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Rethinking Europe's economic security: Strategic de-risking and the case for the 'trusted six'

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Executive summary

This paper argues for the creation of a 'Trusted Six' (T6) partnership between the European Union and the UK, Canada, Japan, South Korea, Australia, and New Zealand to tackle issues of economic security and the need for shared resilience.

The COVID-19 pandemic, Russia's war in Ukraine, and now the US-Israeli war against Iran have exposed Europe's vulnerabilities to supply chain disruption and a general lack of resilience against global shocks. From health and energy to armaments, Europe's decades-long embrace of globalisation has left it reliant on a certain level of global economic stability which is no longer a given. This is not just a European problem, but one felt by many middle powers around the world today.

At the same time, Europe faces the threat of deindustrialisation from China's manufacturing overcapacity, the weaponisation by China of its rare earth supply chain, a less reliable partner in the USA, and broader challenge of remaining competitive against these two global powers. To address these challenges, the EU member states and other non-EU middle powers are all seeking strategies to limit their dependencies and derisk supply chains.

Whether it is the European Chips Act, the Critical Raw Minerals Act, or the Net Zero Industry Act, the EU will struggle to meet its 2030 targets for derisking supply chains without help from its closest trading partners. For instance, Australia and Canada could help the EU de-risk its critical minerals supply chain through reshoring or friendshoring processing facilities. Japan and South Korea could work with European partners to support each other's respective semiconductor industries.

The T6 is a proposed grouping of established middle powers - the UK, Japan, South Korea, Canada, Australia, and New Zealand. These states share many features including democratic governance systems, advanced economies, and a track record of engaging with the EU across many fronts. Most importantly, all of these countries are currently seeking access to the EU's Security Action for Europe (SAFE) defence procurement fund and the 'Buy European' provisions in the EU's Industrial Accelerator Act. In the T6 model, this grouping could negotiate on a collective basis with the EU to co-create partnerships that bolster the economic security and resilience of all.

Engaging with the T6 model offers clear strategic benefits

for both the UK and Germany. Since Brexit, the UK has struggled to find a meaningful role in the world or a sustained way of working with European partners which does not simply reopen the polarised and often binary debate of simply re-joining the EU. While Russia's invasion of Ukraine and the 'China Shock 2.0' has rendered Germany's previous foreign policy of 'Wandel durch Handel' (change through trade) largely a failure.

The development of a T6 partnership could offer both states a pragmatic mechanism to meet these challenges. This would include making it easier for the EU and the T6 to friendshore and diversify strategic supply chains away from China and other non-trusted partners, share the cost of de-risking these supply chains, and coordinate trade defence measures through joint action to restrict market access in response to overcapacity in certain sectors of the economy. All of this would have the added benefit of making it harder for great powers to weaponise strategic supply chains and easier for like-minded partners to maintain where they can existing international rules and norms.

Drawing inspiration from the UK-Germany Kensington Treaty, this cooperation could take the form of thematic lighthouse projects. For instance, working groups could be established on key issues such as critical minerals, energy security and biotechnology and pharmaceuticals. While core membership would be the T6 and EU Member States, there is no reason why other middle powers could not join these projects on a case by case basis.

The T6 model offers one way for the EU and like-minded partners to insulate themselves from the geopolitical turbulence we currently face. At a moment when China and the United States are flexing their hard power muscles to coerce smaller states to step into line, building global partnerships with reliable allies who share both values and interests is one way to bolster resilience and reduce dependencies. Too often such partnerships stall in the midst of complex negotiations and duplicated effort as the EU engages bilaterally with many different partners at once. Much has been said about the 'middle power moment', but moving from words to action will require ways of working that build confidence and trust quickly. By fostering repeat engagement through the mechanism of the Trusted Six, capitalising on the foundations of existing bilateral agreements between the parties and taking them further, the EU and its longstanding allies can take a proactive step from rhetoric to reality.

Summary of recommendations

For UK policymakers

- **The Foreign, Commonwealth, and Development Office** should explore the idea of caucusing with the other Trusted Six countries on a shared negotiating position to gain access to the EU's SAFE defence procurement instrument and the 'Buy European' provisions in the EU Industrial Accelerator Act. This could include increasing the diplomatic headcount at embassies in the six countries, tasking ambassadors in these countries to open dialogues regarding coordinating closer as a group and selecting a summit in 2026 where the leaders of this grouping could meet.
- **The Cabinet Office** should draft a list of potential light-house projects that the UK would be interested in working with European partners alongside Canada, Australia, Japan, South Korea, and New Zealand. This list should consider the existing gaps in the EU's economic security plans as set out in the EU Chips Act, the Critical Raw Materials Act, and the Net Zero Industry Act.
- **The House of Commons Foreign Affairs Select Committee** in the UK Parliament should consider launching an inquiry into the idea of a Trusted Six format which could be used to engage with the EU alongside other partners.

For German policymakers

- **The Federal Foreign Ministry and Chancellery** should write to the EU Commission stating its support for the EU considering the UK, Japan, South Korea, Canada, Australia, and New Zealand's participation in the SAFE defence procurement instrument and the Industrial Accelerator Act at the same time.
- **The Federal Foreign Ministry and the Chancellery** should encourage EU Member States in bilateral and collective statements to support the construction of a trusted partnership programme and an approach that supports preferential treatment of such a group.
- **The Federal Foreign Ministry and the Chancellery** should publicly endorse the idea of an EU summit with the Trusted Six partners in question to discuss ways that middle powers can work closer together on resilience and economic security.
- Within the **Bundestag**, the **Foreign Affairs Committee**, relevant parliamentary **friendship groups** and **party-political foreign affairs spokespeople** should coordinate with Trusted Six parliamentary colleagues, not least in the UK Parliament, to explore possibilities for greater engagement on the matters outlined above, and encourage the Federal Government to endorse the T6 model.
- Within the **Bundestag**, parliamentarians should ensure that any Article 23 binding guidance on Germany's negotiating position on the EU Industrial Accelerator Act includes language supporting the T6 model.

Introduction

The economic security of Europe and the prosperity of its inhabitants is threatened by continuing geopolitical shifts. Russia's full-scale invasion of Ukraine and its wider proliferation of military and hybrid threats have been a wake-up call for Europe's defence ministries and industry, even if the pace of rearmament has not matched the urgency of political rhetoric to date. The rapid deindustrialisation of European industry has been accelerated by unfair competition practices from foreign powers, most notably China through its state subsidies and manufacturing overcapacity, the weaponisation of supply chain dependencies, and its monopolisation of key sectors of the global economy (not least critical minerals). Meanwhile, under President Trump, the United States is increasingly weaponising the dependencies that come with their role as Europe's primary security partner to extract economic gains. Caught between the machinations of three major powers which view European institutions and alliances with a mixture of suspicion or hostility, the pressure on policymakers in Brussels and national capitals is growing.

At Davos in January 2026, Canadian Prime Minister Mark Carney announced that the moment had come for so-called 'middle powers' to step up to deal with the fragmentation of the old international order. A recent paper by the New Diplomacy Project and Friedrich-Ebert-Stiftung explored the strategies that middle powers have adopted in earlier times of crisis, and whether lessons could be learnt by British and German decision-makers today.¹ The paper argued that middle powers could enhance their bargaining power and, ultimately, resilience by taking a pragmatic, adaptive approach to partnerships, and building issue-specific coalitions of like-minded or 'like-interested' states. However, there remains a lack of consensus on how democracies with developed and aligned economies can work together to pick up the mantle of this moment.

In this paper, we argue that likeminded middle powers must work together to bolster their economic security in the face of the pressures brought to bear by Russia, China and the United States. While EU institutions already offer a mechanism for European middle powers to build this collective security, their efforts would be significantly enhanced by nurturing collaboration with a wider set of countries which bring to the table natural resources, industry and finance which cannot easily be replicated. Countries such as Australia, Canada, Japan, New Zealand, South Korea and the United Kingdom already engage with the EU through bespoke bilateral frameworks, and offer avenues to valuable sectors such as industry and finance. We argue that a more coordinated and proactive engagement based on negotiations between this 'trusted six' and the EU would benefit all parties, enabling some insulation from dependence on superpowers which are at best disinterested and at worst actively opposed to Europe's stability and prosperity.

