



JAPAN TRADE POLICY PREVIEW (TP—P JAPAN)

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I KEY PRINCIPLES OF JAPAN'S TRADE POLICIES

1 WTO AS THE CENTRAL PILLAR OF TRADE POLICIES

- WTO AND MULTILATERALISM AS THE CENTRAL PILLAR OF THE TRADE SYSTEM

- COMMITTED TO WTO SYSTEM AND ITS DEVELOPMENT

- OBSERVING WTO RULES AND PERFORMING ITS OBLIGATIONS

- ACTIVELY INVOLVED IN RULE MAKING AND LIBERALIZATION IN THE WTO

- MFN AS A CORE PRINCIPLE

- EG. NO MFN RESERVEATIONS IN GATS COMMITMENT

- ACTIVE USER OF WTO DISPUTE SETTLEMENT (28 CASES AS A COMPLAINANT)

- TRANSPARENCY AND NOTIFICATION BASED ON WTO

- BUSINESS STRONGLY SUPPORTS WTO AS THE MOST EFFECTIVE AND EFFICIENT REGIME AND EXPRESSES CONCERNS ON ITS PRESENT STATUS

SEE KEIDANREN

[TOWARDS THE 12TH WTO MINISTERIAL CONFERENCE \(2021-09-14\) \(KEIDANREN.OR.JP\)](https://www.keidanren.or.jp/en/press/2021/09/14/)

I KEY PRINCIPLES OF JAPAN'S TRADE POLICIES

2 ACTIVELY INVOLVED IN FTA/EPAS TO SUPPLEMENT THE WTO

- ACTIVELY DEVELOPED AND NEGOTIATED FTAS/EPAS TO SUPPLEMENT THE WTO IN LIBERALIZATION AND RULE-MAKING IN LINE WITH ARTICLE 24 OF GATT AND ARTICLE 5 OF GATS

FTAS IN FORCE AND SIGNED 21

FTAS IN NEGOTIATION 3

- TRADE COVERAGE OF FTAS IN FORCE AND SIGNED IS NOW ABOUT 80%, FROM A LATE COMER TO FTA FORMATION RACE
- SEE THE CHART ATTACHED

EPA/FTA AND RELATED INITIATIVES IN JAPAN



- In Force or Signed▶21
Singapore, Mexico, Malaysia, Chile, Thailand, Indonesia, Brunei, ASEAN, Philippines, Switzerland, Viet Nam, India, Peru, Australia, Mongolia, TPP12 (signed), TPP11, EU, US, UK, RCEP
- Under Negotiation▶3
Turkey, Colombia, Japan-China-ROK
- Others (Negotiations suspended)
GCC, Korea, Canada

I KEY PRINCIPLES OF JAPAN'S TRADE POLICIES

3 PROMOTING PLURILATERAL, REGIONAL AND OTHER INITIATIVES AND COLLABORATING WITH KEY INTERNATIONAL ORGANIZATIONS FOR DEVELOPING TRADE REGIME

- PLURILATERAL INITIATIVES (SEE I I 3)
- REGIONAL INITIATIVES

APEC

EG. CBPR, TARIFFS ON ENVIRONMENTAL GOODS

- INTERNATIONAL ORGANIZATIONS

OECD (EG. PRIVACY, DATA FLOW), WORLD BANK, UNCTAD, ERIA, STANDARDIZATION BODIES (EG. ISO, IEC)

- OTHER INITIATIVES

EG. G7(2023 CHAIR COUNTRY), G20 (2019 CHAIR COUNTRY), FOIP (FREE AND OPEN INDO- PACIFIC), IPEF

I KEY PRINCIPLES OF JAPAN'S TRADE POLICIES

4 FACILITATING GLOBAL VALUE CHAINS AND ENHANCING BUSINESS ACTIVITIES

- ECONOMIC ACTIVITIES BASED ON HIGHLY DEVELOPED GLOBAL VALUE CHAINS ON GOODS, SERVICES, TECHNOLOGIES AND FINANCE
- COMMITTED TO ENHANCING /FACILITATING GLOBAL BUSINESS ACTIVITIES
- CONNECTIVITY, TRANSPARENCY, SUSTAINABILITY, AUTONOMY ARE KEY REQUIREMENTS FOR MAINTENANCE OF GVCS (WITH A VIEW TO ESTABLISHING VALUE CHAINS WITH TRUST)

SEE KEIDANREN

[TOWARD THE RECONSTRUCTION OF THE FREE AND OPEN INTERNATIONAL ECONOMIC ORDER
\(2022-09-13\) \(KEIDANREN.OR.JP\)](#)

I KEY PRINCIPLES OF JAPAN'S TRADE POLICIES

- FROM TRADE TO INVESTMENT

CHANGES IN THE PATTERN OF CURRENT BALANCE

CF. INCOME BALANCE > TRADE BALANCE

- PROMOTING BOTH INWARD AND OUTWARD INVESTMENT

INWARD FDI STOCK 40 TRILLION YEN

2030 TARGET 80 TRILLION YEN

- BITS INCLUDING RELEVANT FTAS

WITH 94 COUNTRIES & REGIONS (INCLUDING BITS IN NEGOTIATION)

- SUPPORT INVESTMENT FACILITATION NEGOTIATION (JSI)

