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Experiences of EU Small and Medium-Sized Enterprises Exporting to Japan in
Light of the EU-Japan Economic Partnership Agreement

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Abstract

Implemented in 2019, the EU–Japan Economic Partnership Agreement (EPA) is the first EU free trade agreement to explicitly include provisions aimed at supporting small and medium-sized enterprises (SMEs) that export. Yet, despite its intentions, recent trade data indicates a different trend: the relative share of SME exporters has declined since the agreement entered into force. This thesis investigates what lies behind this decline. With the EPA and its SME provisions as a reference point, it explores how SMEs experience exporting to Japan and the extent to which the EPA alleviated barriers to trade. Adopting a qualitative research design, the study draws on semi-structured interviews with SMEs and experts across EU member states. Interviews were inductively analyzed using thematic analysis. Findings suggests that SMEs rely more on partners than the EPA. This dependence on partners is amplified by the EPA’s inability to tackle the non-tariff barriers prevalent in Japan. Institutional support helps bridge the gap until SMEs can rely on partners. The results highlight the need for policymakers to address non-tariff barriers effectively for SMEs to truly benefit from the EPA and its provisions.

Abstrakt

Das 2019 in Kraft getretene Economic Partnership Agreement (EPA) zwischen der EU und Japan ist das erste Freihandelsabkommen der EU, das ausdrücklich Bestimmungen zur Unterstützung kleiner und mittlerer Unternehmen (KMU) beim Export enthält. Dennoch zeigen aktuelle Handelsdaten einen gegenteiligen Trend: Der relative Anteil exportierender KMU ist seit Inkrafttreten des Abkommens zurückgegangen. Diese Arbeit untersucht die Gründe für diesen Rückgang. Unter Bezugnahme auf das EPA und seine KMU-Bestimmungen wird analysiert, wie KMU den Export nach Japan erleben und inwieweit das Abkommen Handelshemmnisse abgebaut hat. Auf Grundlage eines qualitativen Forschungsdesigns stützt sich die Studie auf halbstrukturierte Interviews mit KMU und Expert*innen aus verschiedenen EU-Mitgliedstaaten. Die Interviews wurden mithilfe thematischer Analyse induktiv ausgewertet. Die Ergebnisse zeigen, dass KMU stärker auf Partner angewiesen sind als auf das EPA. Diese Abhängigkeit wird durch die Unfähigkeit des Abkommens verstärkt, die in Japan weit verbreiteten nichttarifären Handelshemmnisse zu überwinden. Institutionelle Unterstützung hilft, die Lücke zu überbrücken, bis KMU auf Partner zurückgreifen können. Die Ergebnisse unterstreichen die Notwendigkeit für die Politik, nichttarifäre Handelshemmnisse wirksam anzugehen, damit KMU tatsächlich von den Bestimmungen des EPA profitieren können.

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List of abbreviations

Abbreviation	Definition
BSO	Business Support Organization
E-commerce	Electronic commerce
EPA	EU-Japan Economic Partnership Agreement
EU	European Union
FTA	Free Trade Agreement
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GVC	Global Value Chain
IPR	Intellectual Property Rights
MFN	Most-Favored-Nation
MoP	Margin of Preference
NTB	Non-Tariff Barrier
PUR	Preference Utilization Rate
RoO	Rules of Origin
SME	Small and Medium-sized Enterprise
SPS	Sanitary and Phytosanitary measure
TBT	Technical Barrier to Trade
WTO	World Trade Organization

Table 1 - list of abbreviations

1. Introduction

The multilateral trade order, once a cornerstone of global integration, now stands as an empty shell of what once was. Already showing its first cracks in the early 2000s, it's framework further weakened as its most important advocate, the United States, increasingly turned its back on free trade (Young, 2025). The European Union (EU) responded by expanding its network of comprehensive free trade agreements (FTA) as a mean to achieve trade liberalization in an era where multilateral progress had stalled (Mavroidis & Sapir, 2024). One of the most significant of these is the EU-Japan Economic Partnership Agreement (EPA). Implemented in 2019, the agreement links two of the world's largest economies (Baena-Rojas & Cardona Montoya, 2019). Aimed at reducing barriers to trade while simultaneously signaling its rejection of protectionism, it covers 99% of EU tariff lines and 97% of Japan's (European Commission, n.d.-d). On the surface, the agreement proved fruitful, as exports to Japan have risen significantly since then, with the EU expecting an increase of €33 billion in trade annually (European Commission, 2018). However, which type of firm is set to benefit remains to be seen, as critics often coin FTAs as 'made for and by big business'(De Ville & Gheyle, 2022).

Even though SMEs make up 99% of firms in the EU, only around 26% of them actively engage in foreign trade, with most of these exports remaining within the common market (Braitto et al., 2021). Exporting is particularly beneficial, as it can boost productivity and competitiveness (Wagner, 2012; World Trade Organization, 2016). However, large firms are still twice as likely to engage in exporting compared to their smaller counterparts. SMEs are less engaged in exporting due to their smaller size. Therefore, barriers to foreign trade disproportionally affect their ability to export (Braitto et al., 2021). These barriers to trade entail tariff and non-tariff barriers (NTB) such as strict product requirements in foreign markets or complex procedures. FTAs could help alleviate some of these barriers, with the EPA going a step further by introducing provisions explicitly supporting SMEs. As the EPA is the first in its kind to include these provisions (European Commission, n.d.-a), studying the effects of their relevance to SMEs makes the agreement particularly interesting.

Existing academic research on the connection between firm size and uptake of preferential tariff benefits under FTAs presents a mixed picture. Some studies suggest that firm size and the use of FTAs' preferential tariff schemes are positively correlated (Hayakawa, 2015; Park & Park, 2023; Takahashi & Urata, 2010). In part due to larger firms

having more human and financial resources to comply with FTA preferential tariff schemes (Takahashi & Urata, 2010). Other studies found little evidence of such a relationship, however, often contribute the absence of effect to missing third variables (Kasteng et al., 2021; Legge & Lukaszuk, 2024; Wignaraja, 2014). Yet, an FTA's effectiveness is not solely dependent on its ability to reduce tariff barriers. Deeper FTAs that also address NTBs tend to benefit SMEs more significantly than FTAs solely focused on tariff reductions (Park & Park, 2023). In the case of the EPA, research prior to implementation indicates that its most substantial gains are expected to come from these NTB reductions, given Japan's already low tariff regime (Benz & Yalcin, 2015; Felbermayr, Kimura, et al., 2019; Sunesen et al., 2010).

Still, despite predictions of a €33 billion increase in trade by 2035 (European Commission, 2018), early trade data suggests otherwise. Trade between both blocs did increase (European Commission, n.d.-d; Shiho Sugimoto, 2025), however, it remains far from its projected level. Moreover, the relative share of SMEs and their exported value decreased after entry into force (European Commission, 2018; Eurostat, 2023). This is surprising, as studies conducted prior to implementation suggested a more positive outcome for SMEs (European Commission, 2018; Górska, 2022). However, these studies mostly rely on quantitative data and aggregate trade flows to establish a connection. Thereby, leaving little insight on the actual experiences of SMEs when exporting to Japan and the extent the EPA helped them in their efforts. This research intends to close this gap by examining whether the EPA has helped SMEs overcome barriers to trade. The research question of this study is therefore as follows:

How do EU small and medium-sized enterprises experience exporting to Japan in light of the EU-Japan Economic Partnership Agreement?

