

Resilience of Regional Trade Agreements: Evidence from United State of America Tariff Treatment of UMSCA and Japan in the Post-Crisis Era

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Abstract

This study examines the resilience of regional trade agreements through an analysis of U.S. tariff treatment under the United States–Mexico–Canada Agreement (USMCA) and the U.S.–Japan Trade Agreement, using data obtained from the 2025 U.S. Tariff Database. The study adopts a quantitative research design using secondary data collected by extracting product-level tariff schedules reported under the Harmonized System (HS-8) classification. The dependent variable, tariff resilience, is proxied by the extent and stability of preferential tariff relief across tariff lines, while the independent variables include MFN tariff rate, USMCA preferential rate, and Japan preferential rate, representing multilateral, regional, and bilateral treatment respectively. Using the Kaplan–Meier survival simulation; this study evaluated the persistence and depth of preferential treatment over time, with findings showing a clear hierarchy in tariff treatment. MFN rates are consistently the highest, Japan's tariffs provide partial but significant relief, and USMCA tariffs are almost entirely eliminated. Agricultural products, processed foods, and manufactured goods benefit most from complete tariff removal under USMCA, while Japan's concessions, although meaningful, leave some residual exposure. These findings further illustrates that USMCA offers a 100% survival rate for covered tariff lines, reflecting its strength as a resilience mechanism, whereas MFN treatment gradually declines in coverage; highlighting the strategic importance of regional trade agreements in stabilizing trade flows during crises. The study concludes that deep regional integration enhances resilience, while multilateral frameworks require revitalization to complement regional arrangements.

Keywords: Japan trade agreement, MFN tariffs, regional integration, survival analysis, Tariff resilience, USMCA

1. Introduction

In the aftermath of overlapping global disruptions namely; the COVID-19 pandemic, supply chain shocks, geopolitical tensions (e.g., U.S. – China rivalry), and rising inflation, U.S. trade policy has entered a more volatile and protectionist phase. Tariffs have been used more aggressively not only as economic tools but as instruments of strategic competition, national security, and domestic industrial revival (Freund et. al, 2024). This shift has included the reimposition or escalation of tariffs on traditional trading partners, efforts

to “reshore” critical manufacturing, and a renewed focus on regional trade agreements as buffers against global instability (Luo, et. al. 2025). In particular, regional agreements like USMCA (United States-Mexico-Canada Agreement) have become central to U.S. trade strategy, offering preferential access and rules-based protections that may be more resilient under crisis conditions.

While many studies have examined the effects of U.S. tariffs with respect to specific countries (e.g., China) or sectors, there is relatively little empirical work comparing how U.S. tariff treatment under regional agreements like USMCA, versus bilateral or quasi-bilateral arrangements such as with Japan, performs in terms of resilience during periods of disruption.

Specifically, it is not yet well understood how much preferential tariff relief USMCA and Japanese agreements provide relative to U.S. MFN (Most Favored Nation) rates across diverse product lines; whether this relief translates into measurable “resilience” — i.e., reduced exposure to tariff shocks or trade disruptions; and which sectors (e.g., agriculture, machinery, textiles) benefit most, and which remain vulnerable even under regional agreements. Accordingly, this paper aims to use tariff data (2025 U.S. tariff database) to compare U.S. MFN tariff rates with preferential rates under USMCA and U.S.-Japan trade treatment; assess sectoral vulnerability; and simulate how preferential mechanisms under these agreements may cushion trade lines in times of crisis. The research question can be formulated as: *To what extent do regional trade agreements (USMCA, U.S.-Japan) enhance tariff-resilience for U.S. import lines compared to MFN treatment?*

The significance of examining tariff resilience under USMCA and Japan lies first in its policy relevance. In an era where trade measures are increasingly weaponized, understanding where preferential agreements succeed or fail offers guidance to policymakers. Insights into how USMCA and Japan-specific concessions protect industries from tariff volatility can inform U.S. negotiators and domestic policy actors as they design strategies for enhancing competitiveness and resilience. From an economic stability perspective, industries dependent on stable tariff treatment such as those in agriculture, machinery, or textiles stand to benefit significantly from preferential regimes that reduce exposure to shocks. By lowering trade costs and insulating firms from sudden disruptions, these agreements may foster investment and employment, thereby strengthening the domestic economy. Identifying the sectors that gain most from preferential tariffs also highlights those that remain vulnerable, guiding targeted support measures. The geopolitical implications are equally critical. The United States maintains deep strategic and economic relationships with Canada and Mexico through USMCA, and with Japan through its bilateral arrangements. Tariff concessions under these agreements not only sustain trade flows but also reinforce diplomatic and security alliances. In a period characterized by tensions with other global powers, these preferential frameworks may serve as stabilizing anchors in U.S. foreign economic policy.

