japan’s consistent peace-oriented stance built over 80 years since the war; and the cultural symbols embodying this, such as films, music, and anime – in short, Japan’s soft power. Leveraging these assets is crucial for realizing co-creation with the Global South going forward (Chart 3).

Building on these soft power assets, Japan should fulfill its role as a “hub” connecting Western nations and the Global South. This involves respecting diversity, promoting tailored solutions that address challenges on the ground while acknowledging each country’s unique circumstances, and implementing cooperation that

CHART 3

Trust in Japan (results of public opinion survey on Japan)



Note: Survey conducted in 2023, except for Africa where the survey was conducted in 2022.
Source: Ministry of Foreign Affairs’ survey results on public opinion toward Japan.

aligns with actual conditions. It also entails building trust, facilitating mutual learning, and fostering exchanges between the next generation. The Global South comprises diverse nations. Their interests are not always aligned, nor do they consistently act in concert. Therefore, it is necessary to examine the future nature of cooperation and co-creation with Japan for each major region or country within the Global South.

Furthermore, as we advance cooperation and co-creation with the Global South, it is essential to clarify a basic policy framework centered on the significance and direction of immigration policy, as well as social integration policies, without overlooking movements that could potentially lead to the exclusion of foreigners, which has recently drawn attention. In doing so, we encourage reference to the proposal “Considering Solutions to Japan’s Depopulation”, compiled through a study group on Japan’s population issues hosted by the Japan Economic Foundation in 2024.

2. Desired Directions for Concrete Cooperation with the Global South

Many countries in the Global South aspire to reach the level of developed nations before their populations aging significantly. In this sense, cooperation and co-creation with the Global South should advance collaboration while supporting their development in the following areas:

(1) Promotion of Trade and Investment

Concluding free trade agreements is desirable as a framework for promoting trade and investment. In Japan-ASEAN relations, the Japan-ASEAN Economic Partnership Agreement exists, having entered into force with all countries in 2018. An agreement with India entered into force in 2011. Negotiations for a free trade agreement with the Middle East began in 2014 but have not yet led to

conclusion. While momentum exists with Latin America and Africa, negotiations have not yet commenced. Early negotiation commencement and conclusion are also anticipated in regions where agreements are unsigned or negotiations have not started. Furthermore, joining existing free trade agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and RCEP (Regional Comprehensive Economic Partnership) should be considered.

(2) Human Resource Development

Japan has long cultivated many industrial professionals through economic cooperation. In recent years, however, the importance of developing human resources in the fields of DX (digital transformation) and GX (green transformation) has grown significantly. This point was emphasized at TICAD 9 in August 2025, particularly in relation to Africa, where cooperation had been relatively slow.

(3) Educational Cooperation

Regarding fundamental human resource development, promoting study in Japan is crucial. The number of international students in Japan, which had been stagnant due to the Covid-19 pandemic, has recovered to approximately 330,000 by 2024 (excluding technical interns), with a particular increase in students from Asia. As the US began restricting visa issuance for international students under the Trump administration, an increase in students from other Global South countries is also anticipated going forward. A framework for accepting more students than ever before is now required.

Furthermore, it is vital that human resource development and educational cooperation lead to the effective utilization of the talent cultivated in each region. For instance, when individuals trained through such programs become experts within their respective regional or national governments and collaborate with Japanese government agencies to formulate long-term development strategies for their countries, this lays the foundation for crucial future co-creation relationships with the Global South. It is essential to pursue human resource development and educational cooperation with this long-term perspective.

When implementing human resource development and educational cooperation with the Global South, it is extremely important to cultivate Japanese individuals who are well-versed in local economic and social conditions through study abroad programs and volunteer activities from Japan to the Global South.

(4) Energy and Global Environmental Cooperation

Securing energy is essential for economic development, yet the importance of climate change countermeasures is also recognized, making it crucial to balance both objectives. In Japan's relations with Asia, cooperation under the Asian Zero Emission Community (AZEC) is advancing, and striking a balance between energy security and climate change countermeasures is equally important for other countries. The Middle East, as a producer of natural gas and oil,

faces the challenge of how to decarbonize these resources. Meanwhile, in relations with Africa and Latin America, securing critical minerals is a key priority.

(5) Rebuilding a Rules-Based International Economic Order

The Trump administration's second term, with its tariff negotiations disregarding the WTO, has caused global turmoil. For the time being, rebuilding a rules-based international economic order with regions outside the US is necessary. It is essential to promote the use of panels as dispute settlement bodies within the WTO and participation in and utilization of the Multilateral Dispute Settlement System (MDSS). Furthermore, expanding the CPTPP and strengthening cooperation with the EU are required to further enhance and expand the dispute settlement system and the framework for legislative functions.

Meanwhile, on the security front, the Security Council has become dysfunctional, with divided opinions regarding Russia's invasion of Ukraine, widely seen as a violation of the UN Charter. Views within the Global South are also split. While many countries supported the condemnation resolution following Russia's invasion, they oppose or abstain when it comes to economic sanctions against Russia.

Below, we will organize the characteristics and directions for cooperation for each of the five major regions or countries within the Global South.

3. Five Regional Characteristics of the Five Global South Regions & Directions for Cooperation

<1> ASEAN

(1) Current Situation

Among ASEAN countries, those classified as part of the Global South are nine nations excluding Singapore: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Thailand, and Vietnam.

According to IMF projections, ASEAN's nominal GDP is expected to reach \$4.383 trillion by 2025, surpassing Japan. This would place it on par with India in economic size, following the US, China, and the EU. Looking at trade trends by partner, China and the US have seen their shares surge over the decade: from 13.9% and 8.1% respectively in 2013 to 19.7% and 11.3% in 2023. In contrast, Japan's share has declined from 9.5% to 6.8% (JETRO survey). Furthermore, examining the trend in global inward foreign direct investment (FDI), ASEAN's share has risen reflecting its economic development, increasing from just over 8% in 2013 to over 16% in 2023. By destination country, based on the average share from 2019 to 2023, Japan's share stands at 8.5%, following the US at 17.8% and ASEAN at 10.7%. Looking at the stock of FDI in ASEAN countries, Vietnam's increase is particularly notable. While development gaps within ASEAN remain significant, the region harbors strong aspirations to join the ranks of advanced economies and is expected to do so sequentially. ASEAN is actively leveraging the benefits of globalization to pursue economic development and

possesses the potential to become a leading advocate for adhering to the “rules-based international economic order” championed by Japan.

As previously noted, while trade ties with the US and China deepen, ASEAN has traditionally pursued a strategy that Southeast Asian nations should remain neutral and not become a battleground for competition between major powers as US-China tensions escalate. The geopolitical risk posed by the Ukraine crisis has made it clear that maintaining this strategy is becoming increasingly difficult.

First, it has become clear that the international community possesses extremely limited means to stop unilateral military invasions by major powers. The failure of global governance in addressing regional conflicts, not limited to Ukraine, has been laid bare by the dysfunction of the United Nations. Furthermore, the double standards of advanced nations in responding to military invasions in Europe versus others, such as those in the Middle East, have become apparent, leading to distrust from ASEAN countries.