Thus, the objective of this study is to assess how SMEs view exporting to Japan under the EPA and whether the agreement and its provisions influenced their experience. Therefore, this research focuses on barriers to trade the EPA could alleviate. To address the research question and its objective, semi-structured interviews were held with representatives of SMEs across the EU. Moreover, semi-structured interviews were carried out with experts from business support organizations (BSO) aimed at facilitating EU trade to Japan. Afterwards, a thematic analysis was conducted on both the SME interviews and the experts', following the framework of Braun and Clarke (2006) for such analysis. These themes helped to uncover the barriers SMEs face and highlight ways they overcome them, whether through the EPA or by

other means. The findings of SMEs and experts were methodologically triangulated to enhance trustworthiness of the data.

This is of relevance as exploring the way SMEs experience trade with Japan under the EPA could shed light on the discrepancy between the EPA's projected benefits for SMEs and their actual decline in export share. Thereby, moving beyond existing quantitative studies on the agreement and providing firm-level insights. Moreover, the EPA is the EU's first FTA to include SME-specific provisions, making it a unique case to examine effects. Understanding the effectiveness of the EPA in addressing barriers to trade is essential to guarantee that benefits extend beyond large corporations and actively contribute to SMEs as well. This is particularly relevant, as the EU is set to incorporate SME chapters into its new generation of FTAs, such as the recently negotiated EU-MERCOSUR agreement and others currently on the table (European Commission, n.d.-a). Therefore, this research could inform future policy decisions on the inclusion and effectiveness of SME chapters in these new FTAs. At the same time, this research could guide institutions in more effectively supporting SMEs and provide smaller firms themselves with practical insights into ways others have successfully navigated barriers to trade in Japan.

This thesis is structured in 7 parts. The first covers the introduction. With the problem statement, research gap, research question, its objectives and relevance. Chapter 2 covers the literature review, which consists of three distinct parts moving from general to specific. First, FTAs, the most significant barriers to trade and their interaction will be discussed. Second, SMEs, their interaction with; FTAs, the most significant barriers to trade and specific SME hurdles to international trade will be discussed. Third, the EPA, its coverage of the above-mentioned hurdles and its impact will be explored. In the next chapter, the methods will be covered. Thereafter, this research combines the analysis of results and its discussion in the fourth chapter. This chapter consists of 4 parts, which are essentially the themes that emerged from the thematic analysis. In descending order, barriers to trade, the EPA, partners as an intermediary and institutional support as an intermediary. Chapter 5 covers the conclusion with a synthesis of themes found in chapter 4, this research's implications, recommendations, limitations and future research directions. Finally, this research provides its bibliography in chapter 6, whereafter the appendix can be found in chapter 7.

2. Literature review

2.0 Introduction to the literature review

This literature review starts with explaining the theoretical foundation of FTAs. Thereafter, the literature review lays the groundwork for the development of interview questions aimed at exploring the challenges and opportunities SMEs face when exporting to Japan under the EPA. It begins with a chapter on FTAs, outlining their purpose and examining how their design can alleviate key barriers to international trade. Finally, the chapter covers terms for measuring FTA effectiveness and factors that influence FTA effectiveness. The following chapter focuses on SMEs, analyzing how they interact with the trade barriers identified earlier. It also considers additional challenges that are particularly relevant to smaller firms, areas that the EPA specifically aims to address. This review then examines the extent to which SMEs utilize FTAs. Finally, the last chapter covers the EPA itself. This final section evaluates the agreement's provisions, its SME-specific measures, and the existing empirical research on its anticipated and observed impact.

2.1 Free trade agreements

2.1.1 An introduction to free trade agreements

FTAs are defined as treaties between two or more countries or trading blocs under which barriers for trade between countries are eliminated, whilst tariffs on trade with third countries are kept in place. However, instead of automatic application, firms must first apply for tariff preferences. Therefore, the term FTA may not be the most accurate descriptor for such agreements; instead, the term "preferential trade agreement" may be more appropriate, as free trade is still contingent on various factors (Athukorala, 2020). Furthermore, the WTO refers to these agreements as regional trade agreements, as they do not include "free" multilateral agreements universally applied to its member states (World Trade Organization, n.d.-b). Nonetheless, the EU classifies the EPA as an FTA (European Commission, n.d.-c). Moreover, the term FTA is often used in academic literature to describe all sorts of trade agreements (Athukorala, 2020). Therefore, for the sake of clarity, this research uses the term FTA to describe preferential, regional, as well as free trade agreements.

After the second world war, trade liberalization had been mostly achieved through the general agreement on tariffs (GATT). A multilateral framework that aimed to increase trade by lowering tariff schemes. The GATT stipulations later became part of the World Trade Organization (WTO), established in 1995 (Grant, 2009). All members of this multilateral

organization must adhere to the Most-Favored-Nation principle (MFN). The MFN establishes that all members of the WTO cannot grant special favors to their partners without applying the same favors to all other WTO members, e.g., lowering tariffs (World Trade Organization, 1947). Therefore, by promoting fairness, this principle prevents the creation of preferential trade relationships that could distort the global trading system. However, the WTO allows for exceptions of the MFN principle under FTAs, provided that these agreements cover almost all trade between signatories. Moreover, signatories can only enter agreements that facilitate trade between them, consequently not raise trade barriers vis-à-vis third parties (World Trade Organization, n.d.-b). As a result of stagnation in consequent WTO tariff negotiations, FTAs have become an increasingly popular tool to foster trade integration (McNamara et al., 2021). As of 2025, over 350 FTAs are in place (World Trade Organization, n.d.-c).

Despite its proliferation, scholars remain divided on the extent FTAs help increase members' trade. Studies by Baier and Bergstrand (2007) and Anderson and Yotov (2016) found that FTAs significantly boost trade between member countries. However, Kohl (2014) found no significant trade-enhancing effects for more than half of the studied FTAs, with only one quarter actually improving trade. These mixed outcomes can be explained by the differences in scope of trade agreements. The design of these trade agreements plays a more important role in the success of an FTA instead of the mere existence of one. Beyond reducing tariffs, many FTAs also address NTBs. To better understand how agreement design shapes effectiveness, it is useful to first outline the most significant barriers to international trade.

2.1.2 Barriers to international trade

The most important barriers to trade reported to the WTO are tariff barriers and 2 specific types of NTBs, which are technical barriers to trade (TBT) and sanitary and phytosanitary (SPS) measures. Tariff barriers account for 17% of the total experienced barriers to trade, whereas TBT measures account for 18% and SPS measures for 23%. Together, these barriers represent 56% of the total experienced barriers to international trade (European Commission, 2019). As these are the most significant barriers, they will be discussed in more detail in the following section.

Tariffs are customs duties on merchandise imports. These imported products can either be levied ad valorem or on a specific basis. As customers now pay an extra premium for imported products, tariffs can give domestic producers an edge over foreign counterparts. Moreover, tariffs can raise revenues for national governments (World Trade Organization,

n.d.-a). However, tariffs lower aggregate real income overall, with customers impacted the most by paying higher prices for imported goods (Fajgelbaum & Khandelwal, 2022). Moreover, tariffs also affect output growth by producers. An increase of 3.6 percentage points in tariffs is followed by a 0.4% reduction in output five years onwards. This decline in output is explained by several factors such as; reduced labor efficiency across sectors, increased costs for imported inputs which raise production expenses, and a reduction in competitiveness (Furceri et al., 2020).