We begin this paper by outlining Europe's economic security challenge, and the role that deeper partnerships could play in building resilience. We then introduce the Trusted Six model, identifying areas of potential shared interest and explaining how the collaboration might be formalised. We end by reflecting on the strategic benefits that such collaboration could offer for the likes of the United Kingdom and Germany, two established European middle powers with deep interests in sustained engagement.

¹ Ben Horton and Reg Pula, *Middle power moves: foreign policy lessons for the UK and Germany*, Bonn: Friedrich-Ebert-Stiftung (2026), <https://collections.fes.de/publikationen/id/1968579>.

Europe's economic security challenge

The COVID-19 pandemic, Russia's war in Ukraine, and now the US-Israeli war against Iran have exposed Europe's vulnerabilities to supply chain disruption and a general lack of resilience. From health and energy to armaments, Europe's decades-long embrace of globalisation has left it reliant on a certain level of global economic stability which is no longer a given. This vulnerability is felt by many middle powers today but manifests with particular severity for the European Union.

Take the case of Liquefied Natural Gas (LNG). In 2025, EU member states collectively imported 140 billion cubic metres of LNG, with Italy and Belgium importing significant amounts from Qatar (30% and 8% of their total imports, respectively)². Following Russia's invasion of Ukraine, European countries reduced their reliance on Russian energy and increased their reliance on American energy instead, buying record amounts of LNG from the United States.³ In the case of Germany, the proportion of LNG sourced from the United States has risen to 96% – a significant dependency and, increasingly, a strategic vulnerability.⁴ European energy markets are particularly vulnerable to the economic fallout of the war in the Middle East. The International Monetary Fund estimates that around 20% of all global LNG imports pass through the Strait of Hormuz which, at time of writing, is blockaded by both Iran and the United States.⁵ Even if American LNG sources shore up the lack of supply from the Gulf, the disruption is expected to drive significant price inflation for the foreseeable future.⁶

Energy is not the only economic dependency exposed by the return of great power politics. Following the diplomatic dispute between the United States and its NATO allies in Europe over the sovereignty of Greenland, the European Central Bank noted Europe's dependency on US payments systems providers Visa and Mastercard, which account for more than 60% of bank card transactions in Europe.⁷ Similar dependencies have been identified regarding reliance on US cloud storage providers⁸, including by many European governments for the storage of tax and health records⁹, and the growing reliance on US artificial intelligence companies.¹⁰ Europe's recent surge of defence imports to sustain the Ukrainian war effort and backfill depleted armouries has been primarily sourced from US defence manufacturers (almost 50% of the total), and led to the continent being listed as the largest defence importer by region in the world in 2026.¹¹ As Washington's unpredictability deepens, and conflicts continue to proliferate, these dependencies could become a fatal weakness for Europe's leaders.

Take critical minerals, for example. Europe's efforts to decarbonise its economy and transition towards clean technology are heavily dependent on rare earths and critical minerals from China. Each electric vehicle requires around 200kg of critical minerals, which is six times more than a conventional vehicle. Europe has next to no domestic rare earth processing, instead sourcing 98% of its rare-earth magnet demand, including for offshore wind turbines, from China.¹² This opens up the economies of the

2 Quirino Mealha, 'Which EU countries are most exposed to the LNG supply disruption?' *Euronews*, 6 March 2026, <https://www.euronews.com/business/2026/03/06/which-eu-countries-are-most-exposed-to-the-lng-supply-disruption>.

3 IEA, *Gas market lessons from the 2022-2023 energy crisis*, Paris: IEA (2025), <https://www.iea.org/reports/gas-market-lessons-from-the-2022-2023-energy-crisis>.

4 Katya Adler, 'How Europe sleepwalked into yet another energy crisis', *BBC News*, 19 March 2026, <https://www.bbc.co.uk/news/articles/c24de9e97vno>.

5 Tobias Adrian et al, 'How the war in the Middle East is affecting energy, trade, and finance', *IMF Blog*, 30 March 2026, <https://www.imf.org/en/blogs/articles/2026/03/30/how-the-war-in-the-middle-east-is-affecting-energy-trade-and-finance>.

6 Quirino Mealha, 'Iran war will trigger largest energy price surge since 2022, World Bank warns', *Euronews*, 28 April 2026, <https://www.msn.com/en-my/news/other/iran-war-will-trigger-largest-energy-price-surge-since-2022-world-bank-warns/ar-AA21Ulo?ocid=BingNewsSerp>.

7 Tom Nawrocki, 'The EU seeks to break its dependence on Visa, Mastercard rails', *Payments Journal*, 1 April 2026, <https://www.paymentsjournal.com/the-eu-seeks-to-break-its-dependence-on-visa-mastercard-rails/>.

8 Amazon, Google, and Microsoft have more than 70% of the European cloud storage market: Kai Nichol Schwarz, 'These four charts show how reliant Europe is on U.S. digital infrastructure', *CNBC*, 13 February 2026, <https://www.cnbc.com/2026/02/13/four-charts-europes-reliance-us-digital-infrastructure.html>.

9 Johnny Ryan, 'Europeans are dangerously reliant on US tech. Now is a good time to build our own', *The Guardian*, 17 February 2026, <https://www.theguardian.com/commentisfree/2026/feb/17/europeans-are-dangerously-reliant-on-us-tech-now-is-a-good-time-to-build-our-own>.

10 ChatGPT, produced by US company OpenAI in January 2026, had around 80% of the AI chatbot market in Europe: Vertu, *AI chatbot market share 2026*, 8 January 2026, <https://vertu.com/lifestyle/ai-chatbot-market-share-2026-chatgpt-drops-to-68-as-google-gemini-surges-to-18-2/>.

11 Tim Martin, 'Europe leads global arms imports market as demand surges: SIPRI report', *Breaking Defense*, 9 March 2026, <https://breakingdefense.com/2026/03/europe-leads-global-arms-imports-market-as-demand-surges-sipri-report/>.

12 Hamed Ghiaie and Filippo Gorelli, 'From chips to turbines: Europe depends on these critical rare earth materials', *World Economic Forum*, 29 October 2026, <https://www.weforum.org/stories/2025/10/from-chips-to-turbines-europe-depends-on-critical-raw-materials/>.

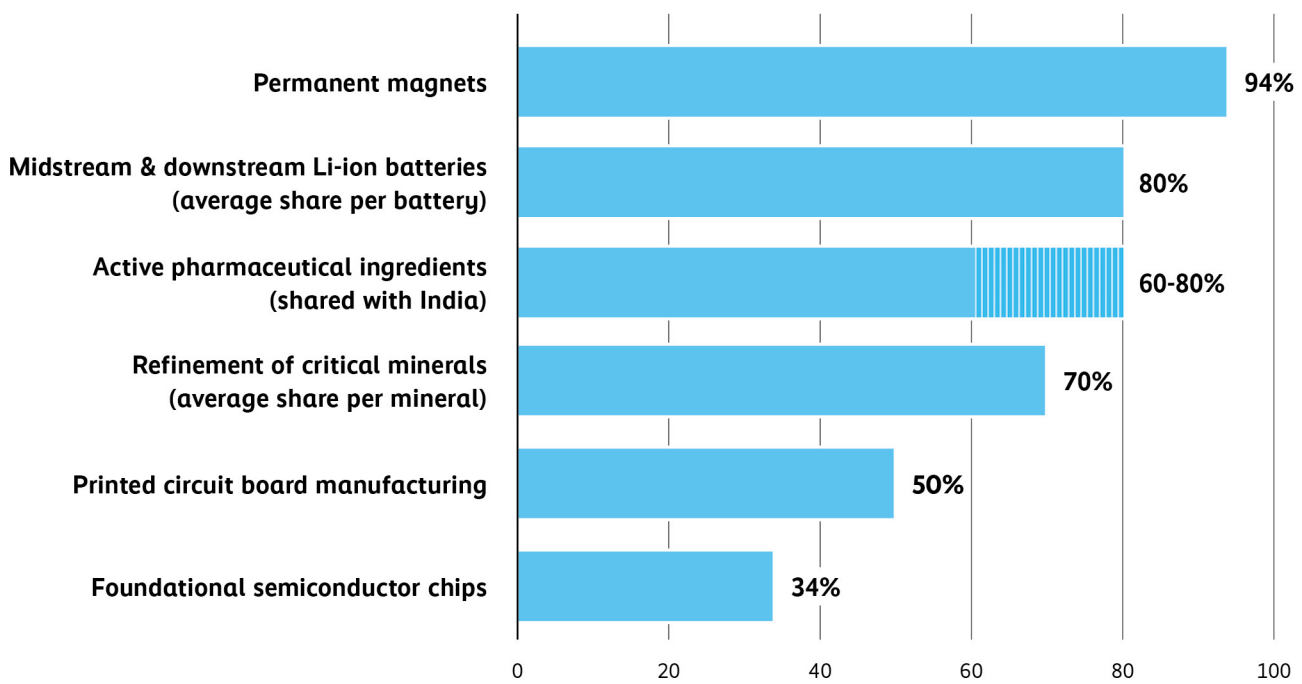
continent to significant dependencies, not to mention also carrying hard security implications.¹³

The potential weaponisation of Europe’s economic dependencies is not just theoretical. In the last year alone, for example, China has placed export control restrictions on rare earth elements¹⁴ and on Dutch company Nexperia’s semiconductor automotive chips, which has threatened automotive producers with plant closures and caused mass disruption.¹⁵ Without serious consideration of their exposure to China, Europe’s efforts to finally achieve energy independence through the green transition could risk exchanging one dependency for another, for the second time in a decade.

