

3

Economic Diplomacy

1 Overview of Economic Diplomacy

In the international community, as competition among nations arises in the fields of politics, economy, and the military, the balance of power in the international arena is changing in an increasingly rapid and complex manner, while uncertainty over the existing international order is growing. The novel coronavirus disease (COVID-19) pandemic caused a rapid worldwide economic downturn through the suppression of economic activity. Since then, although the global economy as a whole has shown signs of a gradual recovery as the impact of COVID-19 has waned, prices are now soaring due to a combination of a recovery in demand and the impact of the situation in Ukraine. The outlook remains uncertain due to volatility in financial and capital markets, ballooning governmental debt arising from COVID-19 countermeasures, rising maritime transport and other logistics costs, and rising energy and commodity costs.

Against this backdrop, Japan continued its attempts to expand and develop a free and fair economic order. One and a half years after the launch of the Indo-Pacific Economic Framework for Prosperity (IPEF) negotiations, significant progress has been made, including the signing of the IPEF Supply Chain Agreement, and the substantial conclusion of the negotiations of the IPEF Clean Economy Agreement, and the IPEF Fair Economy Agreement. Regarding the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the first accession negotiations since the agreement entered into force were concluded with the UK, and the Protocol on the accession of the UK to the CPTPP was signed in July.

At the World Trade Organization (WTO), the cornerstone of the multilateral trading system,

efforts were made to strengthen the functions of the WTO regime, including acceptance of the Fisheries Subsidies Agreement, conclusion of text negotiations on the Agreement on Investment Facilitation for Development being pursued by like-minded countries including Japan, progress toward making new rules in the areas of e-commerce and services domestic regulation respectively, and participation in the Multi-Party Interim Appeal Arbitration Arrangement (MPIA).¹

Based on the above recognition, Japan will continue to accelerate its efforts to promote economic diplomacy, one of the priority areas of diplomacy, by focusing on the following three aspects: (1) rule-making and initiatives at international organizations to expand the free and fair economic order, such as the promotion of economic partnership agreements and the maintenance and strengthening of the multilateral trading system; (2) support for Japanese companies' overseas expansion by promoting public-private partnerships; and (3) resource diplomacy and inbound tourism promotion.

2 Efforts to expand the free and fair economic order

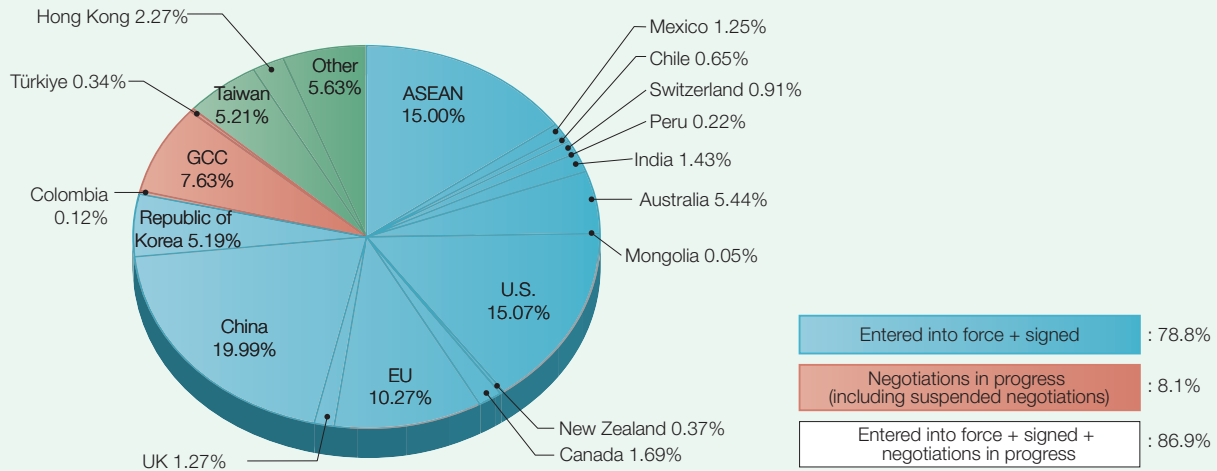
(1) Promotion of Economic Partnerships

In recent years, despite the advancement of economic globalism, there have been clear developments toward protectionism as COVID-19 infections spread, and furthermore, the global economy as a whole is in turmoil due to Russia's aggression against Ukraine. In such circumstances, Japan has emphasized and steadily promoted Economic Partnership Agreements (EPAs) and Free Trade Agreements (FTAs), which help capture the vitality of the growing market overseas and

¹ MPIA: Multi-party Interim Appeal Arbitration Arrangement

An interim mechanism launched by like-minded members to substitute the functions of WTO's Appellate Body, which ceased to function since 2019, with the dispute settlement system provided for in the WTO Agreements.

Percentages of Japan's economic partnership agreement partner countries and regions within Japan's total trade



Source: Trade Statistics of Japan by the Ministry of Finance (released in January 2024)
(Percentages of each country's trade value are rounded to the nearest hundredth)

strengthen the basis of the Japanese economy through measures such as the reduction or elimination of tariffs on goods as well as barriers on trade in services, and through rule-making for trade and investment. In March 2023, the CPTPP members and the UK confirmed the substantial conclusion of the negotiations for the accession of the UK to the CPTPP, followed by the signing of the Protocol on the accession of the UK to the CPTPP in July. Also in the same month, Japan and the GCC (Gulf Cooperation Council)² concurred on resuming negotiations for Japan-GCC Free Trade Agreement (FTA) from 2024, which have been suspended since 2009.

This brought the EPA/FTA ratio in Japan's trade (the ratio of trade value with countries that have EPAs/FTAs already signed or entered into force with Japan, to Japan's total trade value) to around 78.8% (source: Trade Statistics, Ministry of Finance, 2024).

Furthermore, in January the Protocol Amending the Trade Agreement between Japan and the United States of America, which modifies the conditions for the application of agricultural safeguards on U.S. beef, entered into force.

Japan will continue working actively to maintain the high standards of the CPTPP, ensure the transparent implementation of the Regional Comprehensive

Economic Partnership (RCEP) Agreements, and negotiate other economic partnership agreements in order to expand the free and fair economic order that is the basis for its own peace and prosperity.

A Multilateral Agreements, etc.

(A) Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

The CPTPP is an agreement that promotes efforts to establish new economic integration rules for the 21st century in a wide range of areas such as tariffs, services, investments, E-commerce, intellectual property, and state-owned enterprises. It also provides opportunities for Japanese companies to better thrive in overseas markets, giving it important economic significance as a major driving force for the country's economic growth. Furthermore, the CPTPP has great strategic significance in that it will establish a free and fair economic order with countries sharing fundamental values and principles, including freedom, democracy, fundamental human rights and the rule of law, and contribute significantly to the security of Japan and stability in the Indo-Pacific region, ensuring regional and global peace and prosperity.

The 12 countries of Japan, Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore,

² Gulf Cooperation Council (GCC): established by Saudi Arabia, the UAE, Bahrain, Oman, Qatar, and Kuwait. Its purpose is to coordinate and integrate cooperation among participating countries in all areas, including defense and economics.

the U.S., and Viet Nam signed the Trans-Pacific Partnership Agreement (TPP Agreement) in February 2016. However, due to the U.S.' announcement of its withdrawal from the TPP Agreement in January 2017, Japan proactively led discussions among the 11 countries for the early realization of the TPP Agreement in principle was reached at the TPP Ministerial Meeting in November 2017, and the CPTPP was signed in Chile in March 2018. Six countries required for the entry into force of the agreement (Mexico, Japan, Singapore, New Zealand, Canada, and Australia) completed their domestic procedures and the agreement entered into force on December 30, 2018. The agreement entered into force for all 11 countries that signed it, with Viet Nam becoming a party in January 2019, Peru in September 2021, Malaysia in November 2022, Chile in February 2023, and Brunei in July.

Since the CPTPP entered into force, seven CPTPP Commission meetings have been held mostly at the ministerial level. At the fourth meeting of the TPP Commission, held in June 2021, it was decided to start the process of the UK's request to join in February of that year and to establish an accession working group (AWG) for the UK membership, and the working group started meeting in September of that year. In March 2023, the CPTPP members and the UK held a ministerial meeting in an online format to confirm the substantial conclusion of the negotiations for the accession of the UK to the CPTPP. In July, the meeting of the 7th CPTPP Commission was held in New Zealand, where the Protocol on the accession of the UK to the CPTPP was signed. Based on the results of the negotiations, the Protocol sets out, among other things, the UK's compliance with the rules in each of the areas stipulated in the CPTPP and the market access commitments that the CPTPP Parties and the UK grant to each other. After signing the Protocol, Japan worked vigorously to complete its domestic procedures, and the Protocol was approved in December in the 212th extraordinary session of the Diet. In addition, a CPTPP Ministerial Meeting was held in the U.S. in November where discussions were held on how to deal with the accession requests and on future actions related to the "General Review" of the agreement. China requested to join on September 16, 2021; Taiwan on September 22, 2021; Ecuador on December 17, 2021; Costa Rica on

August 10, 2022; Uruguay on December 1, 2022; and Ukraine in May 2023. Japan will take a firm stand on whether the economies that have requested membership are fully capable of meeting the high standards of the CPTPP and have the intention and ability to continue to do so in their post-accession implementation, while also taking into account strategic perspectives and the understanding of the public.

