

**“2025 Report on Compliance by Major
Trading Partners with Trade
Agreements – WTO, EPA/FTA, and IIA-”
and
“METI Priorities Based on the
2025 Report”**

June 2025

International Economic Affairs Department

Trade Policy Bureau

Overview

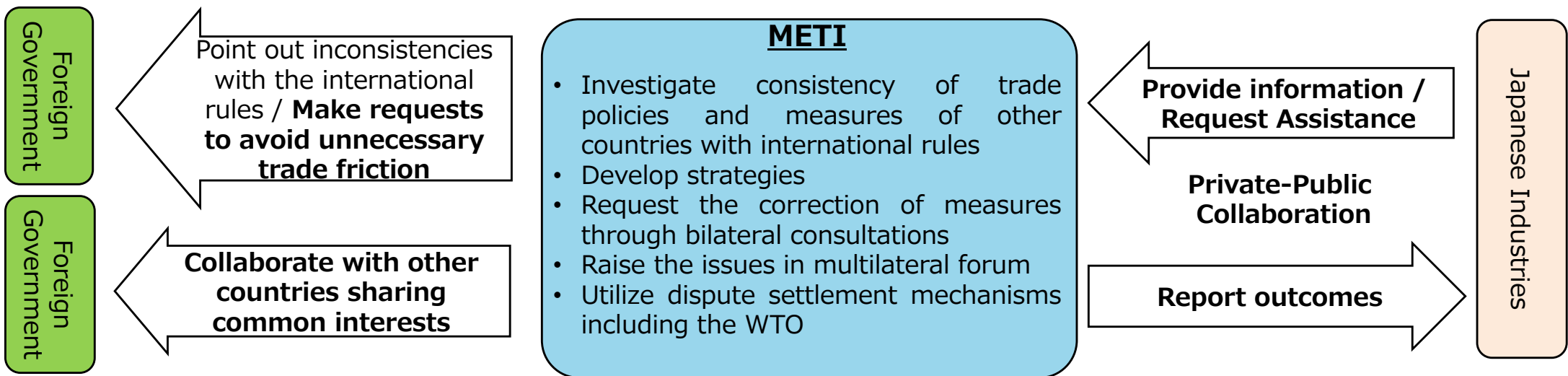
- The Report describes trade measures by foreign governments that are questionable in light of the WTO agreements and other international rules based on the information provided by industry. The Report aims to highlight the importance of the rules-based multilateral system.
- The Report has been published every year since 1992 (the 2024 Report is the 34rd edition). **The 2025 Report was published on June 11, 2025.**
- **"METI Priorities"** is a list of issues which METI prioritizes to address.

"Report on Compliance by Major Trading Partners with Trade Agreements" (Report of the Subcommittee on Unfair Trade Policies and Measures)

- This is the only report that comprehensively analyzes the status of trade measures in each country in accordance with international rules.
- Experts of **Subcommittee on Unfair Trade policies and Measures under the Industrial Structure Council** have analyzed problems of trade policies and measures of major trading partners based on international rules, including the WTO agreements.

"METI Priorities"

- From the measures pointed in the report, METI has picked up several measures as priorities, taking into consideration the interests of the industry. It is used to encourage foreign governments and promote collaboration with industry and foreign governments of similar interest.

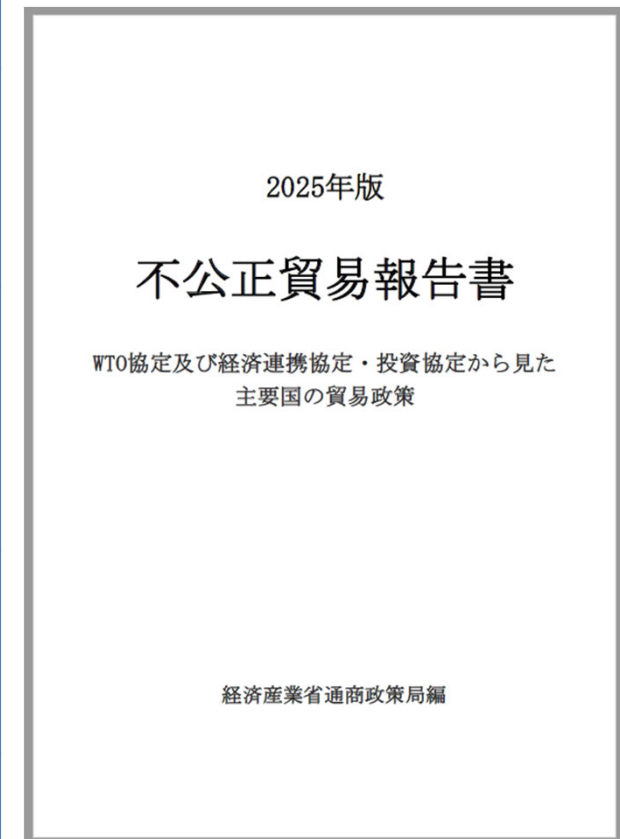


1. Report on Compliance by Major Trading Partners with Trade Agreements

Structure of the 2025 Report on Compliance by Major Trading Partners with Trade Agreements