Dependency on Chinese rare earths is not limited to Europe’s green technology supply chain. China has added export controls to around twenty-five critical minerals, including bans on exporting minerals for dual-use military goods.¹⁶ At least eight of these minerals are on the NATO list of 12 defence raw critical minerals which are vital for the production of key weapons and platforms including missiles, fighter aircraft, tanks, submarines, artillery, and ammunition.¹⁷ However, the critical minerals supply chain is not the only one China could weaponise. According to the Critical Medicines Alliance, India and China produce between 60-80% of active pharmaceutical ingredients in medicines sold in Europe.¹⁸ As with rare earth export licences, there is a concern that active pharmaceutical ingredients could become the next supply chain that is weaponised.

Global supply chain dependency on the PRC

Fig. 1



Data analysed and collated by the New Diplomacy Project. Sources included: <https://www.iea.org/commentaries/with-new-export-controls-on-critical-minerals-supply-concentration-risks-become-reality>; https://www.uscc.gov/sites/default/files/2025-11/Chapter_9--Chained_to_China_Beijings_Weaponization_of_Supply_Chains.pdf; <https://merics.org/en/merics-briefs/europes-increasing-reliance-china-critical-drugs-foreign-investment-china-africa>.

13 Francesca Ghiretti and Conlan Ellis, 'It's time to treat China's connected energy systems as a national security risk', *The Wire China*, 18 January 2026, <https://www.thewirechina.com/2026/01/18/its-time-to-treat-chinas-connected-energy-systems-as-a-national-security-threat/>.

14 Francesca Ghiretti and Conlan Ellis, *Old priorities, new contexts: The institutional roots and new developments of China's rare earth policy*, RAND Corporation, PE-A4756-1, February 2026, <https://www.rand.org/pubs/perspectives/PEA4756-1.html>.

15 *Geoeconomic Competition* podcast, 'What's going on with Nexperia, with Judith Huisman', 7 November 2025, <https://podcasts.apple.com/gb/podcast/whats-going-on-with-nexperia-with-judith-huisman/id1729083514?i=1000735723893>.

16 Ashitha Shivaprasad, Amy Lv and Alessandro Parodi, 'What critical minerals are on China's export control list now?' *Reuters*, 4 April 2025, <https://www.reuters.com/world/china/chinas-curbs-exports-strategic-minerals-2025-10-09/>.

17 NATO, 'NATO releases list of 12 defence-critical raw materials', 11 December 2024, <https://www.nato.int/en/news-and-events/articles/news/2024/12/11/nato-releases-list-of-12-defence-critical-raw-materials>.

18 MERICS, 'Europe's increasing reliance on China for critical drugs + Foreign investment + China-Africa', *MERICs Briefs MERICS China Essentials*, 12 September 2024, <https://merics.org/en/merics-briefs/europes-increasing-reliance-china-critical-drugs-foreign-investment-china-africa>.

China's weaponisation of supply chains comes at a time when its unfair trade practices, which includes producing overcapacity of subsidised manufacturing goods and dumping them on European markets, are destroying manufacturing jobs in Europe. Germany is currently losing 10,000 manufacturing jobs a month and the automotive sector in particular is facing a bigger downturn than it did during COVID-19 or the financial crash of 2008.¹⁹ The UK is not immune to the so-called 'China Shock 2.0' either. At the time of writing the UK's already relatively small automotive sector has lost 3,225 jobs in the last eighteen months.²⁰

Outside of subsidies and overcapacity a part of China's success in the automotive sector has come largely off the failure of European competitors to monopolise on their historic advantage, this includes failing to develop electric vehicle battery technology and instead subsidising diesel hybrids. Whether it is complaining about high energy prices, US tariffs, or the productivity of workers, European automakers have many excuses, but none that address how they allowed Chinese automakers to leapfrog them.²¹ Market share for German and UK exports in China have fallen dramatically. The UK's trade deficit with China has grown by £23.5bn since 2019 and its market shares for goods and services have declined after barely moving since 2014.²² Meanwhile Rhodium has warned that if the annual average drop of exports from Germany to China over the last three years were to continue for another three years, then German exports to China would shrink to below those to Austria or Switzerland – a stark position given the relative size of the German economy.²³

The dependency of the European automotive sector on China for profits, joint-ventures for battery technology, and for critical minerals, has rendered it impotent and in some cases actively against European economic security interests. Despite Volkswagen, BMW, and Mercedes all losing market share in China, the 'big three' German automakers actively lobbied against the EU increasing tariffs on Chinese made electric vehicles.²⁴

Europe has been here before. Germany was once a world-leader in the production of solar panels until state subsidised Chinese solar companies dumped their overcapacity on European markets. German companies couldn't compete on price or volume. Tariffs and a subsequent price-undertaking were a little too late to protect Europe's solar industry. Today, China currently provides Europe with 95% of the solar panels in use, in contrast to its 47.8% share of production in 2010.²⁵

Beijing remains a master at exercising strategic leverage. In the past it has suspended bilateral dialogues, imposed tariffs, coordinated consumer boycotts, targeted foreign businesses, and downgraded diplomatic relations to pressure partners ranging from Lithuania to Australia to align with its foreign policy outlook and offer concessions. At the time of writing, China has imposed export controls, reimposed an import ban on Japanese seafood, and coordinated a tourism boycott in efforts to punish Japan for comments its prime minister made regarding Taiwan. Addressing the imbalances in Europe's terms of trade with China will therefore require a collective resolve to withstand significant pressure from Beijing.

The deindustrialisation of Europe by Chinese competition is not an accident but a design and consequence of its state-led industrial policies and its export to growth strategy. China's neighbours in South East Asia are similarly facing the same challenge. According to the Indonesian Textile Association, around 60 factories have closed between 2022-2025 as China's trade surplus with ASEAN hit a record of \$276bn in 2025.²⁶

The United Nations Industrial Development Organization projects that if this trend continues, China will hold a 45% share of global manufacturing by 2030²⁷, much of which will come from the deindustrialisation of Europe and its closest partners including Japan, the UK, and South Korea. In 2025, the proportion of manufacturing jobs in South Korea that make up the total level of employment

19 Noah Barkin and Gregor Williams, 'Germany's "China Shock" revisited', *Rhodium Group*, 10 February 2026, <https://rhg.com/research/germanys-china-shock-revisited/>.

20 See for example: Tom Espiner, 'Jaguar Land Rover to cut up to 500 UK jobs', *BBC News*, 17 July 2025, <https://www.bbc.co.uk/news/articles/c86g2d7e4pwo>; Jack Williams, 'Aston Martin announces plans to axe 600 jobs in move that could slash workforce by a fifth', *Car Dealer Magazine*, 25 February 2026, <https://cardealermagazine.co.uk/aston-martin-announces-plans-to-axe-600-jobs-in-move-that-could-slash-workforce-by-a-fifth/322369>; Ben Schofield, 'After losing Vauxhall jobs, how can Luton bounce back?' *BBC News*, 13 July 2025, <https://www.bbc.co.uk/news/articles/c4gej56166eo>; Kalyeena Makortoff, 'Lotus to cut 550 UK jobs amid 'uncertainty' including Trump tariffs', *The Guardian*, 28 August 2025, <https://www.theguardian.com/business/2025/aug/28/lotus-cut-uk-jobs-auto-industry-trump-tariffs>; Pamela Bilalova, 'Nissan Sunderland looking to cut 250 jobs', *BBC News*, 27 June 2025, <https://www.bbc.co.uk/news/articles/cvgen88z3lo>; Alex McIntyre and Lee Blakeman, 'Bentley workers "shocked and angry" at job cuts', *BBC News*, 18 March 2026, <https://www.bbc.co.uk/news/articles/c23z3em84kyo>.

