

Section

3

Economic Diplomacy

1 Overview of Economic Diplomacy

In the international community, as competition among nations arises, 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 COVID-19 pandemic caused a rapid deterioration of the global economy, but with its effects now waning, the global economy as a whole has shown signs of a gradual recovery. However, prices are currently rising sharply due to factors such as a recovery in demand and the impact of the situations in Ukraine and the Middle East. The outlook of the global economy 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 energy and commodity costs that remain elevated.

Against this backdrop, Japan continued its attempts to expand and develop a free and fair economic order. Regarding the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Protocol on the Accession of the United Kingdom (UK), the first economy to join since the agreement entered into force, took effect for 10 countries, including Japan, in December 2024. Approximately two and a half years after the launch of negotiations, the Indo-Pacific Economic Framework for Prosperity (IPEF) has seen the IPEF Supply Chain Agreement, the IPEF Clean Economy Agreement, the IPEF Fair Economy Agreement and the IPEF Agreement enter into force.

At the Organisation for Economic Co-operation and Development (OECD), Japan served as the chair of the OECD Ministerial Council Meeting for the first time in 10 years, and led discussions on the role of the OECD in co-creating a better future under the theme of “Co-creating the Flow of Change.” At the World Trade Organization (WTO), the cornerstone of the multilateral trading system, progress was made regarding negotiations on the Agreement on Electronic Commerce among like-minded members, and the text of the Agreement was published.

The Ministry of Foreign Affairs (MOFA) is also focusing more on supporting the overseas expansion of Japanese companies by promoting public-private partnerships, and has appointed “officials in charge of cross-border economic affairs” in several diplomatic missions in order to capture the vitality of the “Global South.”

Japan will continue to advance efforts to promote economic diplomacy, one of the priority areas of its diplomacy, with a focus on: (a) rule-making and efforts in international organizations to expand the free and fair economic order, which includes promoting economic partnership agreements and maintaining and strengthening the multilateral trading system; (b) revitalizing the economy by supporting Japanese companies' overseas business expansion and attracting investment and tourists from overseas; and (c) strengthening economic security.

2 Efforts to expand the free and fair economic order

(1) Promotion of Economic Partnerships

In recent years, despite the advancement of economic globalism, the global economy continues to be

in turmoil due to factors such as more pronounced protectionist movements, Russia's aggression against Ukraine, and the situation in Israel and Palestine. 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 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.

Regarding bilateral Economic Partnership Agreements, the decision was made to launch negotiations on a Japan-Bangladesh EPA in March, with negotiation rounds held in May, November, and December. In September, the decision was made to launch negotiations on an EPA between Japan and the United Arab Emirates (UAE), and the first round of negotiations was held in November. Regarding the Japan-Gulf Cooperation Council (GCC)⁽¹⁾ EPA, while negotiations had been suspended since 2009, a decision was later made with the GCC side to resume negotiations and the first round of negotiations was held in December. Regarding the Japan-Indonesia EPA, the Protocol amending the Agreement was signed in August. Concerning the CPTPP, at the eighth meeting of the TPP Commission, held in November, the decision was made to establish an Accession Working Group (AWG) for Costa Rica, and in December the Protocol on the Accession of the UK to the CPTPP entered into force for 10 countries, including Japan.

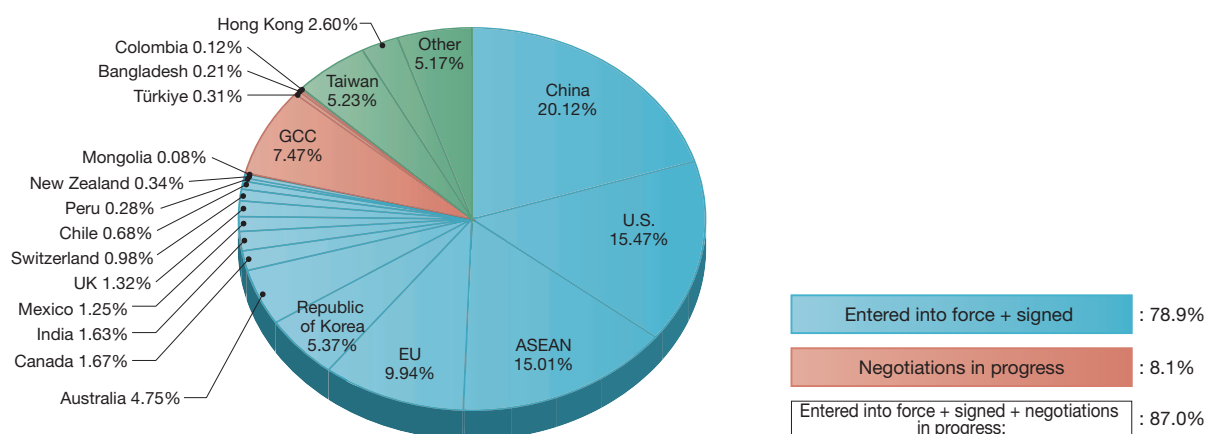
As of the end of 2024, Japan's EPA/FTA ratio (the proportion of trade volume with countries with which Japan has EPA or FTA that have already entered into force or been signed, to Japan's total trade volume) reached approximately 78.9% (source: 2025 Trade Statistics of Japan, Ministry of Finance). Japan 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 EPAs 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 sets high-standard rules in a wide range of areas, including tariffs, services, investment, 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

■ 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 2025)
(Percentages of each country's trade value are rounded to the nearest hundredth)

(1) Gulf Cooperation Council (GCC): Established by Saudi Arabia, United Arab Emirates (UAE), Bahrain, Oman, Qatar, and Kuwait.

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, the United States (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 2023.

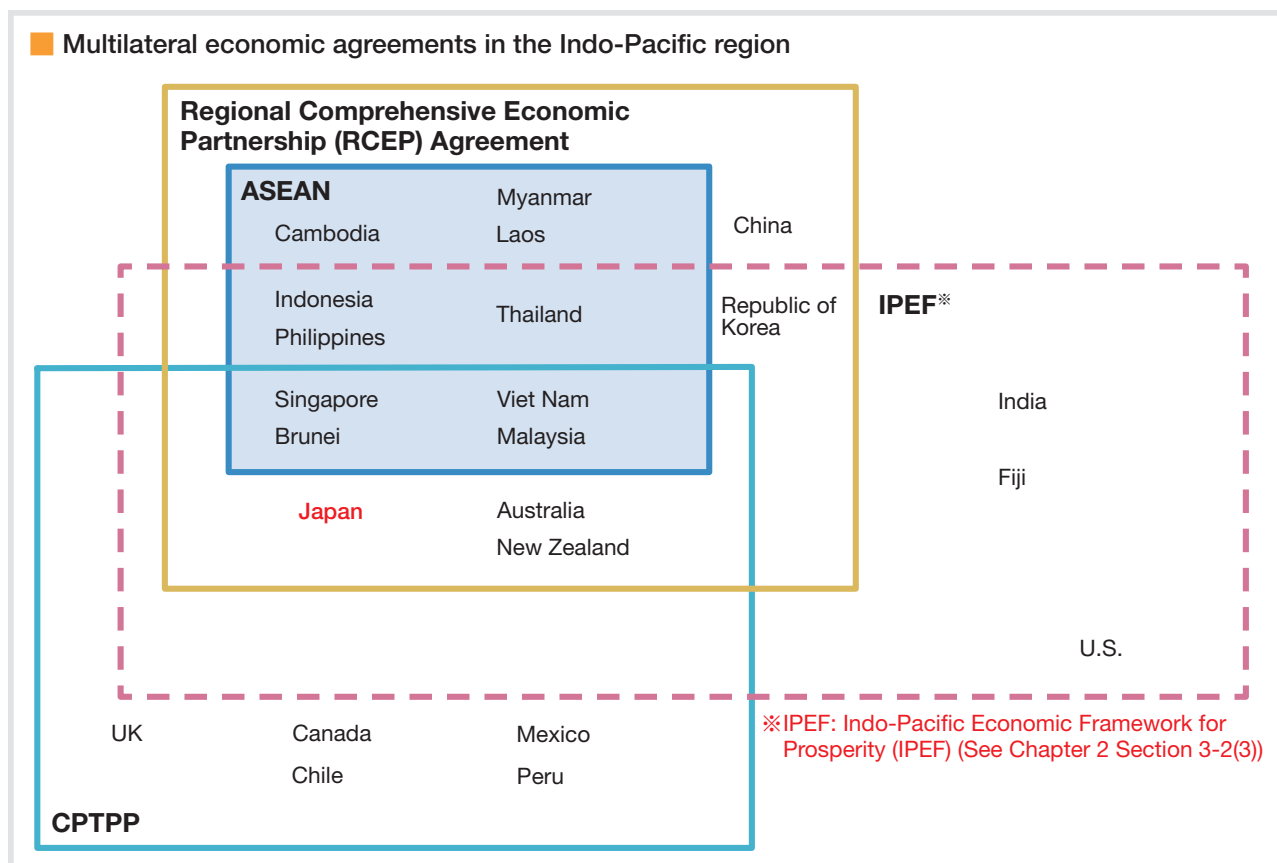
Since the CPTPP entered into force, eight CPTPP Commission meetings have been held mostly at the ministerial level. At the fourth meeting of the TPP Commission, held in June 2021, it was decided to commence the accession process of the UK, which had been formally requested in February of that year, and to establish an AWG for the UK. 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 of the same year, the meeting of the seventh 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. Japan approved the protocol at the 212th session of the Diet (extraordinary session) in December of the same year, and the protocol subsequently entered into force for 10 countries, including