- Composed of three parts, Part I points out various trade policies and measures of foreign countries and analyzes their consistency with the international rules including the WTO agreements. Part II (WTO agreements) and III (FTA/EPA) give a brief summary of international rules.

Preface	Presents the concept of “rule-based” approach, which is to determine the “fairness” of trade policies and measures based on internationally agreed rules
Part I	Points out policies and measures of 22 countries/regions (including China, the US, ASEAN countries, the EU・UK, Australia, Korea, Canada, India, Russia, and Brazil)
Part II	Explains the WTO agreements and WTO-related discussions (including GATT, AD Agreement, Agreement on Subsidies and Countervailing Measures, Safeguard Agreement, GATS, TRIPS, Government Procurement, and E-Commerce) and major cases under each agreement
Part III	Explains Japan’s major EPA/FTA and investment treaties including the CPTPP
References	Exhibits the recent movement in the Ministerial Conferences of the WTO, and also provides a list of WTO dispute settlement (DS) cases.



Newly Listed Cases (2 cases)

(※In general, measures are published as of the end of March 2025)

Part and Chapter	Measure	Abstract
Part I Chapter 1 "EU"	Anti-Dumping investigation On Hot-Rolled Flat Products Of Iron From Japan	<p>The EU initiated the AD investigation on hot-rolled flat products from Japan in August 2024.</p> <p>The subject products have already been subject to the safeguard measures imposed by the EU since July 2018. Therefore, the total import volume of the subject products has remained stable. Also, since July 2024, the safeguard measures has been extended and reinforced, and as a result, the volume of imports from Japan has decreased in the latter half of 2024. The EU may conduct an unreasonable injury finding, without properly taking into account the trade-restrictive effect of the extended safeguard measures.</p> <p>Japan will continue to closely monitor this investigation and request that the EU make an appropriate determination.</p>
Part I Chapter 12 Other Matters "South Africa"	Provisional Safeguard Measures And Anti-Dumping investigation On Flat-Rolled Products Of Iron From Japan	<p>South Africa imposed the provisional safeguard measures on flat-rolled products of iron in July 2024, and initiated the AD investigation on the same subject products from Japan in August 2024.</p> <p>The subject products had already been subject to the safeguard measures imposed by the South Africa by 2021. Therefore, the necessity of the provisional safeguard measures is questionable, and the fulfillment of prerequisites such as "the result of unforeseen developments" is also questionable.</p> <p>Also, as a result of the provisional safeguard measures, the volume of imports of subject products from Japan is decreasing further. South Africa may conduct an unreasonable injury finding, without properly taking into account the trade-restrictive effect of the provisional safeguard measures.</p> <p>Japan will continue to closely monitor this investigation and request that South Africa make an appropriate determination.</p>

Columns

- 6 columns are posted for this year's edition.
- METI added 3 newly columns, including "Developments Regarding The Overcapacity Issue".
- We conducted deep analysis on 3 existing columns, including "Developments Around The WTO Appellate Body", which is an important issue of WTO reform.

Part and Chapter	Title	Abstract
Part II "Overview of the WTO Agreements"	Business Supply Chain, And Human Rights And Environmental Issues	As the introduction of laws and regulations to respect human rights and environmental protection has progressed, mainly in Europe and the United States, and business enterprises are required to strengthen their efforts, this column will provide an overview of trends in laws and regulations in various countries and also introduce the efforts of the Japanese government to encourage respect for human rights by Japanese business enterprises. In addition, this column analyzes the relationship between laws and regulations on human rights or environment and international agreements.
Part II Chapter 7 "Subsidies and countervailing measures"	Developments Regarding The Overcapacity Issue - Toward Ensuring A Level Playing Field (LPF) -	In recent years, concerns about the overcapacity problem with its distortive effect on trade and the non-market policies and practices that underlie it have been growing, and the need to ensure a level playing field (LPF) has been called for. This column reviews the status of the discourse on the overcapacity problem, and introduces the measures taken by various countries in response to the problem, as well as the movements of discussions in the international fora.
Part II Chapter 7 "Subsidies and countervailing measures"	Developments Regarding Transnational Subsidies	The Agreement on Subsidies and Countervailing Measures was negotiated on the assumption that a subsidy is provided by the government of exporting country to an exporter within its territory. Recently, however, countries have become concerned about the adverse effects of transnational subsidies in the context of China's Belt and Road Initiative and there is a discussion how to address this issue under the WTO Agreements. This column shows examples of CVDs against transnational subsidies introduced by the US and EU, as well as discussions on their consistency with the WTO Agreements.