(B) Indo-Pacific Economic Framework for Prosperity (IPEF)

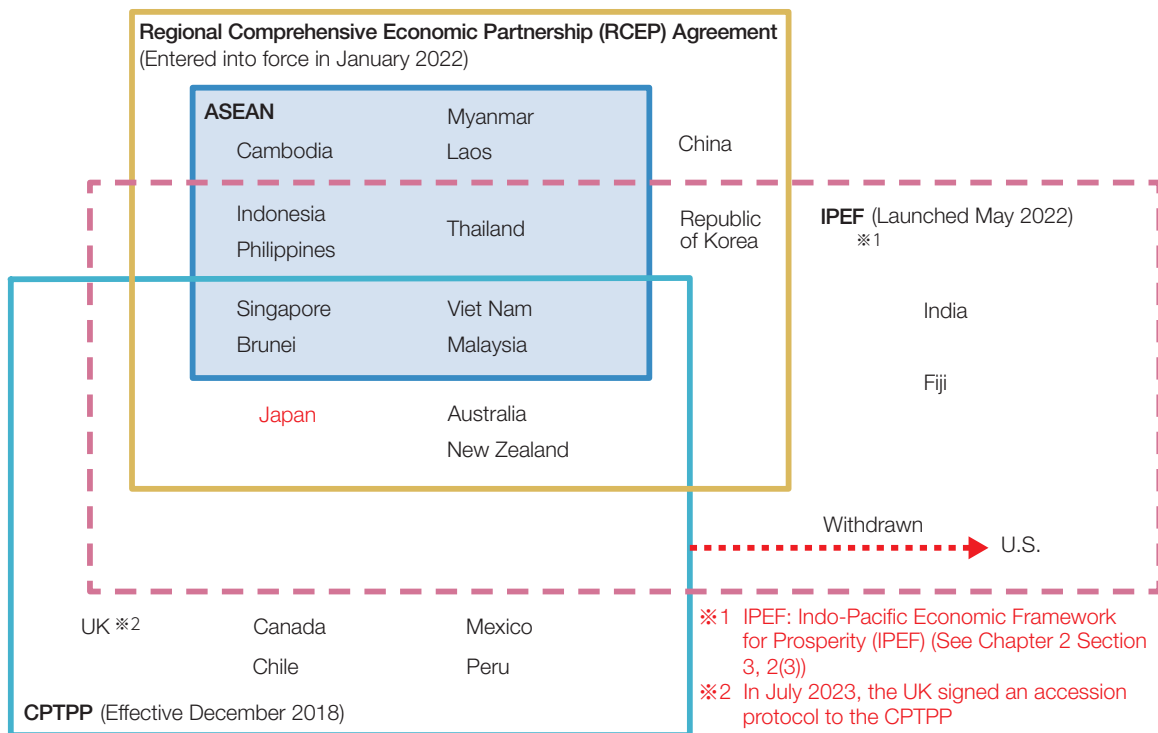
The IPEF is a framework for discussing economic cooperation in the Indo-Pacific region and includes 14 countries: Australia, Brunei, Fiji, India, Indonesia, Japan, Malaysia, New Zealand, the Philippines, the Republic of Korea (ROK), Singapore, Thailand, the U.S., and Viet Nam. The launch was announced in Tokyo in May 2022 to coincide with U.S. President Joseph Biden's visit to Japan, and the four pillars of Trade, Supply Chains, Clean Economy, and Fair Economy were agreed upon for subjects of negotiations at the IPEF Ministerial in Los Angeles in September of the same year. In May 2023, the substantial conclusion of the IPEF Supply Chain Agreement (Pillar 2) was announced at the IPEF Ministerial in Detroit.

In addition, an IPEF Leaders' Meeting and IPEF Ministerial were held in San Francisco in November. The San Francisco meeting saw the signing ceremony for the IPEF Supply Chain Agreement, as well as the announcement of the substantial conclusion of the negotiations of the IPEF Clean Economy Agreement (Pillar 3), the IPEF Fair Economy Agreement (Pillar 4), and the IPEF Agreement dealing with cross-cutting matters across each agreement under the IPEF. In addition to these



Prime Minister Kishida in attendance at the IPEF Leaders' Meeting (November 16, San Francisco, U.S.; Photo: Cabinet Public Affairs Office)

Multilateral economic agreements in the Indo-Pacific region and the Indo-Pacific Economic Framework for Prosperity (IPEF)



achievements, a Leaders' Statement was issued announcing the launch of the IPEF Critical Minerals Dialogue, the ministerial IPEF Council to be held annually from 2024 onward, and a biennial leaders' meeting.

Japan values the IPEF from the strategic perspective of U.S. engagement in the economic order in the Indo-Pacific region and will continue to work closely with regional partner countries, together with the U.S., toward building economic order and ensuring prosperity in the region to achieve sustainable and inclusive economic growth in the Indo-Pacific region.

(C) Japan-EU Economic Partnership Agreement (Japan-EU EPA)

In February 2019, the Japan-EU EPA, which at the time accounted for about 30% of global GDP and 40% of global trade, entered into force. The EU is an important partner for Japan, being its third largest export partner (9.5% of total exports) and fourth largest import partner (9.6%) (both as of 2022).

In April 2023, the fourth meeting of the Joint Committee was held among ministers to discuss how to ensure the appropriate and effective operation of

the Japan-EU EPA and to exchange views on progress made in the areas of Geographical Indications (GI), regulatory cooperation, government procurement, and trade and sustainable development. In October, the ministers also held the EU-Japan High-Level Economic Dialogue and confirmed that negotiations on the inclusion of a "provisions on the free flow of data" into the Japan-EU EPA had reached an agreement in principle. The Government of Japan will continue to closely cooperate on further deepening the Japan-EU economic relationship by promoting efforts to ensure effective implementation of the EPA through minister-level meetings of the Joint Committee and specialized committees and working groups.

(D) Japan-UK Comprehensive Economic Partnership Agreement (Japan-UK CEPA)

The Japan-UK EPA, which entered into force in January 2021 after the UK left the EU, is an important cornerstone for further deepening economic relations between Japan and the UK as global strategic partners who share fundamental values. The Japan-UK EPA, based on the Japan-EU EPA and comprising

24 chapters in total, stipulates rules that are more advanced and high-level than those of the Japan-EU EPA in such areas as electronic commerce and financial services. It is also Japan's first EPA to include a chapter on Japan-UK cooperation to promote women's access to the opportunities and benefits created by trade.

In October, the second meeting of the Japan-UK EPA Joint Committee was held among ministers, who reviewed the implementation of the EPA and confirmed further strengthening and promoting cooperation with regard to the economy. The Government of Japan will continue to promote efforts to ensure effective implementation of the EPA through minister-level meetings of the Joint Committee and specialized committees and working groups, and will continue to cooperate closely to further deepen economic relations between Japan and the UK.

(E) Japan-GCC Free Trade Agreement (FTA)

FTA negotiations between Japan and the Gulf Cooperation Council (GCC) began in 2006 and were subsequently suspended in 2009. In July 2023, Prime Minister Kishida visited Saudi Arabia, where he and GCC Secretary General Jasem Al Budaiwi concurred on resuming Japan-GCC Free Trade Agreement negotiations from 2024.

(F) Regional Comprehensive Economic Partnership (RCEP) Agreement

The RCEP is an economic partnership agreement involving the members of the Association of Southeast Asian Nations (ASEAN), Japan, Australia, China, the ROK, and New Zealand. RCEP participating countries account for roughly 30% of the world's total GDP, total trade, and population. The entry into force of the Agreement is expected to further strengthen Japan's ties with the regions serving as the world's growth center, thus contributing to the economic growth of Japan. Following a ceremony to launch RCEP negotiations during the ASEAN-related summit meeting held in Phnom Penh, Cambodia in November 2012, there were eight years of negotiations that included four summit meetings, 19 ministerial meetings, and 31 rounds of

negotiations. The Agreement was signed on the occasion of the fourth RCEP Summit on November 15, 2020.

The RCEP Agreement entered into force on January 1, 2022, and a total of five Joint Committee meetings and two Ministers' Meetings were held by the end of 2023. Japan, for its part, will work in close cooperation with the countries concerned to ensure that economic activities based on free and fair rules take root in the region by ensuring the transparent implementation of the RCEP Agreement.

Although India had participated from the start of negotiations, at the third Summit in November 2019, India declared that it would not participate in further negotiations and did not sign the RCEP Agreement.

However, at the signing, Signatory States issued a "Ministers' Declaration on India's Participation in the RCEP" based on a proposal from Japan. The declaration clarified that the Agreement would be open for India, and stipulated a facilitation of India's future accession and allowed it to participate in related meetings as an observer. Due to the significant economic and strategic importance of India's participation in the RCEP, Japan will continue to play a leading role for the future participation of India to the RCEP Agreement.

(G) Free Trade Area of the Asia-Pacific (FTAAP) Concept

APEC Putrajaya Vision 2040 (adopted at the 2020 Asia-Pacific Economic Cooperation (APEC) Leaders' Meeting), which sets the medium- to long-term direction for the Asia-Pacific region, states an objective to "further advance the Bogor Goals³ and economic integration in the region in a manner that is market-driven, including through the work on the Free Trade Area of the Asia-Pacific (FTAAP) agenda which contributes to high standard and comprehensive regional undertakings." In 2022, an FTAAP Agenda Work Plan was agreed upon, and work is underway to materialize this vision.

Japan has been continuously working to share knowledge and support capacity building for the FTAAP agenda by holding policy dialogues on the "competition chapters" in FTAs and EPAs as well as on investment policies. The entering into force of the

³ Bogor Goals: "Developed economies will achieve the goal of free and open trade and investment by 2010 and developing economies by 2020," as decided at the APEC Summit in 1994.

CPTPP Agreement at the end of December 2018 and the RCEP Agreement in January 2022 also have significance from the perspective of achieving a high-quality and comprehensive FTAAP.

B Bilateral Agreements

Japan-Türkiye EPA

As an important country that serves as a hub among Europe, the Middle East, the Central Asia and Caucasus region, and Africa, Türkiye has considerable economic potential and is attracting attention as a production base for exports to surrounding regions. Türkiye has signed FTAs with over 20 countries and regions, and the need has been recognized for Japan to develop conditions of competition for Japanese companies through the conclusion of an EPA.

In addition, since the business communities of both countries have expressed high expectations for the early conclusion of the Japan-Türkiye EPA, the two countries agreed to start negotiations at the Japan-Türkiye Summit Meeting in January 2014, and 17 rounds of negotiations were held by the end of December 2023.

C Other EPAs that have Entered into Force

The existing EPAs contain provisions concerning the joint committee, which is a body that discusses the implementation of the agreements, and a process to review the agreements after a certain period of time following their entry into force. In addition, a variety of consultations are being held in order to smoothly implement the EPAs after their entry into force. With regard to the Japan-Indonesia EPA, substantial conclusion of negotiations for the amendment of the EPA was confirmed at the Japan-Indonesia Summit Meeting held in December.

In accordance with the EPAs, the Government of Japan has been accepting candidates for nurses and certified care workers from Indonesia, the Philippines, and Viet Nam. In total, 3,949 (as of FY2023) candidates have been accepted from Indonesia, 3,613 from the Philippines, and 1,845 from Viet Nam. From these three countries, the total number of nurses and certified care workers who have passed national exams is 648 and 2,890 individuals, respectively, as of FY2022.