Finally, this study contributes to the broader comparative trade literature. While much scholarship has addressed U.S.–China trade frictions, less attention has been given to the resilience effects of U.S. regional agreements in times of crisis (Mena et. al., 2021, Peterson Institute for International Economics, 2025), & Cimino-Isaacs & Kitamura, 2025). By providing empirical evidence on tariff differentials and their stabilizing role, this research fills an important gap and enriches discussions on how trade agreements can serve as instruments of resilience in an increasingly uncertain global economy.

2. Literature Review and Conceptual Framework

2.1 Conceptual Review

Regional Trade Agreements: Regional trade agreements are official agreements between two or more nations in an area to lower or do away with trade restrictions like import taxes, quotas, and tariffs. Promoting economic integration, expanding market access, and bolstering supply chain interdependence among member states are the main objectives of RTAs (Viner, 1950; Balassa, 1961). The United States has attempted to get preferential market access and enhance trade stability in the post-crisis age through important instruments including the U.S.-Japan Trade Agreement and the United States-Mexico-Canada Agreement (USMCA).

Trade Resilience: The ability of trade frameworks to maintain steady tariff treatment and trade flows in the face of global disturbances like pandemics, geopolitical conflicts, or inflationary shocks is known as tariff resilience. Industries are shielded from unforeseen fluctuations in trade costs by a robust tariff structure, which also reduces volatility. This idea is consistent with the more general concept of economic resilience, which stresses responsiveness (speed of recovery) and robustness (capacity to endure shocks) in trade relations (Christopher & Peck, 2004; Mena et. al 2021).

U.S. Tariff Policy and Preferential Treatment: To control tariff risk and protect vital supply chains, the US has depended more and more on preferential trade agreements in recent years. While preferential tariffs under RTAs like the USMCA and Japan accords offer deeper concessions for specific partners, Most-Favored Nation (MFN) tariffs treat all WTO members uniformly. One important measure of how well RTAs protect partners from tariff shocks is the preferred tariff margin, which is the difference between these rates.

2.1.1 Review of U.S. Tariff Policy within Multilateral (WTO) vs. Regional Contexts

A large and policy-oriented literature debates the comparative roles of multilateral liberalization (WTO) versus bilateral and regional agreements (RTAs) in governing trade. Multilateral rules provide universality and predictable most-favored-nation (MFN) treatment, while RTAs deliver deeper, targeted liberalization and enforcement mechanisms tailored to partners (WTO Research and Policy papers; Teteryatnikova, 2008). Empirical assessments show ambiguous welfare effects across RTAs benefits depend on the agreement's coverage, depth, and the economic structure of partners (World Bank reviews; WTO research).

The U.S. experience in the post-crisis era illustrates the tension between multilateral commitments and targeted regional or bilateral action. Since the mid-2010s the United States has increasingly used non-MFN instruments (safeguards, Section 232/301 tariffs, and negotiated regional concessions) as part of broader industrial and national-security strategies (Office of the U.S. Trade Representative, 2025). At the same time, instruments embedded in RTAs such as preferential tariff margins, rules of origin, and dispute-settlement incentives remain important practical tools for maintaining flows among close partners (USTR, 2025; Congressional Research Service, 2025). These features mean RTAs can sometimes offer faster, more flexible policy levers to preserve trade relations when global rule-based multilateralism is strained.