Second, countries like ASEAN, which are not major powers, are forced to make many sacrifices in the arena of competition among major powers at the UN. This exposes the limitations of the “rule of law” centered on the UN and reaffirms the double standards applied to Europe and other regions. Consequently, it has led to the recognition that for their own security, these countries can rely on economic power – a power that offers significant benefits to super powers and makes the use of military force seem irrational. For ASEAN, this signaled the end of an era where growth strategies could be based on the premise of separating international politics and economics. Achieving prosperity before facing imminent security threats and before declining birth rates, aging populations, and population decline make high economic growth unattainable became an urgent security imperative. Confronted with the food and fertilizer supply crises stemming from the Ukraine crisis, ASEAN has recognized the limitations of its neutrality strategy amid great power competition. It has come to understand the importance of regional frameworks, including multilateral arrangements among like-minded regional partners, to ensure food security.

Furthermore, amid an uncertain international environment, risk hedging through individual diplomatic diversification or diversification via ASEAN is expected to advance further. Examples include strengthening ASEAN-GCC cooperation, participating in cooperation with the expanding BRICS, and moves toward OECD membership by Thailand and Indonesia.

(2) Future Challenges & Cooperative-Co-Creative Relations Between Japan & ASEAN

How can Japan become an indispensable partner for ASEAN? If building an economic scale and structure where the use of military force seems highly irrational contributes to ASEAN’s security, then contributing to this is paramount for establishing cooperative-co-creative relations between Japan and ASEAN. The Economic Research Institute for ASEAN and East Asia (ERIA) was established to facilitate this. Cooperation between Japan and ASEAN, including

other member countries (Australia, New Zealand, India, South Korea, China), is steadily progressing.

For example,

① Promoting Trade & Investment

Japan and ASEAN are bound by the Japan-ASEAN Economic Partnership Agreement. Furthermore, four ASEAN countries have already joined the CPTPP promoted by Japan, with Indonesia and Thailand expressing interest. While boosting trade and direct investment remains key to economic growth, ASEAN has recently emphasized its desire to build an economy capable of generating innovation independently. Japanese corporate investment is increasingly shifting toward local production for local consumption as ASEAN economies develop. It is crucial to aim for investments that are more closely integrated with local economies and generate innovation on the ground.

② Human Resource Development

We will promote cooperation in the DX and GX fields, which ASEAN is particularly focusing on for future economic development. We will cooperate in developing the necessary high-quality infrastructure, both in terms of software and hardware, with human resource development being especially important on the software side.

③ Educational Cooperation

The number of international students in Japan reached 330,000 in 2024, with nearly 60,000 coming from ASEAN countries (approximately 50,000 from Vietnam, 6,000 from Indonesia, etc.).

Should science and technology cooperation between ASEAN and the US become more difficult under the second Trump administration, it is crucial for Japan to strengthen cooperation in areas such as higher education, science and technology, policy research, and economic intelligence that foster innovation.

④ Energy & Global Environmental Cooperation

Energy and security cooperation is one of the most critical issues for ASEAN in achieving both environmental sustainability and economic growth. The Asia Zero Emission Community (AZEC) initiative is highly beneficial in this regard. Considering not only decarbonization but also the balance of various energy supplies from the perspective of reconciling economic growth and environmental protection meets ASEAN’s needs. Policy cooperation that takes ASEAN’s position into account is essential.

⑤ Rebuilding a Rules-Based International Economic Order

It is crucial to reject arbitrary protectionism, exemplified by the reciprocal tariffs of the Trump administration’s second term in the US, and to ensure that at least among third countries, the rules-based international trade order is upheld. Simultaneously, it is vital to share with ASEAN nations the recognition that a rule-based international trade order is the most effective growth strategy for reducing uncertainty in the business environment surrounding enterprises and promoting economic growth. In doing so, it is vital to address ASEAN countries’ suspicions that the so-called “rules-based international order” or “rules-based international trade order”

India's economic scale

- Nominal GDP: 5th largest globally (projected to rank 3rd by 2027)
- GDP at purchasing power parity (PPP): Already 3rd largest globally

2024 Nominal GDP (IMF statistics)

Ranking	Country	Unit: million US\$
1	US	29,184,900
2	China	18,748,009
3	Germany	4,658,526
4	Japan	4,026,211
5	India	3,909,097
6	UK	3,644,636
7	France	3,162,023
8	Italy	2,372,059
9	Canada	2,241,253
10	Brazil	2,171,337

2024 GDP at Purchasing Power Parity (PPP) (IMF Statistics)

Ranking	Country	Unit: million US\$
1	China	38,154,219
2	US	29,184,900
3	India	16,187,183
4	Russia	6,905,073
5	Japan	6,530,591
6	Germany	6,004,553
7	Brazil	4,734,653
8	Indonesia	4,662,893
9	France	4,359,302
10	UK	4,286,574

Source: World Nominal GDP Country Rankings and Trends (IMF) - [GLOBAL NOTE](#) (left); World GDP Purchasing Power Parity Rankings and Trends by Country (IMF) - [GLOBAL NOTE](#) (right)

established by Western nations is often characterized by double standards and is unreliable. To dispel these concerns, Japan – which has earned the trust of ASEAN nations – must persuasively demonstrate how it has benefited by adhering to these principles without falling into double standards. It must also emphasize that the order-building initiatives Japan is spearheading will form the very foundation for future co-creation between ASEAN and Japan. Concrete measures include revitalizing regional initiatives such as restoring the functionality of the WTO, expanding participation in the MPIA, broadening the CPTPP and linking it with the EU, and establishing a CPTPP secretariat.

⑥ Other

To build collaborative relationships for jointly solving a wide range of economic issues, it is crucial to enhance the policy advocacy functions of various think tanks, including those in ASEAN countries that are exploring solutions to their unique challenges. Within this context, while striving to build a network among such think tanks, the policy recommendation function and the drive to promote policy implementation and leadership of the aforementioned ERIA – often referred to as the Asian version of the OECD – are crucial. ERIA engages in a wide range of activities, from “trade and investment” to “health”, and its further functional enhancement is anticipated.

Specifically, the following points can be considered.

- Regarding the financial system, as Russia has been excluded from SWIFT due to sanctions against it over the Ukraine crisis, and as countermeasures are being considered, a new financial system is emerging as a counterweight to the dollar-based currency system. It is important for Japan and ASEAN to cooperate and take the initiative in transforming financial governance at this time.

- As declining birthrates and aging populations become increasingly serious challenges for ASEAN countries, it is also important to build cooperative relationships among Japan, South Korea (which faces similar severe social security issues), and ASEAN.
- While Japan reportedly receives 40 million foreign tourists annually, the number visiting for medical tourism purposes remains extremely limited. One reason is the communication barrier with doctors. Harmonization of medical licenses is necessary to enable doctors from ASEAN to practice medicine in Japan in collaboration with Japanese doctors.

<2> India

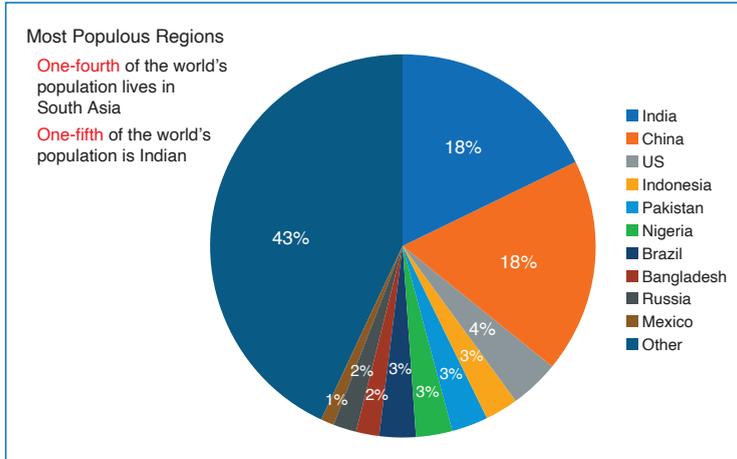
(1) Current Situation

According to the IMF, India’s nominal GDP is projected to reach approximately \$3.9 trillion in 2024, ranking fifth globally. However, it is expected to surpass Japan and Germany by 2027, becoming the world’s third-largest economy. In terms of GDP measured by purchasing power parity (PPP), India is already the third-largest economy, following China and the US ([Chart 4](#)). This economic scale is underpinned by population: one in five people globally is Indian. Other major South Asian nations outside India also have large populations – Pakistan has twice Japan’s population, and Bangladesh has 1.5 times. Combined, these two countries account for one in four people worldwide, concentrated in the South Asian region ([Chart 5](#)).