Japan, in December 2024. Furthermore, the eighth meeting of the TPP Commission was held in Canada in November of the same year, where it was decided to commence the accession process for Costa Rica, which had been formally requested in August 2022, and to establish an AWG for Costa Rica. In addition, future actions related to the "General Review" of the agreement were discussed. China requested to join the CPTPP on September 16, 2021; Taiwan on September 22, 2021; Ecuador on December 17, 2021; Uruguay on December 1, 2021; Ukraine in May 2023; and Indonesia in September 2024. Japan will properly assess 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, U.S. in September of the same year.

The IPEF Supply Chain Agreement entered into force on February 24, 2024. Following an online IPEF Ministerial Meeting in March of the same year, an IPEF Ministerial Meeting and Investor Forum were held in Singapore in June. At the Singapore meeting, a signing ceremony was held for the IPEF Clean Economy Agreement, the IPEF Fair Economy Agreement and the IPEF Agreement, and the current status and future efforts regarding the implementation of the IPEF Supply Chain Agreement were discussed. In addition, an investor forum was held that aimed to promote business matching among private companies and institutional investors in order to attract investment in



sustainable infrastructure and climate change technologies. At the forum, panel discussions were held on the clean economy in the Indo-Pacific region, with participation from ministers of IPEF partner countries, as well as public lenders and government agencies, multilateral development banks, institutional investors, and private company representatives. In addition, an IPEF Ministerial Meeting was held online in September, the IPEF Clean Economy Agreement and IPEF Agreement entered into force on October 11, and the IPEF Fair Economy Agreement entered into force on October 12.

Japan will continue to work with other partner countries to contribute to cooperation, stability, prosperity, development, and peace 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 (10.3% of total exports) and third largest import partner (10.3%) (both as of 2023).

In July 2024, ministers held the Fifth Meeting of the Japan-EU EPA Joint Committee, where they welcomed the steady implementation of the Japan-EU EPA in various fields as it marks its fifth anniversary since its entry into force, and exchanged views on progress in areas such as sanitary and phytosanitary measures (SPS), geographical indications (GI), government procurement, regulatory cooperation, and trade and sustainable development. Also, on the 1st of the same month, the Protocol Amending the Japan-EU EPA to include “provisions on the free flow of data” entered into force. 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. In addition, it is the first EPA concluded by Japan to include a chapter on promoting women's access to the opportunities and benefits created by trade, and with the cooperation of the Japanese and the UK governments, the Japan-UK Women's Economic Empowerment Seminar was held in July.

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 Economic Partnership Agreement (EPA)

The conclusion of the EPA with the Gulf Cooperation Council (GCC) is important not only for the improvement of the business environment through tariff reductions and established rules, but also in the interest of energy security.

EPA negotiations between Japan and the GCC began in 2006 and were then suspended in 2009. However, when Prime Minister Kishida visited Saudi Arabia in July 2023, he and GCC Secretary General Jasem Al Budaiwi concurred to resume negotiations in 2024, and the first round of negotiations after the resumption was held in Riyadh, Saudi Arabia in December 2024.

The Japan-GCC EPA is expected to provide strong support to the socio-economic reforms being promoted in the GCC countries toward industrial diversification and reduction of dependence on oil, and to contribute to further strengthening relations between Japan and the GCC.

(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 value, 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 meetings 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 eight Joint Committee meetings and three Ministers' Meetings were held by the end of 2024. 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.

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

The APEC Putrajaya Vision 2040 (adopted in 2020), which outlines the medium- to long-term direction of Asia-Pacific Economic Cooperation (APEC), states that APEC "will advance 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." A FTAAP agenda Work Plan was formulated in 2022, and work is underway to materialize this agenda.

Japan has contributed to sharing knowledge and supporting capacity building on the FTAAP agenda by holding workshops on the "competition chapters" in EPAs and competition policy.

At the APEC Leaders' Meeting in Peru in 2024, the "Ichma⁽²⁾ Statement on A New Look at the Free Trade Area of the Asia-Pacific agenda" was adopted, reaffirming that promoting market-driven economic integration is APEC's primary objective and that APEC will support the progress of the FTAAP agenda. The

⁽²⁾ Ichma: name of a place in an ancient Peruvian civilization

statement also clearly states that new programs will be launched to examine areas such as customs procedures, investment facilitation, digital trade, competition policy, state-owned enterprises, and labor, taking into account existing free trade agreements.

B Bilateral Agreements

(A) Japan-Türkiye Economic Partnership Agreement (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. Amid high expectations from the business communities of both countries for the early conclusion of a Japan-Türkiye EPA, the two countries confirmed to launch negotiations at the Japan-Türkiye Summit Meeting in January 2014, and 17 rounds of negotiations have been held as of December 2024. Türkiye has concluded EPAs or FTAs with more than 20 countries and regions to date, and it is expected that the conclusion of this EPA will facilitate stronger competitiveness for Japanese companies.

(B) Japan-Bangladesh Economic Partnership Agreement (EPA)

Bangladesh has traditionally been a friendly country to Japan, and the two countries have fostered good relations through primarily economic cooperation. In April 2023, the relationship between the two countries was elevated to a “Strategic Partnership,” and economic relations between the two countries have further developed in recent years. In light of this situation, the decision was made to launch Japan-Bangladesh EPA negotiations in March 2024, with the aim of expanding trade between the two countries and improving the investment environment by establishing rules. The first round of negotiations was held in May 2024, and the second and third rounds in November and December.

The conclusion of the Japan-Bangladesh EPA is expected to foster even stronger economic relations between the two countries, as well as contribute to realizing a “Free and Open Indo-Pacific (FOIP)” and to further elevating Japan’s presence in South Asia.

(C) Japan-United Arab Emirates (UAE) Economic Partnership Agreement (EPA)

The UAE is an important strategic partner for Japan in terms of energy security, and in recent years the two countries have been promoting cooperation in a wide range of fields under the framework of the Comprehensive Strategic Partnership Initiative (CSPI).

In September, the two countries decided to launch negotiations for a Japan-UAE EPA, and the first round of negotiations was held in November. The conclusion of the EPA between Japan and the UAE, in addition to the Japan-GCC EPA being negotiated in parallel, is expected to contribute to further strengthening economic relations between the two countries, including expansion of trade and investment.

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. Regarding the Japan-Indonesia EPA, at the Japan-Indonesia Summit Meeting held in December 2023, it was confirmed that negotiations for the Protocol Amending the Agreement between Japan and the Republic of Indonesia for an Economic Partnership had been substantially concluded. The Protocol was signed in August 2024.

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, 4,259 (as of FY2024) candidates have been accepted from Indonesia, 3,837 from the Philippines, and 1,944 from Viet Nam. From these three countries, the total number of nurses and certified care workers who have passed national exams is 666 and 3,118 individuals, respectively, as of FY2023.