The UN defines NTBs as “policy measures other than ordinary customs tariffs that can potentially have an economic effect on international trade in goods, changing quantities traded, or prices or both” (UNCTAD, 2010). These barriers include different types of NTBs. The most prominent types of NTBs are sanitary and phytosanitary measures (SPS) and technical barriers to trade (TBT). SPS are measures aimed to protect the welfare of human and/or animal life from risks arising from for example additives in food, the spread of viruses, and the potential loss of biodiversity. These include temporary measures that can prohibit the import of certain products from certain areas, but also include more permanent requirements such as certain food labeling standards or hygienic requirements. TBTs are measures referring to technical regulations and testing procedures companies must abide by. These often involve regulations related to certain safety standards, quality requirements and product qualifications. To meet these standards, companies often must implement certain testing procedures and certification requirements recognized by the trading partner. Hereafter, this research uses NTBs as a common denominator for SPS and TBT measures, without referring to other types of NTBs.

Whilst NTBs can be implemented by governments with the intention to protect their citizens, these can also be used to create an artificial advantage for domestic firms over foreign producers (World Trade Organization, 2012). Indeed, NTBs seem to be used as a measure to counteract the reduction of tariff barriers conform international multilateral agreements. As governments lowered tariff barriers, they often increased the use of NTBs (Orefice, 2017; Rickard & Kono, 2014). In fact, a study by Niu et al. (2018) showed that the overall protection level between countries did not decrease, despite the overall fall in tariff levels. With more NTBs in place in the importer’s country, the likelihood of firms to export to said country decreases significantly. Moreover, the quantity and value of exports decreases as well (Fernandes et al., 2019). However, even though NTBs decrease the likelihood for firms to export, customer demand can actually increase, as NTBs can certify the commitment of an exporter to quality and safety standards (Ganslandt & Markusen, 2001).

The evidence is mixed on whether tariff or NTB reductions drive trade creation more significantly. Hayakawa and Kimura (2015) identified NTB reductions as the main driver of trade enhancing effects. However, Hayakawa et al. (2016) found a relative weak effect for NTB removals under FTAs. The effect of tariff reductions on the other hand, was significantly positive. This discrepancy in findings can be explained by the ability of FTAs to reduce NTBs, i.e., the depth of an agreement. A study by Cheong et al. (2018) examined how the depth of an FTA influences the trade effects of tariff and NTB reductions. They found that a reduction in NTBs has stronger effects in the deepest FTAs. On the other hand, more shallow FTAs show higher trade increasing effects from tariff reductions. The better an FTA is able to address NTBs, the more significant these NTB reductions become (Cadot & Gourdon, 2016). As a result, deeper agreements boost trade more significantly compared to more shallow FTAs (Baier et al., 2014; Kohl & and Trojanowska, 2015; Kohl et al., 2016; Liu, 2016). In fact, deeper FTAs account for over 40% of trade creation effects in global trade, with an even greater impact on advanced economies (Dhingra et al., 2023). However, the effect of NTB reductions as part of deeper FTAs usually takes a longer time to have an impact on trade compared to tariff changes (Cheong et al., 2018).

Yet, despite its depth, the overall trade enhancing effects of FTAs can be undermined by rules of origin (RoOs) requirements. As RoOs form an integral part of FTAs and shape their effectiveness (Azmeah, 2015; Chen & Mattoo, 2008; Hartwell et al., 2018; Kim & Cho, 2010; Legge & Lukaszuk, 2024), these will be discussed in more detail. RoOs define how much of a product should originate in the exporting country to qualify for tariff reductions (Deardorff, 2018). RoOs are implemented to prevent trade deflection, ensuring that only goods produced within FTA members benefit from tariff preferences (Felbermayr, Teti, et al., 2019). However, the presence of restrictive RoOs within FTAs can hamper the overall trade enhancing effects of lowering NTBs (Chen & Mattoo, 2008). RoOs generate significant costs, as they are often highly complex, differ between FTAs and require firms to adjust their supply chains (Felbermayr, Teti, et al., 2019). Moreover, the additional administration costs to prove RoO abidance raise costs even more (Hayakawa et al., 2023; Keck & Lendle, 2012). Research has shown that some of these costs and welfare losses can be counteracted by improving the design of RoOs. For example, the harmonization of various types of RoOs between different FTAs can ease compliance cost, thereby reducing costs for businesses (Hayakawa & Laksanapanyakul, 2017). Additionally, the costs of compliance fall as the FTA experience of an exporter grow. Therefore, learning effects occur during an FTA's lifetime

(Krishna et al., 2025). Finally, designing less restrictive RoOs can improve the utilization rate of FTAs (Azmeah, 2015; Hayakawa et al., 2023).

2.1.3 Measuring a free trade agreement's effectiveness

The FTA utilization rate is also known as the Preference Utilization Rate (PUR). The PUR measures the share of imports that enter under FTA tariff preferences rather than MFN tariffs. The EU uses the PUR to measure an FTA's effectiveness (Hallak, 2021). Therefore, the PUR will be discussed in more detail in this section. As firms do not automatically benefit from preferential tariffs under FTAs, they can also decide to save the effort of complying to RoOs by trading under the MFN principle (Legge & Lukaszuk, 2024). Thus, trading as if no FTA is in place. Apart from RoO design, the PUR is also shaped by the Margin of Preference (MoP). The MoP is defined as the difference between the MFN tariff rate and the preferential FTA tariff rate. In essence, the MoP represents the tariff savings that exporters gain when conducting trade under an FTA. In many cases, the MFN is already low or zero, thus it does not make sense to make use of an FTA. In fact, in 2022, 51 percent of global trade had been conducted under a 0% MFN rate, thereby eliminating the need to use FTAs (Gonciarz & Verbeet, 2025). For trade conducted above the 0% MFN rate applies: The higher the MoP, the greater the incentive for firms to utilize an FTA. Increasing tariff savings eventually outweigh FTA utilization costs (Hayakawa et al., 2013). This MoP threshold lies at approximately 3% (Hayakawa, 2011).

In sum, the effectiveness of FTAs in promoting trade depends less on their existence, rather on their ability to address the most significant barriers to international trade. Deeper FTAs generate greater trade benefits, even though these gains often take longer to materialize. At the same time, restrictive RoOs hinder firms from effectively utilizing FTAs by introducing additional costs. Additionally, the actual tariff savings (the MoP) plays part in FTA utilization. These utilization rates are measured by the PUR. One can conclude that the design of FTAs plays an important part in its success. However, firms of different sizes might feel the effects of an FTA's design differently. As this research focuses on the challenges and opportunities SMEs face when conducting trade under an FTA, this literature review will now focus on SMEs and their interaction with FTAs.

2.2 Small and medium-sized enterprises

2.2.1 Introduction to small and medium-sized enterprises

The EU follows the definition of SMEs as drawn up in the Commission Recommendation of 6 May 2003 (European Commission, 2003). In the document, an enterprise is defined as any organization or business entity engaged in economic activities. Whether an enterprise classifies as an SME is contingent on multiple factors. The first and most important factor is the amount of people employed. Enterprises that employ less than 250 people could be considered SMEs. However, in order to be considered an SME, either annual turnover should not exceed 50 million euros and/or the annual balance sheet total should not exceed 43 million euros. Furthermore, within the SME classification, the EU distinguishes between 3 further classifications;

- Microenterprises, that employ fewer than 9 people with an annual turnover and/or balance sheet that does not exceed 2 million euros
- Small enterprises, which employ fewer than 50 persons that have an annual turnover and/or balance sheet less than 10 million euros
- Medium enterprises, which fall between small enterprises and the SME threshold classification.

Alongside these factors, type of ownership can also influence SME status. When enterprises have significant control and ownership links with other enterprises, SME status may not be granted. When significant links with other enterprises exist, these enterprises should be considered in the calculation of staff numbers and financial ceilings before SME status can be conferred.

