Japan Trade Barriers

While tariffs are generally low, Japan does have non-tariff barriers that impede or delay the importation of foreign products into Japan. Although competition, U.S. and other foreign government pressure, as well as other factors have lessened the impact of these impediments, U.S. companies may still encounter non-tariff barriers such as the following:

- standards unique to Japan (formal, informal, de facto, or otherwise);

- a requirement in some sectors or projects for companies to demonstrate prior experience in Japan, effectively shutting out new entrants in the market;

- official regulations that favor domestically-produced products and discriminate against foreign products;

- licensing powers in the hands of industry associations with limited membership, strong market influence, and the ability to control information and operate without oversight;

- cross stock holding and interconnection of business interests among Japanese companies that disadvantage suppliers outside the traditional business group;

- cartels (both formal and informal) and,

- the cultural importance of personal relationships in Japan and the reluctance to break or modify business relationships.

The tools available to overcome these non-tariff barriers depend on the industry, the product or service's competitiveness, and the creativity and determination of the firm's management. The U.S. Department of Commerce's Trade Compliance Center (TCC) helps U.S. exporters and investors
overcome foreign trade barriers and works to ensure that foreign countries comply with their trade agreement obligations to the United States.

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