D Investment-related Agreements

Investment-related agreements (Investment agreement and EPA/FTA including investment chapter) constitute an important legal basis to improve predictability for investors and promote their investment activities

■ Current investment-related agreements^(Note) (as of the end of February 2025)
(L) denotes treaties with investment liberalization (): year of entry into force

Under negotiation

Investment agreement		EPA/FTA including investment chapter	
1 Algeria	9 Ethiopia	1 GCC	
2 Qatar	10 Tajikistan	2 Japan, China, and Republic of Korea	
3 Ghana	11 EU	3 Türkiye	
4 Tanzania	12 Paraguay	4 Bangladesh	
5 Turkmenistan	13 Azerbaijan	5 United Arab Emirates	
6 Senegal	14 Ukraine (revised)		
7 Kyrgyz Republic	15 Serbia		
8 Nigeria	16 Tunisia		

Signed / not in force

- TPP Agreement* (signed February 2016, approved) (EPA)^(L)
 - Argentina (signed December 2018, approved)^(L)
 - Zambia (signed in February 2025, unapproved)
- * TPP Agreement denotes Trans-Pacific Partnership Agreement

In force (terminated agreements excluded)

Investment agreement			EPA including investment chapter		
Note: A private investment arrangement with investment liberalization was made between Japan and Taiwan in 2011.					
1	Egypt (1978)	14	Peru (2009) ^(L)	25	Uruguay (2017) ^(L)
2	Sri Lanka (1982)	15	Papua New Guinea (2014)	26	Iran (2017)
3	China (1989)	16	Kuwait (2014) ^(L)	27	Oman (2017)
4	Türkiye (1993)	17	Iraq (2014)	28	Kenya (2017)
5	Hong Kong (1997)	18	Japan, China and Republic of Korea (2014)	29	Israel (2017) ^(L)
6	Pakistan (2002)	19	Myanmar (2014) ^(L)	30	Armenia (2019) ^(L)
7	Bangladesh (1999)	20	Mozambique (2014) ^(L)	31	Jordan (2020)
8	Russia (2000)	21	Colombia (2015) ^(L)	32	United Arab Emirates (2020)
9	Republic of Korea (2003) ^(L)	22	Kazakhstan (2015)	33	Cote d'Ivoire (2021) ^(L)
10	Viet Nam (2004) ^(L)	23	Ukraine (2015)	34	Georgia (2021) ^(L)
11	Cambodia (2008) ^(L)	24	Saudi Arabia (2017)	35	Morocco (2022)
12	Laos (2008) ^(L)			36	Bahrain (2023)
13	Uzbekistan (2009) ^(L)			37	Angola (2024) ^(L)

Note: Investment agreement and EPA/FTA including investment chapter

by establishing common rules for the protection of investors and their investment assets, enhancement of transparency in regulations, expansion of investment opportunities, procedures for investment dispute settlement, and other matters. Japan has actively engaged in concluding investment-related agreements, as these agreements are considered to improve the investment environment for Japanese companies overseas as well as to attract foreign investment to the Japanese market.

In February 2024, the decision was made to launch negotiations to amend the Japan-Ukraine Investment Agreement, and in July, a decision was made to launch negotiations on a Japan-Serbia Investment Agreement. That same month, the Japan-Angola Investment Agreement entered into force, and in December, the decision was made to launch negotiations on the Japan-Tunisia Investment Agreement. In February 2025, the Japan-Zambia Investment Agreement was signed. As of the end of February 2025, 54 investment-related

agreements have entered into force (37 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 57 investment-related agreements covering 82 countries and regions. Including investment-related agreements that are currently under negotiation, these investment-related agreements will cover 96 countries/regions and approximately 95% of Japan’s outbound direct foreign investment.⁽³⁾

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), and to prevent tax evasion and avoidance, and provide

(3) “Regional balance of Direct Investment (Assets),” Ministry of Finance (All regions) (As of the end of 2023)

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 network.

Entering into force in 2024 were a tax treaty with Algeria in January and a tax treaty with Greece in December. New (fully revised) tax treaties with Ukraine (February), Turkmenistan (December), and Armenia were also signed. As of December 2024, Japan has concluded 87 tax treaties applied to 155 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 24 as of December 2024.

(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. The world is currently facing a number of geopolitical challenges, as well as changes in the global economy such as the development of digital trade and new challenges such as non-market policies and practices and economic coercion. It is undeniable that the WTO has not been able to adequately address these crises and challenges, and the need for WTO reform has never been more urgent 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.

(B) 13th WTO Ministerial Conference (MC13)

The 13th Ministerial Conference (MC13) of the World Trade Organization (WTO) was held in Abu Dhabi, UAE from February 26 to March 2. At MC13, in light of the new challenges facing the global economy, discussions were held on the role of the WTO as the cornerstone of the international trading order and the direction of future efforts. Participating as a representative of MOFA, State Minister for Foreign Affairs TSUJI Kiyoto held bilateral meetings with WTO Director-General Ngozi Okonjo-Iweala and representatives from each country in an effort to coordinate opinions toward M13 outcomes.

As concrete outcomes of MC13, the ministers confirmed the progress made so far regarding WTO reform and shared the intention to continue to ceaselessly promote reform in the future. With regard to reforming the dispute settlement system, the ministers concurred to accelerate discussions with the views to having a fully and well-functioning dispute settlement system accessible to all WTO Members by 2024. In addition, it was decided that the moratorium on the imposition of customs duties on electronic transmissions, which has been continuously extended at the WTO since 1998, will be extended until the next Ministerial Conference (MC14)⁽⁴⁾ in March 2026. In addition, at MC13, the accession procedures for Comoros and Timor-Leste were completed.⁽⁵⁾ As an outcome of MC13, a Ministerial Declaration that confirmed these achievements was adopted.

Since the WTO bases its decisions on consensus, MC13 was unable to reach a consensus on topics where agreement was initially expected due to opposition from some members, and no results were achieved. This once again highlighted the difficulty of achieving results within the WTO given the increasing diversity of its membership.

⁽⁴⁾ The 14th Ministerial Meeting is scheduled to be held from March 26 to 29, 2026.

⁽⁵⁾ Comoros and Timor-Leste formally joined the WTO on August 21 and August 30, respectively.

(C) Formulation of rules in line with the times

The Agreement on Fisheries Subsidies, adopted at the 12th WTO Ministerial Conference (MC12) in June 2022, aims to ensure the sustainable use of living marine resources by, among other things, prohibiting subsidies that lead to illegal, unreported, and unregulated (IUU) fishing. Japan, which has already accepted the agreement, is persistently reaching out to members that have not yet accepted it to gain acceptance by two-thirds of all members as necessary for the agreement to enter into force. Japan is also engaged constructively in discussions toward an early conclusion of “second wave” negotiations on the agreement, which aims to achieve a comprehensive agreement on fisheries subsidies.

In addition to rule-making by all WTO members, such as the Agreement on Fisheries Subsidies, Japan has been promoting Joint Statement Initiatives (JSIs)⁽⁶⁾ as a new initiative for rule-making by like-minded members. The JSIs cover three main areas: investment facilitation, e-commerce, and services domestic regulation. Regarding investment facilitation, at MC13, Japan declared the conclusion of negotiations on the “Agreement on Investment Facilitation for Development,” and subsequently called on other members to incorporate the agreement as an annex to the WTO Agreement. Regarding e-commerce, Japan, together with Australia and Singapore, led the discussions as a co-convenor and contributed to the publication of the text of the “Agreement on Electronic Commerce” in July 2024. In addition, with regard to the new disciplines on services domestic regulation, for which the negotiation among like-minded members was concluded in December 2021, the WTO procedures to incorporate the new disciplines as additional commitments to the schedules of respective participating members were concluded in February 2024, resulting in a concrete achievement of rule-making by the like-minded at the WTO.

(D) 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. In March 2023, Japan joined the Multi-Party Interim Appeal Arbitration Arrangement (MPIA), which was launched by like-minded countries in 2020 as a framework to temporarily replace the functions of the Appellate Body, and has continued to actively participate in discussions on reform of the dispute settlement system even after joining the MPIA.

As of December 31, 2024, four cases to which Japan was one of the parties to the dispute had been brought to the WTO's dispute settlement mechanism, with the following developments in 2024.

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 2023. 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 shared an intention to set the reasonable period of time for China to implement the recommendations and rulings by May 8, 2024. China subsequently conducted a reinvestigation to implement the DSB's recommendations and announced in May 2024 that it would continue to maintain the measures. In July, China announced the launch of a sunset review of the measures (an investigation into the need to continue the anti-dumping measures); however, the stainless steel products at issue from Japan were not subject to the review, and the anti-dumping measures against Japan in this dispute were terminated.

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

⁽⁶⁾ The Joint Statement Initiatives refer to initiatives based on a joint statement issued by plurilateral like-minded members. They were adopted at the 11th WTO Ministerial Conference in December 2017 and mainly include initiatives on (a) services domestic regulation, (b) e-commerce, and (c) investment facilitation.

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) 2024 OECD Ministerial Council Meeting

The 2024 Ministerial Council Meeting, chaired by Japan for the first time in 10 years to mark the 60th anniversary of its accession to the OECD, was held in Paris, France on May 2 and 3. The meeting was held under the theme of “Co-creating the Flow of Change,” and six ministers attended from Japan, including Prime Minister Kishida and Foreign Minister Kamikawa.