I I MAJOR RECENT DEVELOPMENTS AND FACTORS IN JAPAN'S TRADE POLICIES

1 WTO REFORM

- ACTIVELY INVOLVED IN WTO REFORM DISCUSSION INCLUDING DISPUTE SETTLEMENT REFORM

EG. CONSIDERATION OF THE POSSIBILITY OF ALTERNATIVE MEASURES, SUCH AS MPIA

- INTERIM REPORT BY SPECIAL TASK FORCE ON POLICY RESPONSE TO THE NON-FUNCTIONING OF THE WTO APPELLATE BODY

SEE [0804_INTERIMREPORT.PDF \(METI.GO.JP\)](#)

2 FTAS/EPAS

- PURSUING HIGH LEVEL DISCIPLINES AND LIBERALIZATION WITH A VIEW TO LEADING TO GLOBAL RULES IN FUTURE

I I MAJOR RECENT DEVELOPMENTS AND FACTORS IN JAPAN'S TRADE POLICIES

- RECENT FTAS

RCEP (IN FORCE IN MOST OF THE MEMBERS)

JAPAN UK FTA (IN FORCE)

RENEGOTIATION AND UPDATES (FINISHED: WITH SINGAPORE, MEXICO ONGOING: WITH INDONESIA, PHILIPPINES, THAILAND)

CPTPP (TPP11)

IN FORCE IN MOST OF THE MEMBERS

ACCESSION REQUESTS FROM 5 ASPIRANT ECONOMIES

3 PLURILATERAL INITIATIVES

- ITA(1997), ITA 2(EXPANSION OF ITA:2015)
- ACTIVELY ENGAGED IN JSI (SERVICES DOMESTIC REGULATIONS, E-COMMERCE, INVESTMENT FACILITATION, MSMES) TO SUPPORT RULEMAKING IN THE WTO
- HOW TO REALIZE MEANINGFUL RESULTS AND BINDING AGREEMENTS IN THE WTO UNDER CONSENSUS DECISION MAKING IS A CRITICAL ISSUE FOR THE WTO
- PURSUING RESULTS FROM PLURILATERAL INITIATIVES SUCH AS JSI FOR MC13

SEE [WTO JOINT STATEMENT INITIATIVE ON E-COMMERCE: STATEMENT BY MINISTERS OF AUSTRALIA, JAPAN AND SINGAPORE 20 JANUARY 2023](#)

[20230120002-3.PDF \(METI.GO.JP\)](#)

I I MAJOR RECENT DEVELOPMENTS AND FACTORS IN JAPAN'S TRADE POLICIES

4 RESPONSE TO DISORDERS/ANOMALIES IN GLOBAL VALUE CHAINS

- -RECENT INTRODUCTION OF TRADE MEASURES/RESTRICTIONS BY BIG ECONOMIES
- -COVID 19
- -RUSSIA UKRAINE WAR
- THE ABOVE (AND OTHER FACTORS SUCH AS REGIONAL CONCENTRATION OF KEY PRODUCTS) ARE AFFECTING GVCS AND BUSINESS BEHAVIOURS SERIOUSLY
- REINFORCING SUPPLY CHAINS BECOMES ESSENTIAL FOR ALL PLAYERS

I I MAJOR RECENT DEVELOPMENTS AND FACTORS IN JAPAN'S TRADE POLICIES

5 ENVIRONMENTAL PROTECTION AND GLOBAL WARMING

- JAPAN IS STRENGTHENING EFFORTS IN PRESERVING GLOBAL ENVIRONMENT
IN LINE WITH COP RESULTS

EG. COMMITMENT TO CARBON NEUTRALITY IN 2050

46% PLUS REDUCTION IN 2030

6TH LONG TERM ENERGY PLAN (2021)

3E(ENERGY SECURITY, ECONOMIC EFFICIENCY, ENVIRONMENT) +S(SAFETY) AS THE
BASIS

- STANCE ON CBAM

-ANY MEASURES SHOULD, AMONG OTHER THINGS, BE DESIGNED TO BE WTO
CONSISTENT AND PREVENT CARBON LEAKAGE WITH THE LEAST EFFECT ON TRADE

I I MAJOR RECENT DEVELOPMENTS AND FACTORS IN JAPAN'S TRADE POLICIES

6 DIGITAL ECONOMY AND DX

- DATA FREE FLOW WITH TRUST (CF. JSI E-COMMERCE)
- ESTABLISHED DIGITAL AGENCY (2021)

7 SDGS AND CORPORATE GOVERNANCE

- ACTIVELY PURSUING SDG GOALS DOMESTICALLY AND WITH RELATED INTERNATIONAL FORA
- IMPROVING CORPORATE GOVERNANCE

CORPORATE GOVERNANCE CODE

STEWARDSHIP CODE

I I MAJOR RECENT DEVELOPMENTS AND FACTORS IN JAPAN'S TRADE POLICIES

8 NATIONAL SECURITY

- INTRODUCTION OF ECONOMIC SECURITY LAW

(2022: ACT IN THE PROMOTION OF ENSURING NATIONAL SECURITY THROUGH INTEGRATED IMPLEMENTATION OF ECONOMIC MEASURES)

- MAIN FOCUS

- ENSURING A STABLE SUPPLY OF KEY PRODUCTS AND INFRASTRUCTURE SERVICES

- ENHANCING DEVELOPMENT OF ADVANCED CRITICAL TECHNOLOGIES

- PREVENTING DISCLOSURE OF INVENTIONS DETRIMENTAL TO NATIONAL SECURITIES THROUGH PATENT PROCEEDINGS

- IN THE PROCESS OF IMPLEMENTATION

- BUSINESS SUPPORTS THE LAW AND EMPHASIZES THE NECESSITY OF STRENGTHENING SUPPLY CHAINS, IN FULL CONSULTATION WITH THE BUSINESS AND DUE TRANSPARENCY.