21 Sam Goodman, *Charged with Consequence: How Europe navigates the risks of Chinese Electric*, 19 March 2025, <https://www.csri.global/research/charged-with-consequence>.

22 UK Department for Business and Trade, *Trade and investment factsheet: China*, GOV.UK, 14 May 2026, <https://assets.publishing.service.gov.uk/media/6a01f9d18cc72d-2f863ea764/china-trade-and-investment-factsheet-2026-05-14.pdf>.

23 Sam Goodman, *China's electric vehicle challenge to Europe: red flags and red lines*, China Strategic Risks Institute, 15 July 2025, <https://www.csri.global/research/chinas-ev-challenge-to-europe>.

24 Giovanna Coi, Douglas Busvine and Koen Verhelst, 'Mission Impossible: Germany's bid to kill EU duties on Chinese EVs', *Politico*, 24 September 2024, <https://www.politico.eu/article/eu-duties-electric-cars-european-union-autos/>.

25 Goodman, *China's electric vehicle challenge to Europe: red flags and red lines*.

26 Peter Foster, Owen Walker, William Langley, and A. Anantha Lakshmi, 'China shock 2.0: the countries feeling the "Chinese squeeze"', *Financial Times*, 15 April 2026, <https://www.ft.com/content/ea4c95c0-af00-4b79-8b7e-4bbe6d5e19f9?syn-25a6b1a6=1>.

27 The United Nations Industrial Development Organization, *The Future of Industrialisation*, 2024, <https://www.unido.org/sites/default/files/unido-publications/2024-11/The%20Future%20of%20Industrialization%20-%20Building%20Future-ready%20Industries%20to%20Turn%20Challenges%20into%20Sustainable%20Solutions.pdf>.

fell to 15.2%, their lowest share since 2012.²⁸

Export controls are only the beginning. A new supply chain security regulation introduced by China will impose penalties and countermeasures on foreign companies and countries that try to undertake due-diligence or supply chain mapping. This will make managed de-risking difficult, and is the latest attempt by the PRC to weaponise its supply chains in the hopes of coercing Europe to keep its markets open in the name of securitisation.²⁹

China owes, in no small part, the success of its export to growth strategy to division among EU member states and between the EU and its closest partners. As it stands, the EU, alongside the United States, Japan, the UK, Canada, and Australia, accounts for well over 50% of global demand for consumer goods.³⁰ Better coordination amongst these partners on tariffs, industrial policy, and friendshoring key supply chains could stem the threat posed by China's excess manufacturing capacity and unfair competition.

The EU is becoming more adept at using its trade defence instruments to prevent mainly Chinese producers from using third-countries as a backdoor into the Single Market. This includes launching anti-subsidies investigations against Egypt³¹ and Morocco³². However, this 'whack-a-mole' approach has its limits as the EU is forced to open an investigation into each individual company which drains resources and time.

Beijing has been able to segment and divide EU Member States through offering small amounts of green investment and making other middle power countries like Canada and the UK compete for similar amounts of investment. At time of writing, Chinese automaker BYD is building an EV plant in Hungary and Chinese automaker Chery and battery manufacturer CATL are building plants in Spain, all while Germany continues to shed thousands of auto jobs. Through small-scale tactics such as these, China can keep markets for its goods open despite offering little to no reciprocity.

These examples of China's encroaching effects all point to a wider trend: Europe is falling behind in the development of emerging technology, losing its historic advantage in life sciences and telecommunications. The fact that EU mem-

ber states continue to debate the participation of Chinese telecommunications producer Huawei in their respective 5G networks and European providers such as Nokia and Ericsson are participating in Chinese Government sponsored 6G trials speaks volumes, as does the trend of leading European pharmaceutical companies AstraZeneca and Bayer freezing investments and cutting jobs in Europe while investing heavily in research and development in China. As well as making key European infrastructure vulnerable to foreign interference in a hypothetical future conflict, this unhealthy dependence on Chinese exports is doing nothing to revive European competitiveness and prosperity.

The 2024 report by former Italian Prime Minister and head of the European Central Bank Mario Draghi on how Europe can fix its competitiveness has largely gathered dust. Analysis by Deutsche Bank found just 11% of the recommendations had been adopted a year after its publication, with many of the contentious parts regarding removing internal barriers being ignored.³³ In the absence of greater prioritisation of Europe's key industries, it is difficult to see this state of play changing anytime soon.

It is clear that the EU alone cannot deal with the threat of China's manufacturing overcapacity or a dependency on supply chains that are vulnerable to disruption or weaponisation. Nor should it have to, when there are close partners who face the same set of challenges and are seeking the same outcome: economic resilience.

28 Kim Ji-Seop, 'Manufacturing employment share drops to 15.2% record low', *The Chosun Daily*, 23 February 2026, <https://www.chosun.com/english/market-mon-en/2026/02/22/H5JWD2HPYRA45HNZYJNPW7GIDY/>.

29 Arendse Huld, 'China's new supply chain security regulations: what are the risks to foreign companies?' *China Briefing*, 20 April 2026, <https://www.china-briefing.com/news/chinas-new-supply-chain-security-regulations-what-are-the-risks-to-foreign-companies/>.

30 Eyck Freyman and Hugo Bromley, 'The case for "avalanche decoupling" from China', *Foreign Affairs*, 29 January 2025, <https://www.foreignaffairs.com/china/case-avalanche-decoupling-china>.

31 Glass Fibre Europe, 'Anti-dumping investigation into glass fibre imports from Bahrain, Egypt and Thailand', 17 February 2025, <https://glassfibreeurope.eu/anti-dumping-investigation-into-glass-fibre-imports-from-bahrain-egypt-and-thailand/>.

32 Insight EU Monitoring, 'Morocco: EU imposes duties on unfairly subsidised imports of aluminium road wheels', 21 March 2025, <https://ieu-monitoring.com/editorial/morocco-eu-imposes-duties-on-unfairly-subsidised-imports-of-aluminium-road-wheels>.

33 Marion Muehlberger and Ursula Walther, *Need for speed: the Draghi report one year on*, Deutsche Bank Research, 9 September 2025, https://www.dbresearch.com/PROD/IE-PROD/PROD000000000602767/Need_for_speed_-_the_Draghi_report_one_year_on.pdf.

Teething problems: Europe's stop-start approach to partnerships

Announced in 2023 as a strategy, 2024 as a package and 2025 as a joint communication, Europe's approach to economic security has three pillars:

- i. promoting EU competitiveness and its scientific, technological and industrial bases;
- ii. protecting the EU from economic security risks including through new instruments; and
- iii. partnering with like-minded countries who share the same concerns and interests.³⁴

The 2025 Joint Communication on strengthening Economic Security further formalised this approach, outlining six priority high-risk areas:

1. reducing strategic dependencies for goods and services;
2. attracting safe investment into the EU;
3. supporting a vibrant European defence and space industry, and other critical industrial sectors;
4. securing EU leadership across critical technologies;
5. protecting sensitive information and data; and
6. shielding Europe's critical infrastructure.³⁵

While *partnership* is listed as one of the three pillars of this approach, in practice it is far less developed than the other two pillars: to *promote* EU competitiveness the EU has adopted the Chips Act³⁶, the Critical Raw Materials Act³⁷, and the Net Zero Industry Act³⁸; and to *protect* from economic security risks the EU has adopted the Anti-Coercion Instrument³⁹, Foreign Subsidies Regulation⁴⁰, and the FDI

screening framework. To date, the *partnership* pillar has been substantiated through free trade and investment agreements, but these alone do not resolve the vulnerabilities discussed in the previous section.⁴¹

Even in the few instances where it appears the European Union is beginning to take resilience seriously, namely defence manufacturing, there remains little follow-through on the need to cooperate and work closely with trusted partners to de-risk respective supply chains. This was particularly evident during the negotiations in 2025 for the UK to access the EU's Security Action for Europe (SAFE) defence procurement fund. Disagreement over a leaked membership fee proposed by the EU Commission and opposition by some EU Member States to the perception that the UK may get more out than it pays in have stalled the negotiations.