Prime Minister Kishida delivering the Chair's keynote speech at the opening ceremony of the OECD Ministerial Council Meeting (May 2, Paris, France; Photo: Official Website of the Prime Minister of Japan and His Cabinet)



Prime Minister Kishida attending the ceremony to commemorate the 10th anniversary of the OECD Southeast Asia Regional Programme (May 2, Paris, France; Photo: Official Website of the Prime Minister of Japan and His Cabinet)

In his keynote speech as chair, Prime Minister Kishida emphasized the importance of uniting under the spirit of “Co-creating the Flow of Change” to overcome the crises facing the international community, as the global economy faces risks such as inflation and disruptions in energy and food supplies as well as fragmentation in global supply chains. He also noted that 60 years have passed since Japan joined the OECD, and that as the international community faces multipolarity, division, and conflict, it is important for the OECD, which is made up of member countries with shared values, to reach out to non-member countries in various regions around the world, including Southeast Asia.

(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,⁽⁷⁾ 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's rules and norms. In this context, the OECD has been working to strengthen its ties with the region through policy dialogues, including through the Southeast Asia Regional Programme (SEARP). Concrete results include the decision in February to begin the OECD accession process for Indonesia, the first country from Southeast Asia, and the decision in June to begin the accession process for Thailand.

At the 2024 Ministerial Council Meeting, a ceremony commemorating the 10th anniversary of SEARP was held, in which Prime Minister Kishida announced

⁽⁷⁾ 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.

the launch of the Japan OECD-ASEAN Partnership Program (JOAPP) in order to leverage the OECD's strengths in reliable data and analysis for sustainable growth in Southeast Asia.

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).

(E) Contributions in Terms of Financial and Human Resources

As of 2024, Japan was the second largest financial contributor to the OECD, covering 8.5 % of the OECD's mandatory contributions (the U.S. is first, covering 18.3 %). Moreover, Japanese nationals have successfully served as one of the Deputy Secretary-Generals (including the incumbent Deputy Secretary-General, TAKEUCHI Yoshiki), and 88 Japanese staff work at the OECD Secretariat as of the end of 2023.

(3) Intellectual Property Protection

Strengthening the protection of intellectual property is crucial to promoting technological innovation and, through it, achieving economic growth. Japan is contributing to advancing multilateral discussions and the strengthening of international collaboration at APEC,

the WTO (TRIPS),⁽⁸⁾ and the World Intellectual Property Organization (WIPO). In addition, Japan is working to improve an environment for ensuring that 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, MOFA has appointed Intellectual Property Officers at almost all diplomatic establishments overseas, and is collecting information, considering countermeasures, and lobbying the authorities of the countries concerned to ensure appropriate actions are taken. MOFA is also holding meetings with the aim of strengthening the capacities of these officers, and is working to strengthen the response systems of diplomatic missions overseas by exchanging intellectual property-related information in each country and region, as well as sharing experience and knowledge on responding to infringement cases faced by Japanese companies. In 2024, meetings were held in Southeast Asia, Latin America, and the Middle East and North Africa.

COLUMN

International Conferences and Bilateral Meetings
— Behind the Scenes of the OECD Ministerial Council Meeting

■ Behind the Scenes of the OECD Ministerial Council Meeting

What comes to mind when you hear the year 1964? This was a year marked by many historic moments that include the Tokyo Olympics, the opening of the Tokaido Shinkansen, and OH Sadaharu's 55 home runs. That same year, Japan joined the Organisation for Economic Co-operation and Development (OECD). In 2024, the 60th anniversary of Japan's accession to the OECD, Japan chaired the OECD Ministerial Council Meeting held in Paris,



Photo from the 2024 OECD Ministerial Council Meeting (May 2, Paris, France)

⁽⁸⁾ TRIPS Agreement: Agreement on Trade-Related Aspects of Intellectual Property Rights

leading discussions and adopting a Ministerial Council Statement under the theme of “Co-Creating the Flow of Change: Leading Global Discussions with Objective and Reliable Approaches towards Sustainable and Inclusive Growth.” This column highlights the significance and outcomes of the meetings Japan held with various countries behind the scenes of these high-profile achievements.

■ The Significance of Bilateral Meetings in Multilateral Meetings

Did you know that many bilateral meetings take place on the sidelines of multilateral meetings? In the world of diplomacy, opportunities for bilateral meetings that take place between such multilateral meetings are called “margins.” Just as it is said that in the world of art that true masters value empty space, the same is true in the world of diplomacy. Bilateral meetings in such fora can at times lead to highly significant diplomatic outcomes for both countries.

For example, in 2019, relations between the United States (U.S.) and China had been increasingly tense with both countries implementing retaliatory tariffs on each other. Amidst this, at the U.S.-China Summit Meeting held on the margins of the G20 Buenos Aires Summit, both countries shared the view on temporarily suspending further tariff measures and holding more discussions.



Meeting between Foreign Minister Kamikawa and Indonesia's Coordinating Minister for Economic Affairs Airlangga (May 2, Paris, France)

■ Outcomes of Bilateral Meetings at the 2024 Ministerial Council Meeting

The 2024 Ministerial Council Meeting, chaired by Japan, was attended by OECD member countries, as well as accession candidate countries, Key Partner countries, and officials from international organizations, and Japan held bilateral meetings with various countries on the margins. These included meaningful discussions between Foreign Minister Kamikawa and her counterparts in the U.S., Mexico, Indonesia, and Viet Nam. The OECD was also on the agenda for these meetings as they took place on the margins of the OECD Ministerial Council Meeting. With regard

to outreach¹ to Southeast Asian countries, for example, Foreign Minister Kamikawa held a meeting with Indonesia's Coordinating Minister for Economic Affairs Airlangga Hartarto where the two ministers welcomed the adoption of the OECD's accession roadmap for Indonesia and agreed to continue cooperating in a wide range of economic affairs. In a meeting with U.S. Deputy Secretary of State Kurt M. Campbell, both sides shared the significance that the Southeast Asian countries' accession process to the OECD needs to proceed in an open, transparent, and swift manner.

Such bilateral meetings held on the margins of the Ministerial Council Meeting not only contributed to strengthening bilateral relations but also proved fruitful in terms of the OECD's outreach activities to Southeast Asia.

■ Summary

This column explored examples of how bilateral meetings between Japan and other countries held on the margins of the 2024 OECD Ministerial Council Meeting also led to multilateral diplomatic outcomes at the OECD. Many bilateral meetings take place at multilateral conferences, and each bilateral meeting always has some kind of intention or purpose. By thinking about the context behind such meetings, you may deepen your understanding of diplomacy and find it more fascinating than you expected.

¹ Outreach: In this context, the OECD cooperates with member countries to promote the dissemination of OECD standards to non-OECD member countries, and works together in the preparation of various policy analysis reports and the hosting of international conferences.

3 Leading Discussions at International Conferences

(1) G7

The G7 is united in its response to the various challenges facing the international community. In the face of new challenges such as Russia's continued aggression against Ukraine and the intensifying situation in the Middle East, the two perspectives emphasized at the G7 Hiroshima Summit 2023 — upholding a free and open international order based on the rule of law and strengthening engagement with international partners beyond the G7 — are becoming increasingly important, and these were carried forward under the Italian Presidency of the G7 in 2024.

At the G7 Apulia Summit held from June 13 to 15, the G7 members discussed issues ranging from Africa and immigration, which Italy had set as its top priority issues as the Presidency, to other issues regarding the regional situations in Ukraine, the Middle East, the Indo-Pacific, as well as economic security, AI, climate change and energy and development. In so doing, the G7 demonstrated its commitment to taking the lead in addressing the challenges facing the international community.⁽⁹⁾ Ukrainian President Volodymyr Zelensky also participated in part of the session on the situation in Ukraine.

In addition, Prime Minister Kishida took into account the results of the G7 Hiroshima Summit held in the previous year, and communicated Japan's position and initiatives as follows.

(a) Regarding Africa, in addition to the importance of expanding cooperation that reflects the expressed wishes of African countries, Prime Minister Kishida stressed that the Partnership for Global Infrastructure and Investment (PGII) and other initiatives should be further promoted along with Africa's needs.

(b) Concerning the situation in Israel and Palestine, Prime Minister Kishida stressed that a ceasefire and an early calming down of the situation are of utmost importance, and that it is necessary to achieve an immediate ceasefire, the release of hostages,

improvement of the humanitarian situation, and a lasting ceasefire.

(c) Regarding the situation in Ukraine, Prime Minister Kishida stated that, based on the belief that “Ukraine today may be East Asia tomorrow,” he will continue to strongly promote sanctions against Russia and support for Ukraine. The G7 leaders reached a consensus on the launch of Extraordinary Revenue Acceleration (ERA) loans to Ukraine totaling approximately 50 billion dollars and concurred on measures to implement the ERA loans in October after the Apulia Summit.

(d) As the lead speaker, Prime Minister Kishida comprehensively explained Japan's views on the situation in the Indo-Pacific and emphasized the need to continue addressing issues in this region as a priority issue for the G7. The 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 the abductions issue.

