Japan Agrees To Join Alternative WTO Trade-Dispute Resolution System

Recently Japan joins the Multi Party Interim Appeal Arbitration Arrangement (MPIA) to resolve the trade dispute mechanism at WTO. In this article you can read about Japan's Cabinet approving the country to join the Multi-Party Interim Appeal Arbitration Arrangement (MPIA).

This is an important topic for the IAS exam

Japan joins Alternative WTO Trade-Dispute Resolution System:

● Japan has become the latest country to join the Multi-Party Interim Appeal Arbitration Arrangement (MPIA), an alternative dispute resolution mechanism to the World Trade Organization (WTO).
● According to the MPIA website, Japan is the 26th member to join the alternative arrangement, which includes the European Union, Canada, and Brazil.
● The Japanese government decided to join the MPIA as an interim measure until the dispute settlement function of the WTO is restored.

Background:

● The top appeals bench of the World Trade Organization (WTO), which rules on trade disputes, has been inactive for more than two years due to appointments held up during former President Donald Trump's administration.
● The United States, which rejects repeated calls to approve appointments, is instead leading private discussions on how to restart the dispute system.

Impact:

● According to observers, Japan's membership in the MPIA may encourage other countries to follow suit.
● Dmitry Grozoubinksii, Executive Director of the Geneva Trade Platform, believes that Japan's membership may increase pressure on wavering potential members such as the United Kingdom and South Korea.
● He added that Japan's adhesion to the MPIA would offer a legal path forward for any future disputes between Japan and China since they are both members.

Conclusion:
● Due to the inactivity of the WTO's top dispute panel, the losing party can appeal the lower court's decision into a legal void, resulting in fewer cases being brought to the WTO.

● Japan's membership in the MPIA may provide a solution to countries seeking dispute resolution mechanisms for their trade disputes, offering a legal path forward until the dispute settlement function of the WTO is restored.