One UK defence analyst speculated to the authors of this report that the stalled defence negotiations reflect inter-competition between European countries for new defence markets for domestic arms manufacturers. However, the blocking of the UK – one of the largest global defence manufacturers, other than France – ignores the speed at which Europe needs to rearm to deal with the threat of Russia, the pressure from the USA to play a larger role in handling its own defence, and the huge gaps in defence capabilities particularly when it comes to anti-missile defence shields and air-to-air refuelling.

The UK's failure to negotiate access to the EU's safe defence procurement fund has rightly created some disquiet amongst other trusted partners who are seeking to access the scheme. The announcement of plans for 'Buy European' procurement provisions as part of the EU's planned Industrial Accelerator Act – which, again, will require countries like the UK, Canada, Japan, Korea, Aus-

34 European Parliamentary Research Service, *Briefing: New EU economic security doctrine* (2025), [https://www.europarl.europa.eu/RegData/etudes/BRIE/2025/772915/EPRS_BRI\(2025\)772915_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2025/772915/EPRS_BRI(2025)772915_EN.pdf).

35 European Commission, 'New measures to secure raw materials and strengthen the EU's economic security', Directorate-General for Communication, 3 December 2025, https://commission.europa.eu/news-and-media/news/new-measures-secure-raw-materials-and-strengthen-eus-economic-security-2025-12-03_en.

36 European Commission, *European Chips Act*, <https://digital-strategy.ec.europa.eu/en/policies/european-chips-act>.

37 European Commission, *Critical Raw Materials Act*, https://single-market-economy.ec.europa.eu/sectors/raw-materials/areas-specific-interest/critical-raw-materials/critical-raw-materials-act_en.

38 European Commission, *Net Zero Industry Act*, https://single-market-economy.ec.europa.eu/industry/sustainability/net-zero-industry-act_en.

39 European Commission, *Anti-Coercion Instrument*, https://policy.trade.ec.europa.eu/enforcement-and-protection/protecting-against-coercion_en.

40 European Commission, *Foreign Subsidies Regulation*, https://competition-policy.ec.europa.eu/foreign-subsidies-regulation_en.

41 European Parliamentary Research Service, *Briefing: New EU economic security doctrine* (2025).

tralia, and New Zealand to negotiate for access – have further deepened concerns.

Analysing the legislation the EU has adopted in the last few years, which includes milestones to shore up its resilience by 2030, it is increasingly clear that Europe will need help from its closest partners to reach these goals. The

table below shows that without help the EU will likely miss the targets it has set out for increasing its semiconductor global market share, its share of critical minerals being processed and recycled in the EU, and its share of electric batteries, wind turbines, and solar panels being manufactured in the EU by 2030.

EU De-risking Measures

Table 1

EU De-risking Measures	2030 Targets	Status
European Chips Act	<ul style="list-style-type: none"> 20% semiconductor global market share by 2030 	<ul style="list-style-type: none"> 12.7% market share.⁴²
Critical Raw Materials Act	<ul style="list-style-type: none"> 10% of the EU's annual critical minerals extraction by 2030 40% of the EU's annual critical minerals processing by 2030 25% of the EU's annual critical minerals recycling by 2030 65% of the EU's annual consumption for critical minerals from a single third country by 2030 	<ul style="list-style-type: none"> 8% for EU extraction. 24% for EU processing. 12% for EU recycling. High dependencies: China provides 97% of the EU's magnesium, Turkey provides 99% of the EU's boron, & China provides 71% of the EU's gallium.⁴³
Net-Zero Industry Act	<ul style="list-style-type: none"> 40% of green technology (wind, solar, battery, hydrogen, and EVs) to be manufactured in the EU by 2030. 	<ul style="list-style-type: none"> 27% wind global market share.⁴⁴ 1% solar global market share.⁴⁵ 13.8% EV global market share.⁴⁶

⁴² Council of the European Union, 'Explainer: the EU chips industry', 14 April 2025, <https://www.consilium.europa.eu/en/policies/eu-chips-industry/>.

⁴³ European Court of Auditors, *Critical raw materials for the energy transition – not a rock-solid policy*, Publications Office of the European Union, 2026, https://www.eca.europa.eu/ECAPublications/SR-2026-04/SR-2026-04_EN.pdf.

⁴⁴ European Commission, *Explainer: EU wind energy*, 2026, https://energy.ec.europa.eu/topics/renewable-energy/eu-wind-energy_en.

⁴⁵ Vladimir Berbatović, 'EU to still be world's biggest solar panel importer in 2035 – IEA report', *Balkan Green Energy News*, 4 November 2024, <https://balkangreenenergy-news.com/eu-to-still-be-worlds-biggest-solar-panel-importer-in-2035-iea-report/>.

⁴⁶ IEA, *Global EV outlook 2025: trends in the electric car industry*, Paris: IEA (2025), <https://www.iea.org/reports/global-ev-outlook-2025/trends-in-the-electric-car-industry-3>.

Whether it is finding a unified strategy towards dealing with China or agreeing long-term financial support to Ukraine, the European Council remains heavily divided with 27 EU Member States struggling to find consensus. At the time of writing there are far-right populists in governments in Slovakia, Italy, Finland, and Poland (its presidency) who have the capacity to act as spoilers in debates around Ukraine, EU enlargement and on foreign policy towards the likes of Russia. Meanwhile the last new member state to join the EU was 13 years ago, and there has not been a new EU treaty in 18 years. Simply put, the EU is not currently able to speak with one voice on foreign policy or economic security.

What has emerged in the absence of new thinking is a patchwork of bilateral relationships dictated by narrow interpretations of European treaties and an inbuilt inequity assumption that suggests third countries have far more to gain from Europe than Europe does from third countries. Increasingly this view is out of step with the geopolitical reality, and there is much that likeminded states beyond the continent have to offer. Many European leaders recognise this to be the case, as evidenced recently by Finnish President Alexander Stubb calling for a pragmatic closing of ties between the EU and its trusted partners when it comes to security, technology, and the economy.⁴⁷ But this rhetorical shift is not backed up by tangible policy changes yet. Mark Carney's exhortation at Davos was met with approval in some European capitals but there remains a lack of consensus on how democracies with developed and aligned economies can work together to pick up the mantle of the middle power moment.

The former UK Trade Minister Greg Hands has argued that the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which makes up 12 countries across the Indo-Pacific and economies worth £12 trillion, would serve as a natural multilateral grouping for middle powers⁴⁸, particularly as neither the United States nor China are members. However, despite the launching of a formal EU-CPTPP dialogue, the EU is not yet a member or an observer.⁴⁹ A further challenge for CPTPP is whether the diversity of its members spanning South America, North America, the Indo-Pacific, and now Europe (with the UK) can agree on a common approach beyond trade amongst themselves.

In the absence of existing platforms or mechanisms to drive greater economic cooperation between the EU and potential likeminded partners, is it time for something new?

⁴⁷ Chatham House Press Office, 'Brexit was 'a colossal mistake', says President Stubb of Finland – but Europe should build a flexible partnership with the UK', Chatham House, 17 March 2026, <https://www.chathamhouse.org/2026/03/brexit-was-colossal-mistake-says-president-stubb-finland-europe-should-build-flexible>.

⁴⁸ Greg Hands, 'Carney was right that 'middle powers' need to forge stronger bonds – it's time to aggressively expand the CPTPP', *PoliticsHome*, 17 February 2026, <https://www.politicshome.com/opinion/article/carney-middle-powers-stronger-bond-expand-cptpp>.

⁴⁹ European Commission, *Joint Ministerial Statement from the EU and the CPTPP at the 14th WTO Ministerial Conference*, Directorate-General for Trade and Economic Security, 27 March 2026, https://policy.trade.ec.europa.eu/news/joint-ministerial-statement-eu-and-cptpp-14th-wto-ministerial-conference-2026-03-27_en.

The Trusted Six: a new basis for partnership?