The size of the population indicates the region’s importance as a market, but looking further at the demographic composition, India’s population is young, with 120 million people in their early 20s. Other major South Asian nations like Pakistan and Bangladesh show similar trends. Considering that population aging and declining birth

CHART 5

2023 world population rankings



Source: Total Population (World Bank Statistics) - GLOBAL NOTE

rates are not expected to begin in this region for about 30 years, this means the region can anticipate growth driven by its demographic dividend in both the labor market and consumer market for the next 30 years or so.

Thus, the region possesses not only immense economic potential but also significant geopolitical importance. It is a pivotal point for maritime routes connecting Europe and the Middle East, holding the key to maritime security in the Indian Ocean. Furthermore, it serves as a junction between ASEAN and Africa, harboring the potential for supply chains centered on South Asia. Furthermore, China and India, which represent Japan's greatest economic security concerns, share a land border. While India, like Japan, tends to prioritize economic cooperation with China for growth, it shares Japan's security concerns. Currently, India's wariness toward China is growing, mirroring Japan's stance. This shared perspective underscores the importance of Japan-India cooperation for both economic security and supply chain resilience.

On the other hand, attention must also be paid to the geopolitical risks India itself faces in South Asia. The India-Pakistan border dispute has, over the past quarter-century since both countries declared themselves nuclear powers in 1998, reached a point where unpredictable terrorism and the possibility of escalation to nuclear use cannot be ruled out. Indian Prime Minister Narendra Modi asserts that a military response to terrorism is the "new normal". Japan must take this risk into account.

Another risk India faces is its approach toward China. While India has growing concerns over China's Belt and Road Initiative, posing economic security challenges, it also recognizes that imports of components from China and Chinese investment are indispensable for upgrading its economic structure toward higher value-added production. We must closely monitor which of these perceptions gains greater prominence depending on shifts in economic and security conditions.

Additionally, regarding India's domestic political situation, we

must consider the risks posed by the authoritarian tendencies of Modi's administration leading to democratic backsliding, stricter visa policies, and heightened friction with Islamic nations like Bangladesh and Pakistan due to strengthened Hindu nationalism.

Regarding India's stance on the "rule of law" and a "rules-based international economic order", considering its failure to condemn Russia's invasion of Ukraine and suspicions surrounding targeted killings allegedly carried out by Indian intelligence agencies in Canada and the US, it appears India currently seeks to modify these principles, if not outright challenge them. From this perspective, the Trump administration in the US is currently urging the EU and Japan to impose similar tariffs, threatening to impose a 50% tariff on them unless India stops importing oil and gas from Russia.

(2) Future Challenges & Cooperative, Co-Creative Relationship Between Japan & India

A strategy is needed to ensure India recognizes Japan as indispensable.

① Promoting Trade and Investment

- Japan has a Free Trade Agreement with India that entered into force in 2011.
- Furthermore, some view India's participation in the CPTPP as potentially easier than joining the RCEP, precisely because China is not a member. It is important to deepen India's understanding of the benefits of joining the CPTPP while encouraging its participation.
- Japan will promote investment in advanced technologies in India and expedite the international division of labor with India. It will also realize investments in high-quality infrastructure development needed by India, such as the construction of Japan's high-speed Shinkansen railway system.
- Recognizing the importance of medical tourism for India, Japan will promote tourism to India for Ayurveda (the method for longevity of life), a unique Indian treatment, and increase inbound tourism from India seeking Japan's high-level medical services. This will be achieved by improving the capacity of Japan's medical tourism-related sectors, such as hospitals, to accept foreign patients.

② Human Resource Development

Amid its declining population, Japan cannot avoid accepting foreign workers. It faces shortages of both highly skilled professionals and unskilled laborers. Meanwhile, India possesses an abundant supply of young labor, including many highly skilled IT software engineers. Japan must urgently initiate a national debate on its framework for accepting such foreign workers, encompassing integration policies into Japanese society such as Japanese language education. While human resource development in India is important, enhancing training programs for accepted workers in Japan will enable the building of closer ties. In doing so, it is crucial to clarify

the basic principles of immigration policy and establish a framework for accepting foreign workers.

③ Educational Cooperation

Promote student exchanges between Japanese and Indian universities in IT fields such as AI.

④ Energy and Global Environmental Cooperation

Promote the transfer of Japan’s energy-saving and environmental technologies.

⑤ Rebuilding a Rules-Based International Economic Order

Amid the decline of US international leadership, Japan’s relative national power is inevitably waning while facing challenges from China. This necessitates not only the Japan-US alliance but also multilateral cooperation, making India an indispensable key partner. For example, the Quad (Japan-US-Australia-India Strategic Dialogue), where leaders discuss Asia-Pacific security, exemplifies such multilateral collaboration. By 2050, India will come quite close to matching the hard power of the US and China, yet it is not a nation reliant on any single partner. To prevent India from retreating from liberal democracy and to avoid it becoming a “second China” that challenges Western values, it is crucial for Japan to exercise leadership now to reform the existing international order and rules in a manner satisfactory to India. For instance, one approach could be to establish a forum for frank discussions on the benefits of regional trade agreements – a pillar of the rules-based international economic order – to ensure India’s satisfaction.

<3> Middle East

(1) Current Situation

While some countries in the Middle East possess wealth surpassing that of developed nations, significant disparities in wealth exist within the region (Table 1).

TABLE 1
The Middle East as the Global South

•Some countries surpass developed nations in wealth / Income disparities exist within the region

Ranking	Country name	GDP per capita (US\$, 2024)	Population
1	Qatar	71,568	3,115,890
2	Israel	53,111	9,517,180
3	UAE	49,550	11,346,000
4	Saudi Arabia	32,881	34,566,300
5	Kuwait	32,290	5,026,080
6	Bahrain	29,573	1,643,330
7	Oman	20,631	5,494,690
8	Turkey	13,105	87,685,400
9	Iraq	5,947	47,020,800
10	Iran	5,013	92,417,700
11	Jordan	4,682	11,520,700
12	Egypt	3,542	118,366,000
13	Yemen	465	41,773,900
	Average	24,797	

*Lebanon, Sicily, Palestine: No data available
Source: UN, IMF

Among the top seven countries in the Middle East by GDP per capita, six are Gulf Cooperation Council (GCC) nations: Saudi Arabia, the UAE, Bahrain, Oman, Qatar, and Kuwait (the remaining country is Israel).