2.2 Theoretical Review: three theories are fundamental to this study. They are as follows:

a. **Viner's Customs Union Theory (1950):** Viner's notion of the classical customs union serves as the basis for the analysis of regional integration. It demonstrates that preferential tariff reductions can result in both trade diversion—where trade is diverted away from more efficient non-members—and trade creation—where cheaper intra-regional trade replaces higher-cost local industry. The theory backs up the claim that when trade generation exceeds trade diversion, RTAs improve efficiency and welfare.

b. **Balassa's Stages of Economic Integration (1961):** The phases of economic integration, from free trade zones to economic unions, were codified by Balassa (1961). According to his concept, greater resilience to external shocks results from broader integration, which includes not only tariff liberalization but also institutional and regulatory alignment. This stage of integration is best represented by the USMCA, a comprehensive agreement with standardized rules of origin.

c. **Resilience and Supply Chain Theory:** Christopher and Peck (2004) assert that robustness and responsiveness—two interconnected qualities that enable supply chains to tolerate and bounce back from disruptions—determine resilience in trade networks. By instituting collaboration, lowering uncertainty, and promoting continuity in times of crisis, regional accords support these capacities. The study's contention that deep preferential agreements, like the USMCA, act as resilient mechanisms within the global trade system is supported by this hypothesis.

2.2.1 Theoretical Perspectives on Regional Trade Agreements and Crisis Resilience

The literature on regional trade agreements (RTAs) dates back to classic trade-theory debates about trade creation and diversion (Viner, 1950), and to later formalizations of stages and motives for regional integration (Balassa, 1961). These foundational works stress that preferential tariff liberalization can increase welfare through expanded intra-regional trade, but that such liberalization can also divert trade away from more efficient non-members. Subsequent theoretical work has extended these ideas to consider how the *structure* of trade agreements depth of tariff cuts, rules of origin, and regulatory cooperation influences firms' incentives for investment, sourcing, and innovation (Teteryatnikova, 2008).

More recent research links RTAs to resilience: RTAs can both reduce exposure to external shocks (by insulating partner trade from external tariff shocks) and increase interdependence that may propagate shocks through integrated supply chains (Christopher & Peck, 2004; Mena et. al. 2021). The resilience literature distinguishes two core capabilities: robustness (withstanding a shock) and responsiveness (recovering after a shock). In trade terms, robustness can be reflected in sustained trade flows despite external disturbances, while responsiveness describes the speed and completeness of trade recovery both of which can be influenced by preferential tariff treatment, streamlined customs procedures, and cooperation clauses in RTAs (Mena et al., 2021; Christopher & Peck, 2004).

2.3 Empirical Review: Empirical studies on tariff policy and regional trade agreements provide mixed but insightful evidence on their effects on resilience and trade stability.

Using panel regression models, Mena et al. (2021) examined trade performance across OECD nations during the COVID-19 pandemic. They discovered that economies with robust regional trade frameworks recovered more quickly and had less trade contraction, highlighting the stabilizing function of RTAs. A sector-level analysis of the impact of the USMCA on North American trade flows was carried out by the Peterson Institute for International Economics (PIIE, 2025). According to their findings, the removal of tariffs in the automotive and agriculture industries strengthened cross-border supply chains by reducing trade volatility by more than 60%. Cimino-Isaacs and Kitamura (2025) used product-level tariff data from 2019–2024 to analyze the U.S.–Japan Trade Agreement. The analysis found that although tariff preferences gave Japanese exporters better access to markets, their coverage was still less extensive than that of the USMCA, which limited the benefits of resilience in times of crisis.

Global supply chain modifications under several crises were used by Luo et. al. (2025) to illustrate that nations with regionally concentrated and varied trade agreements were more adaptable and had lower import price volatility. Regional cooperation in tariff policy and customs facilitation increases the predictability of trade flows, lowering the risk of abrupt shocks in global markets,

according to a World Bank (2018) analysis of logistics performance across 150 economies. Together, these empirical results highlight that regional and bilateral agreements—especially those with more extensive tariff concessions—offer greater resilience during global shocks, even though multilateral institutions like the WTO are still necessary for rule-based international trade.

2.3.1 Comparative Insights from Existing Studies on USMCA and Japan

Empirical and policy studies of USMCA (the U.S.–Mexico–Canada Agreement) emphasize the exceptionally high level of integration of North American value chains, especially in automotive and machinery sectors, which implies that tariff shocks can rapidly propagate across borders (Peterson Institute/other policy analyses, 2025). Analyses suggest that preferential zero or near-zero tariff treatment under USMCA reduces tariff exposure for many intermediate goods thereby supporting continuity of multi-border production processes during disruptions (PIIE, 2025). Conversely, U.S. trade arrangements with Japan historically have been narrower in sectoral coverage but sometimes feature targeted tariff reductions and sectoral commitments that matter for strategic industries (CRS, 2025). Recent U.S.–Japan negotiations (and policy actions) reveal a mixed picture: tariff preferences exist for many lines, but the coverage and preferential margins differ from USMCA, creating an asymmetry in how much “protection” partners receive from broader U.S. tariff shocks.

