

## **Trade Policy Review of Japan 2026**

### **Opening Statement by Japan**

**Day 1 (27 May 2026)**

#### **(Introduction)**

It is an honor to take the floor in this Trade Policy Review on behalf of Japan.

I wish to convey my sincere appreciation to Ambassador Nella Pepe TAVITA-LEVY, the Chair; Ambassador Phan Dung MAI, the discussant; and Dr. Keck Alexander, Director of the WTO Secretariat's TPR Division, as well as all members of the team.

During this exercise, we received more than 800 written questions from 40 Members, and we are grateful for their keen interest in Japan's trade policy. We have answered many questions so far, and we will submit responses in sequence for the unanswered questions.

Transparency is indispensable to maintaining and strengthening the multilateral trading system. The TPR serves as a vehicle for openness regarding Members' policies and for deepening mutual understanding, and we attach great value to this review.

I will outline the current state of Japan's economy and the orientation of our trade policy during this review period.

#### **1 General remarks**

(Economic policy of the Takaichi administration)

The Takaichi administration was inaugurated in October 2025. Under its “responsible and proactive public finances” approach, the administration aims to build a new growth-oriented economy. It seeks to further strengthen Japan’s economy with two pillars; First, investments that enhance resilience against potential crises, which also help ensure economic and food security. Second, growth investments that foster advanced technologies such as AI, semiconductors, quantum technologies, and the shipbuilding industry.

Through these efforts, we will develop products, services, and infrastructure that help address global challenges. We will provide them at home and abroad, and by doing so, we will achieve economic growth.

### **(Overview of the Japanese Economy)**

Over the past three years, the Japanese economy has recovered from the impact of COVID-19. In 2023, nominal GDP topped 600 trillion yen for the first time and has recently been approaching 700 trillion yen. Wage growth hit a 33-year high in 2024 and has been rising at a strong pace ever since. The shift toward a more growth-oriented economy has steadily advanced. Japan is working hard to fundamentally fortify supply structures and revitalize consumer sentiment in order to create a virtuous cycle through sustained wage increases and the strengthening of potential

economic growth capacity.

Turning to trade and investment, nominal exports of goods and services have increased, and exports of services such as travel and intellectual property rights royalties have also expanded. Outward foreign direct investment stock has risen, and inward foreign direct investment stock continues to see an upward trend.

Japan is capturing global growth opportunities, and its attractiveness as a destination for overseas investment is improving.

### **(Trade Policy Overview)**

Japan firmly believes that maintaining and strengthening a rules-based economic order is indispensable for ensuring sustainable global economic growth, and remains fully committed to efforts toward that objective. This principle is also embedded as one of the key pillars of Japan's foreign policy, including under the framework of the Free and Open Indo-Pacific (FOIP) vision. In this regard, Prime Minister Takaichi recently announced an updated Free and Open Indo-Pacific (FOIP) vision during her visit to Vietnam, and this commitment is likewise reflected in the updated version.

## **2 WTO and External Trade Policy**

### **(Efforts at the WTO)**

The WTO has long been the cornerstone of the rules-based global trading system. Even today, it is the most used global economic

infrastructure that brings stability and predictability to businesses. As a trading nation, Japan sees the WTO as indispensable.

On the other hand, the WTO is facing significant challenges and its credibility is now under close scrutiny. Regarding key items carried over from MC14, including WTO reform, we understand that the work will continue under the leadership of the Chair of the General Council, and Japan remains committed to contributing constructively to the process going forward. Over the past year, Japan has been actively engaged in discussions on core reform topics, such as decision-making, development issues, and the level playing field. To restore the WTO's credibility, it is essential that we take concrete actions on reform at MC15. Japan will continue to play an active role in the reform process.

Japan believes that the WTO should appropriately address issues that undermine the free, fair and rules-based international order, such as non-market policies and practices, overcapacity, and economic coercion. In this context, Japan places priority on discussions on the level playing field in WTO reform. Specifically, Japan would like to collaborate with other Members to accelerate discussions on issues such as building a common understanding on the level playing field, enhancing transparency by monitoring and ensuring compliance with notification obligations, and considering potential updates to WTO

rules on the categories of prohibited subsidies.

In this regard, Japan believes that the weaponization of economic dependencies runs counter to the purpose of free trade upheld by the WTO, and that, in particular, arbitrary export restrictions imposed by a certain country notably for critical minerals and dual-use items, have a significant impact on global supply chains and are highly likely to be inconsistent with the WTO rules.

Japan's commitment to the WTO is also evident in its engagement in WTO negotiations over the past three years. Japan has served as a Co-Convenor of the Joint Statement Initiative on E-commerce, and has actively engaged in discussions of the Investment Facilitation for Development Agreement (IFDA). Japan has also made additional commitments to the JSI on Services Domestic Regulation (SDR). And in agriculture it has led discussions on food security, especially in the area of improving the transparency of export restrictions and disciplines. In fisheries, Japan has been engaging proactively in ongoing second wave negotiations on comprehensive disciplines of fisheries subsidies. In trade and the environment, it has made specific proposals to the Committee on Trade and Environment to address climate change.