The EU is home to around 25.8 million SMEs, which represents approximately 99% of firms. SMEs employ 88.7 million people, accounting for around two-thirds of the EU total employment. However, as SMEs are only 60% as productive as larger firms, SMEs account for “only” 53.1% of all value added to the EU’s economy, with each SME size class contributing roughly an equal share to the EU’s total economic output (Katsinis et al., 2024). The discrepancy in productivity is problematic, as productivity constitutes a crucial determinant of a firm’s ability to survive (Syverson, 2011). The relation between firm size and productivity can be attributed to a variety of interconnected factors. First, larger firms benefit from economies of scale. Second, larger firms often have better access to financial resources, making it easier to invest in new more efficient machinery. Third, larger firms are often better equipped to attract and attain top talent. Fourth, larger firms are more connected

to global value chains (GVC). Which in turn reinforces their superior position through enhanced economies of scale and an even greater access to financial and human capital (Marchese et al., 2019). As integrating into GVCs could enhance all other factors, it is a particularly relevant factor to consider when trying to enhance SME productivity.

SMEs can integrate into GVCs by forming joint ventures, licensing or foreign direct investment, however, as SMEs often have fewer financial resources at their disposal, they most often internationalize through exporting and importing (Braitto et al., 2021). Exporting firms tend to be more productive compared to their non-exporter counterparts (Wagner, 2012; World Trade Organization, 2016). SMEs can enhance their productivity by learning from their export experience (De Loecker, 2013; Gkypali et al., 2021). These learning effects arise from insights gained with foreign customers and competition, enabling SMEs to develop incremental improvements in product and process (Freixanet & Federo, 2023). Finally, these learning effects increase at a growing rate, as productivity levels between exporters and non-exporters diverge over time, with exporting firms becoming increasingly more productive. (Love et al., 2016). However, exporting SMEs are now exposed to international barriers to trade. Therefore, the following section explores the challenges these SMEs face when conducting trade abroad.

2.2.2 Small and medium-sized enterprises and barriers to international trade

The extent to which tariff barriers affect firms depends on their size. SMEs perceive tariff barriers as a greater obstacle to trade compared to larger firms. This is due to several reasons as identified by the World Trade Organization (2016). First, smaller firms have less capacity to absorb the costs associated with higher tariffs. Moreover, SMEs are more likely to export products that are more sensitive to price changes. Thereby, an increase in prices through higher tariffs disproportionately affects demand for SMEs' products. Finally, SMEs more often operate in markets that face higher tariff restrictions. Therefore, as tariff barriers disproportionately affect SMEs, a reduction in tariffs would serve SMEs significantly.

Firm size also plays a role in the effects NTBs have on the exporting patterns of firms. TBTs can enhance trade by increasing consumer trust and demand, however, impede trade by raising compliance costs. Larger firms have more capacity to absorb these increased costs, thus benefit from an increase in demand. However, smaller firms have less capacity to comply and more often leave foreign markets with enhanced TBT measures (Chen & Bao, 2023). Moreover, SMEs often export smaller quantities after TBT increases. SPS measures are considered to have less significant trade impeding effects on SMEs compared to

TBT measures (Rosenow, 2025). However, SPS measures still affect smaller firms more significantly compared to larger firms. The increased costs of adjusting production processes and obtaining information deter smaller firms from entering foreign markets or maintaining operations abroad (Ferro et al., 2017). These can once again be attributed to their limited capacity to absorb such costs.

The extent to which RoOs disproportionately affect SMEs remains contested. On the one hand, SMEs have less resources to invest in systems and teams to ease RoO compliance. Therefore, making it more difficult to abide by RoOs (Kawai & Wignaraja, 2011). Moreover, RoO abidance introduces fixed administrative costs. Therefore, when firms export smaller quantities, the fixed costs of compliance are less likely to offset the benefits of the preferential tariffs. As SMEs often export smaller quantities, these are disproportionately affected (Hayakawa et al., 2014). On the other hand, SMEs are often less integrated into GVCs. Therefore, qualifying for RoOs is often easier for SMEs, as their production is more domestically concentrated and requires less restructuring of GVCs (Cadot et al., 2014).

Beyond the barriers discussed above, SMEs face additional challenges in foreign markets. Since the EPA contains provisions to ease those challenges (EU-Japan Centre for Industrial Cooperation, 2019), the next section focuses on the SME-specific obstacles it seeks to address. RoOs are not the only custom procedures that are burdensome for smaller firms, SMEs also face difficulties related to other customs procedures. In addition to RoO documentation, exporters must complete various administrative and regulatory steps to clear goods for export, such as customs declarations, NTB compliance forms, and tariff classifications. These customs procedures are often complex and require firms to submit supporting documents to different custom agencies. Moreover, customs clearance frequently requires coordination between multiple agencies, further complicating the process. As a result, delays at the border occur regularly (López González & Sorescu, 2019). These delays have a significant negative impact on exporters' sales, as buyers lose confidence in an exporter's ability to deliver reliably. Therefore, buyers may reduce or terminate their purchases altogether (Volpe Martincus et al., 2015). SMEs are particularly vulnerable to such disruptions, as they typically operate with lower export volumes, making them more vulnerable to a reduction in sales from single buyers. Moreover, customs documents often lack transparent implementation requirements. This increases uncertainty among exporters, particularly for smaller firms that lack specialized managerial expertise on handling complex border procedures (López González & Sorescu, 2019). A study by Fontagné et al. (2020) shows that small firms benefit significantly from improvements in the availability of

customs-related information, such as publishing rules and forms online, offering inquiry points, and providing clear compliance guidelines. These measures reduce fixed information costs and enhance predictability in border procedures, thereby facilitating greater participation of small exporters in international trade.

SMEs not only face information deficiencies regarding customs procedures but also struggle to access and interpret broader foreign market intelligence. These information barriers can negatively influence export performance (Al-Hyari et al., 2012). This can be attributed to their limited recourses and lack of specialized managerial expertise. SMEs often lack the resources to attract specialized managerial talent that can identify export opportunities, establish relationships with foreign buyers and effectively extract information on how to comply with TBT and SPS regulations (U.S. International Trade Commission, 2010). Therefore, SMEs rely on the competence of their managers. The competence of these managers to effectively analyze provided foreign market intelligence is a critical determinant of success (Celec & Globocnik, 2017; Miocevic & Crnjak-karanovic, 2011). However, due to their limited resources, SMEs have less capacity to produce foreign market intelligence in-house (Hessels & Terjesen, 2010). Consequently, SMEs rely more on secondary sources to assess barriers and opportunities in a foreign market (Street & Cameron, 2007). As the availability of this type of information is an important determinant for an SME's export performance (Safari & Saleh, 2019), secondary information could activate competent SME managers (Oparaocha, 2015).

The use of electronic commerce (e-commerce) can overcome some of the information gaps SMEs face. Making use of e-commerce strategies can help firms collect and analyze customer data, as well as, assist in evaluating foreign market attractiveness through predictive analytics (Neubert, 2018). Moreover, e-commerce can facilitate access to international customers, allowing firms to reach a broader consumer base (Hagsten & Kotnik, 2017). However, e-commerce also creates challenges. First, SMEs are often not sufficiently ready to digitalize their operations, as they often lack digital marketing and online branding expertise. This lack of expertise also manifests when SMEs try to navigate complex e-commerce regulations (OECD, 2023). Additionally, customers often expect affordable timely delivery when shopping online. SMEs often lack the resources to effectively make use of logistical networks, leading to longer delivery times and higher shipping costs. In turn, making SMEs less competitive. Finally, SMEs often report difficulties in complex tax procedures related to e-commerce. These complexities not only increase the administrative burden but also

heighten the risk of non-compliance, making it difficult for SMEs to effectively manage their international e-commerce operations (López González & Sorescu, 2021).