D Investment-related Treaties

Investment-related treaties (Investment agreement and EPA/FTA including investment chapter) constitute an important legal basis to improve predictability for investors and promote investment by establishing common rules for the protection of investors and their investment property, enhancement of transparency in regulations, expansion of investment opportunities, procedures for investment dispute settlement, and other matters. Japan has actively engaged in concluding investment agreements, as these agreements are considered to improve the investment environment for Japanese companies overseas and to attract foreign investment to the Japanese market.

In 2023, the Japan-Angola Investment Agreement was signed in August and the Japan-Bahrain Investment Agreement came into effect in September. As of the end of January 2024, 53 investment-related agreements have entered into force (36 investment agreements and 17 EPAs), and three investment-related agreements have been signed but have not yet entered into force (two investment agreements and one EPA). Altogether, there will be 56 investment-related agreements covering 81 countries and regions. Including investment-related agreements that are currently under negotiation, these investment-related agreements will cover 94 countries/regions and approximately 95% of Japan's outbound direct foreign investment.⁴

E Tax Conventions/Agreements on Social Security

(A) Tax Conventions

Tax conventions are intended to eliminate international double taxation in cross-border economic activities (e.g. to reduce or exempt withholding taxes imposed on investment income such as dividends), or to prevent tax evasion or avoidance, and provide an important legal basis for promoting sound investment and economic exchange between two countries. To support the sound overseas business expansion of Japanese companies, the Government of Japan is working to expand the necessary tax treaty networks, both in terms of quality and quantity.

In 2023, a new tax treaty with Azerbaijan (fully revised) (August) entered into force. Tax treaties with

⁴ "Regional balance of Direct Investment (Assets)," Ministry of Finance (All regions) (As of the end of 2022)

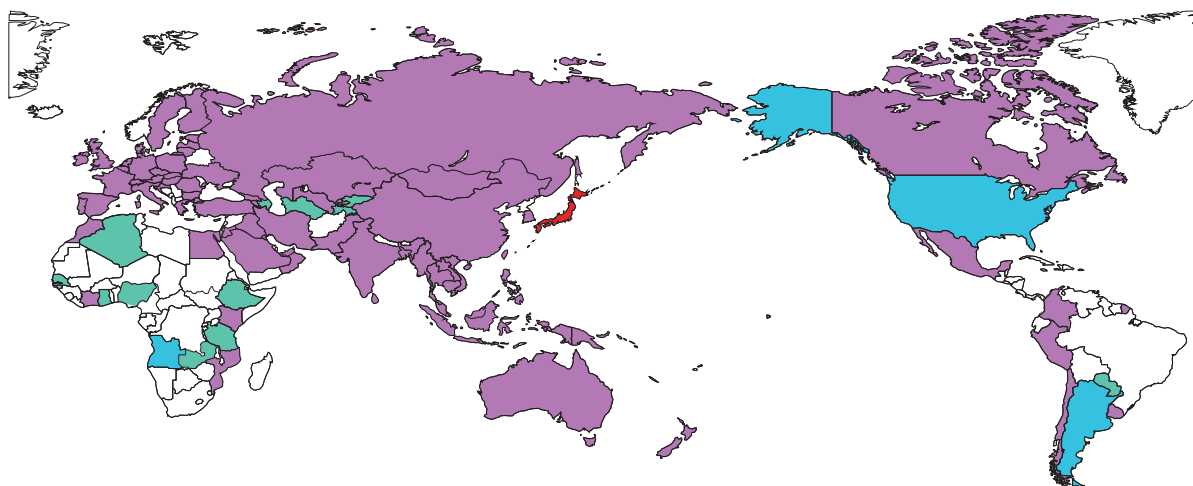
Current investment-related agreements (as of the end of January 2024)

Negotiation status of investment-related agreements ^(Note)

- In force: 53 (36 investment agreements, 17 EPAs)
- Signed, not yet in force: 3 (2 investment agreements, 1 EPA)
- Under negotiation: 17 agreements (14 investment agreements, 3 EPAs)

(Note) EPA/FTA including investment agreements and investment chapter

Covering 81 countries / regions
Once those under negotiation enter into force
Covering 94 countries / regions



- In force
- Signed, not yet in force
- Other (including those with substantial/general agreement reached)

■ In force (terminated agreements excluded)

Investment agreement

- | | |
|--|--|
| 1 Egypt (1978) | 19 Myanmar (2014) ^(L) |
| 2 Sri Lanka (1982) | 20 Mozambique (2014) ^(L) |
| 3 China (1989) | 21 Colombia (2015) ^(L) |
| 4 Türkiye (1993) | 22 Kazakhstan (2015) |
| 5 Hong Kong (1997) | 23 Ukraine (2015) |
| 6 Pakistan (2002) | 24 Saudi Arabia (2017) |
| 7 Bangladesh (1999) | 25 Uruguay (2017) ^(L) |
| 8 Russia (2000) | 26 Iran (2017) |
| 9 Republic of Korea (2003) ^(L) | 27 Oman (2017) |
| 10 Viet Nam (2004) ^(L) | 28 Kenya (2017) |
| 11 Cambodia (2008) ^(L) | 29 Israel (2017) ^(L) |
| 12 Laos (2008) ^(L) | 30 Armenia (2019) ^(L) |
| 13 Uzbekistan (2009) ^(L) | 31 Jordan (2020) |
| 14 Peru (2009) ^(L) | 32 United Arab Emirates (2020) |
| 15 Papua New Guinea (2014) | 33 Cote d'Ivoire (2021) ^(L) |
| 16 Kuwait (2014) ^(L) | 34 Georgia (2021) ^(L) |
| 17 Iraq (2014) | 35 Morocco (2022) |
| 18 Japan, China and Republic of Korea (2014) | 36 Bahrain (2023) |

Note: A private investment arrangement with investment liberalization was made between Japan and Taiwan in 2011.

EPA including investment chapter

- | | |
|-------------------------------------|--|
| 1 Singapore (2002) ^(L) | 12 Mongolia (2016) ^(L) |
| 2 Mexico (2005) ^(L) | 13 TPP11 Agreement ^(Note 1) (2018) ^(L) |
| 3 Malaysia (2006) ^(L) | 14 EU (2019) ^(L) |
| 4 Chile (2007) ^(L) | 15 ASEAN (2020) ^(Note 2) ^(L) |
| 5 Thailand (2007) ^(L) | 16 UK (2021) ^(L) |
| 6 Brunei (2008) ^(L) | 17 RCEP Agreement ^(Note 3) (2022) ^(L) |
| 7 Indonesia (2008) ^(L) | |
| 8 Philippines (2008) ^(L) | |
| 9 Switzerland (2009) ^(L) | |
| 10 India (2011) ^(L) | |
| 11 Australia (2015) ^(L) | |

Note 1: TPP11 Agreement: Comprehensive and Progressive Agreement on Trans-Pacific Partnership
Note 2: year of entry into force of the Protocol to Amend the Agreement
Note 3: RCEP Agreement: Regional Comprehensive Economic Partnership Agreement

■ Under negotiation

Investment agreement

- | | |
|-------------------|---------------|
| 1 Algeria | 8 Nigeria |
| 2 Qatar | 9 Zambia |
| 3 Ghana | 10 Ethiopia |
| 4 Tanzania | 11 Tajikistan |
| 5 Turkmenistan | 12 EU |
| 6 Senegal | 13 Paraguay |
| 7 Kyrgyz Republic | 14 Azerbaijan |

EPA/FTA including investment chapter

- 1 GCC (negotiations to resume in 2024)
- 2 Japan, China, and Republic of Korea
- 3 Türkiye

■ Signed / not in force

- TPP Agreement ^(Note) (signed February 2016, approved) (EPA)^(L)
- Argentina (signed December 2018, approved)^(L)
- Angola (signed in August 2023, unapproved)^(L)

Note: TPP Agreement denotes Trans-Pacific Partnership Agreement

Algeria (February) and Greece (November) were also signed. In addition, Japan and Turkmenistan agreed in principle on a new tax treaty (fully revised) in October. As of December 2023, Japan has concluded 85 tax treaties applied to 154 economies.

(B) Agreements on Social Security

Agreements on social security aim to resolve the issues of the double payment of social security insurance premiums and pension entitlement. They are expected to facilitate interpersonal exchange and strengthen further bilateral relations, including economic exchange, by reducing the burden on Japanese companies and citizens working overseas. The total number of countries that have concluded or signed such agreements with Japan now stands at 23 as of December 2023.

(2) Initiatives with International Organizations

A World Trade Organization (WTO)

(A) Challenges Facing the WTO and WTO Reform

The WTO has contributed to the economic growth of Japan and the world as the foundation of a rules-based, free and open multilateral trading system. Today, the world faces geopolitical challenges such as Russia's aggression against Ukraine, as well as changes in the global economy such as the development of the digital economy and new challenges such as non-market policies and practices and economic coercion. It is true that the WTO has not been able to adequately address these crises and challenges, and the need for WTO reform has never been more apparent if the multilateral trading system, with the WTO as its core, is to be maintained and strengthened.

Against this backdrop, Japan is promoting international efforts to reform the WTO, which consist of the three pillars: (1) formulating rules in line with the times, (2) reforming the dispute settlement system, and (3) strengthening the function for monitoring and implementation of the WTO Agreements. The G7 Trade Ministers' Meeting in Osaka-Sakai, held in October under Japan's presidency, also reaffirmed the G7's commitment to promote WTO reform and maintain and

strengthen a rules-based, inclusive, free and fair multilateral trading system with the WTO at its core.

(B) Formulation of rules in line with the times

Japan accepted the Agreement on Fisheries Subsidies in July 2023, which was adopted during the 12th WTO Ministerial Conference in June 2022. The agreement aims to ensure the sustainable use of living marine resources by prohibiting subsidies that facilitate illegal, unreported, and unregulated (IUU) fishing, etc. This is the second new agreement created with the participation of all member countries since the establishment of the WTO in 1995, following the Trade Facilitation Agreement. In February, along with urging non-member countries to accede to the agreement as soon as possible, Japan was the first among the member countries to contribute to the agreement's funding in order to promote its implementation by developing countries.