Columns

Part and Chapter	Title	Abstract
Part II Chapter 14 "Government Procurement"	Developments around EU's Foreign Subsidies Regulation	In May 2021, the European Commission published a new proposal for regulations titled "Foreign Subsidies Regulation (FSR)" aimed at addressing distortions of competition in the internal market caused by subsidies granted by governments outside the EU. This regulation came into effect in January 2023 and began to be applied in July of the same year. This column outlines the contents of the regulation and previous investigation cases, as well as introduces the response of the Chinese government to them.
Part II Chapter 17 "Dispute Settlement Procedures under the WTO"	Developments Around The WTO Appellate Body	This column addresses development of discussions and updates regarding the Appellate Body that has ceased its functions since December 2019. It describes (1) the United States' long-standing criticisms against the Appellate Body, (2) discussions at the WTO over the reform of dispute settlement system (especially, informal discussions introduced after MC12, the ministerial decision made at MC13, and formal discussions after MC13), (3) how WTO Members have used the dispute settlement system since the Appellate Body became dysfunctional, (4) how the Multi-Party Interim Appeal Arbitration Arrangement (MPIA) has been utilized, (5) legislation by the EU and Brazil for countermeasures against appeals into the void, and (6) Japan's efforts to address this issue.
Part II Chapter 18 "Monitoring Trade Policies / Measures"	Recent Discussions On Trade-Related Climate Measures (TrCMs) And Japan's Initiative	In recent years, there has been an active movement regarding Trade-related Climate Measures (TrCMs), such as the introduction and consideration of Carbon Border Adjustment Measures (CBAM) in various countries and regions, including the EU. This column introduces the current status of TrCMs, concerns regarding the fragmentation of TrCMs, the state of discussions in international fora such as the WTO, and Japan's proposal submitted last October at the WTO Committee on Trade and Environment (CTE) in response to these issues.

2. METI's Priorities

Summary of METI Priorities Based on the 2025 Report on Compliance by Major Trading Partners with Trade Agreements (published on June 11, 2025)

- The Report has continuously presented, for 33 years since its first issuance, the concept of “rules-oriented”. Japan has made efforts to establish new trade-related rules, and actively used the WTO dispute settlement procedures to remove adverse effects brought by the rules-inconsistent measures by trade partners.
- With the prolonged vacancy for the Appellate Body member positions since December 2019, “appeals into the void” have been made in WTO DS cases, leaving the cases pending and unresolved. As a result, the WTO dispute settlement system is in a critical situation where rules-based governance for international trade would not work well. METI will continue to work for the realization of dispute settlement reform. At the same time, METI will make efforts to ensure that disputes are resolved in accordance with the rules in the interim until the reform is realized, including the utilization of the MPIA, which Japan joined in March 2023.
- In recent years, there has been increasing concern that non-market measures by some emerging countries could present a risk to the foundation of the multilateral trading system, including fair competition and market functions. There are scattered cases where unilateral measures are taken to correct such economic imbalances. METI will make further efforts to make rules for ensuring level playing field through various fora such as the WTO, G7, and the Japan-US-EU Trilateral Ministerial Meeting.
- Furthermore, given that there is an increasing concern with economic coercion, METI will strengthen our cooperation with like-minded partners to evaluate, prepare for, deter, and respond to economic coercion.
- In addition to responses to such systemic problems, METI will work on the follow individual policies and measures.