A final obstacle hindering the successful international trade participation of SMEs, is the relative difficulty to protect intellectual property rights (IPR) in international business environments. IPRs grant firms the exclusive rights to commercially market their products. IPRs include patents, trademarks and designs. In the EU, SMEs that hold any type of IPR record 44 percent higher productivity compared to SMEs without any legal protection. Nonetheless, IPR ownership is significantly lower under SMEs compared to large firms, as fewer than 10 percent of SMEs own any type of IPR whereas almost 50 percent of large firms do (European Patent Office & European Union Intellectual Property Office, 2025). This discrepancy in ownership rates can be explained by the costs of registering an IPR, which make it more difficult for resource-limited SMEs to obtain one. Additionally, the process of registering IPRs is often lengthy and complex (European Union Intellectual Property Office, 2016). However, once obtained, IPR ownership benefits SMEs by enhancing productivity and raising the likelihood of exporting (Pickernell et al., 2016). Nevertheless, when SMEs conduct trade in foreign countries, the potential infringement of their IPRs can significantly hinder them from enhancing their export activities. SMEs often have less resources to gather information on potential IPRs infringement and lack the financial resources to enforce their IPRs in foreign courts (U.S. International Trade Commission, 2010). As a result, the strength of a country's IPR framework significantly influences an SME's export decisions. Stronger protection reduces uncertainty, consequently supporting internationalization (Doanh et al., 2022).

2.3.3 Small and medium-sized enterprises and free trade agreements

Existing academic research on the impact of firm size on the PUR shows mixed results. Hayakawa (2015), Park and Park (2023) and Takahashi and Urata (2010), all found a direct positive impact of firm size on the likelihood of firms utilizing FTAs, as larger firms demonstrate a higher PUR compared to their smaller peers. Takahashi and Urata (2010) explain this by noting that larger firms possess more human and financial resources. Consequently, this enables them to navigate the complexities of FTA usage more effectively. However, Kasteng et al. (2021), Legge and Lukaszuk (2024) and Wignaraja (2014) found almost no significant effects of firm size on the PUR. Nonetheless, both Kasteng et al. (2021) and Legge and Lukaszuk (2024) note that the absence of effect may stem from smaller firms outsourcing FTA compliance to external parties, thereby circumventing the difficulties

associated with compliance. This notion is supported by a study by Medin (2021) that found that companies that export less, tend to rely on customs brokers more to offset the fixed compliance costs associated with FTA usage. Thereby, narrowing the gap between smaller and larger exporters. Yet, Legge and Lukaszuk (2024) offer another alternative explanation. They find that the transaction value provides a stronger explanation for differing PURs than firm size, since higher transaction values generate greater absolute savings and reduce relative compliance costs. SMEs often export smaller quantities, thus, the potential savings from FTA usage are lower and the relative compliance burden becomes higher, discouraging FTA usage.

A potential solution for encouraging FTA usage among SMEs is the design of deeper FTAs. Park and Park (2023) found that deeper FTAs benefit SMEs more significantly, with a greater number of SMEs engaging in exporting when deeper agreements are in place. Deeper FTAs address the above-described barriers to trade more effectively, thereby disproportionately benefiting SMEs. On paper, the EPA appears to be one of those deeper FTAs, as it contains specific provisions targeted at facilitating SME trade. Therefore, it is useful to explore what the EPA entails, what its specific provisions are and explore the studies assessing its effectiveness.

2.3 The EU-Japan Economic Partnership Agreement

2.3.1 The context of the EU-Japan Economic Partnership Agreement

To better understand why the EU conducts FTAs on behalf of its member states, it is useful to first examine the authority it holds in this area. In 1970, individual member states transferred their power to coordinate their external trade relations to the then European Community. This was necessary, as all member states now formed part of a common market. Therefore, every good entering one member state could move freely throughout the others. Over the years, the competencies of the EU to negotiate external trade relations have been gradually enhanced, consequently its ability to negotiate FTAs (European Union, n.d.). Nowadays, the European Commission acts as the sole negotiator of FTAs in areas falling under EU competence, i.e., most economic competencies. While most recent FTAs extend beyond these exclusive areas, the EU-Japan EPA is notable in covering only exclusive competences, which allowed it to be concluded solely at the EU level (Conconi et al., 2021).

Japan is the 4th-largest economy in the world as measured by nominal gross domestic product (GDP). Its economy is characterized by its high-tech industry (EU-Japan Centre,

2025). For the EU, Japan is the 6th largest export partner and 8th largest import partner. Bilateral trade with Japan accounts for €188.6 billion in total. The industrial sector dominates bilateral trade in goods, accounting for approximately 93% of total trade between the EU and Japan, while the agricultural sector represents only 6.2%. EU exports to Japan primarily consist of high-value manufactured goods, including chemical products, motor vehicles, machinery, as well as optical and medical instruments (European Commission, n.d.-d). Due to these high trade levels, the EPA is one of the EU's biggest FTAs (Baena-Rojas & Cardona Montoya, 2019). The following section will explore this FTA more closely.

2.3.2 The EU-Japan Economic Partnership Agreement components

Chapter 2 of the EPA covers most provisions on the elimination of tariffs (*Agreement between the European Union and Japan for an Economic Partnership*, 2018). Under the EPA, approximately 99% of EU tariff lines and 97% of Japanese tariff lines will be eliminated. Tariffs for a vast majority of goods are either immediately eliminated or over a predefined timeline following a tariff dismantling schedule. Upon entry into force, Japan immediately eliminated 86% of tariff lines, with the rest of its tariff reductions happening over a 15-year timeline. For agricultural products, Japan will eliminate 85% of tariffs gradually, whereas tariff lines on industrial products will be completely removed (Chowdhry et al., 2018). Despite a complete removal of industrial products, the agricultural sector is set to benefit most from the agreement. Tariffs on industrial products tend to be low in Japan, whereas the MoP on agricultural products is significantly higher. This is particularly beneficial for SMEs, as they are more likely to export agricultural products to Japan (European Commission, 2018). Moreover, as SMEs are overall more likely to benefit from tariff reductions (World Trade Organization, 2016), the EPA's tariff reductions might prove particularly beneficial for SMEs.

Regarding NTBs, chapter 7 of the EPA covers its TBT measures (*Agreement between the European Union and Japan for an Economic Partnership*, 2018). Chapter 7 promotes harmonization of international standards, mutual recognition of conformity assessments and greater transparency. This is particularly relevant for Japan, whose TBT measures prior to the EPA were significantly stricter than international and EU standards (Felbermayr et al., 2017). Therefore, EU SMEs could benefit significantly, as they are disproportionately affected by these strict TBT measures (Chen & Bao, 2023; Rosenow, 2025). Chapter 6 discusses SPS measures (*Agreement between the European Union and Japan for an Economic Partnership*, 2018). Both parties commit themselves to transparency in SPS measures, information

exchange, recognition of each other's standards and streamlined approval procedures through a joint committee. As with TBT measures, Japanese SPS measures are stricter than those of the EU (Felbermayr et al., 2017). Therefore, reductions in SPS measures would benefit EU SMEs, as they are both disproportionately affected by SPS measures (Ferro et al., 2017), as well as, more active in sectors most affected by them.