In major European capitals much conversation revolves around the need to turn concern regarding economic security into concerted action with partners. These efforts are currently stuck on the topic of how Europe works with its partners, which partners it should prioritise, and how it might be able to move away from a previous inflexible approach of deeper integration and benefits for EU Member States and a range of market access for third countries. On the one hand, one diplomat from a leading European country remarked that it is hard to imagine goods from South Korea being treated as part of a 'Made in Europe' supply chain. On the other hand, a policy analyst in a leading European think-tank in Brussels also suggested that Europe's problem was that it needed to think of a wider set of partnerships, not least with countries in the Global South who could offer cheaper labour costs for industry. These views alone reflect the division across Europe over how it prioritises partnerships and who is (or should be) a part of its economic security efforts. Too often, even where clarity on the above exists, promising opportunities can become bogged down by the detail of technocratic negotiation led by the Commission, rubber-stamped by EU Member States, and ratified by the EU Parliament. As a way to simplify engagement between the EU and a number of likeminded states on economic security and other matters, we propose the development of a 'Trusted Six' partnership model.

The Trusted Six is a grouping of established middle powers – the UK, Japan, South Korea, Canada, Australia, and New Zealand. These states share many features including democratic governance systems, advanced economies and a track record of engaging with the EU across many fronts. In the Trusted Six model, this grouping would negotiate on a collective basis with the EU to co-create partnerships that bolster the economic security and resilience of all. At a time where urgent action is needed, this caucus approach would cut through the duplication of the EU having to negotiate separately with each of these states, and raise the bar in terms of the ambition and scale.

It is our view that the UK, Japan, South Korea, Canada, Australia, and New Zealand represent the EU's closest partners (other than the United States). The EU already has free trade agreements with five of them and will have ratified a free trade agreement with Australia by the end of the year. All six countries are currently seeking access as third countries to incoming 'Buy European' provisions under the Industrial Accelerator Act, while currently only Canada has privileged access to the EU's SAFE defence procurement instrument. Both EU schemes might offer test cases on whether these six middle powers could work together to find a common negotiating position and secure shared access. These countries are all democracies, have strong traditions of upholding the rule of law, are developed economies, already work together in a G7+ grouping⁵⁰, and likely are the countries where collaboration would have the fewest obstacles regarding trust, a mismatch of values and shared interests, and established bureaucracies that could afford to get this done. These countries all have benefited from the existing, but fragmenting, international rules system, face the challenge of de-industrialisation, and face regional security challenges that require investment in defence.

Individual EU member states already expend resources and capacity on developing individual bilateral relationships with each of these countries. The added bonus of a more formal grouping would be better coordination amongst EU Member States, the avoidance of replicating agreements, and more ambitious collaboration.

Two areas highlighted in the Draghi report⁵¹ which feeds into the inability of the EU to develop into an alternative geopolitical pole from the PRC or the USA has been a failure to increase defence spending and a decline in research and development spending which in turn has impacted Europe's ability to develop emerging technology or to maintain its industrial competitiveness. However, if the EU were to work with the Trusted Six, this partnership would account for a larger amount spent on research and development than the USA or the PRC, and account for nearly 45% more on defence spending than the PRC.⁵²

⁵⁰ South Korea, Australia, and New Zealand are not in the G7 but are often included on the sidelines of the G7 summit as likeminded partners with similar interests.

⁵¹ European Commission, *The Draghi Report: The future of European competitiveness*, September 2024, https://commission.europa.eu/document/download/97e481fd-2dc3-412d-be4c-f152a8232961_en.

⁵² Data analysed and collated by the New Diplomacy Project and the graph produced by Gemini AI. Sources included: <https://data.worldbank.org/indicator/MS.MIL.XPND>; <https://nces.nsf.gov/pubs/nsb20257/global-r-d-and-international-comparisons-2#>; https://ec.europa.eu/eurostat/statistics-explained/index.php?title=R%26D_expenditure; <https://www.consilium.europa.eu/en/policies/defence-numbers/>.

Shared values, greater resources, and a relatively high-level of existing trust, are not the only reasons for such a partnership. As discussed earlier, the EU alone will struggle to meet its ambitious targets for economic resilience without strategic partnerships with other middle powers and each of these countries offers complementary strengths that could support an economic security agenda that bolsters shared resilience.

Take the case of Canada and Australia: both are home to significant amounts of critical minerals, unpopulated remote land where these minerals could be refined, and mining industries that are world leaders in sustainability, strong workers rights and environmental protections. Australia is the largest producer of lithium, mines rare earths, and has sizable cobalt deposits.⁵³ While Canada has active aluminium processing facilities, nickel smelters and refineries, and advanced projects in tungsten, cobalt, chromium, and rare earth elements.⁵⁴ Australia and Canada could help the EU meet its targets set out in the Critical Raw Materials Act to have a higher percentage of critical minerals extracted, processed, and recycled in Europe and offer an alternative partner for certain minerals where the EU has a high dependency on China.

Despite much of the fanfare regarding advancements in Chinese battery technology, Japanese and South Korean companies Panasonic, Samsung, and LG Energy Solution still continue to produce high-quality EV batteries.⁵⁵ Japan has more semiconductor manufacturing plants than Taiwan, the PRC, or the USA and nearly five times as many as Germany.⁵⁶ South Korea is the only place other than Taiwan where advanced semiconductor manufacturing takes place, accounting for around 8% of global market share.⁵⁷ In fact, well over 30% of Korea's advanced semiconductor chips in 2024 were exported to the PRC, which reflects a dependency and explains why the PRC has been reluctant to place rare earth export controls on Korean companies.⁵⁸ Other than the PRC, Japan and South Korea are the largest merchant shipbuilders in the world and produced 42% of gross tonnage in 2023.⁵⁹ Japan and South Korea could

help the EU meet its target under the European Chips Act to increase its market share in semiconductor chips and to help Europe develop its merchant shipbuilding sector.

When it comes to emerging technology, particularly quantum computing, the UK, Japan, and Korea are considered global leaders and are investing sizable amounts in research funding to advance their respective quantum programmes.⁶⁰ These partners could help the EU develop sovereign capabilities in quantum to ensure it does not end up in a similar position to its current bind over AI, which is now dominated by US or Chinese companies.

Beyond industry, the UK, Canada, Australia, and New Zealand all belong to the 'Five Eyes' intelligence partnership which consists of a network of jointly run listening posts across the world. It was intelligence gathered by the 'Five Eyes' which indicated months in advance that Russia intended to invade Ukraine.⁶¹ In the past the 'Five Eyes' have shared intelligence with European partners regarding potential planned terrorist attacks on the European continent.⁶² Given that, under Trump, US intelligence sharing with EU countries has at times been threatened, a closer partnership with the UK, Canada, Australia, and New Zealand could be a bulwark against any US removal of intelligence sharing in the future.

Whether it is critical minerals, semiconductor chips, quantum computing, or intelligence sharing these six partners have much to offer the European Union in its quest to bolster its economic security and resilience.

53 IEA, 'Chart: Share of top three producing countries in mining of selected minerals, 2022', 11 July 2023, <https://www.iea.org/data-and-statistics/charts/share-of-top-three-producing-countries-in-mining-of-selected-minerals-2022>.

54 Government of Canada, 'Canada's critical minerals', 5 May 2025, <https://www.canada.ca/en/campaign/critical-minerals-in-canada/critical-minerals-an-opportunity-for-canada.html>.

55 Lei Kang, 'Global EV battery market share in 2025: CATL 39.2%, BYD 16.4%', *CNEV Post*, 4 February 2026, <https://cnevpost.com/2026/02/04/global-ev-battery-market-share-2025/>.

56 World Population Review, 'Semiconductor manufacturing by country 2026', <https://worldpopulationreview.com/country-rankings/semiconductor-manufacturing-by-country>.

57 ICAEW Library & Information Services, 'Global semiconductors: industry profile', ICAEW, 30 March 2026, <https://www.icaew.com/library/industry-profiles/semiconductors> (Taiwan accounts for the other 92% of global market share).

58 GT Voice, 'Why closer China-SK chip co-op is essential amid supply-chain shifts', *Global Times*, 8 January 2026, <https://www.globaltimes.cn/page/202601/1352707.shtml>.

59 Pallavi Rao, 'Ranked: the countries that dominate global shipbuilding', *Visual Capitalist*, 16 October 2024, <https://www.visualcapitalist.com/countries-dominate-global-shipbuilding/>.

60 Mohib Ur Rehman, '15+ leading quantum computing countries with national initiatives [2026]', *Quantum Insider*, 26 March 2026, <https://thequantuminsider.com/2026/03/26/leading-quantum-computing-countries/>.

61 Dan Sabbagh, 'US and UK intelligence warnings vindicated by Russian invasion', *The Guardian*, 24 February 2022, <https://www.theguardian.com/us-news/2022/feb/24/us-uk-intelligence-russian-invasion-ukraine>.