(e) On economic security, Prime Minister Kishida led the discussion by stating Japan's position on addressing economic security challenges, including overcapacity and economic coercion, as well as how to advance international cooperation.

(f) Regarding AI, Prime Minister Kishida emphasized the urgent need to establish governance to



G7 Apulia Summit (June 13, Apulia, Italy; Photo: Official Website of the Prime Minister of Japan and His Cabinet)

⁽⁹⁾ For details of the G7 Apulia Summit, including the outcome document, see the Ministry of Foreign Affairs website: https://www.mofa.go.jp/ocm/ec/pagewe_000001_00034.html



promote safe, secure, and trustworthy AI, and stressed the importance of implementing the International Guiding Principles and Code of Conduct developed under the Hiroshima AI Process in the previous year, as well as advancing efforts beyond the G7.

(g) Regarding energy, Prime Minister Kishida stated that it remains important to take an integrated approach to energy security, the climate crisis, and geopolitical risks, without hindering economic growth, and aim for the common goal of net-zero emissions through various pathways tailored to the circumstances of each country. He also pointed out the importance of cooperation with producing countries regarding critical minerals, the demand for which will increase alongside the energy transition.

Under the Italian G7 Presidency in 2024, in addition to the Apulia Summit in June, the G7 leaders held video conferences and teleconferences in February, April, and October, discussing issues such as Russia's aggression against Ukraine and responses to the intensifying situation in the Middle East. In December, a teleconference of the G7 leaders was held to conclude the year of Italy's G7 Presidency.

A total of six G7 Foreign Ministers' Meetings were held in 2024, including those held online. In continuation of Japan's Presidency in the previous year, the G7 ministers engaged with close communication on the situations in the Middle East, Ukraine, and the Indo-Pacific as the main agenda. At the G7 Foreign Ministers' Meeting held in Capri, Italy from April 17 to 19, ministers reaffirmed their commitment to a free and open Indo-Pacific based on the rule of law and concurred on working closely together as the G7 to address the situation in the Middle East. They also reaffirmed their unwavering determination to support Ukraine in its prolonged hardships.

At the G7 Foreign Ministers' Meeting held in Fiuggi, Italy on November 25 and 26, the ministers concurred that it is important for the G7, which shares the same values and principles, to maintain and reinforce cooperation, work closely with many other countries, and firmly uphold a free and open international order



G7 Foreign Ministers' Meeting (November 26, Fiuggi, Italy)

based on the rule of law, amid growing division in the international society. Regarding the situation in the Middle East, the ministers discussed the importance of diplomatic efforts to restore stability, as well as cooperation to improve the humanitarian situation, and concurred on addressing the situation in cooperation with the international community. Regarding Ukraine, they concurred on advancing efforts to realize a just and lasting peace in Ukraine. Regarding the Indo-Pacific, the ministers acknowledged that the security of the Indo-Pacific and Europe had become inseparable more than ever, and reaffirmed that relevant countries, including the G7, will continue cooperation to protect a free and open international order based on the rule of law.

Regarding the G7 Trade Ministers' Meetings, the first meeting took place online on February 7, where the ministers confirmed their commitment to the G7 cooperation toward the success of the 13th WTO Ministerial Conference.⁽¹⁰⁾ (See Section 2 (2) A (B).) The second meeting was held in Reggio Calabria, Italy, on July 16 and 17, where they had candid discussions on issues such as maintaining and strengthening a free and fair multilateral trading system with the WTO at its core and ensuring a level playing field (LPF), as well as trade and environmental sustainability, economic resilience, and economic security.⁽¹¹⁾

(2) G20

The G20 is the premier forum for international economic cooperation participated in by both major developed and emerging countries. At the G20 Rio de

⁽¹⁰⁾ Outcome document of the first G7 Trade Ministers' Meeting, see the Ministry of Foreign Affairs website: <https://www.mofa.go.jp/mofaj/files/100618409.pdf>

⁽¹¹⁾ For details of the second G7 Trade Ministers' Meeting, including the outcome document, see the Ministry of Foreign Affairs website: https://www.mofa.go.jp/ocm/it/pageite_000001_00452.html

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G20 Rio de Janeiro Summit (November 18, Rio de Janeiro, Brazil; Photo: Official Website of the Prime Minister of Japan and His Cabinet)

Janeiro Summit held in Brazil on November 18 and 19, amid Russia's continued aggression against Ukraine and intensifying situation in the Middle East, discussions were held on important issues facing the international community, such as sustainable development, measures to combat hunger and poverty, global governance reform including reform of the United Nations (UN) and multilateral development banks (MDBs), climate change, and energy transition.⁽¹²⁾

Prime Minister Ishiba announced that Japan will actively participate in the Global Alliance against Hunger and Poverty, which is a top priority for Brazil, then-G20 Presidency, and emphasized Japan's intention to cooperate on addressing challenges facing the international community that include climate change, energy transition, the environment, and risk reduction. There are many areas in which the G20 should lead international cooperation, and its role is becoming increasingly important. Prime Minister Ishiba therefore strongly advocated for the need to overcome conflict and foster global governance in which all countries share responsibility, and the G20 Rio de Janeiro Leaders' Declaration included the phrase "share a collective responsibility." Prime Minister Ishiba also emphasized the importance of a free and open international order based on the rule of law, and clearly asserted Japan's position on Russia's aggression against Ukraine and the situation in the Middle East.

The G20 Foreign Ministers' Meeting was held in Rio de Janeiro on February 21 and 22, with Foreign

Minister Kamikawa in attendance. At the meeting, the ministers discussed issues such as how to respond to the situations in Ukraine and the Middle East, as well as global governance reform, including UN Security Council reform. Foreign Minister Kamikawa emphasized Japan's intention to work proactively to realize a world in which the rule of law and human dignity are secured. On September 25, the G20 Foreign Ministers' Meeting was held at the UN Headquarters with global governance reform as its agenda, and a "Call to Action on Global Governance Reform" was issued as an outcome document.

(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 Putrajaya Vision 2040, which outlines APEC's medium- to long-term direction, clearly states that "Our vision is an open, dynamic, resilient, and peaceful Asia-Pacific community by 2040, for the prosperity of all our people and future generations." Under this vision, the organization is carrying out activities such as liberalizing and facilitating trade and investment in the region, promoting regional economic integration, and engaging in economic and technical cooperation in the region. Japan's active involvement in APEC and promotion of cooperation is of great significance to supporting the country's economic growth and the overseas expansion of Japanese companies.

APEC was hosted by Peru in 2024, and under the theme of "Empower, Include, Grow," the following priority issues were set and discussed at various APEC meetings: trade and investment for inclusive and connected growth, innovation and digitalization to promote the transition to a formal and global economy, and sustainable growth for resilient development.

At the Leaders' Meeting in Lima, Peru on November 15 and 16, the 2024 APEC Leaders' Machu Picchu Declaration was adopted and called for realizing a free, open, fair, non-discriminatory, transparent, inclusive,

⁽¹²⁾ For details of the G20 Rio de Janeiro Summit, including the outcome document, see the Ministry of Foreign Affairs website: https://www.mofa.go.jp/ecm/ec/pagewe_000001_00001.html



and predictable trade and investment environment, support for the rules-based multilateral trading system and WTO reform, and the advancement of women's economic empowerment. Additionally, a Chair's Statement was issued regarding the situations in Ukraine and the Middle East.

At the meeting, Prime Minister Ishiba emphasized the importance of maintaining and strengthening a rules-based, free, open, fair, and transparent trade and investment environment, as well as the multilateral trading system with the WTO at its core, in order to achieve sustainable growth and prosperity in the Asia-Pacific region. He stated that he would further promote WTO reform and high-quality infrastructure investment, as well as the advancement of women's economic empowerment and support for capacity

building. He also stressed the importance of formulating international rules through an international framework to achieve data free flow with trust, energy transition toward decarbonization that includes the efforts of the AZEC, and a reduction in food loss and waste in order to foster inclusive growth in the region.

In addition, he noted that Russia's aggression against Ukraine is a clear challenge to the international order based on the rule of law, and expressed serious concern about the further development of military cooperation between North Korea and Russia. He also spoke on the situation in the Middle East, strongly urging all parties involved to exercise utmost restraint and comply with international law.

The ROK will host APEC in 2025.

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. Support for Japanese companies by the government is also becoming increasingly important in the interest of incorporating into the Japanese economy the momentum of economic growth overseas, such as that of the Global South.