Furthermore, regarding trade and development, to promote the

integration of developing and least-developed country Members into the multilateral trading system, Japan has been emphasizing the importance of mutual learning, based on concrete case studies of how WTO rules contribute to economic growth. As a major donor to Aid for Trade (AfT), Japan has also consistently focused on how individual AfT initiatives are culminating in concrete development outcomes and have emphasized the need for discussions tailored to individual cases and their impact. With the aim of supporting the smooth transition of LDCs after their graduation, Japan conducted a review and amended its Generalized System of Preferences (GSP) to allow special preferential treatment for LDCs to be extended for up to three years following graduation.

### **(Trade policy outside the WTO)**

To maintain and strengthen a free, fair and rules-based international economic order, Japan has pursued further liberalization and high-standard rulemaking in regional and bilateral frameworks. In forums such as the G7, G20, OECD, and APEC, Japan has also worked to advance a wide range of trade issues. During this review period, the United Kingdom acceded to the CPTPP, and this month saw the Parties to the CPTPP and Costa Rica reaching the substantive conclusion of the negotiations for the accession of Costa Rica, with discussions on further expansion already under way. In addition, the Protocol amending the Japan-EU EPA entered into force,

the Protocol amending the EPA with Indonesia and the EPA with Bangladesh were signed, and the CEPA negotiations with the UAE were concluded. With this, the EPA coverage of Japan's trade has now expanded to about 80%.

### **3 Domestic Policy (Economic Security)**

Amid intensifying geopolitical tensions and the growing uncertainty of the rules-based international order, the scope of national security is expanding across economic spheres. The importance of economic security has grown as threats that use economic tools, such as the weaponization of economic dependencies, have emerged. In short, Japan needs to protect its national interests—peace, safety, and economic prosperity—by taking appropriate economic measures.

From this perspective, while ensuring consistency with international law including WTO rules, Japan is advancing various measures based on the Economic Security Promotion Act, enacted in May 2022 and its amendment, such as ensuring stable supply of critical products, ensuring stable provision of essential infrastructure services, enhancing development of specified critical technologies, and non-disclosing selected patent applications.

Economic security that safeguards free and fair trade is an effort to

ensure a rules-based, transparent, and predictable trading environment and to advance free trade into the future. For a trading nation like our country, it is important that the two be compatible, and Japan is working toward achieving both agendas.

**(Financial markets, development of the investment environment)**

Through the further development of financial markets and the improvement of the investment environment, Japan is steadily evolving into a nation that has highly reliable rules and fosters a climate more conducive to challenge and investment. As for reforms that achieve both innovation and governance, Japan has successively implemented policies related to areas such as crypto assets and stablecoins, the promotion of the entry of the asset management industry, the vitalization of the circulation of unlisted securities, and the strengthening of governance in the insurance business. In addition, through corporate governance reform, Japan is improving its investment environment through constructive dialogue between companies and investors.

**(Labor Market Reform)**

To achieve inclusive growth of the Japanese economy, we have promoted the active participation of diverse human resources by expanding employment opportunities for women and older workers, implementing measures such as correcting wage disparities, and

increasing transparency in their appointments to managerial positions. For small and medium-sized enterprises, we are supporting their participation in international transactions through dedicated chapters in RTAs, thereby strengthening their role as sources of economic vitality. We will advance, in an integrated manner, the creation of high-quality employment and the strengthening of the competitiveness of women and SMEs and deepening a sustainable and open economy.

### **(Green Transformation)**

Green Transformation is one of the central pillars of Japan's growth strategy. Japan has set a target of achieving net-zero greenhouse gas emissions by 2050 and aims to mobilize over 150 trillion yen in public and private investment, supported by pro-growth carbon pricing. These efforts will simultaneously achieve energy security, economic growth, and decarbonization, while strengthening supply chains. Japan remains committed to promoting inclusive development through international cooperation and innovation.

### **(Nuclear accident response)**

As for food safety, after the accident at the Fukushima Daiichi Nuclear Power Station, Japan thoroughly applied the Codex standard and has ensured the safety of its food products for both the domestic and international markets. The IAEA concluded in its Comprehensive Report of July 2023, which states that the discharge of ALPS treated

water into the sea is consistent with relevant international safety standards, and that the discharge will have a negligible radiological impact on people and the environment. Through Japan's highly transparent information disclosure based on scientific evidence, and detailed explanations to the international community, we have received positive evaluation and earned trust, and many Members have lifted their import restrictions. Japan would like to request some remaining Members that still maintain import restrictions to respond in accordance with scientific evidence and international rules.

#### **4 Conclusion**

Japan, based on the growth-oriented economic policies advanced by the Takaichi administration, will implement various reforms and pursue economic growth to become an even more attractive country as a trade and investment partner.

With regard to trade policy, Japan remains consistently committed to a free and open, rules-based multilateral trading system with the WTO at its core. We are also determined to take the lead in addressing the various challenges in order to maintain the WTO's importance and to rebuild a multilateral trading system appropriate for the next thirty years to come. We reaffirm our commitment to collaborating with all Members to promote the development of the WTO and the global economy.