Since the 1955 Asian-African Conference (Bandung, Java Island), often called the starting point of the Global South, the Middle East has respected opposition to colonialism and solidarity among developing nations, resisted the imposition of Western values from above, and criticized the double standards in Western responses to the Ukraine war and the Gaza conflict. However, the Middle East does not solely prioritize solidarity with Southern nations. On the other hand, Saudi Arabia, a leading GCC member, has been a partner in maintaining the US-led international order through oil money since 1974. Amid talk of the liberal international order’s instability and the rise of the Global South, American hegemony remains firmly intact. Conversely, considering that the US must also address China’s rise in Asia, Middle Eastern countries are beginning to recognize that relying solely on the US for security cannot guarantee their own safety. Consequently, they are placing hopes in the advent of a multipolar world, strengthening ties with BRICS and the Asian Infrastructure Investment Bank (AIIB), and deepening connections with ASEAN. Regarding the second Trump administration, while strengthening ties with Global South nations – as evidenced by Middle Eastern countries pledging massive investments in the US – they also continue to value building good relations with America, recognizing its role in stabilizing the Middle East.

A concern in Japan-Middle East relations is the decline in Japan’s presence in the region, partly due to the rising influence of China and the recent weakening of Japanese companies’ price competitiveness against Chinese and South Korean firms.

However, Japan also sees emerging possibilities for new cooperation with the Middle East, driven by expectations for the arrival of a multipolar world. Accelerating FTA negotiations between the GCC and Japan is crucial for Japan to achieve its desired rules-based international trade system. However, these talks appear to be delayed due to apparent disagreements within the GCC over the benefits of an FTA. In recent years, negotiations have begun toward a Comprehensive Economic Partnership Agreement (CEPA) with the UAE and other countries, aiming to strengthen bilateral economic ties.

(2) Future Challenges & Cooperative Partnerships Between Japan & Middle Eastern Countries

While concerns exist about Japan’s declining presence in the Middle East, Japanese corporate technology continues to command high trust, indicating room for expanded collaboration between Japan and Middle Eastern nations.

“Regional stability” represents a shared interest for oil-producing Middle Eastern countries needing foreign investment and for Japan.

① Promoting Trade & Investment

While advancing FTA negotiations with the GCC is an area for cooperation and co-creation with Middle Eastern countries, various internal conflicts within the GCC have become apparent. Therefore, shifting focus to expanding bilateral cooperation, such as the CEPA negotiations between Japan and the UAE, is one option. In such individual bilateral cooperation, the key to developing bilateral free trade relations lies in promoting structural transformation within GCC countries – shifting from industries with comparative disadvantages to those with comparative advantages.

② Human Resource Development

While promoting DX and AI is crucial for Middle Eastern countries to achieve a high-value-added economy, it is equally important to cooperate in developing the necessary human resources.

③ Educational Cooperation

Cooperation with institutions such as the University of Tokyo and Tokai University is progressing, but as in other regions, efforts to increase the number of students from the Middle East studying in Japan are crucial.

④ Energy & Global Environmental Cooperation

The Middle East remains a vital resource supplier for Japan, providing the bulk of its crude oil supply. However, it is also a partner in building sustainable societies, supporting Gulf oil-producing nations in their efforts toward decarbonization. Japan is collaborating with Saudi Arabia to build supply chains for clean energy sources like hydrogen and ammonia, and has decided to provide financing to the UAE for projects contributing to renewable and next-generation energy supply in third countries.

Interest is also growing in artificial intelligence (AI) to streamline the societal implementation of decarbonization technologies. Strengthening efforts toward a decarbonized society in third countries in Asia and Africa is another option. As mentioned earlier, in cooperation with the UAE, Japan has already decided to provide financing for projects in third countries that contribute to the supply of renewable and next-generation energy. For Japan, it is also crucial to aim for increased presence in the Middle East, replacing China, amid the restructuring of supply chains driven by the US-China rivalry.

⑤ Rebuilding a Rules-Based International Economic Order

Regarding the future construction of a rules-based international order that Japan should pursue, a key area for cooperation and co-creation with Middle Eastern countries is advancing FTA negotiations with the GCC, which is also important as a means to promote trade and investment. As mentioned earlier, given the various conflicts

emerging within the GCC, shifting the focus to expanding bilateral cooperation, similar to Japan’s CEPA negotiations with the UAE, is one option.

<4> Africa

(1) Current Situation

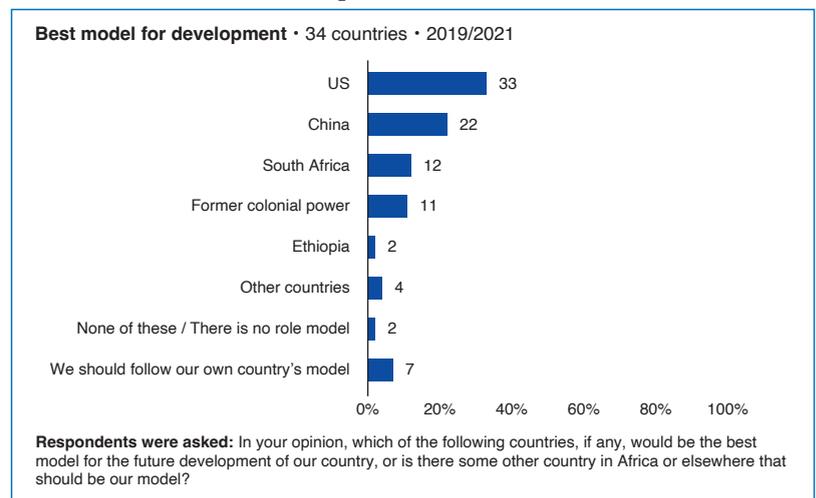
The African continent is 80 times the size of Japan and comprises 54 countries, making it extremely diverse. Within this context, the stance of African nations regarding Japan’s advocacy for the “rule of law” and the establishment of a “rules-based international economic order” can be somewhat inferred from their position on the UN General Assembly resolution calling for Russia’s withdrawal from Ukraine. Regarding this resolution, “abstentions” and “no-shows” accounted for roughly half of African nations. This reflects the diplomatic stance of many African countries: they align neither with the West nor with the “authoritarian bloc of China and Russia” but rather adopt a pragmatic approach, supporting whichever side offers assistance most beneficial to their own development and growth.

African nations have extremely high population growth rates and are projected to become the continent accounting for one in four of the world’s population within the next 25 years.

The nations considered by the people of Africa’s 54 countries as models for development are the US and China, each exceeding a majority (Chart 6). However, while China’s total investment in Africa (outstanding balance) is six times that of Japan, and its annual trade volume with Africa is about 16 times that of Japan, the US presence in Africa is expected to rapidly diminish. This is due to factors such as the de facto dismantling of USAID under the second Trump administration and the expiration of the preferential tariff system, the African Growth and Opportunity Act (AGOA), at the end of September