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. Under the motto of being "open and responsible government offices," diplomatic missions overseas have ambassadors and consuls-general, who, together with Japanese business support officers and other staff, are at the forefront

of providing support tailored to conditions in a specific region, such as providing various information to Japanese companies and lobbying foreign governments. Since April, "officials in charge of cross-border economic affairs" have been appointed to effectively support Japanese companies engaged in cross-border activities that include entering third-country markets, and support from a regional perspective has begun. (As of the end of December 2024, these officers have been appointed to 17 diplomatic missions overseas in 14 countries, with an eye on such markets as Africa, Southeast Asia, Central Asia, and Central and South America.) In addition, MOFA provides consultation services regarding economic coercion, and some diplomatic missions overseas in Asia, Africa, and other regions utilize Japanese lawyers who are familiar with local laws, regulations and legal situations to hold seminars and legal consultations on local legal systems.

In addition to consultations about business problems, an important function performed by diplomatic missions overseas for Japanese companies is the promotion and publicity of the "Japan Brand" for products, technologies, and services from Japanese companies, as well as for Japanese agricultural, forestry, and fishery products at various events that include the reception

to celebrate His Majesty the Emperor's birthday, and exhibitions. These missions have actively provided embassies and ambassadors' residences and other facilities as venues for promoting and publicizing Japanese products and foods through events such as product exhibitions and tastings by Japanese companies, as well as for seminars aimed at business development, local government trade fairs, and interacting and networking with local companies and related organizations.

(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 58 meetings were held by December 2024. This Meeting has been annually revising and following up on the "Infrastructure System Export Strategy" formulated in 2013, and in December 2024, in light of changes surrounding the development of overseas infrastructure such as structural changes in the global infrastructure market, it formulated the "Infrastructure System Overseas Promotion Strategy 2030," which sets a course for going beyond traditional concepts of infrastructure to take on challenges in new areas while implementing policy, with the public and private sectors working together to achieve growth for both Japan and its partner countries. The strategy lays out specific measures across three pillars: (a) improving Japan's "earning power" and strengthening international competitiveness through co-creation with partner countries, (b) responding quickly to new societal demands such as economic security and ensuring national interests, and (c) responding flexibly to embrace social changes such as GX (Green Transformation) and DX (Digital Transformation) as opportunities. The strategy also sets a goal of achieving 45 trillion yen in orders for infrastructure systems by 2030. In addition to promoting top-level sales, including at the leaders and foreign minister levels, MOFA is also providing support through diplomatic missions overseas and by utilizing Official Development Assistance (ODA).

(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)

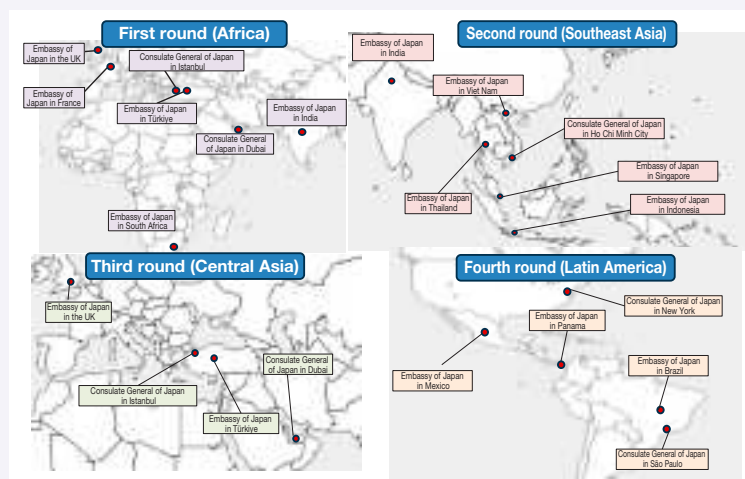
Expanding exports of Japan's agricultural, forestry, fishery, and food products is a major objective of the Government of Japan. In December 2020, the government formulated the "Strategy to Realize Export Expansion of Agricultural, Forestry, Fishery and Food Products," and is making a concerted effort to achieve export goals for agricultural, forestry, fishery and food products. This strategy was revised in 2021, June 2022, December 2022, and December 2023 as part of efforts to further expand exports. 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 85 diplomatic missions overseas in 63 countries and regions, and some of these missions also have advisors for promoting the export of agriculture, forestry, fishery, and food products who are familiar with local conditions. 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. 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 to connect these parties and overseas businesses, as well as to plan 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

SPECIAL
FEATUREAppointment of Officials in Charge of Cross-border
Economic Affairs

In recent years, the economic presence of developing and emerging countries, the so-called “Global South,” has been rapidly rising. To further promote economic growth in Japan, it is becoming increasingly important to leverage the vitality of the Global South. Based on this recognition, some Japanese companies are accelerating their business expansion across borders and regions by engaging in overseas production activities with an eye toward exporting to third countries that have potential for future growth, as well as by collaborating with local enterprises in their host countries in order to advance into rapidly growing third-country markets. On the other hand, attempting such business exposes Japanese companies to various risks, such as sudden additions or changes to regulations by the authorities of the third countries where they are looking to expand into or export to, as well as tax issues, requests for unfair benefits (bribery), and delays in obtaining visas and work permits. Additionally, any company looking to smoothly expand into or export to a third country will find that it is essential to access information on the country's politics, economy, and security, as well as to collaborate with trustworthy partner companies from other countries.

In light of these challenges and realities, and to be able to respond flexibly to the individual circumstances and needs of Japanese companies, the Ministry of Foreign Affairs (MOFA) has appointed new officials in charge of cross-border economic affairs to several diplomatic missions overseas throughout 2024. Previously, Japanese business support officers at embassies or consulates-general located in each country mainly responded to individual consultations and requests for support regarding business activities in their respective countries. Now, officials in charge of cross-border economic affairs will be able to respond more precisely and proactively to the needs of Japanese companies that are interested in expanding into the Global South and are strategically expanding their business overseas with a regional perspective. Specifically, these officials in charge of cross-border economic affairs will provide information on the business environment of third-country markets to companies expanding into or exporting to those markets, and upon companies' requests, they will coordinate diplomatic approaches to the governments of these countries. MOFA will also actively engage in networking with foreign companies that are familiar with the business environments in third countries.



Designated Regions of the Officials in Charge of Cross-Border Economic Affairs



An online exchange of views between Foreign Minister Kamikawa and officials in charge of cross-border economic affairs (July 12)

Going forward, MOFA will continue to make effective use of these officials in charge of cross-border economic affairs while also taking advantage of the network between MOFA, relevant ministries and agencies, and diplomatic missions overseas to proactively support Japanese companies as a concerted national effort.

priorities for the Government of Japan, and 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, a total of 49 countries and regions have lifted their export restrictions. In addition, Taiwan announced further easing of import restriction measures in September.

As of the end of 2024, six countries and regions still maintain regulations (Regulations including import suspension: the ROK, China, Hong Kong, Macau, Russia; Requirements including inspection certificates: Taiwan). China, Hong Kong, Macau and Russia currently maintain newly strengthened regulations implemented following the discharge of ALPS treated water into the sea in August 2023.

With regard to China, in September 2024, the two countries announced a “Shared Recognition between Japan and China” regarding discharge of ALPS treated water into the sea and import restrictions on Japanese aquatic products. After conducting additional measures under the framework of the International Atomic Energy Agency (IAEA), the Chinese government will initiate adjustment of its import restriction measures

on Japanese aquatic products, and will steadily restore imports of Japanese aquatic products. In light of this announcement, Japan will continue to call on the Chinese government at all levels to resume imports of Japanese aquatic products as quickly as possible.

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, 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.

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

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,”⁽¹³⁾ 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 and other organizations have made further progress in their efforts toward low-carbonization. Since 2021, numerous countries around the world have declared that they will achieve carbon neutrality in the second half of this century. On the other hand, 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

⁽¹³⁾ 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.

against Ukraine, and since October 2023 due to the intensifying situation in the Middle East. Although energy prices in 2024 have retrieved relative stability in 2024, 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 95% 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, there is also a call to address climate change. In October 2020, the Government of Japan announced its intention to achieve carbon neutrality by 2050, and in April 2021 expressed a new target to achieve an emissions reduction of 46% compared to FY2013 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). Since May 2024, the Strategic Policy Committee under the Advisory Committee for Natural Resources and Energy has been holding discussions toward formulating the Seventh Strategic Energy Plan.

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.

(A) Gathering and Analysis of Resource-Related Information at Diplomatic Missions Overseas, and Strategy Meeting on Diplomatic Missions Overseas Concerning Energy and Mineral Resources

In order to focus on the acquisition and stable supply of energy and mineral resources, and with a view to strengthening the function of diplomatic missions overseas, "Special Assistants for Energy and Mineral Resources" have been assigned to 60 diplomatic missions overseas in a total of 53 countries as of the end of 2024. These individuals collect and consolidate on-site information on oil, natural gas, coal, and critical mineral resources, and strive to build and strengthen comprehensive and mutually beneficial bilateral relations with resource-rich countries through liaison and coordination with private companies and related organizations.