Fourth, chapter 3 of the EPA covers its RoO requirements (*Agreement between the European Union and Japan for an Economic Partnership*, 2018). Following chapter 3, exporters can self-declare RoO compliance whenever the value of a product falls under €6,000. Self-registration could potentially reduce RoO administrative compliance costs. Therefore, this could be particularly beneficial for SMEs, as the export value of SMEs is often less compared to that of larger firms. Consequently, SMEs are often more eligible for these self-registration RoO requirements. Whenever a product exceeds the €6,000 threshold, firms must register their products under an EU system that can be used for other FTAs. This could potentially reduce the administrative costs of complying to a multitude of RoO requirements. Therefore, as SMEs more often struggle with the administrative costs associated with RoO compliance (Hayakawa et al., 2014), SMEs could benefit significantly.

Finally, the EPA specifically dedicates Chapter 20 to SMEs (*Agreement between the European Union and Japan for an Economic Partnership*, 2018). This chapter aims to address the information discrepancies SMEs face. Therefore, it is committed to enhancing transparency in the export process. Both parties agree to create SME-specific websites with helpdesks, factsheets and guidance on import requirements, customs procedures and RoO requirements. Additionally, the EPA mentions SMEs specifically in several other chapters (EU-Japan Centre for Industrial Cooperation, 2019). Chapter 4.6 of the EPA includes a provision that seeks to simplify requirements for customs procedures. Thereby, reducing time and cost constraints for SMEs. Moreover, chapter 8.80 establishes an ongoing dialogue between both parties on regulatory matters related to e-commerce. Thus, addressing regulatory challenges SMEs face when trying to engage in e-commerce. Furthermore, in chapter 14.52, both parties agree on IPR cooperation, including information exchange on IPR issues relevant for SMEs. This could reduce some of the issues SMEs face when trying to protect IPR abroad, such as the information costs of gathering potential IPR infringement. Finally, chapter 17.2 covers the commitment to provide a transparent regulatory environment, especially targeted at SMEs. Therefore, reducing some of the information costs associated with NTBs.

To conclude, the EPA has the potential to benefit SMEs by reducing trade barriers and addressing the specific challenges they face in international trade. However, whether these efforts have translated into tangible gains for SMEs exporting to Japan, remains to be seen. It is therefore important to explore studies that evaluate both the expected and actual impact of the EPA on firms' export performance.

2.3.3 The EU-Japan Economic Partnership Agreement and its impact

Studies conducted before EPA implementation forecasted substantial economic gains from the agreement. A study by the European Commission (2018) expected that the agreement would add a total of €33 billion to the EU's GDP by 2035, with exports rising by €13 billion. Other studies expect gains in exports ranging from 50 to 73% in most positive scenarios (Felbermayr, Kimura, et al., 2019; Sunesen et al., 2010). Sectors expected to gain most from the tariff reductions include dairy, textile and apparel (European Commission, 2018; Górska, 2022). These sectors would see an increase of more than 200% in exports, mostly attributed to high MoPs. This would particularly benefit SMEs, as they are particularly active in these sectors (European Commission, 2018). Sunesen et al. (2010) predicted an increase of 23% in EU exports when only factoring in its tariff reductions. However, most of these studies assume a 100% PUR from start. However, the PUR is often much lower and gradually increases over time. Therefore, assuming full FTA utilization from the beginning might distort findings. In the first year of implementation, the PUR on EU exports to Japan stood at only 53% to eventually reach 72.37% in 2023. (Press and information team of the Delegation to Japan, 2024). A study by Van der Vorst (2025) took into account this gradual increase in the PUR and found lower overall GDP gains than the ones predicted by previous studies.

Moreover, the PUR alone does not explain overall effectiveness of the EPA. FTAs also intend to address NTBs. The MoP for industrial products is often low in Japan, reflected in a relative low PUR for industrial products, standing at 58% in 2022 (Press and information team of the Delegation to Japan, 2024). Therefore, SMEs operating in these sectors might benefit more substantially from NTB reductions. In fact, NTB reductions would explain most trade enhancing effects of the EPA in all sectors (Benz & Yalcin, 2015; Felbermayr, Kimura, et al., 2019; Sunesen et al., 2010). While Sunesen et al. (2010) expects tariff liberalization alone would increase trade by 23%, full NTB harmonization could lead to a 50% increase in trade flows. A study by Felbermayr, Kimura, et al. (2019) estimate that 87% of the agreement's welfare gains stem from NTB reductions, reflecting the already low tariff rates

applied by Japan. In a similar vein, Benz and Yalcin (2015) also found that the majority of output gains under the EPA stem from NTB reductions. Under most ambitious NTB removals the EU would gain 0.1% in its total output productivity. However, contrary to what the EPA and its provisions suggest, these output gains would be primarily driven by larger firms. As trade liberalization under the EPA would force less productive smaller exporters to exit the market, while more productive firms expand their market share.

However, these studies still mostly rely on economic models. Therefore, the real-world impact after implementation might differ. Even though, the study by Van der Vorst (2025) was conducted with data from after the EPA's implementation, the economic analysis only builds on real data from 2019 and 2020, the rest is still built on assumptions. The European Commission is currently carrying out a post-evaluation of the EPA (European Commission, n.d.-b), thus the real expected benefits across firm sizes can be analyzed at a later point. Nonetheless, some trade data on the EPA is already available. Overall, trade between the two trading partners increased between 2019 and 2024 (European Commission, n.d.-d; Shiho Sugimoto, 2025). The EU exports of goods to Japan rose by 13.8% between 2019 and 2022. However, the exports of goods saw a 10% decline in 2023. This could be contributed to external market forces negatively influencing export rates, e.g. a significant drop in COVID-19 vaccines to Japan was registered due to the pandemic reaching its end (European Commission, n.d.-d). Nonetheless, in 2024, exports of EU goods to Japan increased by 5% again (Shiho Sugimoto, 2025). Overall, the available evidence suggests that the EPA has had a positive impact on trade flows between the two trading blocs. However, is still far from the expected increases in trade as reflected in the predictive studies.

Exploring the firm-size perspective, the EPA's outcomes appear bleaker. Firms exporting to Japan generated a total of €63 billion in the export of goods (European Commission, n.d.-d). A total of 61.000 EU firms export to Japan, of which approximately 53,000 are SMEs. This means that SMEs represent 86% of all exporting firms. Despite this numerical dominance, SMEs made up just €13 billion of total generated revenue, which accounts for around 20% of total export generated revenue (Eurostat, 2023). Before implementation, the percentage of SMEs exporting to Japan accounted for 88% of the total firms exporting to Japan on a total of approximately 64.000 firms exporting. Moreover, they accounted for 30% of all export generated revenue (European Commission, 2018). Therefore, it seems that the overall number of firms exporting to Japan dropped after implementation. Moreover, the relative number of SMEs exporting to Japan and their relative export value dropped significantly. This would confirm the expected outcome after EPA implementation as

proposed by Benz and Yalcin (2015), where less productive firms exit the market and more productive firms expand their market share after implementation.

2.4 Conclusion to the literature review

The literature review uncovered which barriers to trade disproportionately affect SMEs. SMEs face challenges regarding tariff barriers, complying with TBT and SPS regulations, fulfilling RoO requirements, administrative burdens, finding relevant market information and protecting their IPRs. On paper, the EPA presents some opportunities for SMEs through the benefits FTAs can bring, especially regarding the specific SME provisions embedded in the EPA. However, trade data seems to suggest lower relative gains for SMEs than one would expect from the literature and its provisions. As most studies conducted on the EPA focus on its quantitative dimensions it might be useful to explore in greater depth how SMEs actually experience the EPA and its intention to reduce barriers to trade. Therefore, the following chapter introduces a qualitative approach to uncover the story behind trade data.

