

Economic security policies compared: The United States, its allies and partners

There is a growing trend of economic security policies in the United States, Australia, and their allies and partners. These are driven by shared concerns including overdependence on China for critical goods and vulnerabilities in critical infrastructure. Governments are implementing policies including foreign investment barriers, sanctions and industrial policy. But there are divergent attitudes towards trade policy and export controls.

The unique economic and security concerns, interests and priorities of these individual countries and groups mean they each adopt slightly different policy approaches:

- **The United States** is focusing on strategic competition with China and investing in its own competitiveness. It has used export controls on advanced technologies and tariffs in strategic sectors like energy. Industrial policy has also made a comeback, with billions in subsidies on offer for computer chips and clean energy.
- **Australia** is balancing its trade with China with its security concerns. It is striking new free trade agreements and avoiding tariffs where possible, while taking a stricter approach to foreign investment. New small scale industrial policy focuses on select sectors like critical minerals, quantum technologies and solar panels.
- **Japan**, an early mover on economic security, is prioritising supply security for materials and critical technologies. It is subsidising its semiconductor industry and coordinating with the United States on advanced technology export controls while also using outbound investment to secure supplies of raw materials.
- **The European Union** must balance the interests of its member countries but the Russian invasion of Ukraine sparked concerns about economic security. The EU has passed bills encouraging domestic manufacturing, proposed tariffs on Chinese EVs, and created an anti-economic coercion instrument.
- **The United Kingdom's** new government is more aligned with its allies on economic security. It has proposed using industrial policy and screenings on inbound and outbound investment. It remains open to free trade but with trusted partners, like joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.
- **South Korea's** import-dependencies and economic coercion experiences make it concerned with supply chain security and subsidising supply chain diversification. It is also making public investments to cement its role in critical supply chains for semiconductors and batteries.

The trend towards considering economic security in policymaking is happening across the United States and its partners. This is a policy area that should be closely monitored as economic security policies in each country are evolving rapidly.

		United States	Australia	Japan	European Union	United Kingdom	South Korea
Inward policies	<i>Economic security strategy/law</i>	Nil	Nil	<i>Economic Security Promotion Act</i>	EU Economic Security Strategy	Nil	Nil
	<i>Semiconductor subsidies</i>	<i>CHIPS and Science Act</i>	Nil	Semiconductor industry support	<i>EU Chips Act</i>	Nil	<i>K-Chips Act</i> Semiconductor industry support
	<i>Clean energy subsidies</i>	<i>Inflation Reduction Act</i>	<i>Future Made in Australia Act</i>	<i>Green Transformation Act</i>	<i>Net Zero Industry Act</i>	National Wealth Fund (proposed in 2024)	Korean New Deal
	<i>Other industrial policy</i>	<i>Infrastructure, Investment and Jobs Act</i>	National Reconstruction Fund	<i>Economic Security Promotion Act</i> (strategic technologies)	European Investment Bank, InvestEU, Horizon Europe	Advanced Manufacturing Plan UK Infrastructure Bank	National strategic technologies
	<i>Supply chain resilience building</i>	Aspects of <i>CHIPS Act</i> and <i>IRA</i>	Office of Supply Chain Resilience	<i>Economic Security Promotion Act</i>	<i>Critical Raw Materials Act</i>	Critical Imports and Supply Chain Strategy	Industrial Supply Chain 3050 Strategy
Outward policies	<i>Inbound investment screening</i>	<i>Foreign Investment Risk Review Modernisation Act</i>	Foreign Investment Reform Bill	<i>Foreign Exchange and Foreign Trade Act</i>	Proposed in 2024	<i>National Security and Investment Act (NSIA)</i>	<i>National Advanced Strategic Industries Act</i>
	<i>Outbound investment screening</i>	Outbound Investment Security Program	Nil	Nil	Outbound investment screening proposed in 2024	<i>NSIA</i> reforms in 2024	<i>Act on Protection of Industrial Technology</i>
	<i>Advanced technology export controls</i>	Advanced semiconductors, semiconductor equipment	Quantum computing	Semiconductor and quantum computing equipment	EU export control coordination proposed in 2024 Semiconductor equipment (Netherlands)	Semiconductors, quantum computing	Nil
	<i>Strategic tariffs</i>	Section 232 and 301 tariffs	Nil	Nil	Foreign subsidies regulation	Trade Remedies Authority	Nil



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