METI's Priority Cases listed in the 2024 Report

- Items and related actions deemed to be of a high priority in implementing future trade policies

(1) Measures to resolve issues through bilateral and multilateral consultations, or measures to closely monitor the design and operation of the system

- China: Export Control Law
- China, Hong Kong, Macau, Russia: Suspension of Import of Japanese Aquatic Products in Response to Discharge of the ALPS Treated Water Into the sea
- China: Inappropriate Application of AD Measures
- China: Anti-Suit Injunctions (ASI) by Chinese Courts in Standard Essential Patent Lawsuits
- China: Preferential treatment for domestic companies and domestic products in government procurement
- The United States: Zeroing (Inappropriate Calculation of AD Duties) including Abusive Zeroing in the Cases of Targeted Dumping
- The United States and Emerging Economies: Sunset Review Practice (Term-end Review for the Continuation of Anti-Dumping (AD) Measures) and Unreasonably Long-standing AD Measures on Japanese Products
- The United States: Tax Incentives for Electric Vehicles
- The United States: Import Adjustment Measures pursuant to Section 232 of the Trade Expansion Act of 1962 and the International Emergency Economic Powers Act (IEEPA)
- Indonesia: Import Restriction Measures on Steel Products, Textile Goods, and Electrical Products
- EU: Regulation on a Carbon Border Adjustment Mechanism (CBAM)
- EU: Anti-Dumping investigation On Hot-Rolled Flat Products Of Iron From Japan
- EU: F-Gas Regulation
- France: Subsidies for Electric Vehicles
- India: Inappropriate Application of Trade Remedy Measures

※ As for the following issues, METI will proceed with comprehensive policy measures, including rule-making, to ensure a level playing field, in addition to the efforts to address these issues through the WTO and bilateral consultations with possible use of the WTO DS Mechanism based on the current WTO rules.

- China: Industrial Subsidies
- China: Regulations related to cybersecurity and data
- China: Forced Technology Transfer
- Vietnam: Cybersecurity Law / Decree on Personal Data Protection

(2) Issues for which the WTO DS procedures have already started

- Korea: Measures Affecting Trade in Commercial Vessels (Consultation) (collaborate with the MLIT)
- India: Tariff Treatment on Certain Goods in the ICT Sector (Appellate Body)
- India: Safeguard Measures on Hot-Rolled Steel Coils (Appellate Body)

Progress since last year

2024 Priorities

- (1) Measures to resolve issues through bilateral and multilateral consultations, or measures to closely monitor the design and operation of the system
- China: Export Control Law
 - China, Hong Kong, Macau, Russia: Suspension of Import of Japanese Aquatic Products in Response to Discharge of the ALPS Treated Water Into the sea
 - China: Inappropriate Application of AD Measures
 - **China: Recommended National Standard for Office Devices (Information Security Technology and Office Equipment Safety Code)**
 - China: Anti-Suit Injunctions (ASI) by Chinese Courts in Standard Essential Patent Lawsuits
 - China: Preferential treatment for domestic companies and domestic products in government procurement
 - The United States: Zeroing (Inappropriate Calculation of AD Duties) including Abusive Zeroing in the Cases of Targeted Dumping
 - The United States and Emerging Economies: Sunset Review Practice (Term-end Review for the Continuation of Anti-Dumping (AD) Measures) and Unreasonably Long-standing AD Measures on Japanese Products
 - The United States: Tax Incentives for Electric Vehicles
 - The United States: Import Adjustment Measures pursuant to Section 232 of the Trade Expansion Act of 1962
 - Indonesia : Various Import Restriction Measure
 - EU: Regulation on a Carbon Border Adjustment Mechanism (CBAM)
 - EU: F-Gas Regulation
 - France: Subsidies for Electric Vehicles
 - India: Inappropriate Application of Trade Remedy Measures
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 - China: Forced Technology Transfer
 - Vietnam: Cybersecurity Law / Decree on Personal Data Protection
- (2) Issues for which the WTO DS procedures have already started
- Korea: Measures Affecting Trade in Commercial Vessels (Consultation)(collaborate with the MLIT)
 - **Korea: Sunset Review Administration on Stainless Steel Bars from Japan (Appellate Body)**
 - India: Tariff Treatment on Certain Goods in the ICT Sector (Appellate Body)
 - India: Safeguard Measures on Hot-Rolled Steel Coils (Appellate Body)
- (3) Issues on which Japan urges prompt implementation of the WTO recommendations
- **Brazil : Discriminatory Preferential Taxation and Charges Affecting Automobile Sectors, etc.**
 - **China: Anti-Dumping Measures on Stainless Products (panel)**

2025 Priorities

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 - China, Hong Kong, Macau, Russia: Suspension of Import of Japanese Aquatic Products in Response to Discharge of the ALPS Treated Water Into the sea
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 - China: Anti-Suit Injunctions (ASI) by Chinese Courts in Standard Essential Patent Lawsuits
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