CHART 6

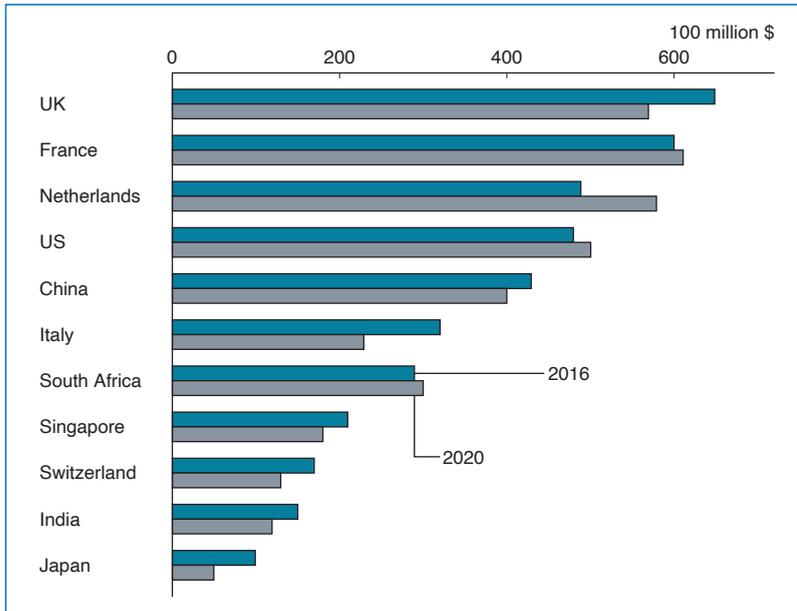
The nation that 34 African countries should model their development on



Source : Afro Barometer, Africans welcome China’s influence but maintain democratic aspirations, 15 November 2021
https://www.afrobarometer.org/wp-content/uploads/2022/02/ad489-pap3-africans_welcome_chinas_influence_maintain_democratic_aspirations-afrobarometer_dispatch-15nov21.pdf

CHART 7

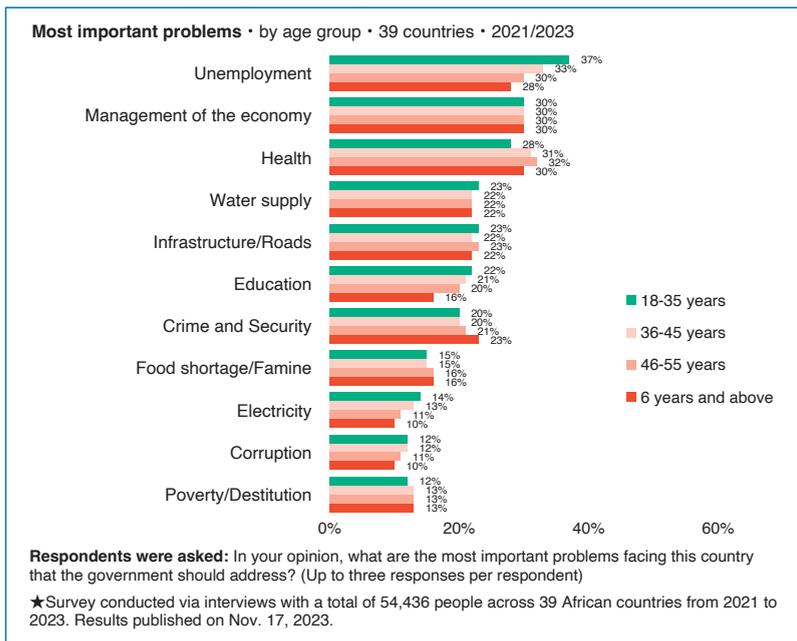
International comparison of investment stock in Africa



Source: UNCTAD, World Investment Report 2024 and JETRO data

CHART 8

Afrobarometer: needs of African people revealed by opinion poll results



Source: <https://www.afrobarometer.org/wp-content/uploads/2023/11/AD734-PAP3-Africas-youth-More-educated-less-employed-still-unheard-Afrobarometer-18nov23.pdf>

2025, with its extension now considered hopeless.

As shown in *Chart 7*, Japan’s investment balance in Africa remains at a very low level. This may be the result of Japanese companies’ business activities, which tend toward low-risk, low-return corporate

behavior compared to Western firms.

Meanwhile, the needs of African people are shifting from “aid to be received” (humanitarian assistance) toward investments that enable them to become workers and members of the productive workforce. The most significant need is reducing unemployment through “job creation” (*Chart 8*).

(2) Future Challenges & Collaborative Partnerships for Japan & Africa

① Promoting Trade & Investment

Concluding FTAs is crucial for building closer economic ties between Japan and African nations. Negotiations could initially focus on the East African Community (EAC), a regional economic community comprising eight East African countries, including Kenya, where Japanese companies show strong interest in expanding. Ultimately, Japan should aim to initiate FTA negotiations with Africa as a whole.

For Africa, shifting from economies reliant on traditional agriculture to developing manufacturing sectors that create jobs and boost productivity is essential. Strengthening trade ties in manufacturing, such as automobiles, through FTAs would act as a catalyst, encouraging Japanese manufacturing companies to establish local operations. For Japan, this would expand supply chains connecting ASEAN, India, and Africa, ultimately creating more resilient supply chains in the future.

② Human Resource Development

As emphasized at the Fifth Tokyo International Conference on African Development (TICAD V, Yokohama 2013), Japanese manufacturing investment brings capital and transfers Japanese companies’ technology, knowledge, and business practices to local African industries, leading to job creation and productivity gains. Crucially, this should not involve foreign companies expanding production without nurturing local parts suppliers. Instead, it should involve local production while developing local industrial talent and managers of domestic enterprises. The “ABE Initiative” (African Business Education Initiative for Youth), proposed at TICAD V to build industrial talent in Africa, plays an extremely important role in this regard. Through this initiative, over 1,900 African youths have been

invited to Japan to date, earning master’s degrees and gaining internship experience at Japanese companies. It has received high praise from many African countries and young Africans. Its continuation and expansion are anticipated. The University of Tokyo’s

focus on supporting start-ups in African countries is to be welcomed.

③ **Educational Cooperation**

The continuation and expansion of the “ABE Initiative” mentioned above is also an important part of educational cooperation.

④ **Energy & Global Environmental Cooperation**

Securing critical minerals.

⑤ **Rebuilding a Rules-Based International Economic Order**

The FTA with Africa will support the establishment of a new, self-sustaining international economic order that covers the broad ASEAN-India-Africa region and contributes to strengthening supply chains.

⑥ **Other**

ODA that contributes directly or indirectly to job creation is also anticipated. In such cases, it is effective for Japan to communicate to African governments and people that its support forms part of a strategy for job creation. Simultaneously, it is important to widely convey to the Japanese public the diplomatic significance of support for Africa.

<5> **Latin America & the Caribbean**

(1) **Current Situation**

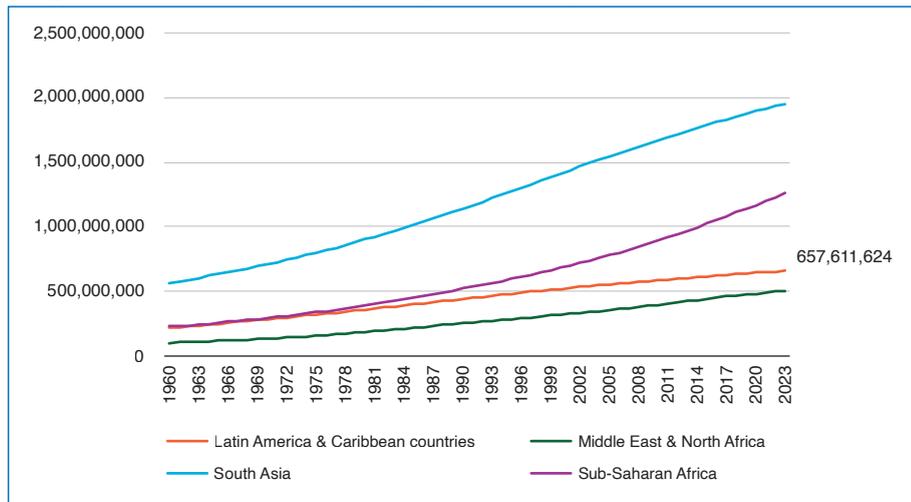
The Latin America and Caribbean region comprises 33 countries. Its population ranks third globally after South Asia and Sub-Saharan Africa, surpassing the Middle East and North Africa (Chart 9). Currently, the region’s population is approximately 657 million and continues to grow. Meanwhile,

among these four regions, it has the largest GDP, estimated at around \$7.1 trillion. This demonstrates the region’s significant scale as both a consumer market and a labor market (Chart 10).

