

G7 SUMMIT: KEEPING INDO-PACIFIC SECURITY FRONT AND CENTER

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As the Group of Seven (G7) Summit in Alberta from June 15-17 approaches, global attention will be fixed on trade and tariff talks. With President Trump's 90-day tariff pause set to expire on July 8, and bilateral meetings on the sidelines, trade friction is expected to dominate headlines. But while trade deserves focus, the G7 must not eclipse the broader strategic priorities that also require attention.

This moment calls for strong, unified G7 leadership—especially with the BRICS Summit in Rio de Janeiro just weeks away, where China and Russia will seek to present the Global South with an alternative system of governance and economic order. While the Trump administration has signalled a shift toward bilateralism and reciprocal trade relationships, G7 leaders must still advance collective efforts on economic security and supply chain resilience, as well as a free and open Indo-Pacific. These areas still enjoy broad consensus among G7 countries—and where unified action can deliver meaningful impact.

G7's evolution toward strategic assertiveness

Over the last several years, the G7 has transformed from a platform of cooperative multilateralism to one focused on managing strategic competition. Since the COVID pandemic in 2020 through Russia's invasion of Ukraine in 2022, the G7 has adopted more assertive language across key domains: economic security, China containment, and alliance coordination.

Consider economic security. In 2021, the G7 merely pledged to "enhance collaboration, including with industry, to understand vulnerabilities." By 2022, it recognized that "economic resilience requires derisking and diversifying...we will increase our vigilance to threats, including economic coercion." In 2023, the G7 launched a "Coordination Platform on Economic Coercion," and by 2024, it committed to joint actions "to promote economic resilience, confront non-market policies and practices that undermine the level playing field and our economic security" and "joint monitoring to assess harmful overcapacities"—marking a systematic hardening of resolve.

Similarly, China policy transformed from seeking cooperation "to address global challenges" in 2020 to explicitly confronting "China's persistent industrial targeting and comprehensive non-market policies" in 2024. Meanwhile, Taiwan support evolved from mere encouragement and emphasis of importance of peace and stability in the Taiwan Strait in 2020 to more directly backing Taiwan's "meaningful participation in international organizations" in 2023 and 2024.

Mixed signals in the run-up

This year's Finance Ministers Communiqué and Foreign Ministers' Joint Statement, despite this evolution, have been less assertive in certain areas than in the past, raising potential concerns about whether the leader's summit will reflect the fragmentation playing out in broader international political dynamics.

The 2025 Finance Ministers' communique marked a step back—from direct calls to confront "harmful

practices" to requests for "international organizations to address data gaps and deepen our collective understanding" represents a fundamental weakening of economic security posture—shifting from G7-led action to bureaucratic study. While maintaining surface-level concerns about overcapacity, the ministers replaced the 2024 commitment to "pursue joint monitoring" with calls for more analysis, effectively creating delay mechanisms that benefit bad actors.

Further, references to human rights violations in Xinjiang and Tibet, as well as concerns about Hong Kong since the 2020 National Security Law, were absent in this year's Foreign Ministers' Joint Statement. During a time when liberal democracies must signal firm condemnation of the CCP's actions, this presents a setback for the G7's leadership role.

Areas of focus in Alberta

The G7 must seize the Alberta Summit to deliver sharper messages—particularly in the Indo-Pacific. With growing unlawful Chinese aggression in the South China Sea and action from the United States and Japan, along with European naval presence in the region, the G7 has an opportunity to reinforce its commitment to regional stability. So far, the Foreign Ministers' Joint Statement has maintained the same language as in years past while Chinese aggression in the region has picked up additional pace. This can be interpreted as a sign of consistency, but stronger wording for Indo-Pacific issues, including supporting the G7's resoluteness in security cooperation with the Philippines and building partnerships in ASEAN and the Pacific Islands would send a meaningful message and reassure allies and partners in the region during a time of political uncertainty.

Economic security must also be central to G7 deliverables this year. The threat posed by China in the Indo-Pacific extends to the G7's imperative focus on economic resilience and economic security. Building on previous years where the G7 emphasized countering the weaponization of economic dependencies and attributed non-market policies and practices to China, this year's statement should build off 2023 and 2024 efforts—that marked the start of

concerted de-risking and resilience-building efforts against supply chain vulnerabilities, economic coercion, and non-market policies and practices, and bolster the G7 Leaders' <u>Statement</u> on Economic Resilience and Economic Security.

Additionally, the G7's resolve will be measured by how effectively it maintains maximum pressure on Russia during ceasefire negotiations with direct consequences should talks collapse—while simultaneously establishing clear penalties for China's and North Korea's ongoing support for Russia's war effort.

Global perceptions matter

The urgency of G7 unity is sharpened by the upcoming BRICS Summit. Hosted by <u>Brazil</u> on July 6-7, it will convene leaders from Brazil, Russia, India, China, South Africa, Saudi Arabia, Egypt, United Arab Emirates, Ethiopia, Indonesia, and Iran along with nine other party countries. Of those, four ASEAN countries—Malaysia, Indonesia, Vietnam, and Thailand—have become <u>partner countries</u> of BRICS.

Under this year's theme of "Strengthening Global South Cooperation for More Inclusive and Sustainable Governance," the <u>agenda's aim</u> is to discuss stronger cooperation on global health; trade, investment, and finance; climate change; artificial intelligence governance; multilateral architecture; and strengthening the institutional framework for BRICS—areas that this grouping may seek to champion, as the G7 is seen as retreating from them.

Additionally, one area of growing concern is the effort to establish alternative financial payment systems that reduce reliance on the US dollar and Western-dominated platforms like SWIFT. Russia and China, for example, have expanded bilateral trade using local currencies and encouraged others in the Global South to follow suit. Brazil has supported calls for a BRICS common currency, and the New Development Bank offers financing without the policy conditions typically associated with the IMF or World Bank. While this grouping is not a natural alignment of likeminded countries with shared values—and will face

internal friction on priorities—it nonetheless reflects a growing political will to construct an alternative order.

This isn't just about policy—it's about rewriting the rules of the global system. If left unaddressed, these efforts could steadily erode the G7's influence over financial norms, governance standards, and geopolitical alignment. Already, its <u>economic power has waned</u>, from dominating 70% of global GDP 30 years ago, to now only 43%.

Rather than cede this ground, the G7 should double down on its values and commitments. This year's G7 Summit in Alberta is not just another diplomatic gathering—it's a strategic opportunity to reinforce the group's relevance and preserve its established leadership role. Especially where alignment is still possible, the G7 must act visibly and decisively. The world will be watching whether the G7 delivers a strong, unified front on issues of global consequence and leadership.

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