Meanwhile, Japan has been promoting rule-making through groups of like-minded countries under the Joint Statement Initiatives (JSIs).⁵ In 2020, negotiations were launched for the preparation of an Agreement on Investment Facilitation for Development. Japan also actively contributed to the discussions, and negotiations on the text of the substantive provisions were concluded in July. The substantive provisions provide for increased transparency of investment-related measures and simplified and expedited licensing procedures. In the JSI negotiation to develop a new agreement on e-commerce, Japan, as a co-convenor along with Australia and Singapore, has been leading discussions toward the conclusion of the negotiations.

(C) Dispute Settlement

The WTO dispute settlement system is aimed at seeking a rules-based settlement of economic disputes arising between WTO Members, whereby providing security and predictability to the multilateral trading system. Since December 2019, the Appellate Body (serving as the final instance) has "ceased to function" due to a failure to (re)appoint its members, falling short of the quorum required to hear an appeal, but the dispute settlement system itself continues to be used by WTO Members.

⁵ JSI: Joint Statement Initiative. Initiative launched at the 11th WTO Ministerial Conference (Argentina) in December 2018 based on a Joint Statement issued by a number of like-minded countries in each of the following four areas: (1) e-commerce, (2) investment facilitation, (3) micro, small, and medium-sized enterprises (MSMEs), and (4) services domestic regulation

As of December 31, 2023, five cases⁶ to which Japan was one of the parties had been brought to the WTO's dispute settlement mechanism, with the following developments in 2023.

In the case Japan filed in 2019 regarding India's measures to increase tariffs on information and communication technology (ICT) products such as smartphones and parts thereof, a report of the panel (serving as the first instance) was circulated to all WTO Members in April. It concluded that the measures in question were inconsistent with Articles II:1(a) and (b) of the GATT 1994, recommending India to bring the measures into conformity with its obligations under those provisions. As India appealed the panel report to the Appellate Body in May, which has been dysfunctional, no deliberations are currently taking place.

In the case of Japan's complaint filed in 2021 against China's anti-dumping measures on Japanese stainless steel products, a panel report was circulated to all WTO Members in June. It concluded that the measures in question were inconsistent with the Anti-Dumping Agreement, recommending China to bring the measures into conformity with its obligations under that agreement. The panel report was adopted by the WTO Dispute Settlement Body (DSB) in July. In October, Japan and China also notified the DSB that they had agreed that the reasonable period of time for China to implement the DSB's recommendation should expire on 8 May 2024.

In the case the ROK filed in 2019 regarding Japan's review⁷ of its export control operations for the ROK, the ROK withdrew its complaint in March.

In response to the difficulty in obtaining final decisions on individual disputes due to the suspension of the functions of the Appellate Body, in March Japan joined the Multi-Party Interim Appeal Arbitration Arrangement (MPIA), which was launched by like-minded WTO Members in 2020 as an interim mechanism to substitute the functions of the Appellate Body. The MPIA will enhance the predictability of the WTO dispute settlement system by allowing for a final decision on disputes among participating members and

thereby contribute to the maintenance and strengthening of the rules-based multilateral trading system.⁸

Meanwhile, Japan has been actively participating in discussions on reforming the dispute settlement system in order to achieve reforms that will contribute to a long-lasting solution to the problems faced by the Appellate Body, and has continued to lead efforts toward reform in cooperation with other members since joining the MPIA.

(D) Toward the 13th WTO Ministerial Conference (MC13)

With the goal of achieving concrete results at MC13 in February 2024, in addition to efforts at the WTO, Japan took advantage of opportunities such as the G7 Trade Ministers' Meetings in Osaka-Sakai in April and October, the G20 Trade and Investment Minister's Meeting in August, and the APEC Ministerial Meeting in November to lead discussions at MC13 and call for close cooperation among countries.

B Organisation for Economic Co-operation and Development (OECD)

(A) Features

The OECD is an international organization with 38 member countries with shared values for the purpose of economic growth, development assistance, and the expansion of free, multilateral trade. The OECD conducts research and analysis on a wide range of economic and social areas and makes specific policy recommendations.

Through discussions held by approximately 30 committees, it has formed international standards and rules. Since its accession to the OECD in 1964, Japan has been actively engaged in OECD initiatives through discussions at various committees as well as financial and human resources contributions.

(B) 2023 OECD Ministerial Council Meeting

The 2023 Ministerial Council Meeting was held on June 7 and 8 in Paris, France, under the chairmanship of the UK and the vice-chairmanships of Costa Rica and New

⁶ In addition to the respective cases with India and China mentioned in the main text, there are cases related to safeguard measures on steel products by India, anti-dumping measures on stainless steel bars by the ROK, and support measures by the ROK for its shipbuilding industry.

⁷ With regard to the export of fluorinated polyimides, resins, and hydrogen fluoride to the ROK and the transfer of associated manufacturing technologies (including those associated with the export of manufacturing equipment), the decision was made to have them removed from the comprehensive export license system and switch to a system requiring individual export license applications.

⁸ MPIA participants make a political commitment to not petition the Appellate Body for WTO-related disputes between participating countries and instead engage under the WTO Agreements (52 participating countries and regions as of the end of December 2023).

Zealand, with the theme “Securing a Resilient Future: Shared Values and Global Partnerships.” Among those attending in person from Japan were State Minister for Foreign Affairs YAMADA Kenji and State Minister of Economy, Trade and Industry NAKATANI Shinichi. State Minister Yamada outlined the discussions at the G7 Hiroshima Summit in May, demonstrated the unwavering solidarity between the G7 and Ukraine, and stated Japan’s determination to strongly support Ukraine’s recovery and reconstruction with full backing of the Japanese public and private sectors. State Minister Yamada also stated Japan’s position and efforts regarding the OECD’s outreach to Southeast Asia and building resilient supply chains, and stressed the importance of disseminating and promoting the OECD Guidelines for Multinational Enterprises, which is now more fit for purpose in light of up-to-date issues such as the environment, digitalization, and human rights.

During the closing session, a Ministerial Council Statement was adopted based on each country’s position and views on various issues, including support for Ukraine, outreach to Southeast Asia, climate change, and digitalization. The outcome documents such as the OECD Strategic Framework for the Indo-Pacific and the updated OECD Guidelines for Multinational Enterprises were adopted.

At the end of the meeting, State Minister Yamada announced Japan’s intention for assuming the chairmanship of the OECD Ministerial Council in 2024, marking the 60th anniversary of Japan’s OECD membership.

(C) Initiatives in Various Sectors

The OECD plays an important role in shaping rules and standards in the economic and social spheres, as well as in promoting these rules and standards in emerging economies through deepening cooperation with other international fora such as the G20, G7, and APEC. Its initiatives include leading discussions on reviewing the international taxation system, revising principles on AI and corporate governance, disseminating and implementing the G20 Principles for Quality Infrastructure Investment,⁹ and engaging in aid coordination.

(D) Outreach to Southeast Asia

With the growing significance of the Indo-Pacific region in the global economy, it is an important task for the OECD to strengthen relations with Indonesia and other emerging economies in Southeast Asia and to promote the OECD standards. In this context, the OECD has been working to strengthen relations with the region, engaging in policy dialogues and other activities through the Southeast Asia Regional Programme (SEARP), and in July, Indonesia became the first Southeast Asian country to announce its intention to join the OECD. In October, State Minister for Foreign Affairs TSUJI Kiyoto attended the OECD Southeast Asia Ministerial Forum in Hanoi (Viet Nam) in person. State Minister Tsuji stated that the OECD’s outreach to Southeast Asia is aimed at maintaining and strengthening a free and open economic order based on the rule of law, and Japan shares this philosophy. State Minister Tsuji also stated that the ASEAN Outlook on the Indo-Pacific (AOIP) emphasizes the principles of openness, transparency, inclusivity, and respect for international law, and the promotion of the AOIP and OECD international standards will attract private investment to the ASEAN region, leading to sustainable economic growth.

Japan will continue to encourage future OECD membership from the Southeast Asian region, utilizing the OECD Tokyo Centre and the technical cooperation of Japan International Cooperation Agency (JICA).



State Minister for Foreign Affairs Tsuji speaking at the OECD Southeast Asia Ministerial Forum (October 26, Hanoi, Viet Nam)

⁹ Endorsed at the G20 Osaka Summit in June 2019, the Principles for Quality Infrastructure Investment include elements such as openness, transparency, economic efficiency, and debt sustainability

(E) Contributions in Terms of Financial and Human Resources

As of 2023, Japan was the second largest financial contributor to the OECD, covering 9.0 % of the OECD's mandatory contributions (the U.S. is first, covering 19.1 %). Moreover, Japanese nationals have successfully served as one of the Deputy Secretary Generals (there are four positions in total; currently Deputy Secretary General TAKEUCHI Yoshiki), and 85 Japanese staff work at the OECD Secretariat as of the end of 2022.

(3) Intellectual Property Protection

Strengthening the protection of intellectual property is crucial to promoting technological innovation and achieving economic growth. Japan is contributing to the strengthening of international collaboration through multilateral discussions at APEC, the WTO (TRIPS),¹⁰ and the World Intellectual Property Organization (WIPO). In addition, Japan is working to improve an environment for ensuring that the Japanese intellectual property is appropriately protected and utilized both domestically and internationally through means such as establishing provisions for the protection and promotion of the use of intellectual property in economic partnership agreements that include the CPTPP, RCEP Agreement, Japan-EU EPA, and Japan-UK EPA.

At the same time, in order to provide prompt and effective support to Japanese companies facing increasingly serious intellectual property issues such as counterfeit and pirated products, Ministry of Foreign Affairs (MOFA) has appointed Intellectual Property Officers at almost all diplomatic establishments overseas to serve as liaisons for Japanese companies, collect local information, consider countermeasures, and liaise with counterpart governments and other relevant parties. In addition, meetings are held for these officers to exchange information on the extent of the damage in each region and country, and to share the response status and knowledge of diplomatic establishments overseas to strengthen the system for handling intellectual property right infringements. In 2023, such meeting was held for the Southwest Asia region.

3 Leading Discussions at International Conferences

(1) G7

Japan held the G7 presidency for 2023 as the international community stood at a historic turning point, facing multiple crises including the climate crisis, the spread of COVID-19, and Russia's aggression against Ukraine (See the Opening Special Feature on page 2).

On February 24, one year after the start of Russia's aggression against Ukraine, Prime Minister Kishida hosted the G7 Leaders' Video Conference. Opening remarks were made by President Zelensky of Ukraine, followed by discussions among G7 leaders, who concurred that G7's solidarity will never waver in standing with Ukraine, in supporting countries and people in need and in upholding the international order based on the rule of law.