Recently, relations between the US and China have been a major challenge in this region. Once referred to as America’s “backyard”, the region underwent changes in the 2000s, creating distance from the US. As the US-led Free Trade Area of the Americas (FTAA) initiative faltered, cooperation with the US in the war on drugs was established, and the US also gained Latin American support in the war on terror. Consequently, the region is increasingly becoming one where the US does not need to invest significant diplomatic effort.

CHART 9

Population trends by region (Unit: persons)

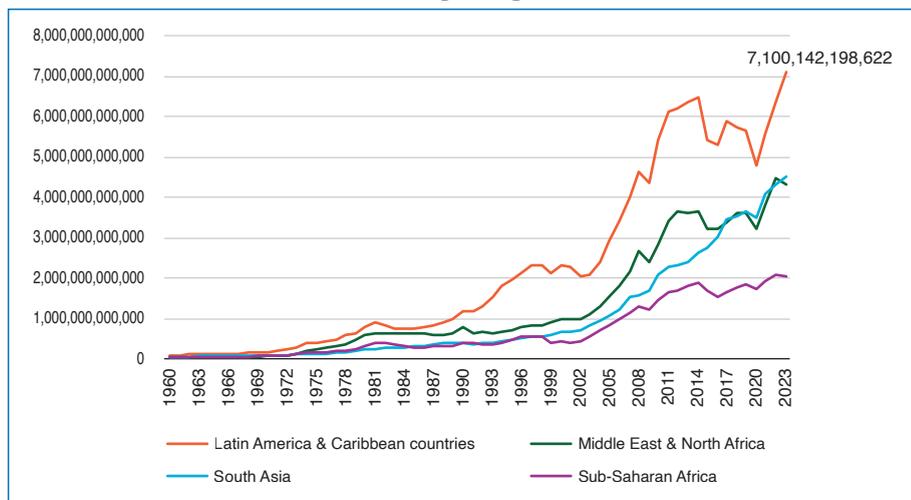


Note: Data from 1960 to 2023

Source: World Development Indicators dataset published on the World Bank website (<https://data.worldbank.org/indicator/SP.POP.TOTL>).

CHART 10

Trends in nominal GDP by region (Unit: current US\$)



Note: Data from 1960 to 2023

Source: World Development Indicators dataset published on the World Bank website (<https://data.worldbank.org/indicator/NY.GDP.MKTP.CD>).

Meanwhile, while it is true that left-wing governments have increased in Latin America, they have not necessarily undergone a major “shift to the left”. Crucially, none of these governments came to power through military coups but through democratic elections. Consequently, the US lacks a justifiable reason to intervene and has refrained from doing so.

Conversely, China, under President Xi Jinping, has strategically strengthened its diplomatic and economic ties by making a total of six official visits to Latin America – surpassing the visits of successive US presidents Barack Obama, Joe Biden, and Trump. China has enhanced cooperation with countries like Brazil on its Belt

and Road initiative and established the China-CELAC (Community of Latin American and Caribbean States) Forum. China has also pushed for the severance of diplomatic ties with Taiwan. The number of countries maintaining diplomatic relations with Taiwan has decreased from 18 in 2017 to just seven.

Relations with Japan are fundamentally good, but Japan's presence has declined since the 2000s. Japan's share of Ecuador's total ODA spending in 2018 was 3.4%, relatively low compared to other Global South regions. Furthermore, while Ecuador, Bolivia, Paraguay, El Salvador, and Panama all had Japan as their largest export destination in Asia from 2011 to 2014, by 2022 only Bolivia still counted Japan as its top export market in Asia.

(2) Future Challenges & Collaborative Partnerships for Japan & Latin America

① Promoting Trade & Investment

In economic relations, Japan lags significantly behind China as a trading partner in the region. Focusing on the larger economies of Argentina, Brazil, Chile, and Mexico:

- Imports from Argentina in 2023 included carbonates (lithium), corn, and crustaceans (shrimp, etc.)
 - Imports from Brazil included iron ore, corn, and chicken meat
 - Imports from Chile included copper ore, molybdenum ore, and frozen fish corn, crustaceans (shrimp, etc.), imports from Brazil included iron ore, corn, chicken, imports from Chile included copper ore, molybdenum ore, frozen fish (salmon, etc.), and imports from Mexico included automobiles, pork, and automotive parts.
- Conversely, exports to Argentina in the same year included automotive parts and engine components; exports to Brazil included automotive parts; exports to Chile included automobiles and petroleum refining products; and exports to Mexico included automobiles and automotive parts.

Considering these trade relationships with Latin American and Caribbean countries, it becomes clear that this region is important for Japan as a source of mineral resources and as a destination for exports of automobiles and automotive parts.

Regarding the former, as of 2022, Chile accounted for 30% of global lithium production, while Argentina contributed 4.8%. Increased production is also anticipated in Bolivia, Brazil, and Peru. For copper, Chile and Peru together account for nearly 40% of global production. Latin American countries have diverse lithium policies. Some nations, like Mexico and Bolivia, operate state monopolies on production, while others, such as Chile and Argentina, permit foreign corporate participation. While cases exist where Japanese firms hold stakes, like Toyota Tsusho's 25% rights and interests in Salar de Olaroz (Phase 2) in Argentina's Jujuy Province, China often leads the way in many projects. Therefore, the Japanese government must actively support Japanese companies' participation in local lithium projects. Furthermore, for countries like Chile that can produce lithium but lack the technology for lithium-ion battery manufacturing, the entry of technologically advanced Japanese companies is likely to yield significant mutual benefits. Additionally, the involvement of

Japanese companies in environmental technologies related to mining development is expected to benefit both Japan and Latin American and Caribbean nations.

Regarding the latter, there are two aspects: the automotive market in the export destination country itself is attractive to Japanese companies, and these countries are also attractive as production bases for exports to other markets, such as Mexico (for exports to the US) and Argentina (for exports to Brazil, etc.). In this sense, Japan also needs to support the Mexican government in its tariff negotiations with the US to help Mexico maintain its competitive edge. Furthermore, regarding the South American market, concluding an EPA with Mercosur is expected to be a significant help for Japanese companies. Regarding Mercosur, the EU and EFTA (European Free Trade Association) have agreed on an FTA, and there may be lessons to learn from their negotiation experience.

② Human Resource Development

In terms of cultivating individuals knowledgeable about Japan in Latin America, the Ministry of Foreign Affairs has implemented the "Juntos!! Latin America-Japan Understanding Promotion Exchange Program" since fiscal year 2015. This program aims to identify and nurture pro-Japan and Japan-knowledgeable individuals as part of the late Prime Minister Shinzo Abe's policy to strengthen cooperative relations with Latin America. While strengthening similar programs, fostering individuals knowledgeable about Latin America in Japan will require not only this program but also support for the comprehensive enhancement of Latin American studies within higher education institutions.