3. Methodology

3.1 Research approach and justification

The objective of this study is to explore the lived experiences and perspectives of SMEs engaging in trade with Japan. The decline in SME participation and export value suggests that the EPA may not foster trade for smaller firms as effectively as one would expect from the literature. This discrepancy justifies moving beyond quantitative data to examine how SMEs themselves experience exporting to Japan in light of the EPA. Since existing research on the EPA overlooks these experiences (Benz & Yalcin, 2015; European Commission, n.d.-d; European Commission, 2018; Felbermayr, Kimura, et al., 2019; Górska, 2022; Press and information team of the Delegation to Japan, 2024 ; Shiho Sugimoto, 2025; Sunesen et al., 2010; Van der Vorst, 2025), a qualitative approach is justified, as it allows for an understanding of the “how” and “why” of certain phenomena (Islam & Aldaihani, 2022). Moreover, qualitative research enables the researcher to explore participants’ perceptions in depth and uncover meanings that might be obscured by statistical phenomena (Creswell, 2013). Therefore, to uncover how SMEs experience exporting to Japan, qualitative research is best suited for this study. To explore this, the research question is the following:

How do EU small and medium-sized enterprises experience exporting to Japan in light of the EU-Japan Economic Partnership Agreement?

This research adopts a realist or essentialist paradigm, which assumes that participants' experiences are accessible through language and that these meanings reside within the data rather than being shaped by social constructions or interpreted through a theoretical lens. Therefore, a realist or essentialist approach enables the theorizing of motivations, experiences, and meanings in a straightforward and accessible way (Braun & Clarke, 2006). This is appropriate for the research question, which seeks to explore the experiences of EU-based SMEs when exporting to Japan. For this research, "experience" refers to the subjective perceptions, reflections and interactions of the participant in relation to the export to Japan, such as described challenges and opportunities encountered.

Inductive thematic analysis was chosen as the most suitable method for analyzing the data collected for this study. With inductive analysis, the themes identified in the data are linked to the data themselves, rather than being imposed by existing theories or conceptual frameworks (Patton, 2002). An inductive approach is particularly fitted for exploratory research, where a phenomenon has not been explored in sufficient detail (Chandra & Shang, 2019). In the case of EU SMEs and their relationship with the export to Japan, no study has been conducted on their experiences yet. Thus, it is difficult to tell which themes come up for SMEs exporting to Japan. Therefore, inductive analysis is used to build new insights grounded in the participants' perspectives. Following the inductive thematic research approach of Braun and Clarke (2006), themes were not pre-defined prior to analysis. Interview questions were identified in the literature review. However, these were only used to guide the design of these interviews, ensuring guidance and relevance of the questions for the researcher and subject in line with Braun and Clarke (2006). Themes identified in the literature are mostly concerned with aggregate data from larger samples, whereas this study focuses on the subjective experiences of SMEs. As such, the analysis remains open to emergent themes. Nonetheless, as Braun and Clarke (2006) note, the researcher concerned with inductive thematic analysis cannot free themselves from earlier knowledge, in this case, gathered during the literature review. Moreover, the interview guide inevitably dictated the areas participants discussed. Additionally, as this research concerns experiences in light of the EPA, certain elements trace back to the literature. This remains consistent with the approach of Braun and Clarke (2006) for inductive thematic analysis, which acknowledges that while analysis is inductive, researchers also attend to themes relevant to the research question.

Thematic analysis is used for this research, as rigorous thematic analysis can produce trustworthy and insightful findings across a range of research questions (Nowell et al., 2017). Thematic analysis is aimed at identifying patterns or themes in the dataset. Braun and Clarke (2006) highlight several advantages of thematic analysis. First, through its theoretical freedom, thematic analysis can provide a highly flexible research approach, that can produce a complex and detailed account of the data. Therefore, it is a useful method for examining the perspectives of different data subjects. Through this method, the range and diversity of participants' experiences can be accounted for, which allows for interpreting patterns of meaning within data. However, Braun and Clarke (2006) mention some disadvantages of the method as well. For example, due to its theoretical flexibility, thematic analysis can also be used inconsistently. Therefore, methodological transparency should be taken care of through the whole process. Moreover, without reflective engagement from the researcher, the analysis may risk being solely descriptive, failing to theorize meanings and patterns in the data. Finally, if not clearly defined, thematic analysis risks overlapping with other methods. To curb these risks, this research makes use of Braun and Clarke (2006)'s six-phase method for thematic analysis. This method provides a transparent, structured and reflexive step-by-step structure to follow. Thereby, ensuring academic rigor is safeguarded.

3.2 Data collection

The population of this study was defined as EU SMEs following the definition by the European Commission (2003). Within this population, convenience and snowball sampling was used. Convenience sampling is a non-probability sampling method where participants are selected based on accessibility to the researcher (Galloway, 2005). As the researcher encountered significant challenges in locating eligible participants willing to participate, recruitment depended largely on accessibility of the research subjects. Convenience sampling is an appropriate method when intending to obtain people's perceptions (ibid.). Therefore, this sampling method is appropriate for this research. To recruit more participants, representatives selected through convenience sampling were asked for referrals, thereby employing snowball sampling methods following the definition of Galloway (2005). However, convenience and snowball sampling alike also have its drawbacks. Convenience sampling may introduce motivation bias. Where subjects participate in the study for motivational reasons, such as a special interest in the topic, a wish to express a different point of view or a desire to support one's specific opinion. Moreover, poor participation rates linked to convenience sampling also raises the risk of underreporting the experiences of

certain groups (Stratton, 2021). In line with this critique, this research acknowledges the possibility that SMEs that have no online presence regarding their export activities to Japan or SMEs unwilling to participate may differ from those included. However, as this study does not aim for generalizability, rather is concerned with the nuanced experiences of SMEs, this is less of a concern. To enhance trustworthiness and broaden perspectives beyond the SMEs part of the sample, expert interviews were introduced. These experts were sampled based on expert sampling following Ahmed (2024a), thus were recruited based on their perceived expertise in the area.

Participants were recruited over a 10-week period through a combination of direct outreach, snowball sampling and public calls for participation. Multiple strategies were employed. First, support organizations were asked if they had specific firm-level contacts. These included SME support organizations, EU member state-Japan trade associations and export support agencies. However, due to confidentiality, these organizations were unable to provide firm-level contacts. Nonetheless, two parties agreed to publish a call for participants on their website. Second, calls for participation were posted on LinkedIn and Instagram stories. Third, newsletters of the EU-Japan Centre for Industrial Cooperation, LinkedIn posts and trade mission reports on public or private websites were searched for mentions of specific SMEs exporting to Japan. Finally, SMEs that promoted their products on the EU-Japan Centre for Industrial Cooperation website were contacted. For the latter two strategies, firm names were extracted and reviewed to confirm SME status using the employee count of said company on LinkedIn. In the process, over 200 companies were contacted via email. Each message included an introduction to the research, a description of the study's purpose, anonymity assurances and a request to participate in a semi-structured interview in exchange for receiving the research findings (see Appendix B & C for the summary provided to participants). If it was unclear whether a company had already carried out export activities to Japan, they were asked if they had so.

Due to low response rates, out of more than 200 requests, only a total of 13 interviews with SMEs were conducted. This significant discrepancy between the number of requests and actual responses increases the risk of non-participant error, which may result in an unbalanced view of experiences as described by Stratton (2021). To allow for more balanced perspectives, experts were included. Experts were asked the same questions as SME participants. However, were asked to provide an overall picture of SME experiences. By analyzing both data sources, within-method triangulation was employed. Within-method triangulation refers to the inclusion of multiple data sources within one research design

(Fusch et al., 2018). Using triangulation contributes to greater credibility of the research results by enhancing the robustness and transferability of the study through the inclusion of multiple sources that offer different perspectives on the same phenomenon (Stavros & Westberg, 2009). Moreover, within-method triangulation ensures data saturation by allowing themes to be confirmed across a diverse but related set of data sources (Fusch Ph D & Ness, 2015).