Prime Minister Kishida hosted the G7 Hiroshima Summit from May 19 to 21.¹¹ At the meeting, G7 leaders affirmed that they will make active and concrete contributions under the broad theme of realizing an international community characterized by cooperation, not division and confrontation, and with the two pillars of upholding the free and open international order based on the rule of law and strengthening outreach with international partners beyond the G7.

President Zelensky also attended the meeting. On the situation in Ukraine, G7 leaders affirmed that they will continue to impose severe sanctions against Russia and strongly support Ukraine, stressing that peace cannot be achieved without the withdrawal of Russian troops, and reaffirming that they will make every effort to bring peace to Ukraine. G7 leaders issued the G7 Leaders' Statement on Ukraine.

Regarding diplomacy and security, Prime Minister Kishida stated that any unilateral attempt to change the status quo by force is unacceptable anywhere in the world, and that it is essential to show the G7's strong will to uphold the free and open international order based on the rule of law. On the Indo-Pacific situation,

¹⁰ TRIPS Agreement: Agreement on Trade-Related Aspects of Intellectual Property Rights

¹¹ For details about the G7 Hiroshima Summit, including the outcome document, see the Ministry of Foreign Affairs website: https://www.mofa.go.jp/ms/g7/hs_s/page1e_000666.html



G7 leaders also reaffirmed that they will continue to work closely together in responding to issues related to China as well as North Korea, including nuclear and missile issues and abductions issue.

Regarding nuclear disarmament and non-proliferation, G7 leaders had candid discussions that touched on the reality of the atomic bombing in Hiroshima, and affirmed their commitment to a “world without nuclear weapons.” The G7 leaders issued the “G7 Leaders’ Hiroshima Vision,” the first independent G7 Summit document on nuclear disarmament.

In response to the rapidly growing importance of addressing economic security challenges, the G7 established an independent session on economic security for the first time at a G7 Summit, and had candid discussions. G7 leaders issued the “G7 Leaders’ Statement on Economic Resilience and Economic Security,” the first independent G7 Summit statement, as a comprehensive and concrete message on this issue.

They also shared an intention to have discussions held as soon as possible through the “Hiroshima AI Process” about generative AI, a rapidly evolving technology, among the relevant ministers and have the results of those discussions reported by the end of 2023.

The G7 leaders, together with invited countries and organizations, discussed various issues facing the international community, including food, development, health, climate change and energy, and the environment, and reaffirmed the importance of working with developing and emerging countries, called the Global South, to address these issues.

At the end of the meeting, the leaders of the G7, the invited countries, and Ukraine discussed global peace and stability and shared a recognition of the importance of UN Charter principles such as the rule of law, sovereignty, and respect for territorial integrity.

In summing up their discussions, G7 leaders issued the “Clean Energy Economy Action Plan” in addition to the “G7 Hiroshima Leaders’ Communiqué,” the aforementioned “G7 Leaders’ Statement on Ukraine,” the “G7 Hiroshima Vision on Nuclear Disarmament,” and the “G7 Leaders’ Statement on Economic Resilience

and Economic Security,” and, in collaboration with the leaders of invited countries, issued the “Hiroshima Action Statement for Resilient Global Food Security.”

Also in December, Prime Minister Kishida hosted the G7 Leaders’ Video Conference to conclude the year of Japan’s G7 Presidency.¹² With President Zelensky joining at the opening, the meeting saw G7 leaders reaffirm the unwavering solidarity of the G7 with Ukraine and concur on remaining united and strongly promoting sanctions against Russia while providing support for Ukraine.

Regarding the situation in the Middle East, G7 leaders condemned the terror attacks by Hamas and others, demanded the immediate release of all hostages, and spoke of the importance of improving the humanitarian situation in the region. G7 leaders confirmed that the G7 will continue to take the lead in calming down the situation and providing assistance to the people.

On AI, G7 leaders welcomed the “Hiroshima AI Process Comprehensive Policy Framework” as agreed by the G7, which comprehensively sets out the rules to be followed by the relevant actors for the first time globally, and agreed on expanding these outcomes to the international community at large.

G7 leaders reviewed the initiatives under the Japanese Presidency, including the G7 Hiroshima Summit, and confirmed that they will further deepen cooperation under the Italian Presidency in 2024, then issued the “G7 Leaders’ Statement” after the meeting.

A total of seven G7 Foreign Ministers’ Meeting were held in 2023, including five in-person and two online. At the G7 Foreign Ministers’ Meeting in Karuizawa, Nagano, held April 16-18 and chaired by Foreign Minister Hayashi, the G7 foreign ministers confirmed their collaboration for the G7 Hiroshima Summit in May. In addition, for the first time as the G7, the G7 foreign ministers issued a G7 Foreign Ministers’ Communiqué as the outcome of the meeting, confirming in written form their commitment to a free and open international order based on the rule of law, which Japan values, and their strong opposition to any attempt to unilaterally change the status quo anywhere

¹² See the Ministry of Foreign Affairs website for details about the G7 Leaders’ Video Conference, including the outcome document: https://www.mofa.go.jp/ecm/cc/pageite_000001_00031.html



in the world. At the G7 Foreign Ministers' Meeting held in Tokyo on November 7 and 8 and chaired by Foreign Minister Kamikawa, the G7 Foreign Ministers held candid and in-depth discussions on the situation in the Middle East in particular and put together a comprehensive message in the form of a document. Regarding the situation in Ukraine, the G7 confirmed that, even given the current international situation, it will maintain its stance of strict sanctions against Russia and strong support for Ukraine. The Indo-Pacific, which is the most strategically important area under the Japanese Presidency, was also discussed.

The first G7 Trade Ministers' Meeting was held online on April 4, and the second meeting was held in Osaka-Sakai on October 28 and 29, attended by Foreign Minister Hayashi and Minister of Economy, Trade and Industry NISHIMURA Yasutoshi and by Foreign Minister Kamikawa and Minister of Economy, Trade and Industry Nishimura, respectively. The G7 trade ministers candidly discussed economic coercion and supply chain resilience from the perspective of economic security, as well as the maintenance and strengthening of a free and fair trade regime with the WTO at its core, and adopted a G7 Trade Ministers' Statement.

(2) G20

The G20 is the premier forum for international economic cooperation participated in by both major developed and emerging countries. At the G20 New Delhi Summit held on September 9 and 10, discussions were held under the theme of "One Earth, One Family, One Future" set forth by India, the G20 Presidency.

Prime Minister Kishida emphasized the importance of achieving a just and lasting peace in Ukraine, and, based on the idea that the outcome of the G7 should feed into the G20, he communicated Japan's position and initiatives on key issues such as food security, climate and energy, development, health, and digitalization.

Especially regarding food security, Prime Minister Kishida expressed his intention to work toward building a sustainable and resilient agriculture and food system, while introducing that at the G7 Hiroshima Summit a concrete action plan was formulated with the participation of invited countries, which confirmed the importance of G20's efforts to enhance data gathering,

and the "Millet and other ancient grains international research initiative (MAHARISHI)," promoted by India. On the subject of health, Prime Minister Kishida stated that he attaches importance to achieving Universal Health Coverage (UHC), in which all people can receive basic health services when they are needed and at a cost they can afford, and the strengthening of prevention, preparedness, and response (PPR) for a possible next health crisis, including the provision of prompt and efficient funding in times of crisis. In particular, he emphasized the importance of strengthening the delivery of medical countermeasures (MCM), which was launched at the G7 Hiroshima Summit and of which its importance was confirmed at this G20 Summit.

The G20 New Delhi Leaders' Declaration, agreed upon by all members including Russia, was issued as the summary of the discussions. It included commitments based on the outcomes of the G7 Hiroshima Summit in the areas of food, climate change and energy, environment, and health, as well as reference to a comprehensive, just, and lasting peace in Ukraine and adherence to the principles of the UN Charter, including territorial integrity and sovereignty.

In addition, at the invitation of India, the G20 Presidency, the G20 Leaders' Video Conference was held on November 22 that Prime Minister Kishida attended. At the meeting, G20 leaders discussed key issues such as multilateral reforms, climate change, digital, and women-led development. Prime Minister Kishida emphasized that in addressing various challenges facing the international community, the G20 should aim for a world where "human dignity" is protected, and explained Japan's position and initiatives on issues such as reform of multilateral systems such as the UN and multilateral development banks (MDBs), climate change, AI, and women-led development.

State Minister for Foreign Affairs Yamada attended the G20 Foreign Ministers' Meeting held in New Delhi on March 2, where important issues such as strengthening multilateralism, food and energy security, and development cooperation were discussed. State Minister Yamada, emphasized that Japan, as the G7 presidency, intends to exercise leadership in resolving various issues facing the international community, and will also work with the G20.

(3) Asia-Pacific Economic Cooperation (APEC)

APEC is a framework of economic cooperation in which 21 economies (countries and regions) in the Asia-Pacific region participate. The Asia-Pacific region is the “world’s growth center,” accounting for about 40% of the world’s population, about 50% of the world’s trade volume, and about 60% of the world’s total GDP. APEC conducts activities such as promoting regional economic integration and enhancing economic and technical cooperation to liberalize and facilitate trade and investment in the region. The Asia-Pacific region, which thrives by liberalizing and facilitating trade and investment and strengthening connectivity in accordance with international rules, is the core of a “Free and Open Indo-Pacific (FOIP)” that Japan has been promoting.

Japan’s active involvement in and promotion of cooperation with APEC is of great significance to support our own economic growth and the overseas expansion of Japanese companies.

In 2023, APEC was hosted by the U.S. under the overall theme “Creating a Resilient and Sustainable Future for All,” with three policy priorities: “interconnected, innovative, and inclusive”, and discussions were held at various meetings throughout the year. Among other subjects, discussions were advanced on cooperation in line with the “Bangkok Goals on Bio-Circular-Green (BCG) Economy,” endorsed at the previous year’s APEC Economic Leaders’ Meeting, which stated initiatives for sustainable growth in the APEC region and on the realization of an “open, dynamic, resilient and peaceful Asia-Pacific Community” as outlined in the “APEC Putrajaya Vision 2040” endorsed at the APEC Economic Leaders’ Meeting in 2020.