③ Educational Cooperation

As will be discussed later, support for Japanese descendants studying in Latin America is provided through programs such as the Nippon Foundation's "Nikkei Scholarship" administered via overseas Nikkei associations and the Japanese descendants quota within the Ministry of Education, Culture, Sports, Science and Technology's "Government-sponsored Foreign Student Program". Furthermore, while the University of Tsukuba's "Trans-Pacific Program" has been adopted as part of the Japan Society for the Promotion of Science's Global Expansion Capacity Enhancement Program, consideration should also be given to creating more comprehensive programs that transcend the boundaries between implementing entities.

④ Energy & Global Environmental Cooperation

Securing critical minerals is crucial, particularly supporting participation in the aforementioned lithium projects and cooperating on lithium application technology development (similar support will likely be needed for copper mine development as well).

⑤ Rebuilding a Rules-Based International Economic Order

Concluding an EPA with Mercosur will strengthen the rules-based international economic order. Furthermore, with Chile and Peru participating in the CPTPP, this could not only contribute to the expansion of the CPTPP but also enhance cooperation with the EU.

⑥ Other

Finally, the presence of Japanese descendants in the region is indispensable when considering Japan's relations with Latin

American and Caribbean countries. According to 2023 estimates, there are 2.7 million Japanese descendants in Brazil, 200,000 in Peru, 79,000 in Mexico, and 65,000 in Argentina (Ministry of Foreign Affairs 2025). Their presence provides a strong foundation for negotiations with these countries and market entry. By strengthening cooperation with Japanese communities in those nations in all aspects, it becomes possible to expect support for Japanese corporate expansion and negotiations with governments (particularly in Brazil, where there are always multiple Japanese-Brazilian members of the lower house).

4. Direction for Japan's Leadership in Future Collaboration with the Global South

Japan must advance cooperation with the above five Global Houses primarily across five key areas, supporting their sound development as middle powers. Given that the Trump administration's disregard for a rules-based international order is destabilizing the world, the fifth area, "Rebuilding a Rules-Based International Economic Order" is crucial both for Japan and for the Global South. To ensure its realization, urgent cooperation with other middle powers like the EU and Australia is essential.

Furthermore, strengthening cooperation with each region requires consistency in the content of rules across relevant sectors from a business perspective. Otherwise, there is a risk of a recurrence of the "spaghetti bowl" of rules, as seen in problems between mega FTAs.

Ultimately, it is essential to establish a "unifying axis" aimed at future multilateral rules (WTO rules) and to promote international cooperation. It is also important to simultaneously advance sector-specific, multi-lateral agreements on key issues.

Japan should demonstrate leadership in building such a "rules-based international trade system" alongside the Global South, while flexibly acknowledging the current realities.

The discussion above focused on how to build co-creation relationships between Japan and each region. However, beyond Japan's government and companies cooperating individually with each region, so-called "cooperation with third countries" – collaborating with governments and companies from other Global South nations, or governments and companies from other countries, to pursue co-creation with the relevant Global South country or company – has recently become an important option. By becoming a hub for cooperation among these countries, Japan could enhance its presence.

5. Overcoming Challenges in Realizing Collaboration & Co-creation with the Global South

Moving forward, a key consideration for co-creation with the Global South is that as such collaborative relationships progress, not only capital but also people will move. Furthermore, this movement of people includes both an increase in foreign visitors to Japan through tourism and a rise in the foreign resident population due to

the influx of foreign workers.

As mentioned at the outset, a major challenge for Japan in advancing cooperation and co-creation with the Global South is clarifying fundamental policies regarding the acceptance of such foreign workers, the significance and direction of immigration policy, and integration policies for these individuals into Japanese society.

Facing inevitable national power decline due to a shrinking population and aging society, Japan must address labor shortages to achieve a strong economy. It must also appropriately respond to crises in its supply chains – the lifeline of the Japanese economy – which are intensifying and deepening due to geopolitical risks arising from superpower rivalry. To prevent supply chain crises and achieve supply chain resilience and economic security, it is crucial to continuously explain to the public, in an easily understandable manner, how important it is to build many "friends of Japan" in the international community through international cooperation, particularly co-creation with the Global South. It is also important to clearly introduce successful cases, such as regions struggling with population decline being revitalized through the acceptance of foreign workers, and to highlight the benefits.

According to the proposal "Considering Solutions to Japan's Population Decline Problem", compiled through a study group on Japan's population issues hosted by the Japan Economic Foundation in 2024, securing foreign talent is a key measure to alleviate labor shortages. To promote the acceptance of highly skilled foreign talent, it proposes introducing a "points system" similar to those in the UK and other countries. The proposal also recommends enhancing education for the children of foreign workers and promoting "Easy Japanese language" to reduce cultural barriers, thereby facilitating the social integration of accepted foreign talent.

It is essential that as many citizens as possible understand the importance of such proposals. While accepting foreign talent carries disadvantages, such as the potential loss of social homogeneity, the significant benefits outweigh these drawbacks. **JS**

Policy Proposal: To Achieve Japan's Sustainable Growth Through Co-Creation with the Global South (Nov. 27, 2025)

By Global South Research Group

Region	Current Situation	Challenges & Approaches to Collaboration and Co-Creation
Overall	<ul style="list-style-type: none"> • The risk of supply chain disruption is rising due to the “power struggle” between superpowers. Rebuilding the international economic order based on the rule of law is essential. • Meanwhile, the weight of developed economies like the US and EU is declining, while growth rates (population and GDP) in the Global South – including ASEAN, India, and Latin America – are accelerating. • With declining US leadership and the Trump administration disregarding the rule of law, rebuilding the international economic order requires cooperation among middle powers. • Beyond Japan-EU collaboration, rebuilding a “rules-based international economic order” through cooperation and co-creation with the Global South is an urgent priority. • Rising anti-foreigner movements must not be ignored; clarifying fundamental immigration policy principles is necessary. <p>(Note) 2024 JEF-sponsored Research Group on Japan's Population Issues</p>	<p>Cooperation and co-creation with the Global South should primarily advance in the following five areas, supporting their path toward developed nation status while fostering collaboration:</p> <ol style="list-style-type: none"> (1) Promotion of trade and investment (2) Human resource development (3) Educational cooperation (4) Energy and global environmental cooperation (5) Rebuilding a rules-based international economic order
ASEAN	<ul style="list-style-type: none"> • Economic development will enable it to achieve a nominal GDP of \$4.383 trillion in 2025, surpassing Japan. • Maintaining a neutral strategy amid the Ukraine crisis is difficult ⇒ Achieving economic strength that offers significant benefits to major powers is what ultimately leads to security. • Expectations are high for it to serve as one of the standard-bearers for adhering to and rebuilding a “rules-based international economic order”. 	<ol style="list-style-type: none"> (1) Trade and Investment Promotion <ul style="list-style-type: none"> • Japan-ASEAN Economic Partnership Agreement in place. Four of the 10 ASEAN countries have already joined the CPTPP. Indonesia and Thailand express interest. (2) Human Resource Development <ul style="list-style-type: none"> • Cooperation in developing talent in DX and GX fields (3) Educational Cooperation <ul style="list-style-type: none"> • Cooperation in higher education, science and technology, policy research, and economic intelligence to foster innovation. Of the 330,000 international students in Japan (2024), approximately 60,000 are from ASEAN. (4) Energy and Global Environmental Cooperation <ul style="list-style-type: none"> • Promoting cooperation within AZEC (Asia Zero Emissions Community) (5) Rebuilding a Rules-Based International Economic Order <ul style="list-style-type: none"> • Restoring WTO functionality, expanding MPIA membership, linking the CPTPP and EU, establishing a CPTPP Secretariat (6) Other <ul style="list-style-type: none"> • Strengthening ERIA's functions is essential, alongside enhancing policy advocacy capabilities of national think tanks, etc. (Note) Cooperation on financial governance reform, cooperation on low birthrate and aging population issues, regional harmonization of medical qualifications
India	<ul style="list-style-type: none"> • Nominal GDP projected to rank third globally by 2027 • Growing youth population indicates significant economic potential • Key maritime transport hub linking Europe and the Middle East; pivotal node connecting ASEAN and Africa ⇒ Geopolitically significant • Not necessarily supportive of the “rule of law” or a “rules-based international economic order”. • Shares security concerns regarding China with Japan. However, Japan finds it difficult to take action regarding border disputes between India and Pakistan. 	<ol style="list-style-type: none"> (1) Promoting Trade and Investment <ul style="list-style-type: none"> • The Free Trade Agreement with India entered into force in 2011 • Regarding participation in the CPTPP, some voices suggest it may be easier to join than the RCEP, which includes China; it is important to encourage understanding on the Indian side • Investment in high-quality infrastructure development, such as high-speed bullet trains • Promotion of medical tourism (2) Human Resource Development <ul style="list-style-type: none"> • Promote the acceptance of highly skilled IT software engineers. In doing so, it is important to clarify the basic principles of immigration policy and establish a system for accepting foreign workers.

