**Essay 2**

**Topic: To what extent does Japan encourage free trade by lowering its own trade tariffs?**

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**Assigned Role: Japan**

**Introduction**

This research examines Japan's attitude to free trade by looking at its trade tariffs. Japan has always been seen as a supporter of free trade and has aggressively pursued a strategy of cutting trade barriers (World Trade Organization, 2021). This essay will present a summary of Japan's free trade attitude, do a SWOT analysis and propose potential actions to further boost free trade.

**SWOT Analysis**

**Strength: Commitment to free trade**, **Economic benefits**, **International cooperation.**

Japan has reaped major gains from global market liberalization, which has boosted economic development and international commerce. Japan's overall exports in 2019 were $705 billion, with cars, electronic devices, and machinery being significant export industries (World Trade Organization, 2021).

The Japan`s strong participation in global trade discussions shows its commitment to collaborating with other countries to support free trade. Japan has been influential in developing trade policies and agreements. For example, Japan is a participant of the CPTPP, which covers 13% of global GDP and enables trade among 11 member nations (World Trade Organization, 2021).

**Weakness: Sensitive industries, Balancing domestic interests.**

The government must analyze the needs of domestic businesses while promoting free trade, which may provide difficulties in achieving more tariff cuts. Japan's agriculture industry, for example, is heavily secured, with average tariffs on agricultural products hitting 21.5% in 2020 (Oki, 2015).

**Opportunity: Enhanced global competitiveness, Regional integration.**

Tariff reductions can strengthen Japan's worldwide market share, bring in investors from abroad, and improve connectivity to global markets, leading to greater exports and boost to the economy. Lowering tariffs, for example, can provide Japanese manufacturers a profitable edge in worldwide markets (Mukai, 2018).

**Threats: Economic retaliation, Domestic opposition.**

Tariff reductions without mutual agreement may provoke retaliation from trading partners, possibly resulting in trade confrontations that hurt Japan's export-driven economy. Following the retaliatory actions implemented by both nations, Japan faced conflicts over trade and interruptions in bilateral commerce with South Korea in 2020 (World Trade Organization, 2021).

**Stance and Possible Responses**

The Ministry of Economy, Trade and Industry of Japan (2021) states Japan takes the position that free trade should be promoted while also realizing the necessity to balance domestic interests.

**Sequential tariff reductions:** To achieve a balance between encouraging free trade and defending vulnerable industries, Japan can maintain its policy of progressively lowering trade tariffs (Nakagawa, 2020).

**Domestic assistance indicators:** The Organization for Economic Cooperation and Development (OECD), 2021, states that establishing tailored assistance packages and regulations may help sectors adapt to growing competition, improve productivity, and investigate new prospects in global markets.

**Trade Agreement Negotiations:** Japan can encourage free trade by actively participating in trade agreement negotiations, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and bilateral agreements, aiming to decrease trade barriers and improve market accessibility (Ministry of Foreign Affairs of Japan, 2021).

**Conclusion**

In summary, Japan has proactively advocated for open trade by actively participating in trade agreement discussions, diminishing trade tariffs, and engaging with global trade organizations. Initiatives such as the CPTPP and bilateral agreements have been pursued to amplify market entry opportunities and reduce trade impediments. Despite advancements, specific sectors, like agriculture, continue to encounter hurdles. All in all, Japan's steadfast commitment to fostering unrestricted trade has the potential to foster economic expansion and fortify its standing in the international marketplace.

**Words: 498**

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