Furthermore, since 2009, MOFA has been holding regular Strategy Meetings on Diplomatic Missions Overseas Concerning Energy and Mineral Resources, bringing together representatives of diplomatic missions overseas located in major resource-rich countries as well as ministries, agencies, institutions, experts, and companies, to discuss diplomatic efforts to ensure a stable supply of energy and mineral resources, formulate policy, and strengthen mutual cooperation. In 2024, a meeting with the theme of "strengthening cooperation toward building diversified and resilient supply chains for critical minerals" was held that saw participants share the current status and challenges of resource diplomacy efforts in each country, as well as reaffirm the importance of cooperation between relevant domestic organizations and diplomatic missions overseas.

(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 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 energy situation, Japan is also encouraging resource-producing countries to increase their production in order to stabilize the energy market. In May 2024, Prime Minister Kishida held a video conference with Saudi Arabia's Crown Prince and Prime Minister Mohammed, and in July, Foreign Minister Kamikawa held a meeting with Minister of Industry and Advanced Technology and Special Envoy to Japan Sultan Al Jaber of the UAE. In addition to making use of the opportunities presented by successive summit and ministerial-level meetings with oil-producing countries, Japan also made efforts to lobby at various levels through its diplomatic missions and relevant ministries and agencies.

(C) Initiatives and Results Achieved by International and Other Organizations

Japan makes active use of international fora and rules to coordinate and collaborate internationally toward achieving a stable energy supply and enhancing the diversity and 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 achieving a system for the stable supply of critical mineral resources essential for achieving energy transitions.

In February, Prime Minister Kishida sent a video message to the IEA Ministerial Meeting in which he expressed Japan's expectation for further contributions

from the IEA, whose core mission is energy security, toward realizing an orderly global energy transition under diversified paths, and stated that Japan would continue to cooperate with the IEA. In addition, State Minister for Foreign Affairs Tsuji, who attended the meeting, stated that as the world undertakes a historic energy transition amid geopolitical risks and the climate crisis, in order to accelerate this transition through various means toward a shared goal of achieving net zero emissions, it is important to promote broad collaboration between the public, private, and academic sectors, as well as the use of clean energy technologies. He also stated that Japan would continue to work with the IEA.

In September, a Principals' Meeting of the Minerals Security Partnership (MSP) was held that saw Senior Deputy Minister for Foreign Affairs Akahori state that strengthening engagement with resource-producing countries and financial institutions is extremely important for sustainable mineral resource development and building diversified and resilient supply chains for critical minerals. He also noted that it is important to understand the challenges and support needs of resource-producing countries through MSP activities and to work to promote individual projects and cooperation in order to meet the expectations of resource-rich countries. In addition, he made clear Japan's position of strengthening cooperation with MSP member countries and resource-producing countries.

Furthermore, with a view to securing its rights and interests over its continental shelf, including the resources contained in the surrounding seabed areas, Japan has been working to establish a continental shelf beyond 200 nautical miles (extended continental shelf) in accordance with the United Nations Convention on the Law of the Sea (UNCLOS). In 2008, Japan made a submission to the Commission on the Limits of the Continental Shelf (CLCS) for the extension of Japan's continental shelves, and in 2012 received recommendations that a certain range of extension be approved. With regard to the extended continental shelf in the Ogasawara Plateau Region, following necessary consultations with the U.S., as the sole country concerned, most of that area was prescribed as Japan's extended continental shelf in June 2024.

(D) Adoption of a Modernized Text for the Energy Charter Treaty

The Energy Charter Treaty (ECT) is a multilateral treaty that entered into force in April 1998 (entered into force for 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⁽¹⁴⁾ has been signed by 47 countries and organizations mostly located in Europe and Central Asia (as of January 2025). Following negotiations to revise the treaty since 2020, a Modernized text of the Energy Charter Treaty was adopted at the 35th meeting of the Energy Charter Conference in December 2024. The modernized treaty includes the application of the investment protection provisions of the treaty to new energy sources such as hydrogen and ammonia, clarification of the obligations of Contracting Parties regarding investment protection, more detailed procedure of Investor-State Dispute Settlement (ISDS), establishment of new provisions regarding sustainable development and corporate social responsibility, and provisions regarding further promotion of freedom of transit. Japan has contributed to the development of the ECT by serving as the chair of the Energy Charter Conference in 2016, the first time for a chair to be from East Asia, and hosting the 27th meeting of the Energy Charter Conference in Tokyo. In addition, HIROSE Atsuko, a Japanese national, has been Deputy Secretary General of the Energy Charter Secretariat, the governing body of the ECT, since September 2021.

(E) Efforts in the Public Relations Field

In March, MOFA held an online seminar on the theme of “Critical Minerals Essential for Clean Energy Transitions.” During the seminar, Director of the International Renewable Energy Agency (IRENA) Planning and Programme Support Office Elizabeth

Press, and Senior Research Director and Manager of the Global Energy Group 1, Director of the Energy Security Unit at the Institute of Energy Economics, Japan, KUTANI Ichiro delivered keynote speeches. In addition, stakeholders including government officials involved in energy and critical minerals took to the stage as panelists with a lively discussion on efforts required to diversify and strengthen critical mineral supply chains, which are essential for energy transitions.

(2) Ensuring Food Security

A Food Security Situation

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 agri-food systems, causing supply chain destabilization and disruptions. There also exist many challenges to building sustainable and resilient agri-food systems, including how to best use land for food production, conduct agricultural production adapted to climate change, and make efficient use of fertilizers.

According to the 2024 State of Food Security and Nutrition in the World (SOFI) report,⁽¹⁵⁾ between 713 million and 757 million people worldwide faced hunger in 2023, accounting for one in 11 people worldwide and one in 5 in Africa.

B Diplomatic Efforts to Ensure Food Security

To ensure food security in the international community, MOFA is implementing and building on the following diplomatic efforts.

(A) Cooperation in International Frameworks

At the G7 Apulia Summit in June, Prime Minister Kishida discussed food security in the session on “Artificial Intelligence and Energy / Africa and Mediterranean,” noting that although concrete joint actions, including those taken by invited countries,

⁽¹⁴⁾ 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.

⁽¹⁵⁾ 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 UN (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).

had been agreed upon at the G7 Hiroshima Summit, there are still many countries that continue to require assistance. He stated that it is urgent to establish inclusive, resilient, and sustainable agri-food systems. He also stated that Japan will continue to contribute to food security in Africa by collaborating with the Vision for Adapted Crops and Soils (VACS),⁽¹⁶⁾ a project that focuses on soil health and crops that are resilient to climate change. Attending the G20 Rio de Janeiro Summit in November, Prime Minister Ishiba stated that the principle of human security requires eradicating hunger and poverty and realizing a prosperous society in which everyone can live happily and with respect for human dignity, and that key to achieving this are the aspects of food security and building a sustainable and resilient food system. One of the major outcomes of the summit was the creation of the “Global Alliance Against Hunger and Poverty,” of which Japan became a member. In June, Japan participated in the “Dialogue on the Food Security Crisis between Food Exporting Countries and Importing Countries” with the International Grains Council (IGC). This dialogue, with broad participation from governments, international organizations, and companies, discussed actions that market participants, including exporting and importing countries, should take in the event of a food security crisis to avoid worsening the crisis, and compiled the results as “The Key Principles of Actions on Food Security Crises for Exporters and Importers.”

(B) Strengthening Cooperation with International Organizations

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, 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 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

⁽¹⁶⁾ Vision for Adaptive Crops and Soils (VACS): This initiative was launched in February 2023 under the leadership of the U.S., the African Union (AU), and the Food and Agriculture Organization of the UN (FAO). It aims to build a food system in Africa that will help strengthen food security and nutrition by improving soil health and promoting the production of traditional crops that are highly nutritious and resilient to climate change, with the goal of combating climate change and satisfying increasing food demand. Japan has contributed approximately 6 million U.S. dollars to FAO to support VACS efforts. Under the G7 Italian presidency in 2024, the importance of supporting VACS was also noted in the Leaders' Declaration.

serve as a basis for realizing sustainable utilization and appropriate management of whale stocks.

Illegal, unreported, and unregulated (IUU) fishing is a serious threat to the sustainable fishing industry. Through international opportunities such as the APEC Leaders' Meeting held in November, Japan has continued to affirm the importance of the international community working together to promote measures against IUU fishing. 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. Japan is also providing capacity building assistance to developing countries for the purpose of countering IUU fishing, including the provision of relevant equipment.