At the APEC Economic Leaders’ Meeting held in San Francisco, U.S., on November 16 and 17, the leaders endorsed the “Golden Gate Declaration” as a Leaders’ Declaration, which clearly stated the importance of the multilateral trading system based on free and fair rules, the commitment to WTO reform, and cooperation to facilitate flow of data. In addition to the Leaders’ Declaration, a Chair’s Statement on the situation in Ukraine and the Middle East was issued by the U.S.. Regarding Russia’s aggression against Ukraine, Prime Minister Kishida reiterated that the use or threat

of use of nuclear weapon is inadmissible that was also reflected in the Chair’s Statement.

At the Leaders’ Meeting, Prime Minister Kishida emphasized the growing importance of APEC cooperation at a time when the international community is facing complex challenges, and stressed that ensuring a fair and transparent trade and investment environment is essential for inclusive and resilient growth in the region. He also stressed the importance of advancing the efforts of the Hiroshima AI Process beyond the G7 and “Data Free Flow with Trust (DFFT)” in promoting the digital economy. Prime Minister Kishida also asserted the importance of energy transition through various and realistic pathways to achieve decarbonization, and expressed Japan’s willingness to contribute in various ways for the sustainable growth of the region. Peru will host APEC in 2024.

4 Support for overseas expansion of Japanese companies (including promotion of exports of Japanese agricultural, forestry, and fishery products and Japanese food products)

(1) Promotion of Japanese Companies’ Overseas Business Expansion by MOFA and Accompanying Diplomatic Missions Overseas

The number of Japanese companies operating overseas has been increasing over the medium- to long-term despite being affected by domestic and overseas economic conditions and other circumstances. One of the reasons behind this is that many Japanese companies, which underpin Japan’s economic development, have embarked more actively than ever before on overseas expansion with the aim of further cultivating foreign markets. There is considerable momentum behind economic growth abroad, mainly in Asia. To capture this for the Japanese economy, it is becoming increasingly important for the Government to support Japanese companies.

In light of the situation, MOFA, in coordination with diplomatic missions overseas, has been engaged

in supporting Japanese companies in their efforts to expand their businesses overseas. At the diplomatic missions overseas, all staff, including those responsible for Japanese business support, provide Japanese companies with information while lobbying foreign governments under the leadership of ambassadors and consuls-general. Under the motto of being “open and responsive government offices,” these missions aim to provide specific support that corresponds with the conditions in that respective region.

In addition, seminars and legal consultations concerning local legal systems were held at 23 diplomatic missions in 16 countries in FY2023, mainly in Asia and Africa. In August 2022, the Global Business Investment Support Office was established in the Cabinet Secretariat to promote the planning of measures and coordination with related ministries and agencies to support overseas business investment by Japanese companies, and MOFA is actively contributing to these activities.

In addition to consultations about business problems, another important function performed by diplomatic missions overseas for Japanese companies is the promotion and publicity of the “Japan Brand” for products, technologies and services, as well as for agricultural, forestry and fishery products from Japanese companies at receptions to celebrate the Emperor’s birthday and various other events and exhibitions. These missions have conducted a wide range of public relations activities by actively providing embassies and ambassador’s residences as venues for product exhibitions of Japanese companies, product exhibitions and tasting events by local governments, and other events to promote and publicize Japanese products and commodities, and as venues for business development seminars and exchange events with local companies and related institutions.

(2) Promotion of the Japanese Infrastructure System in Overseas Business Expansion

To capture infrastructure demand, especially from emerging economies, and to promote overseas deployment of infrastructure systems by Japanese companies, the Ministerial Meeting on Strategy relating to Infrastructure Export and Economic Cooperation,

chaired by the Chief Cabinet Secretary and comprising relevant cabinet ministers, was established in 2013, and 56 meetings were held by December 2023. This organization has been annually revising and following up on the “Infrastructure System Export Strategy” formulated in 2013, and in December 2020, in light of recent changes surrounding infrastructure systems, the “Infrastructure System Overseas Promotion Strategy 2025” (hereinafter referred to as the “New Strategy”) was released. The goal of the New Strategy is to achieve 34 trillion Japanese yen in orders for infrastructure systems in 2025 based on the three pillars: (1) achieve economic growth, (2) contribute to achieving the Sustainable Development Goals (SDGs), and (3) realize a “Free and Open Indo-Pacific (FOIP).” In June 2023, the Government of Japan formulated a supplement to the new strategy and, in light of changes in the environment surrounding overseas infrastructure development, laid out concrete initiatives for three priority strategies: (a) strengthening the response to digital transformation (DX) and other changes in a new age, (b) accelerating the transition toward a decarbonized society, and (c) promoting partnerships based on the FOIP. MOFA is promoting these efforts together with related ministries and agencies.

With regard to diplomatic missions overseas, MOFA has been appointing “Officers in Charge of Infrastructure Projects” to gather and consolidate information on infrastructure projects (approximately 200 personnel at 101 diplomatic missions overseas in 79 countries as of the end of December 2023). This initiative has also shown results.

(3) Promotion of the Export of Japanese Agricultural, Forestry and Fishery Products and Food (Removal of Import Restrictions on Japanese Food Products after the Great East Japan Earthquake)

Expanding exports of Japan’s agricultural, forestry, fishery and food products is a major objective of the Government of Japan. The Strategy to Realize Export Expansion of Agricultural, Forestry, Fishery and Food Products was formulated in December 2022 to further promote concerted efforts by the Government of Japan. The strategy calls for developing exporting

regions and business operators in order to achieve two trillion Japanese yen by 2025 and five trillion Japanese yen by 2030 of agricultural, forestry, fishery, and food product exports. As part of efforts to accelerate initiatives to further expand exports, the strategy was revised at the end of 2021, the year in which exports exceeded one trillion Japanese yen, as well as in June 2022 and December 2022. MOFA is also working with related ministries and agencies, Japanese companies, and local governments to expand exports. In particular, Japanese business support officers (in charge of the food industry) have been assigned to 61 diplomatic missions in 56 countries and regions to strengthen initiatives to promote the export of agricultural, forestry, and fishery products and food. In addition, MOFA is actively promoting the attractiveness of Japanese agricultural, forestry, and fishery products and food products through its network of diplomatic missions overseas and by utilizing social media and other means, as well as by seizing various opportunities such as receptions and cultural events to which dignitaries from various countries and regions are invited. As one measure to strengthen the functions of its diplomatic missions overseas, since 2022 MOFA has been assigning advisors familiar with local conditions to missions in countries and regions with large export value to promote the export of agricultural, forestry, and fishery products, as well as food products. In addition, Japan Food Export Platforms, consisting of diplomatic missions overseas, the Japan External Trade Organization (JETRO) overseas offices, and other organizations, make use of their local presence to provide useful local information to domestic businesses, product groups, and prefectures, and serve as a hub connecting these parties and overseas businesses, as well as an organization that plans various promotional activities by a concerted national effort.

One of the biggest barriers to increasing exports is import restrictions on Japanese agricultural, forestry and fishery products and food by countries and regions following the Great East Japan Earthquake and TEPCO's Fukushima Daiichi Nuclear Power Station accident. Completely eliminating these restrictions and addressing Japan's reputational damage are top

priorities for the Government of Japan, MOFA has been making efforts in collaboration with relevant ministries and agencies to have these restrictions lifted as quickly as possible. As a result of these efforts, the EU, Norway, Iceland, Switzerland and Liechtenstein lifted their import restrictions in August, bringing the total to 48 countries and regions.

Meanwhile, as of the end of 2023, seven countries and regions still maintain regulations, especially China, Hong Kong, Macau, and Russia, which tightened their measures following the release of ALPS treated water in August (See Chapter 3, Section 1, 4 (3) C) (regulations including import suspension: the ROK, China, Taiwan, Hong Kong, Macau, Russia; limited regulations: French Polynesia). At the WTO, Japan has consistently and strongly urged China and other countries and regions to immediately repeal their measures, and has requested discussions with those countries and regions based on the SPS Agreement,¹³ while explaining its position at meetings with the relevant WTO committees. Furthermore, in accordance with the provisions of the RCEP Agreement to which both Japan and China are Parties, Japan has requested discussions with the Chinese government and has asked China to engage in the discussions in accordance with its obligations under the Agreement. MOFA will closely work with the relevant ministries, agencies, local governments and international organizations and will continue taking every opportunity and making every effort to persistently explain and appeal to these countries and regions, with the goal of having restrictions promptly removed and reputational damage repaired based on scientific evidence.

¹³ SPS Agreement: Agreement on the Application of Sanitary and Phytosanitary Measures

5 Promoting Resource Diplomacy along with Foreign Direct Investment in Japan

(1) Securing a Stable Supply of Energy and Mineral Resources at Reasonable Prices

A The Current Situation Concerning Energy and Mineral Resources in Japan and Abroad

(A) Situation in the World

Structural changes in recent years have been seen in the international energy market with respect to three areas: (1) demand (consumption), (2) supply (production), and (3) resource selection. Regarding (1) demand, global demand for primary energy has shifted towards non-OECD member countries, primarily China and India. With respect to (2) supply, the U.S. became the world's largest producer of both oil and natural gas due to the "Shale Revolution,"¹⁴ and liberalization of export controls on crude oil in December 2015. The U.S. is promoting energy export policies such as further exports of the U.S. liquefied natural gas (LNG). As for (3) resource selection, based on the fact that production and usage on energy account for about two-thirds of greenhouse gas (GHG) emissions, the transitions to cleaner energy resources such as renewable energy are accelerating. In addition, since the Paris Agreement on climate change was adopted in December 2015, companies have made their efforts to further advance towards low-carbonization. In 2021, numerous countries have announced goals to achieve carbon neutrality in the second half of the century, an indication of increasing momentum for decarbonization worldwide. Energy prices, which had been on an upward trajectory since 2021, experienced significant volatility in 2022 amid the energy crisis caused by Russia's aggression against Ukraine. The international community faces the dual challenges of how to stabilize energy markets and achieve decarbonization.