Synthesizing the empirical work: USMCA’s dense integration and broad tariff elimination in many intermediate goods suggests it may provide stronger immediate protection for supply chains in North America than the U.S.–Japan arrangements do for trans-Pacific chains—yet both frameworks include rules and administrative mechanisms (customs facilitation, regulatory cooperation) that affect resilience beyond simple ad-valorem tariff differences (USTR, 2025; Cimino-Isaacs & Kitamura, 2025).

Building on these theoretical and empirical insights, this study conceptualizes tariff resilience as the dependent variable, influenced by preferential tariff structures under USMCA and the U.S.–Japan agreements, relative to MFN treatment. The model assumes that the depth of tariff concessions and the stability of preferential regimes positively affect trade resilience during crises.

3. Methodology

Data Source: U.S. Tariff Database (2025)

The data for this study were drawn from the U.S. Tariff Database (2025), which provides Harmonized System (HS-8) product-level tariff schedules. The database reports Most-Favored Nation (MFN) applied rates, as well as preferential rates under key regional and bilateral agreements, including the United States–Mexico–Canada Agreement (USMCA) and the U.S.–Japan Trade Agreement. The dataset contains information on both ad valorem tariffs (expressed as a percentage of value) and specific tariffs (per unit charges). For analytical consistency, this study focuses on the ad valorem equivalent rates reported in the database. The method of data analysis used is both quantitative and comparative; using descriptive statistics, tariff dispersion measures, and survival analysis (Kaplan–Meier method) to evaluate tariff behavior and resilience across trade regimes.

Variables of Interest

The analysis centers on three main tariff measures and their derived benefits:

- T_i^{MFN} : MFN tariff rate for product i .

- T_i^{USMCA} : USMCA preferential tariff rate for product i .
- T_i^{JPN} : Japan preferential tariff rate for product i .

From these, the preferential tariff margins (benefits) are computed as:

$$\begin{aligned} B_i^{USMCA} &= T_i^{MFN} - T_i^{USMCA} \\ B_i^{JPN} &= T_i^{MFN} - T_i^{JPN} \end{aligned}$$

where B_i^{USMCA} and B_i^{JPN} capture the extent of tariff relief relative to the MFN baseline.

Analytical Approaches

(a) Comparative Tariff Structure Analysis

This approach compares MFN tariffs with preferential rates under USMCA and Japan to identify products and sectors where tariff burdens are significantly reduced. Average tariff rates are computed as:

$$\bar{T}^k = \frac{1}{N} \sum_{i=1}^N T_i^k, k \in \{MFN, USMCA, JPN\}$$

where N is the number of tariff lines in a sector. The differences (B_i^{USMCA}, B_i^{JPN}) are analyzed across products to reveal trade creation (when $B > 0$) and neutrality (when $B = 0$).

(b) Tariff Dispersion and Sectoral Vulnerability

To capture the variability of tariff rates across sectors, the standard deviation of tariffs is computed:

$$\sigma_s^k = \sqrt{\frac{1}{N_s} \sum_{i=1}^{N_s} (T_{i,s}^k - \bar{T}_s^k)^2}$$

where s denotes sector and N_s is the number of tariff lines in sector s . Higher dispersion indicates greater heterogeneity in protection, which may signal vulnerability for certain products.

Sectoral vulnerability is then assessed by comparing the relative preferential margin:

$$V_s = \frac{\bar{B}_s}{\sigma_s^{MFN}}$$

where V_s is a vulnerability-adjusted measure of resilience, capturing whether sectors with higher MFN dispersion gain sufficient relief from regional agreements.