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. At the third meeting of the conference of the parties to the Agreement, held in June 2024, an implementation plan for the Joint Program of Scientific Research and Monitoring for the Central Arctic Ocean was adopted, and discussions were held on formulating 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 establishing 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. Regarding Pacific bluefin tuna, in light of the recovery of resource levels in recent years, an agreement was reached to increase the catch limits for small fish by 10% and for large fish by 50% compared to the previous year at the annual meeting of the Western and Central Pacific Fisheries Commission (WCPFC) in December. In addition, an increase in the total

allowable catch (TAC) for bigeye tuna was adopted at the annual meeting of the International Commission for the Conservation of Atlantic Tunas (ICCAT) held in November 2024. As for southern bluefin tuna, the agreement was made at an October meeting of the Commission for the Conservation of Southern Bluefin Tuna (CCSBT) to maintain the current TAC based on the recommendation of the Scientific Committee.

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 Osaka in April, an agreement was reached on harvest control rules that automatically calculate total allowable catches for Pacific saury based on its resource levels. Under these rules, the decision was made to reduce the TAC by 10%. For future meetings, it remains important to further improve resource management.

As for Japanese eel, the third scientific meeting on eel was held in June under the leadership of Japan. Scientific knowledge on the management of eel stocks was shared. Also, at the 17th informal consultation on international cooperation held face-to-face in Tokyo in June, Japan, the ROK, China, and Taiwan discussed and confirmed the upper limits of glass eel input into aquaculture ponds, and the four parties concurred on a joint press release about the results of the consultation.

(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 met every year since 2014, is spearheading initiatives to promote activities for discovering and attracting investments. The Council gathers feedback from foreign company managers and takes measures such as regulatory and institutional reforms and support measures that help improve the investment environment in Japan. At its 11th council held in April 2023, the "Action Plan for Attracting Human and Financial Resources from Overseas," compiling 100 measures to promote foreign direct investment in Japan, was formulated. In addition, at its 12th council held in May 2024, 10 measures that should be considered special priority initiatives were formulated as the "Priority Program for Accelerating Foreign Direct Investment in Japan," which is being addressed

across ministries and agencies. The Basic Policy on Economic and Fiscal Management and Reform 2023 and 2024 (Basic Policies 2023 and 2024), which were formulated by the Council on Economic and Fiscal Policy and then decided by the Cabinet, also clearly state the target of achieving a balance of 100 trillion yen in foreign direct investment in Japan by 2030 as soon as possible.

MOFA is strategically implementing various initiatives through diplomatic missions overseas based on the measures decided by the Council for Promotion of Foreign Direct Investment in Japan. In FY2023, 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 diplomatic missions overseas, and holding events to promote foreign direct investment in Japan, among other initiatives. More than 750 activities were conducted in FY2023. In June 2023, “FDI Task Forces” were established in five locations (New York, London, Paris, Dusseldorf and Sydney), through collaboration at the level of heads of diplomatic missions overseas 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.

In Japan, MOFA held a Global Business Seminar in January 2024 as a means to widely disseminate information about Japan's business environment from an overseas perspective and Japan's attractiveness as an investment destination. Lectures were given by government and business representatives, along with corporate personnel, and lively discussions were held by the approximately 180 people in attendance, which included representatives of domestic and international companies, embassies in Tokyo, foreign economic organizations and chambers of commerce in Japan, as well as national and local government officials.

(5) The Road to 2025 World Exposition (Expo 2025 Osaka, Kansai, Japan) and International Horticultural Expo 2027 (GREEN×EXPO 2027)

In preparation for Expo 2025 Osaka, Kansai, Japan, in April 2025, the Government of Japan has been actively calling for participation from many countries, regions, and international organizations, and as of the end of December 2024, more than 160 countries, regions, and international organizations have expressed their intention to participate.

The Japan Association for the 2025 World Exposition (JAEX) held International Participants Meetings in June 2024 and January 2025, inviting countries, regions and international organizations planning to participate in the Expo 2025 Osaka, Kansai, Japan to Nara City, Nara Prefecture and Himeji City, Hyogo Prefecture, and providing them with a variety of information for final preparations leading up to the opening of the Expo.

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.” MOFA is also focusing on providing indirect support for each country's preparations for exhibiting through diplomatic missions overseas and diplomatic routes, as well as activities to build momentum overseas via receptions and various events held at these missions. MOFA continues to work closely with relevant ministries and agencies as well as JAEX and make a concerted national effort to ensure the success of Expo 2025 Osaka, Kansai, Japan.

Additionally, in 2027, an international horticultural exposition with the theme “Scenery of the Future for Happiness” will be held in Yokohama. The Expo aims at coexisting with nature such as flowers and greenery and presenting nature-based solutions to global issues including sustainable agriculture, climate change, and decarbonization. MOFA, in cooperation with the Japan Association for the International Horticultural Expo 2027, Yokohama and relevant ministries and agencies, is actively inviting countries and international organizations to participate.

SPECIAL
FEATUREEstablishment of the FDI Task Force to Promote Foreign
Direct Investment in Japan

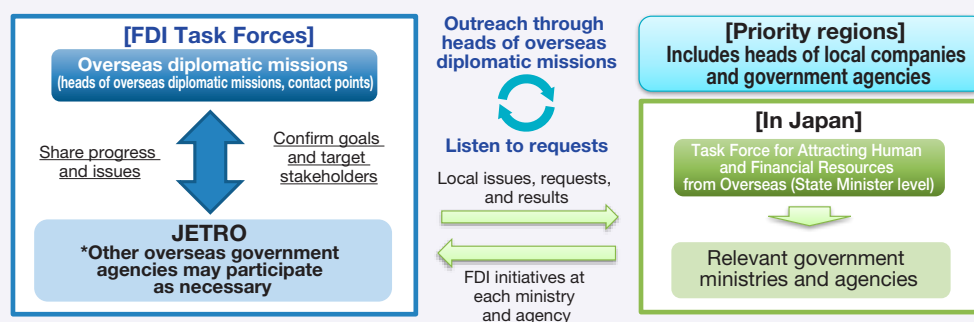
Have you ever heard the term “Foreign Direct Investment (FDI)” in Japan? You may recall the familiar letter “I” from economics class, which stands for “Investment.” This is the same investment that often appears in the IS-LM curve and Keynesian theory. Investment is discussed so frequently because it plays such an important role in the economy.

FDI in Japan follows this same principle, but it’s not just about capital flowing into the country from overseas investment. By effectively attracting talent, companies, and new ideas from overseas, FDI in Japan has the power to increase the competitiveness of the Japanese economy and promote innovation. This is how FDI in Japan makes a significant contribution to the sustainable growth of the Japanese economy.

In its “Basic Policy on Economic and Fiscal Management and Reform 2023” and “Basic Policy on Economic and Fiscal Management and Reform 2024,” the government has set a goal of achieving a balance of 100 trillion yen in FDI in Japan by 2030 as early as possible, and is currently working to promote FDI in Japan through an “All-Japan” effort. 100 trillion yen expressed in numerals is 100,000,000,000,000 yen. This has the same number of digits as the national general account budget for a single fiscal year, but we rarely have the opportunity to see such a large number in everyday life. In the world of sports, the term “100 million-yen-a-year player” is often used, but 100 trillion yen would be enough to hire one million such top athletes! This shows just how much potential FDI in Japan holds. The Ministry of Foreign Affairs (MOFA) has established “contact points for promotion of foreign direct investment in Japan” at 126 overseas diplomatic missions and, while making use of this extensive network, is working to collect information that will contribute to the discovery of foreign direct investment opportunities in Japan, and has established a support mechanism for the successful realization of FDI projects in Japan.

In June 2023, “FDI Task Forces” were newly established at five locations: the United States (Consulate General of Japan in New York), the United Kingdom (Embassy of Japan in the UK), Germany (Consulate General of Japan in Düsseldorf), France (Embassy of Japan in France), and Australia (Consulate General of Japan in Sydney) in order to fundamentally strengthen the system to attract foreign direct investment in Japan.

FDI Task Forces are strengthening their engagement with executives of major local companies and relevant government agencies. With a view to promoting investment in Japan, they are working to provide necessary support for overseas companies seeking to expand their business in Japan, while collaborating at the level of heads of diplomatic missions overseas and the Japan External Trade Organization (JETRO) overseas office.



Overview of FDI Task Force

For example, in June 2024, the Embassy of Japan in the UK, one of the locations where an FDI Task Force was established, held the “Japan-UK Financial Networking Reception.” This was the second such event, following the first one in May 2023. The reception was designed to encourage exchanges between a wide range of financial professionals in the public and private sectors, against the backdrop of growing momentum for further cooperation between Japan and the UK in the financial sector.

These receptions are not just places to exchange business cards; they can become the starting point for new economic cooperation relationships. Ideas and partnerships that will drive future economies are nurtured through such exchanges.

MOFA will continue making every effort to promote FDI in Japan in order to attract people, goods, capital, and ideas from overseas, strengthen the growth potential of the Japanese economy, and create innovation.