(B) Situation in Japan

Since the Great East Japan Earthquake, the percentage of fossil fuels out of power generation in Japan has reached about 90% in 2012, up from about 60% before the earthquake, due to the shutdown of nuclear power plants. Japan's primary energy self-sufficiency ratio (including nuclear power), which relies on imports from overseas for almost all of its oil, natural gas, coal and other energy resources, dropped sharply from 20% before the 2011 earthquake to 6.3% in 2014. It remains at a low level compared to other OECD countries despite a recovery to 12.1% in 2019. Approximately 90% of Japan's oil imports come from Middle Eastern countries. With regard to LNG and coal, Japan depends less on the Middle East than for oil but almost completely on Asia and Oceania. Under the circumstances, efforts to secure a stable supply of energy at reasonable prices are becoming increasingly important. At the same time, climate change response measures are also important. In October 2020, the Government of Japan announced its intention to achieve carbon neutrality by 2050, and in April 2021 pledged to achieve a 46% emissions reduction by FY2030 and announced its new reduction goal to continue making further efforts to realize a 50% reduction. Against this backdrop, the Sixth Strategic Energy Plan, approved by the Cabinet in October 2021, lays out specific measures to be taken by 2030 with a continued focus on the principle of "3E+S," which emphasizes energy source safety (Safety), ensuring of a stable energy supply (Energy Security), the economic efficiency of energy costs (Economic Efficiency), and environmental suitability from the point of view of climate and other elements (Environment).

B Diplomatic Efforts to Secure a Stable Supply of Energy and Mineral Resources at Reasonable Prices

Securing a stable supply of energy and mineral resources at reasonable prices are the foundation for a vital Japanese economy and the livelihoods of its people. MOFA has been strengthening diplomatic efforts with a focus on the following activities.

¹⁴ Shale Revolution: The development in the late 2000s of new technologies for drilling for oil and natural gas contained in layers of rock known as shale in the U.S., and the ability to do so at an economical cost, has led to a significant increase in U.S. oil and natural gas production, affecting many aspects of international affairs.

(A) Gathering and Analysis of Resource-Related Information at Diplomatic Missions Overseas

In order to focus on the acquisition and stable supply of energy and mineral resources, and with a view to strengthening function of diplomatic missions overseas, “Special Assistants for Natural Resources” have been assigned to 60 diplomatic missions in a total of 53 countries as of the end of 2023. MOFA also calls for “Strategy Meetings on Natural Resources” every year, which bring together officials working at diplomatic missions overseas to ensure a stable supply of energy and mineral resources.

(B) Efforts for Energy Market Stabilization

Russia’s aggression against Ukraine that began in February 2022 caused energy prices to soar, with oil prices exceeding 130 U.S. dollars per barrel and European gas market prices rising above 70 U.S. dollars per million BTU. This greatly destabilized the energy market.

Amidst this situation, in February and March, Japan diverted to Europe a portion of the LNG handled by Japanese companies in order to alleviate the tight supply and demand of natural gas in Europe. In addition, as a member of the International Energy Agency (IEA), Japan conducted two collective releases of oil reserves from March to April, releasing a total of 22.5 million barrels of petroleum reserves, the largest amount ever.

Amidst this situation surrounding energy, Japan is also encouraging resource-producing countries to increase their production in order to stabilize the energy market. In April 2023, Foreign Minister Hayashi had a telephone call with Foreign Minister Faisal bin Farhan Al-Saud of Saudi Arabia. In July, Prime Minister Kishida held meetings with Crown Prince and Prime Minister Mohammed of Saudi Arabia and the President of the United Arab Emirates (UAE) Mohammed bin Zayed Al Nahyan. In September, Foreign Minister Hayashi once again met with Saudi Foreign Minister Faisal. In September, Foreign Minister Kamikawa met with special envoy for Japan and Minister of Industry and Advanced Technology Sultan Al Jaber of the UAE, while Prime Minister Kishida held a meeting with Crown Prince Mohammed bin Salman bin Abdulaziz Al-Saud of Saudi Arabia. In addition to urging oil-producing countries by taking the opportunity to have

successive summit and ministerial-level meetings with them, Japan has also urged these countries at various levels through its diplomatic missions overseas as well as relevant ministries and agencies.

(C) Cooperation with International Organizations Related to Energy and Mineral Resources

Japan makes active use of international fora and rules to coordinate and collaborate internationally towards achieving a stable energy supply and enhancing the resilience of supply chains for critical mineral resources. To ensure energy security and achieve realistic energy transitions toward decarbonization, Japan also communicates to the international community the importance of securing a stable energy supply and diversifying supply sources, as well as securing a stable supply of the critical mineral resources essential for achieving energy transitions.

In January, Parliamentary Vice-Minister for Foreign Affairs TAKAGI Kei attended the 13th session of the International Renewable Energy Agency (IRENA) Assembly (Abu Dhabi, the UAE), where he stressed that renewable energy is the most important option for ensuring energy security, and noted that efforts should be made to pursue the realization of a decarbonized society on a global scale through realistic energy transitions based on the circumstances of each country and region. He pointed out the need to create fair and effective rules such as “Environmental, Social and Governance (ESG)” standards, citing supply chain issues for renewable energy manufacturing and the critical mineral resources needed for it, as well as the disposal of renewable energy manufacturing, as challenges to overcome in achieving a decarbonized society globally. He also expressed a desire to address these challenges at IRENA and work with member countries to resolve them in a coordinated manner.

In July, Parliamentary Vice-Minister for Foreign Affairs Takagi attended the G20 Energy Transitions Ministers’ Meeting, which was held under India’s presidency. At the meeting, Mr. Takagi spoke on the subject of energy access, stating that he believed that access to affordable energy is a basic human need. He also explained the outcomes of the G7 Hiroshima Summit and stated that Japan would promote cooperation with the G20 on the state of energy access during the energy transition.

In September, Parliamentary Vice-Minister for Foreign Affairs KOMURA Masahiro attended the IEA Critical Minerals and Clean Energy Summit (Paris, France), where he noted that adherence to high ESG standards, greater ESG investment, and increased market transparency are necessary to secure stable supplies of critical minerals. He also stated that concerted action by the international community will be required, and he expressed Japan's intention to continue deepening cooperation with partners worldwide.

In October, Senior Deputy Minister for Foreign Affairs Ono attended a Vice Ministerial Meeting of the Mineral Security Partnership (MSP) (London, UK). While noting the outcomes of the G7 Hiroshima Summit in the area of critical minerals, he pointed out the need for international support to promote high ESG standards and indicated that Japan would strengthen cooperation with MSP member countries and resource-rich countries.

(D) Strategy Meeting on Diplomatic Missions Overseas Concerning Energy and Mineral Resources

Every year since FY2009, MOFA has held meetings attended by embassies and consulates-general established in major resource-producing countries, relevant ministries, agencies and organizations, experts, and representatives from companies. These meetings have provided opportunities to discuss diplomatic initiatives for ensuring a stable supply of energy and mineral resources in Japan, formulate policy, and strengthen cooperation.

(E) Agreement in Principle on the Negotiations Concerning the Modernization of the Energy Charter Treaty

The Energy Charter Treaty (ECT)¹⁵ is a multilateral treaty that entered into force in April 1998 (entered into force with Japan in 2002). It was established as a legal framework for implementing the European Energy Charter, which called for promoting improvements based on market principles in the energy sector in the

former Soviet Union and Eastern Europe following the collapse of the Soviet Union, as well as promoting trade and investment activities in the global energy sector. This treaty has been signed by 49 countries and organizations mostly located in Europe and Central Asia (as of January 2024). Discussions for revision of the ECT began in 2020, and an agreement in principle was reached among the parties to the negotiations in June 2022. Japan has contributed to the development of the ECT as the largest contributor of assessed donations. This includes serving as chair for the first Meeting of the Energy Charter Conference in East Asia, which was held in 2016, and hosting the 27th Meeting in Tokyo. Furthermore, in September 2021, HIROSE Atsuko became the first Japanese national to become the Deputy Secretary General of the Energy Charter Secretariat, the administrative body for the ECT.

(F) Efforts in the Public Relations Field Related to Energy and Mineral Resources

In January, MOFA hosted an in-person seminar titled "The Energy Crisis: Decarbonization and Geopolitics." The seminar featured a keynote address by IEA Chief Energy Economist Tim Gould, as well as a lively discussion on energy security, decarbonization, and geopolitical risk with panelists including leading academics and representatives from the media and business worlds.

(2) Ensuring Food Security

The global food security situation has deteriorated rapidly and on a global scale, especially in Africa and the Middle East, due to Russia's aggression against Ukraine. This comes at a time when the multiple risks including COVID-19, rising energy prices, climate change, and conflicts are impacting agriculture and food systems, causing supply chain destabilization and disruptions. There also exist many challenges to building sustainable and resilient agriculture and food systems, including how to best use land for food production, conduct agricultural production adapted to climate change, and make efficient use of fertilizers.

¹⁵ The ECT prescribes the liberalization of the trade and transit of energy source materials and commodities, the protection of investments in the energy sector, and other matters. It ensures a stable supply of energy from supply countries to demand countries, contributes to improving energy security for Japan, which largely relies on other countries for energy resources, and provides an important legal foundation for further improving the investment environment for Japanese companies overseas.

According to the State of Food Security and Nutrition in the World (SOFI) 2023,¹⁶ the economic recovery from the effects of the global COVID-19 pandemic is estimated to have reduced the undernourished population in 2022 by about 3.8 million people from the previous year to about 735 million people, or about 8% of the world's population. However, the report also states that the increase in food and energy prices caused by Russia's aggression against Ukraine is undoubtedly a factor hindering further improvement in this area.

A Cooperation in International Frameworks Concerning Food Security

In response to this global food crisis, Japan, holding the G7 presidency in 2023, has made food security one of its priorities, centering its approach on ensuring affordable access to safe and nutritious food for each and every human being. At the G7 Hiroshima Summit in May, Japan, together with the G7 countries and invited countries (Australia, Brazil, Comoros, Cook Islands, India, Indonesia, the ROK, and Viet Nam), issued the Hiroshima Action Statement for Resilient Global Food Security. The statement comprehensively outlines responses to the urgent issues related to food security crisis as well as medium- to long-term actions to build a resilient global agriculture and food system.

In June, in light of the Hiroshima Action Statement, Japan co-hosted the “Dialogue on the Food Security Crisis between Food Exporting and Importing Countries” with the International Grains Council (IGC). With broad participation from governments, international organizations, and the private sector, there were discussions on actions that should be taken by market actors, including exporting and importing countries, during a food security crisis to prevent the situation from becoming worse. The results of this dialogue were compiled into the “Key Principles of Action on Food Security Crises for Exporters and Importers.” In addition, through various international frameworks such as the G20 and APEC, Japan has actively participated in discussions on efforts to ensure food security and build a sustainable and resilient agriculture and food system.