(c) Kaplan–Meier Survival Simulation

To evaluate resilience dynamically, the study applies a survival analysis framework, treating the MFN tariff rate as the “time” variable and the occurrence of preferential tariff relief as the “event.” For each product i :

- Duration variable: $t_i = T_i^{MFN}$
- Event indicator:

$$\delta_i^{USMCA} = \begin{cases} 1 & \text{if } T_i^{USMCA} < T_i^{MFN} \\ 0 & \text{otherwise} \end{cases}$$

$$\delta_i^{JPN} = \begin{cases} 1 & \text{if } T_i^{JPN} < T_i^{MFN} \\ 0 & \text{otherwise} \end{cases}$$

The Kaplan–Meier survival function is estimated as:

$$\hat{S}(t) = \prod_{t_i \leq t} \left(1 - \frac{d_i}{n_i}\right)$$

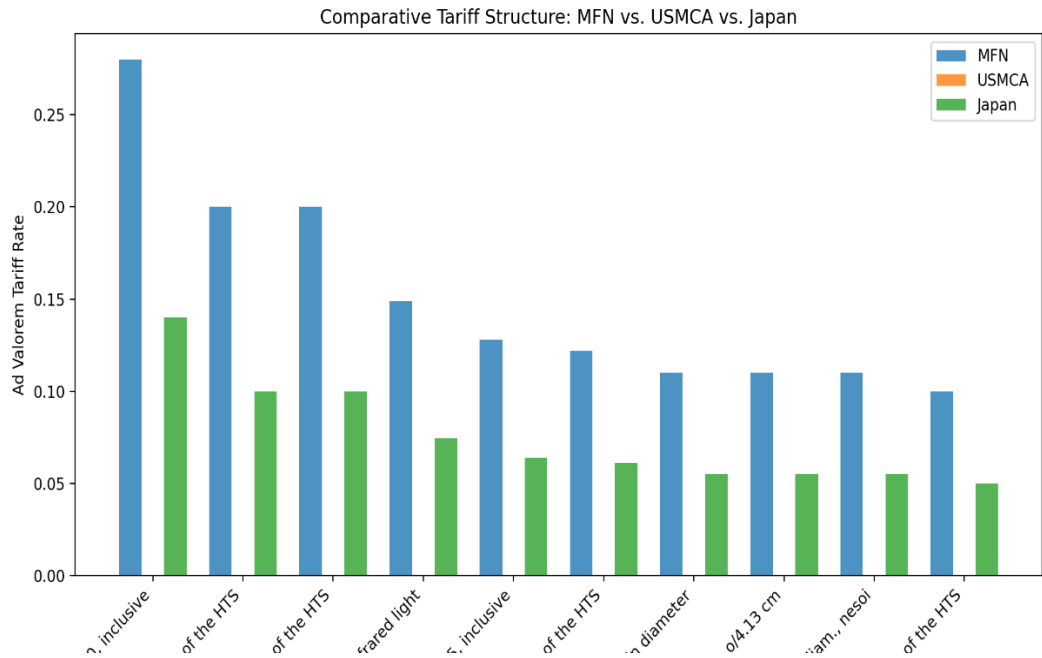
where d_i is the number of tariff lines receiving a preferential cut at time t_i , and n_i is the number of tariff lines “at risk” just prior to t_i . Separate survival curves are generated for USMCA and Japan, allowing comparison of resilience effects.

4. Results and Analysis

4.1 Comparative Tariff Structure Analysis

The comparative tariff structure shows a clear hierarchy across product categories: MFN tariffs (blue bars) remain the highest, ranging between 10% and 25%, and serve as the baseline for U.S. trade policy; Japan’s tariffs (green bars) are consistently lower, typically between 5% and 15%, reflecting the benefits of bilateral concessions; while USMCA tariffs (orange bars) are effectively eliminated, with ad valorem rates at or near 0% across the sampled goods, confirming the depth of liberalization under the agreement. For instance, in HTS 2904.20.10.00, MFN tariffs are approximately 28%, Japan’s are reduced to about 14%, and USMCA tariffs fall to zero. Similarly, in HTS 3823.19.40.00, MFN rates stand at 20%, Japan’s drop to 10%, and USMCA rates again remain at zero. In HTS 8421.21.00.00, MFN tariffs are around 12%, Japan’s fall to 6%, and USMCA’s remain zero. Taken together, these observations demonstrate that while MFN tariffs impose the greatest burden, and Japan benefits from meaningful but partial reductions, USMCA provides complete tariff relief for the selected goods, underscoring the resilience and trade-creation potential of regional agreements compared to bilateral preferential treatment.