62 U.S. Department of Commerce (DOC), Department of Justice (DOJ), and the Office of the Director of National Intelligence (ODNI), 'White Paper: Information on U.S. Privacy Safeguards Relevant to SCCs and Other EU Legal Bases for EU-U.S. Data Transfers after Schrems II', United States Government, 28 September 2020, <https://www.commerce.gov/sites/default/files/2020-09/SCCsWhitePaperFORMATTEDFINAL508COMPLIANT.PDF>.

How would the T6 work in practice?

Step One: Establish a Trusted Six caucus

The first step would be for the respective governments of the UK, Japan, South Korea, Canada, Australia, and New Zealand to meet to discuss the idea of caucusing together regularly on partnering with the EU. It is our view that if these six countries want access to these EU schemes and to work as a collective they need to be the ones taking the initiative, rather than waiting for the EU whose 27 Members struggle for a consensus on many issues to invite them to do so. This would be the more realistic path forward for such an initiative and reflects that in the case of the current draft of the EU's Industrial Accelerator Act it has laid down the gauntlet that partners with existing

trade agreements will be prioritised in considerations for privileged access.⁶³

Looking at the summit calendar for 2026, there appears to be four summits where several of these countries' leaders will already be in attendance, and it would be relatively easy to invite others to meet on the sidelines. These include the G7 in June 2026, the NATO summit in July 2026, the Commonwealth Heads of Government summit in November 2026, and the G20 summit in December 2026. These summits offer ideal opportunities for respective leaders to meet and engage in early conversations around how such a caucus would work.

Summit schedule 2026

Table 2

Summit	Date	Those in attendance already
G7 Summit (in Évian-les-Bains, Haute-Savoie, France)	15–17 June 2026	UK, Canada, Japan, & South Korea (invited). They could invite Australia and New Zealand to meet on the summit's sidelines.
NATO Summit (Ankara, Türkiye)	7–8 July 2026	UK & Canada. They could invite South Korea, Japan, Australia, and New Zealand to meet on the summit's sidelines.
Commonwealth Heads of Government Summit (Antigua and Barbuda)	1–4 November 2026	UK, Canada, Australia, and New Zealand. They could invite South Korea and Japan to meet on the summit's sidelines.
G20 (Florida, USA)	14–15 December 2026	UK, Canada, Japan, South Korea, and Australia. They could invite New Zealand to meet on the summit's sideline.

⁶³ White & Case, *EU proposes Industrial Accelerator Act, implementing 'Made in EU' strategy*, 13 March 2026, <https://www.whitecase.com/insight-alert/eu-proposes-industrial-accelerator-act-implementing-made-eu-strategy>.

Step Two: Set a fixed focus

The initial priorities of the Trusted Six grouping should be narrow in focus and aimed at participation in two ongoing EU projects: the SAFE defence procurement scheme and third-country access to 'Buy European' provisions in the EU Industrial Accelerator Act. The leaders of these countries should aim to sign a memorandum of understanding that they will negotiate for common access to these schemes for the other countries and agree on a common and coordinated negotiating position. In the case of SAFE, the Trusted Six may even want to agree on a shared figure that they would collectively contribute to gain access to the scheme.

A further outcome of the first meeting of these Trusted Six countries should be an agreement of a rotating annual meeting amongst their respective leaders on the sidelines of a summit each year and confirmation of the next date in which they intend to meet, the creation of dedicated units and point persons in their foreign ministries who will practically coordinate, and a bimonthly call between their foreign ministers on progress regarding their joint-negotiating position.

The Trusted Six countries may also want to consider some sort of small subscription fee which each individual country would pay towards a shared secretariat, the costs of an annual summit, and any additional costs formalising this caucus might incur.⁶⁴

Step Three: Make the case within the EU

In response to the caucusing of the Trusted Six countries and the publication of a joint memorandum of a shared negotiating position on access to these EU schemes, Germany (along with our likeminded EU Member States) should support this development and make the case for the benefits for Europe of negotiating access for all six countries at the same time. This would include public statements from the Chancellery and Federal Foreign Ministry, statements of support in bilateral exchanges with other EU Member States, and raising support for the Trusted Six within the EU Council.

Step Four: Hold a joint EU-T6 Summit

Once the Trusted Six and internal support within the EU Council has been established, the respective parties should agree on a date for an EU-T6 Summit. The summit should focus on agreement on participation for the Trusted Six to the SAFE defence procurement instrument and access to 'Buy European' provisions within the Industrial Accelerator Act.

⁶⁴ This could be done informally. For instance, it should be noted that neither the BRICS or the CPTPP have an explicit membership fee but there are clearly costs on members to attend and organise summits and costs to countries respective bureaucracies for developing work streams associated with these organisations.

What might future T6 collaboration with the EU look like?

Once the immediate goal of securing access for the Trusted Six to these two respective EU programmes is achieved, focus should turn to developing a wider practical working relationship and decision-making mechanisms that can be adopted for other areas of cooperation.

Drawing inspiration from the UK-Germany Kensington Treaty, this cooperation could take the form of thematic lighthouse projects. While core membership would be the Trusted Six and EU Member States, there is no reason why other middle powers could not join these projects on a case by case basis. The participation of individual countries in these projects would be agreed through consensus between the EU and the Trusted Six. Next phase lighthouse projects could include:

- **Working group on critical minerals:** This group would focus on ‘de-risking’ and ‘friendshoring’ the EU’s rare earth elements supply chain by increasing the refinement that takes place outside of China. Membership could include the EU, the T6, the United States⁶⁵, Indonesia and Chile.
- **Working group on energy security:** This group would focus on increasing the EU’s energy security by diversifying its energy mix and sources of energy imports with a particular focus on building new infrastructure and supply chains for Liquefied Natural Gas. Membership could include the EU, the T6, the UAE, Qatar, Saudi Arabia, Bahrain, Brazil and Norway.

→ **Working group on semiconductors:** This group would focus on de-risking and diversifying the semiconductor supply chain and shared research and development on advanced semiconductor production with a particular focus on new semiconductor fabs in Europe as part of joint-ventures. Membership could include the EU, the T6, Taiwan, Singapore and Malaysia.

→ **Working group on quantum computing:** This group would focus on quantum computing research collaboration. Membership could include the EU, the T6, Switzerland and Singapore.

→ **Working group on pharmaceuticals and biotechnology:** This group would focus on de-risking and diversifying the EU’s pharmaceutical supply chain and deepening research and development on biotechnology with a particular focus on ‘friendshoring’ the active pharmaceutical ingredients supply chain. Membership could include the EU, the T6, India and Switzerland.

Given that the United States remains the security guarantor of all of the countries in the Trusted Six as well as Europe, and many of the issues this partnership seeks to solve are shared challenges for Washington, such a partnership should not be viewed as anti-American. There is a strong case for building the EU and Trusted Six partnership in a way where US participation could naturally fit when necessary, while ensuring that this participation does not come at the expense of the stated aim of building up national resilience and protecting economic security. There remains an inherent attractiveness to cooperating with the United States in a variety of these areas ranging from critical minerals to emerging technology.

⁶⁵ Inclusion of the USA would make sense as this is one specific area where, as evidenced by initiatives such as the ‘Pax Silica’ forum (which involves all but one of the T6, as well as the EU) and recent G7 finance ministerials on the topic, the Trump Administration has indicated that it is still interested in working closely with other partners.

Why the T6?

Strategic benefits for the UK and Germany

Engaging with the Trusted Six model offers clear strategic benefits for both the UK and Germany. Since Brexit, the UK has struggled to find a meaningful role in the world or a sustained way of working with European partners which does not simply reopen the polarised and often binary debate of simply re-joining the EU. While Russia's invasion of Ukraine and the 'China Shock 2.0' has rendered Germany's previous foreign policy of "Wandel durch Handel" (change through trade) largely a failure. The development of a Trusted Six partnership could therefore offer both sides a pragmatic alternative which meets both challenges.

These include making it easier for the EU and the T6 to friendshore and diversify strategic supply chains away from China and other non-trusted partners, sharing the cost of de-risking these supply chains, and coordinating trade defence measures through joint measures to restrict market access in response to overcapacity in certain sectors of the economy. All of this would have the added benefit of making it harder for great powers to weaponise strategic supply chains and easier for like-minded partners to maintain where they can existing international rules and norms.

