

12 August 2022 (No. of pages:1 )

Japanese report: 20 Jul 2022

# Europe Faces Energy Security Issues

## *Corona crisis and invasion of Ukraine bring a changing world*

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### Summary

- The European countries, facing a shortage of medical supplies during the early stages of the Corona crisis, and then during the recovery from that crisis supply chain problems as seen in the shortage in parts such as semiconductors, became more aware of their high dependence on countries overseas, and began to feel strongly the need to procure strategic materials within their own country or within the same region.
- However, at the corporate level, even considering those who do plan on reviewing their global supply chain and making changes in their suppliers, only a minority intends on returning to their own country for this purpose or staying within the EU region.
- Moreover, the Russian invasion of Ukraine in February of 2022 not only plunged the EU supply chain into chaos, but also brought the EU face-to-face with the risk of an energy crisis.
- At the same time economic sanctions against Russia are gradually strengthened, the EU is also faced with the necessity of progressively cutting itself off from dependence on Russia in the short-term as well as the medium to long-term in order to deal with Russian retaliatory measures, in other words, squeezing off their energy supply.
- As the economic slowdown intensifies through 2023, the EU is expected to face a complex situation in which it will have to balance various issues, such as the increasing cost of living and the trend toward decarbonization, which is an important growth strategy for the EU.

#### Attention

This report is a summary translation. The official document is only in Japanese, included in the DIR Research Quarterly Review (Vol.47).