Region	Current Situation	Challenges & Approaches to Collaboration and Co-Creation
		<ul style="list-style-type: none"> (3) Educational Cooperation <ul style="list-style-type: none"> • Promote student exchanges between Japan and India (4) Energy and Global Environmental Cooperation <ul style="list-style-type: none"> • Promote the transfer of Japan's energy-saving and environmental technologies (5) Rebuilding a Rules-Based International Economic Order <ul style="list-style-type: none"> • Maintain and promote the Quad (Japan-US-Australia-India Strategic Dialogue)
Middle East	<ul style="list-style-type: none"> • Some nations possess wealth surpassing developed countries, yet significant income disparities exist within the region • Relying solely on the US for security cannot guarantee one's own safety <ul style="list-style-type: none"> ⇒ Strengthen cooperation with BRICS, AIIB, and ASEAN. Meanwhile, maintaining good relations with the US remains a priority • Japan's presence is declining compared to China's rising influence • From the perspective that "regional stability" is a shared interest for Middle Eastern oil-producing nations needing foreign investment and for Japan, cooperation and co-creation are crucial 	<ul style="list-style-type: none"> (1) Promoting Trade and Investment <ul style="list-style-type: none"> • Accelerate FTA negotiations with the GCC (Gulf Cooperation Council). At a minimum, advance negotiations toward a CEPA (Comprehensive Economic Partnership Agreement) between Japan and countries like the UAE. (2) Human Resource Development <ul style="list-style-type: none"> • Develop experts capable of utilizing AI to streamline the societal implementation of decarbonization technologies. (3) Educational Cooperation <ul style="list-style-type: none"> • Make efforts to increase the number of students from the Middle East studying in Japan. (4) Energy and Global Environmental Cooperation <ul style="list-style-type: none"> • Collaborate with Saudi Arabia to build supply chains for clean energy like hydrogen and ammonia. Provide financing with the UAE for projects contributing to renewable and next-generation energy supply in third countries. (5) Rebuilding a Rules-Based International Economic Order <ul style="list-style-type: none"> • While advancing FTA negotiations with the GCC and CEPA negotiations between Japan and the UAE, cooperation and co-creation toward rebuilding the free trade order is crucial.
Africa	<ul style="list-style-type: none"> • 80 times the size of Japan, 54 countries, extremely diverse. Population growth rate is very high. • Many countries adopt a diplomatic stance neither aligned with the "West" nor with "China and Russia", prioritizing support that benefits their own development. • US presence is rapidly declining (USAID dismantled), while China's presence is significant. Japan's investment in Africa remains low. • "Job creation" is the greatest need. 	<ul style="list-style-type: none"> (1) Promoting Trade and Investment <ul style="list-style-type: none"> • FTA negotiations with the East African Community • Promoting investment in manufacturing to create jobs (2) Human Resource Development <ul style="list-style-type: none"> • Developing local industrial experts and entrepreneurs for indigenous industries (TICAD's "ABE Initiative" – African Business Education Initiative for Youth) (3) Education Cooperation <ul style="list-style-type: none"> • Continuation and expansion of the "ABE Initiative" (4) Energy and Global Environmental Cooperation <ul style="list-style-type: none"> • Securing critical minerals (5) Rebuilding a Rules-Based International Economic Order <ul style="list-style-type: none"> • FTA with Africa <ul style="list-style-type: none"> ⇒ Strengthening ASEAN-India-Africa supply chains (6) Other <ul style="list-style-type: none"> • Promoting ODA for job creation in Africa to African nations, and promoting the diplomatic importance of aid to Africa to the Japanese public
Latin America	<ul style="list-style-type: none"> • Latin America and the Caribbean comprise 33 countries. Its population ranks third after South Asia and Sub-Saharan Africa. With a GDP of approximately \$7.1 trillion, it represents a massive consumer and labor market. • Declining US presence, rising Chinese presence, and declining Japanese presence. 	<ul style="list-style-type: none"> (1) Promotion of Trade and Investment <ul style="list-style-type: none"> • Conclusion of an EPA with Mercosur (2) Human Resource Development <ul style="list-style-type: none"> • Strengthening the "Juntos!! Program for Promoting Understanding of Japan in Latin America" (Ministry of Foreign Affairs), aimed at identifying and nurturing pro-Japan and Japan-knowledgeable individuals (3) Educational Cooperation <ul style="list-style-type: none"> • Support for Japanese descendants studying abroad through the "Japanese Descendants Scholarship" (The Nippon Foundation) and the Japanese descendants quota under the "Government-Sponsored Foreign Student Program" (Ministry of Education, Culture, Sports, Science and Technology)

Region	Current Situation	Challenges & Approaches to Collaboration and Co-Creation
		<p>(4) Energy and Global Environmental Cooperation</p> <ul style="list-style-type: none"> • Securing critical minerals. Specifically, participation in lithium and copper production projects, and cooperation in developing lithium application technologies <p>(5) Rebuilding a Rules-Based International Economic Order</p> <ul style="list-style-type: none"> • Promoting an EPA with Mercosur • Strengthening CPTPP-EU cooperation (with Chile and Peru participating) <p>(6) Other</p> <ul style="list-style-type: none"> • Collaboration with large-scale Japanese communities is important

Points to Note

- ① Direction of Japan's Leadership in Leading Collaboration with the Global South: Among the five cooperation areas, "rebuilding a rules-based international economic order" is the most urgent task. In doing so, establishing a "unifying axis" aimed at future WTO rules and international coordination are indispensable.
- ② "Collaboration with Third Countries" – pursuing co-creation with the Global South in partnership with other governments and companies – is also a crucial option.
- ③ A major challenge in promoting co-creation with the Global South is the need to clarify basic policies regarding the acceptance of foreign workers and their integration into Japanese society. It is necessary to clearly explain to the public the benefits of accepting foreign workers, such as alleviating Japan's population decline issue.

JEF initiated the Global South Research Group with prominent Japanese experts in April 2025.