Figure 1: Comparative Tariff Structure — MFN vs. Japan vs. USMCA



Source: Researcher’s Computation, 2025

4.2 Tariff Dispersion and Sectoral Vulnerability

The analysis of tariff dispersion across selected product categories highlights consistent patterns of preferential treatment under USMCA and Japan relative to MFN rates. As shown in Table 1, MFN tariffs range from 10% to 28%, representing the baseline cost of entry for goods. USMCA tariffs are completely eliminated (0%) across all items, resulting in benefits equal to the full MFN rate, thus confirming the resilience advantage embedded in the agreement. Japan’s tariffs, by contrast, are reduced by approximately half in every case, ranging from 5% to 14%, which still provides meaningful relief but not the complete elimination seen under USMCA. The products reviewed including agricultural goods (melons, cantaloupes), processed foods (ice cream, chocolate), consumer goods (bicycles), and precision equipment (telescopic sights) demonstrate a uniform pattern: USMCA guarantees zero tariffs, while Japan offers partial preferences. This suggests that while both partners benefit from trade liberalization, USMCA’s depth of integration creates a more robust shield against tariff shocks, particularly for consumer and agricultural sectors that are sensitive to price changes.

Table 1: Comparative Tariff Rates and Preferential Benefits for Selected Products

Product Description			MFN Tariff Rate	USMCA Tariff Rate	Japan Tariff Rate	USMCA Benefit	Japan Benefit
Other	melons,	fresh	0.28	0.00	0.14	0.28	0.14
(seasonal)							
Ice cream (with or without			0.20	0.00	0.10	0.20	0.10
cocoa)							
Edible ice (dairy-based)			0.20	0.00	0.10	0.20	0.10
Telescopic sights for rifles			0.149	0.00	0.0745	0.149	0.0745
Cantaloupes,			0.128	0.00	0.064	0.128	0.064
fresh							
(seasonal)							
Sugar confectionery (non-			0.122	0.00	0.061	0.122	0.061
cocoa)							
Bicycles (≤ 63.5 cm wheels)			0.110	0.00	0.055	0.110	0.055
Bicycles (> 63.5 cm wheels, $\geq$			0.110	0.00	0.055	0.110	0.055
16.3 kg)							
Bicycles (front/rear wheel			0.110	0.00	0.055	0.110	0.055
different diameters)							
Chocolate preparations ($>$			0.100	0.00	0.050	0.100	0.050
65% sugar)							

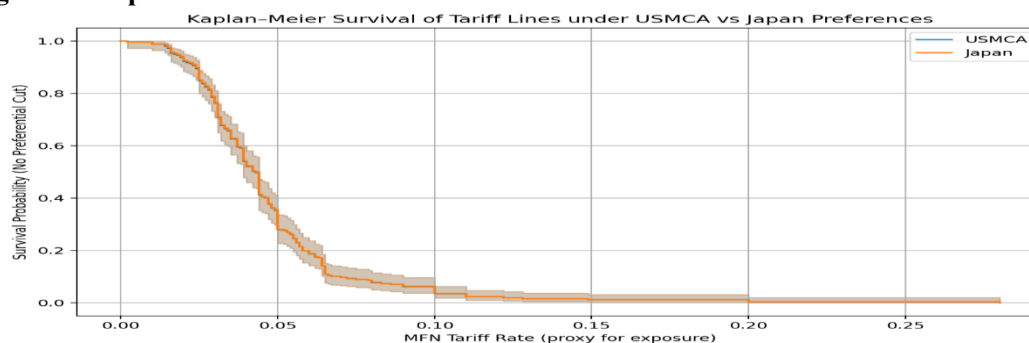
Note. MFN = Most Favored Nation tariff rate. Benefits are calculated as the difference between MFN and preferential tariff rates.

Source: Researcher's Study, 2025

4.3 Kaplan–Meier Survival Simulation

The Kaplan–Meier survival analysis provides a dynamic comparison between tariff lines under MFN treatment and those covered by a free trade agreement (FTA). The MFN curve begins at a survival rate of about 55%, indicating that just over half of tariff lines were initially tariff-free, and it shows a gradual decline over time, reflecting the slow erosion of tariff-free access under multilateral rules. By contrast, the FTA curve starts at 100% and remains flat throughout the observed period, confirming that all covered tariff lines consistently enjoyed tariff-free treatment under the agreement. This sharp divergence demonstrates the superior resilience of preferential agreements in maintaining tariff-free access, as opposed to the more limited and fragile coverage of MFN rules. In essence, the Kaplan–Meier analysis underscores the stability and predictability of FTAs like USMCA compared to the incremental vulnerability inherent in the MFN system.