In the EU's case, many European countries already have expressed a preference to work bilaterally with other middle powers on their respective economic security agendas which a Trusted Six partnership could build upon. Germany exemplified this approach in 2024, becoming the first European country to sign a new bilateral defence agreement with the Starmer Government which has subsequently been built upon with the Kensington Treaty. The Kensington Treaty includes provisions regarding cooperation on economic security, annual economic dialogues, and importantly 17 lighthouse projects on issues ranging from cooperation on biosecurity, the Indo-Pacific, to North Sea energy infrastructure. As recently as April 2026, this joint approach was deepened by the announcement of a UK-Germany Critical Minerals Policy Exchange to improve information-sharing and foster new commercial opportunities in this vital sector for economic security.⁶⁶

For UK policymakers, a Trusted Six partnership would

allow the UK to move past the polarising debate regarding Brexit and the temptation to view all engagement between its EU partners through the binary lens of whether or not such engagement is part of a concerted effort to re-join the EU. European policymakers have voiced frustration at the pace and substance of the UK-EU so-called 'reset', with the UK setting out tough red lines for negotiations due to perceived political pressures at home.⁶⁷ This is a particularly important point given that the Eurosceptic Reform UK party have led in UK opinion polls for a year at the time of writing and have achieved significant electoral breakthroughs in two rounds of local council elections. Finding a mechanism for engagement with the European Union which transcends the bilateral relationship could allow the UK some insulation from domestic criticism, and move the policy discussions beyond the sore wounds of the Brexit negotiations. By negotiating as a caucus, there may be ways to obtain access to certain EU schemes and partnership opportunities without having to make a more constitutionally serious decision regarding access to the EU Single Market or indeed making the political case for a fully fledged policy of rejoining the Union.

An EU-T6 partnership would also offer major strategic advantages for Germany. Firstly, it would represent a logical endpoint for German foreign policy in recent years. In his first year as Chancellor, Friedrich Merz has continued the direction of travel set by Chancellor Olaf Scholz towards a more muscular, geostrategically-minded concept of German foreign policy, while remaining deeply committed to European integration, broader international cooperation, and salvaging a rules-based international order from the vagaries of great-power competition. Meanwhile, recent Social Democratic Party (SDP) policy papers speak clearly of the ambition for Germany to act as a catalyst for enhanced (defence) cooperation between EU and non-EU countries, including the UK and Canada, and cite the need for flexible, issue-specific partnerships with trusted partners such as Australia, Canada and New Zealand, as advocated in another recent FES/NDP paper.

⁶⁶ UK Department for Business and Trade and Federal Ministry for Economic Affairs and Energy of Germany, 'Joint statement of the Department for Business and Trade of the UK and the Federal Ministry for Economic Affairs and Energy of Germany: bilateral co-operation on economic security', GOV.UK, 27 April 2026, <https://www.gov.uk/government/publications/uk-germany-joint-statement-on-economic-security/joint-statement-of-the-department-for-business-and-trade-of-the-uk-and-the-federal-ministry-for-economic-affairs-and-energy-of-germany-bilateral-co-o>.

⁶⁷ Gabriel Gavin, Esther Webber, Max Griera and Jon Stone, 'UK must drop "red lines" for real EU reset, Brussels warns', *Politico*, 14 May 2026, <https://www.politico.eu/article/uk-must-drop-red-lines-real-eu-reset-brussels-warns/>.

A German endorsement of the Trusted Six format would represent a strong signal of the new balance of interests and values at the heart of Germany's new approach foreign policy. It would affirm Germany's commitment to building a 'geopolitical Europe', while also offering a chance to streamline and solidify recent efforts to develop deeper bilateral ties with each of the T6 countries (as seen in the signing of the Trinity House Agreement and Kensington Treaty, and Defence Minister Boris Pistorius' recent visits to South Korea, Japan and Australia). Embedding these newly deepened relationships in an EU-based initiative would help to bolster the idea of Brussels at the centre of a geopolitical Europe, while also demonstrating Germany's credentials as a key catalyst and coalition-builder within the emerging global network of middle-powers.

Furthermore, deeper cooperation through EU channels with T6 countries, especially Japan and South Korea, would help to develop a coordinated approach to address the growing imbalances and dependencies of Germany's economic relations, especially with China. As Europe's prime manufacturer and exporter, it is particularly in Germany's gift and interest to protect EU industry as a whole from unfair trading practices. But it is also paramount that it maintains open conditions for trade with like-minded non-EU countries who seek to do so freely and fairly. Redirecting the key supply and value chains which support its industry towards trusted and well-resourced allies and partners in the T6 offers a focused and effective way of achieving this crucial alignment of values and interests.

Recommendations

For UK policymakers

- **The Foreign, Commonwealth, and Development Office** should explore the idea of caucusing with the other Trusted Six countries on a shared negotiating position to gain access to the EU's SAFE defence procurement instrument and the 'Buy European' provisions in the EU Industrial Accelerator Act. This could include increasing the diplomatic headcount at embassies in the six countries, tasking ambassadors in these countries to open dialogues regarding coordinating closer as a group and selecting a summit in 2026 where the leaders of this grouping could meet.
- **The Cabinet Office** should draft a list of potential lighthouse projects that the UK would be interested in working with European partners alongside Canada, Australia, Japan, South Korea, and New Zealand. This list should consider the existing gaps in the EU's economic security plans as set out in the EU Chips Act, the Critical Raw Materials Act, and the Net Zero Industry Act.
- **The House of Commons Foreign Affairs Select Committee** in the UK Parliament should consider launching an inquiry into the idea of a Trusted Six format which could be used to engage with the EU alongside other partners.

German policymakers

- **The Federal Foreign Ministry and Chancellery** should write to the EU Commission stating its support for the EU considering the UK, Japan, South Korea, Canada, Australia, and New Zealand's participation in the SAFE defence procurement instrument and the Industrial Accelerator Act at the same time.
- **The Federal Foreign Ministry and the Chancellery** should encourage EU Member States in bilateral and collective statements to support the construction of a trusted partnership programme and an approach that supports preferential treatment of such a group.
- **The Federal Foreign Ministry and the Chancellery** should publicly endorse the idea of an EU summit with the Trusted Six partners in question to discuss ways that middle powers can work closer together on resilience and economic security.
- Within the **Bundestag**, the **Foreign Affairs Committee**, relevant parliamentary **friendship groups** and **party-political foreign affairs spokespeople** should coordinate with Trusted Six parliamentary colleagues, not least in the UK Parliament, to explore possibilities for greater engagement on the matters outlined above, and encourage the Federal Government to endorse the T6 model.
- Within the **Bundestag**, parliamentarians should ensure that any Article 23 binding guidance on Germany's negotiating position on the EU Industrial Accelerator Act includes language supporting the T6 model.

Conclusion

The Trusted Six model offers a decisive way for the EU and like-minded partners to signal a new common path and begin to protect themselves from the geopolitical turbulence we currently face. At a moment when China and the United States are flexing their hard power muscles to coerce smaller states to step into line, building global partnerships with reliable allies who share both values and interests is one way to bolster resilience and reduce dependencies. Too often such partnerships stall in the midst of complex negotiations and duplicated effort as the EU engages bilaterally with many different partners at once. Much has been said about the 'middle power moment', but moving from words to action will require ways of working that build confidence and trust quickly. By fostering repeat engagement through the mechanism of the Trusted Six, capitalising on the foundations of existing bilateral agreements between the parties and taking them further, the EU and its longstanding allies can take a proactive step from rhetoric to reality.

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Rethinking Europe's economic security



From pandemics and supply chain shocks to conflicts around the world, events continue to expose the vulnerabilities of Europe and its closest partners to geoeconomic and geopolitical disruption. This paper argues for the creation of partnership between the European Union and a 'Trusted Six' (T6) caucus of the UK, Canada, Japan, South Korea, Australia, and New Zealand to tackle the shared challenges of economic security and strategic resilience.



At a moment when China and the United States are flexing their hard power muscles and the 'middle powers' of the world are each seeking strategies to limit their dependencies, the T6 offers a pragmatic mechanism to 'friendshore' critical supply chains, share the costs of derisking, and coordinate trade defence.



While such partnerships too often stall in the midst of complex negotiations and duplicated effort, the T6 model offers a decisive path for the EU its closest like-minded partners to move the middle-power debate from rhetoric to reality.

Further information on this topic can be found here:

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