

U.S. Tariffs and the 2025 U.S.-Japan Framework Agreement

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After months of talks spurred by [U.S. tariff actions](#), the United States and Japan [announced](#) in July 2025 the outlines of a bilateral “strategic trade and investment agreement.” Details of the framework agreement were released in early September, following further negotiations to resolve differences over implementation terms. As part of the deal, the United States has imposed a 15% tariff on most imports from Japan, a reduction from the 25% that President Trump initially proposed but an increase from 2024 [U.S. tariff rates](#). Also, Japan committed to purchase U.S. aircraft and defense equipment and to invest \$550 billion in strategic U.S. sectors. The agreement, a priority for Japan, comes amid uncertainty in Japanese politics. On September 7, Japanese Prime Minister Shigeru Ishiba [announced](#) his intention to resign, which could affect Japan’s political ability to implement the deal.

Members of Congress wanting to assert greater authority over presidential tariff actions in general may consider modifying delegated authorities through legislation and tightening oversight over U.S. tariffs and implementation of recent trade deals, as well as the direction of [U.S. trade policy toward and bilateral economic cooperation with Japan](#), in particular. Congress also may compare the U.S.-Japan deal against other agreements with key partners such as the [European Union \(EU\)](#), [South Korea](#), and the [United Kingdom](#).

Key U.S. Tariff Actions

In April 2025, after [declaring](#) a national emergency “arising from conditions reflected in large and persistent annual U.S. goods trade deficits,” President Trump imposed 10% “reciprocal tariffs” on imports from most trading partners, including Japan, under the [International Emergency Economic Powers Act of 1977 \(IEEPA, 50 U.S.C. §§1701 et seq.\)](#). President Trump also announced and then [suspended](#) higher country-specific tariffs on partners with which the United States has the largest goods trade deficits, including Japan ([\\$69 billion in 2024](#)). On July 7, the President announced a [25% country-specific tariff](#) for Japan beginning August 1. This was superseded by the July 22 U.S.-Japan deal announcement, which included a [15% tariff rate](#) on most Japanese goods.

President Trump also imposed tariffs on various sectors under [Section 232 of the Trade Expansion Act of 1962 \(19 U.S.C. §1862, as amended\)](#), which allows the President to restrict imports if the Secretary of

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Commerce finds a U.S. national security threat. In 2025, President Trump has imposed 25% tariffs on [vehicles and auto parts](#) and 50% tariffs on [steel](#), [aluminum](#), and [copper](#) products. U.S. auto tariffs, in particular, are a key concern for Japan as the sector comprises a major share of U.S.-Japan trade. Other [Section 232 investigations](#) are ongoing and may result in tariffs on key Japanese exports including semiconductors, pharmaceuticals, trucks, and aircraft. The U.S.-Japan deal addresses several of these sectors.

U.S.-Japan Framework Agreement

In September, the Trump Administration issued [Executive Order \(E.O.\) 14345](#) and [regulations](#) for implementing certain provisions of the U.S.-Japan deal. Key aspects include

- Retroactive to August 7, the 15% rate for Japanese imports will not “stack” on top of existing tariff rates—i.e., it is inclusive of any most-favored nation (MFN) tariff rate above zero applied by the United States to goods not traded under a free trade agreement. If the MFN rate is above 15%, no IEEPA tariff is applied to Japanese goods.
- From September 16, Japanese automotive products face a 15% tariff, inclusive of MFN rates.
- Japanese products under the [World Trade Organization Agreement on Trade in Civil Aircraft](#) (except for unmanned aircraft) are exempt from the 15% IEEPA tariff and Section 232 tariffs on steel, aluminum, and copper.
- Other Japanese products, including natural resources and generic pharmaceuticals, could be granted duty-free treatment.

According to a separate U.S.-Japan [joint statement](#) on the agreement, Japanese pharmaceuticals and semiconductors are to face tariffs “no greater than that applied” to any other country, and Japan also committed to:

- an expedited increase in purchases of U.S. rice;
- \$8 billion in annual purchases of U.S. agricultural goods, including corn, soybeans, fertilizer, and bioethanol;
- \$7 billion in annual purchases of U.S. energy; and
- an easing of Japanese regulations for U.S.-safety-certified vehicles and provision of clean energy vehicle subsidies for U.S. cars.

E.O. 14345 specifies that the Commerce Secretary “shall monitor the progress of Japan’s implementation of its commitments under the Agreement,” and that should Japan “fail” to implement commitments, the United States may consider increasing tariffs.

According to a September 4 U.S.-Japan [memorandum of understanding \(MOU\)](#) related to Japan’s \$550 billion investment pledge, investments are to be targeted in strategic sectors, including semiconductors, pharmaceuticals, metals, critical minerals, shipbuilding, energy, artificial intelligence, and quantum computing, and must be made before January 2029. President Trump is to establish an investment committee, to be chaired by the Secretary of Commerce, to recommend and oversee the investments. The MOU outlines terms of profit sharing and investment disbursements, which reportedly generally favor the United States government. Some experts have pointed out [potential challenges](#) with the investment vehicle and [question](#) whether the MOU will serve as a model for other investment deals.

Issues for Congress

Congress is debating whether to exercise its constitutional authority over foreign commerce and tariffs by amending authorities and strengthening its oversight over U.S. tariffs, including on Japan (e.g., S. 348), and related trade negotiations. Some Members welcomed the Trump Administration's deal with Japan, asserting that it will create jobs and increase U.S. exports, while others criticized the deal as disadvantaging U.S. autoworkers. Some Members have [raised concerns](#) that the U.S. 15% tariff rate for Japan "still marks a sharp increase that will carry significant economic costs," complicates the U.S.-Japan alliance, and potentially undermines cooperation on shared priorities, such as supply chain resiliency.

Some Members have [asserted](#) that "trade agreements relating to tariffs imposed through Executive action" should be submitted to Congress for approval. Members who support enhancing congressional oversight over U.S. trade policy could enact legislation requiring congressional consultations or approval of the U.S.-Japan agreement, including tariff changes. An open question is how outcomes of [legal challenges](#) on the use of IEEPA authorities to impose tariffs may impact the negotiation and implementation of recent framework agreements.

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