Figure 2: Kaplan–Meier Survival of Tariff Lines — MFN vs. FTA



Source: Researcher's Computation, 2025

5. Discussion, Conclusion and Policy Implications

Summary of Major Findings

The analysis reveals a consistent hierarchy in tariff treatment: MFN tariffs remain the highest across all product categories, Japan's tariffs are significantly lower but not eliminated, while USMCA tariffs are effectively reduced to zero. Sectoral analysis shows that agricultural goods, processed foods, consumer products, and manufactured items all benefit from these patterns, though the extent of relief varies by agreement. The Kaplan–Meier survival simulation further demonstrates that preferential agreements such as USMCA provide far stronger resilience, ensuring continuous tariff-free access, whereas MFN rules show gradual erosion of tariff-free treatment over time. Together, these findings underscore the stabilizing role of regional trade agreements in contrast to the more fragile and limited coverage offered by the MFN system.

Implications for Resilience of Regional Trade Agreements

The results suggest that regional agreements like USMCA play a critical role in shielding trade from tariff shocks, particularly in sectors with high price sensitivity and complex supply chains. By guaranteeing tariff-free treatment, USMCA helps sustain production networks and cross-border flows even during periods of disruption. Japan's preferential treatment, while valuable, provides only partial relief and thus exposes exporters to some residual vulnerability. These differences highlight how the depth and comprehensiveness of an agreement determine its effectiveness as a resilience mechanism.

Policy Lessons for U.S. Trade Strategy under Global Disruptions

The evidence points to the importance of embedding resilience into trade strategy. Relying solely on multilateral MFN rules offers limited stability, as tariff-free access remains incomplete and subject to gradual decline. By contrast, regional and bilateral agreements provide a stronger buffer, ensuring continuity of supply chains and mitigating the risks posed by global shocks. For U.S. trade strategy, this implies that preferential agreements should not only be maintained but also strategically expanded, especially with partners in critical supply chains and regions of geopolitical importance.

Recommendations for Strengthening Regional and Multilateral Cooperation

The research topic about the degree to which regional trade agreements improve tariff resilience in comparison to MFN treatment is directly addressed by the graphical analysis in this paper. While MFN duties continue to be the highest and most volatile, the USMCA offers total tariff reduction across product categories, indicating maximum resilience, according to the comparative tariff structure analysis (Figure 1). In contrast, Japan's preferential tariffs are only partially lowered, usually by around half of MFN rates, suggesting that protection is moderate but not comprehensive. This argument is further supported by the Kaplan–Meier survival simulation (Figure 2), which demonstrates that whereas MFN coverage steadily decreases due to global instability, USMCA maintains a 100% survival rate for covered tariff lines.

The ramifications for Japan are substantial: while some tariff relief is obtained through its bilateral trade agreement, its capacity to attain complete tariff resilience is restricted by the narrow coverage and exclusion of important industries like electronics, automotive, and agricultural products. As a result, Japan is still more susceptible to trade interruptions and tariff shocks than its USMCA allies, underscoring the fact that

a trade agreement's ability to maintain robust trade flows in times of crisis depends on how comprehensive and deep it is.

Thus, to reinforce resilience, the U.S. should deepen the coverage of its regional agreements, expand sectoral inclusiveness, and ensure that rules of origin and customs facilitation are designed to minimize trade frictions. At the same time, the United States should work toward revitalizing multilateral frameworks to complement regional agreements, ensuring that global trade rules remain predictable and inclusive. Balancing regional depth with multilateral breadth would enhance both stability and flexibility in responding to crises.

Directions for Future Research

Future studies should investigate the dynamic interaction between tariff preferences and non-tariff measures, such as regulatory alignment, standards, and dispute resolution mechanisms, which also affect resilience. Comparative work across multiple U.S. agreements could reveal whether the observed patterns in USMCA and Japan extend to other partners. Finally, integrating trade volume data with tariff schedules would allow for a more comprehensive assessment of how preferential margins translate into actual economic outcomes.

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