

## Japan

### 1. Industrial Strategy (Including Objectives/Goals)

Industrial policies have been integral to the success of Japan's economy.<sup>1</sup>In 2021, Japan's Ministry of Economy, Trade and Industry (METI) introduced new policies to strengthen Japan's industrial policies - New Direction of Economic and Industrial Policies.<sup>2</sup> It aims to realize "new capitalism," and a sustainable economic society, by creating a "virtuous cycle of growth and distribution."<sup>3</sup> The two main pillars of the new policies are mission-oriented industrial policies and updating the socio-economic system with the aim to solving socio-economic issues and achieve economic growth. The main goals of Japan's mission oriented- industrial policies are:

- Realization of a carbon neutral society
- Realization of a digital society
- Realization of economic security
- Realization of a new healthy society
- Realization of a disaster resilient society
- Realization of biological manufacturing revolution.<sup>4</sup>

### 2. Digital (Development) Strategy

- Under the Revised Edition of the Action Plan to Strengthen Industrial and Technological Basis for Economic Security released in May 2025, Japan has set the following objectives:
  - Strengthening support for companies to restructure their supply chains in response to retaliatory border measures
  - Enhance domestic essentiality to improve export resilience against border measures
  - Diversification including local production for local consumption
  - Expand domestic investment and develop highly skilled personnel to strengthen the domestic digital industry and technological base, including cutting-edge AI and semiconductor technologies.<sup>5</sup>

### 3. Main constitutional provisions

No main constitutional provisions.

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<sup>1</sup> Committee on the History of Japan's Trade and Industrial Policy(RIETI), *Dynamics of Japan's Trade and Industrial Policy in the Post Rapid Growth Era (1980-2000)* (Springer 2020).

<sup>2</sup> METI, *Fourth Report of the Committee on New Direction of Economic and Industrial Policies - Industrial Structure in 2040 Led by Growth Investment* – (June 2025)  
<[https://www.meti.go.jp/english/policy/economy/industrial\\_council/pdf/250603008\\_01.pdf](https://www.meti.go.jp/english/policy/economy/industrial_council/pdf/250603008_01.pdf)> accessed 14 July 2025.

<sup>3</sup>METI, *Interim Report for Committee on New Direction of Economic and Industrial Policies* (13 June 2022)  
<[https://www.meti.go.jp/english/policy/economy/industrial\\_council/pdf/0818\\_001.pdf](https://www.meti.go.jp/english/policy/economy/industrial_council/pdf/0818_001.pdf)> accessed 14 July 2025

<sup>4</sup>ibid.

<sup>5</sup>METI, 'Revised Edition of the Action Plan to Strengthen Industrial and Technological Basis for Economic Security Released' (30 May 2025)  
<[https://www.meti.go.jp/policy/economy/economic\\_security/250530actionplanr2.pdf](https://www.meti.go.jp/policy/economy/economic_security/250530actionplanr2.pdf)> accessed 20 June 2025.

#### **4. *Main Regulatory provisions and Policy developments***

- Advanced Semiconductor Production Capacity (5G Promotion Act) 2021
- Act on Partially Amending the Act on Strengthening Industrial Competitiveness and Other Acts to Create New Business and Encourage Investment in Industries 2024
- Basic Act on the Promotion of Core Manufacturing Technology (Act No. 2 of 1999)
- Industrial Technology Enhancement Act (Act No. 44 of 2000)
- Act on Strengthening Industrial Competitiveness (Act No. 98 of 2013)
- Regulation for Enforcement of the Act on Strengthening Industrial Competitiveness Relating to the Ministry of Economy, Trade and Industry Order of the Ministry of Economy, Trade and Industry No. 1 of 2014
- Basic Act on the Formation of a Digital Society (Act No. 35 of 2021)
- Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures (Act No. 43 of 2022)
- (Draft) OT Security Guidelines for Semiconductor Device Factories (2025)
- The Mobility DX Strategy which was developed in 2024 and updated in 2025 aims to build an industrial structure conducive to the development of software defined vehicles

#### **5. *(Regional) economic treaties to which the state is a signatory***

- ASEAN-Japan Comprehensive Economic Partnership Agreement
- Trans-Pacific Partnership (TPP) Agreement
- Regional Comprehensive Economic Partnership (RCEP) Agreement

#### **6. *Plurilaterals***

- Japan is a Co-convenor of the WTO Joint Statement on Electronic Commerce.
- Information Technology Agreement
- Agreement on Investment Facilitation for Development

#### **7. *Proceedings initiated against the state, or by it, before international fora for the adoption/implementation of industrial policy measures (e.g., before WTO panels, the WTO's AB)***

Japan has been a complainant in 28 WTO cases and a respondent in 16 WTO cases. These include the following industrial policy related cases:

- DS44: Japan — Measures Affecting Consumer Photographic Film and Paper
- DS147: Japan — Tariff Quotas and Subsidies Affecting Leather

- *DS336: Japan — Countervailing Duties on Dynamic Random Access Memories from Korea*

Kehinde Olaoye (Last updated 18 July 2025)

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