B Main Initiatives in which Japan Participates

On August 3, at the initiative of the U.S., the United Nations Security Council (UNSC) held an open debate on famine and conflict-induced global food insecurity at the UN Headquarters in New York, with State Minister for Foreign Affairs Yamada in attendance. During the meeting, Japan emphasized that addressing famine and conflict-induced food insecurity requires not only short-term efforts such as emergency food assistance, but also medium- and long-term actions based on the concept of human security, such as strengthening the resilience of food systems. Japan also stressed that efforts to prevent conflicts, which are root causes of food insecurity, are important, and should be addressed in a comprehensive manner through the Humanitarian-Development-Peace Nexus approach.

C Strengthen Collaboration with International Organizations on Food Security

As a responsible member of the international community, Japan supports the activities of the Food and Agriculture Organization of the UN (FAO), a specialized agency of the UN in the fields of food and agriculture. Japan, a major donor to the FAO and the third largest contributor of assessed contributions, significantly contributes to strengthening global food security through efforts such as providing development assistance in areas of food and agriculture, and creating international rules that include food safety standards. Japan also works to strengthen relations with the FAO through annual strategic consultations and other means.

(3) Fisheries (Tuna, Whaling, etc.)

Japan is one of the major fishing countries and consumers of fishery products in the world. Japan actively contributes through international organizations to the appropriate conservation management and sustainable use of marine living resources.

Japan advocates the view that cetaceans are one of the marine living resources that should be utilized in a sustainable manner based on scientific evidence. Based on the fact that the International Whaling Commission (IWC) has a dual mandate, that is, of “conservation

¹⁶ The State of Food Security and Nutrition in the World (SOFI): SOFI is an annual report on global food insecurity and nutrition jointly prepared by the Food and Agriculture Organization of the United Nations (FAO), the United Nations Children's Fund (UNICEF), the United Nations World Food Programme (WFP), the International Fund for Agricultural Development (IFAD) and the World Health Organization (WHO).

of whale stocks” and “orderly development of the whaling industry,” Japan has sincerely engaged in dialogues based on scientific data collected for more than 30 years. However, it unveiled the fact that it is not possible to seek the coexistence with States that deny sustainable use of whales and focus exclusively on their protection. Therefore, Japan withdrew from the IWC in 2019 and resumed commercial whaling.

Japan limits commercial whaling to its territorial sea and Exclusive Economic Zone (EEZ) with catch limits calculated in line with the method adopted by the IWC, which is based on scientific evidence, and in a manner that will not adversely affect the stock even if the whaling continues for 100 years.

Japan’s policy of actively contributing to international cooperation for the proper management of marine living resources has not changed since its withdrawal from the IWC. Japan has been actively involved and has cooperated with international organizations such as the IWC and the North Atlantic Marine Mammal Commission (NAMMCO), including participation as an observer at the Meeting of the IWC, and IWC Scientific Committee meetings.

Japan has also developed non-lethal scientific research on whale stocks, some of which is conducted jointly with the IWC. The results are provided to the IWC and other international organizations as important data that can serve as a basis for realizing sustainable utilization and appropriate management of whale stocks.

Illegal, unreported, and unregulated (IUU) fishing is one of the threats to the sustainable fishing industry. Furthermore, Japan has been encouraging non-contracting parties to sign the Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing (PSMA), which stipulates rules for port states to take measures against IUU fishing vessels, including denial of port entry. At the G7 Hiroshima Summit, it was confirmed that the G7 members will continue to encourage these parties to join the PSMA and shared an intention to take further action to end IUU fishing. Japan is also providing capacity building assistance to developing countries for the purpose of countering IUU fishing.

In the Central Arctic Ocean, there are concerns about the possibility of unregulated fishing in the

future due to partial melting of ice caused by global warming. Against the backdrop of these concerns, the Agreement to Prevent Unregulated High Seas Fisheries in the Central Arctic Ocean entered into force in June 2021 with 10 member countries and organizations, including Japan and five Arctic Ocean coastal states. In June 2023, ten countries and organizations, including Japan, participated in the second meeting of the contracting parties, adopted an outline of joint program of scientific research and monitoring in the Central Arctic Ocean and also had discussions on the formulation of conservation and management measures for exploratory fishing.

As one of the largest tuna consumer countries, Japan has joined Regional Fisheries Management Organizations (RFMOs) for tuna, and leads discussions on strengthening conservation and management measures (CMMs) at annual meetings and other occasions. In recent years, results are being seen from active efforts through international resource management. For Pacific bluefin tuna, management flexibility was increased through the decision to allow a higher limit for transferring part of the catch limit of small fish to the large fish limit by a factor of 1.47, at the annual meeting of the Western and Central Pacific Fisheries Commission (WCPFC) in December. For Atlantic bluefin tuna, in light of the recovery of resource levels in recent years, the total allowable catch (TAC) in the eastern Atlantic Ocean was increased by 12.7% over the previous year at the annual meeting of the International Commission for the Conservation of Atlantic Tunas (ICCAT) held in November 2022, and operations were conducted in 2023 based on this level. As for southern bluefin tuna, the Conservation Commission for Southern Bluefin Tuna (CCSBT) held in October confirmed that, based on a recommendation from the Scientific Committee, the TAC will increase by about 17% over the period from 2024 to 2026.

With respect to Pacific saury, the stock has fallen to record lows, and the resulting poor catches have become a problem. At the annual meeting of the North Pacific Fisheries Commission (NPFC) held in Sapporo in March, the NPFC agreed to measures to reduce the TAC by 25%, and for the first time agreed to either reduce the number of vessels in actual operation or to introduce a limit on the number of operating days

in order to reduce fishing effort. Measures to protect small fish were also strengthened. For future meetings, it remains important to further improve resource management.

With regard to anadromous fish, discussions were held by the North Pacific Anadromous Fish Commission (NPAFC) to establish conservation measures for these species. At the 30th annual meeting of the NPAFC, held in May, National Fisheries University Director General of School Affairs Department, KONDO Yoshikiyo was elected Executive Director of the Secretariat and assumed office in September.

As for Japanese eel, the second scientific meeting on eel was held in May under the leadership of Japan. Scientific knowledge on the management of eel stocks was shared. At the 16th informal consultation on international cooperation held in July in Tokyo, Japan, the ROK, China, and Taiwan discussed and confirmed the establishment of limits on glass eel stocking in aquaculture ponds and the promotion of cooperation in joint research on Japanese eels.

(4) Foreign Direct Investment in Japan

With regard to promotion of foreign direct investment in Japan, the “Council for Promotion of Foreign Direct Investment in Japan,” which has been held since 2014, is spearheading initiatives to promote activities for discovering and attracting investments. The Council gathers views of foreign company managers and continues to take additional measures such as regulatory and institutional reforms and support measures that help improve the investment environment in Japan, bearing in mind the needs of foreign companies.

Based on the “Five Promises for Attracting Foreign Businesses to Japan,” decided at the second meeting of the Council for the Promotion of Foreign Direct Investment in Japan, held in March 2015, foreign companies have utilized the Investment Advisor Assignment System¹⁷ since April 2016 to meet with the relevant State Ministers in charge. In June 2023, the Cabinet approved the Basic Policy on Economic and Fiscal Management and Reform 2023, which revised the target upward for foreign direct investment stocks

from current 80 trillion Japanese yen to 100 trillion Japanese yen by 2030.

Along with implementing various measures adopted by the Council for Promotion of Foreign Direct Investment in Japan, MOFA utilizes diplomatic resources to engage in initiatives through diplomatic missions overseas and foreign direct investment promotion by key government officials, strategically implementing various initiatives towards promoting foreign direct investment in Japan. The “Contact Points for Foreign Direct Investment in Japan,” established at 126 diplomatic missions overseas, have been conducting surveys of requests to improve Japanese regulations and systems, calling for investments in Japan by making use of networks of contacts at diplomatic missions overseas, and holding events to promote foreign direct investment in Japan, among other initiatives. More than 700 activities were conducted by the Contact Points in FY2022. In May 2023, the decision was made to establish “FDI Task Forces” in five locations (New York, London, Dusseldorf, Paris, and Sydney), through collaboration at the level of heads of diplomatic missions and JETRO overseas offices in order to fundamentally strengthen mechanisms to attract human resources and investment from overseas. These task forces are currently working to strengthen operations at each location.

Furthermore, in Japan, MOFA held a Global Business Seminar in March 2023, with the theme of promoting foreign direct investment in Japan. Lectures were given by government and local government officials, representatives of the business community, and businesspeople on recent investment trends in Japan, the Japanese business environment from the view of foreign countries, and efforts and policies to promote foreign direct investment in Japan. Lively discussions took place among approximately 120 participants, including domestic and foreign businesspeople, foreign embassy officials in Tokyo, representatives of foreign economic organizations and chambers of commerce and industry in Japan, and government and local government officials.

¹⁷ A system that seeks to prepare an environment in which foreign companies that have made important investments in Japan can easily consult with the Government of Japan through State Ministers and other officials from the ministries that oversee the main industries in which these companies engage.

(5) The Road to 2025 World Expo Osaka (Expo 2025 Osaka, Kansai, Japan)

Following the approval of a registration dossier for Expo 2025 Osaka, Kansai, Japan at the General Assembly of the Bureau International des Expositions (BIE) held in December 2020, Japan began activities to officially invite other countries and international organizations to participate in the Expo 2025 Osaka, Kansai, Japan. As of January 2024, 160 countries and regions, as well as nine international organizations, have confirmed their intention to participate.

The Japan Association for the 2025 World Exposition held its “International Planning Meeting” in June 2023 and “International Participants Meeting” in November, inviting countries and regions and international

organizations that had been invited to participate to Osaka City to provide various information.

The Expo, which is expected to attract a large number of visitors from Japan and abroad, will be a good opportunity to convey the appeals of Japan to the world and accelerate efforts to achieve the SDGs, which are all to be achieved by 2030, under the theme of “Designing Future Society for Our Lives.” To address various issues such as delays in the construction of official participants’ pavilion, MOFA will work closely with relevant ministries and agencies and the Japan Association for the 2025 World Exposition, including through diplomatic channels and overseas diplomatic missions, and will continue to make a concerted national effort to ensure the success of Expo 2025 Osaka, Kansai, Japan.