Due to limitations in data availability to thoroughly select participants, three firms were later found to be part of larger corporations, whereas two firms did not currently export to Japan. Of the former (SME1), the representative reflected on their company's export experience prior to a recent takeover by a larger corporation. Past experiences still count as critical sources of information (Albarracin, 2021). Therefore, this interview was included. The other two firms operated autonomously within a corporate group and managed their own export processes (SME3 & SME10). Their respective companies would have been of SME status if they were stand-alone companies. Even though these companies do not meet the EU's official SME definition, EU communication outlets nonetheless present such entities as SME cases in the context of exports to Japan as well.¹ Moreover, subsidiaries that export have a higher degree of autonomy from their headquarters (Taggart & Hood, 1999). Therefore, one could argue that these subsidiaries still have a higher degree of autonomy in decision-making, thus might face similar challenges in this regard. Nonetheless, it could be assumed that these subsidiaries still receive support from their parent company regarding the export process. Therefore, the inclusion of these two experiences is seen as a limitation and will be properly addressed in the limitations section. Finally, the two companies not currently exporting to Japan were excluded from the analysis as they did not fit the study's objectives.

Interviews were conducted using a semi-structured format. Semi-structured interviews allow for a balance between consistency and flexibility within the research format (Kallio et al., 2016). For this research, flexibility in capturing SME experiences whilst maintaining consistency in relation to the EPA is particularly valuable. Therefore, the use of semi-structured interviews is appropriate. To ensure the rigorous development of a qualitative semi-structured interview guide this research follows recommendations of a five-step semi-structured interview guide development plan proposed by Kallio et al. (2016). By following this framework, objectivity and trustworthiness of the findings is enhanced (Kallio et al.,

¹ See transcript BSO1 line 578, as well as, EU communication outlets showcasing subsidiaries as SME cases: <https://een.ec.europa.eu/blog/enterprise-europe-network-and-eu-japan-centre-10-years-successful-partnership> <https://trade.ec.europa.eu/access-to-markets/en/stories/trade-agreements-put-small-countries-map>

2016). First, the prerequisites for using semi-structured interviews were considered, this criterium was satisfied as described above. Second, a conceptual foundation for the interviews was provided through the literature. Third, questions were based on this literature review. See the justification of interview questions in the appendix (see Appendix A). These questions were designed to reflect the key themes emerging from the literature review. Fourth, the interview guide was modified during the interview process whenever needed. Thereby, ensuring questions reflected the methodological structure of this paper and its key themes. Based on this, some questions implying challenges or opportunities were reframed to focus on participants' experiences. Now, participants could define on their own terms whether they considered an experience a challenge or opportunity. Therefore, this adjustment made the questions more suitable for inductive thematic analysis. Fifth, the interview guide is presented in the appendix (see Appendix A), thereby, allowing for auditability of questions. Alongside the interview guide for SMEs, the interview guide for experts is available on request. In essence, both ask the same questions, however, experts were asked to provide an overview of SME experiences.

Thereafter, interviews were conducted with the following anonymized entities, with their respective country of origin, the platform the interview was conducted on and their duration highlighted (see Table 2).

Anonymized name	Country of origin	Platform	Date	Duration in minutes
SME1	Belgium	Zoom call	6.06.2025	25
SME2	Slovakia	Written response	10.06.2025	NA
SME3	The Netherlands	Zoom call	17.06.2025	38
SME4	Poland	Written response	17.06.2025	NA
SME5	The Netherlands	Zoom call	20.06.2025	17
SME6	Germany	Zoom call	27.06.2025	39
SME7	Estonia	Whatsapp call	09.07.2025	39
SME8	Finland	Zoom call	16.07.2025	15
SME9	Lithuania	Zoom call	17.07.2025	26
SME10	Lithuania	Zoom call	21.07.2025	42
SME11	Ireland	Zoom call	01.08.2025	18
SME_no_export	Denmark	Whatsapp call	13.06.2025	9

SME_no_export2	Lithuania	Zoom call	25.07.2025	37
BSO1	Belgium	Zoom call	27.06.2025	109
BSO2	Ireland	Zoom call	22.06.2025	45

Table 2 – Overview of the interview process

After the interview process, written responses were deemed insufficiently rich in detail to support a meaningful thematic analysis. Therefore, together with SMEs with no prior export activity to Japan, were excluded from the final analysis. Thus, SMEs not included in analysis are the following: SME2, SME4, SME_no_export and SME_no_export2. The removal of insufficiently rich interviews is supported as data saturation was reached after the seventh spoken interview. This research follows the definition Guest et al. (2006) use for establishing data saturation, i.e. at a point where no new codes emerge in the notebook. This was the case for this research after the seventh spoken interview. The subsequent interviews only confirmed pre-existing codes. Guest et al. (2006) confirm that data saturation can occur within the first six interviews when one is more interested in developing overarching themes. In line with this evidence, this study establishes confidence in the adequacy of the data set for addressing the research question.

Whenever a participant's native tongue was either Dutch or German, interviews were conducted in the participants' mother tongue. Thereby, allowing for experiences as close as possible to the participant's meaning. Whenever this was not the case, interviews were conducted in English. Non-English interviews were translated after data collection using Google Translate. Afterwards, these transcripts were carefully checked by the researcher to ensure accuracy in translation. By translating the data at an early stage, the entire data set becomes accessible for systematic coding from the beginning. Moreover, translating at an early stage enhances academic rigor as it allows for greater transparency of the full data set (Santos et al., 2015). To enhance transparency further, quotes from interviews conducted in a non-English language are provided alongside the English translation in the discussion section, following recommendations by Younas et al. (2022). Both the (translated) English and non-English transcripts are available on request, as well as the interview guide in German, Dutch catered to the Netherlands and Flemish Dutch.

3.3 Data analysis

The first phase of thematic analysis is concerned with “familiarizing yourself with your data” following Braun and Clarke (2006). This has been done by employing multiple

methods. First, all interviews were conducted by the researcher. During the interview process, central ideas were written down in a designated notebook. This allows to reflect on the data and notice patterns before the transcription process was carried out. During this process, the researcher already noticed certain topics coming up relatively often, such as having a partner, institutional support systems and cultural differences. Afterwards, interviews were transcribed using Turboscribe, an online transcription program. However, this program did not transcribe in full accuracy and sometimes misattributed passages of text to interviewer or participant. To account for these inaccuracies, all texts were checked and corrected against the original audio. Moreover, after translating non-English transcripts, all texts were checked for inaccuracies and whether the translation captured the intended meaning of the participant in their spoken language. During the process of checking for inaccuracies in the transcription and translation process, notes were kept looking for patterns in the data as well. Therefore, the researcher had been immersed with the data extensively before moving to phase 2.

Phase 2 of Braun and Clarke (2006)'s thematic analysis involves "generating initial codes". To later perform within-method triangulation, the 9 SME interviews and 2 expert interviews were coded separately. All codes were coded using inductive semantic coding. Initially all codes were coded as close to a participant's words as possible, i.e., highly semantic. For coding, this research made use of the software program MAXQDA. In the first coding stage, 583 excerpts were coded using 247 unique codes for the SME interviews. All codes were accompanied by a memo describing the code meaning. For the expert interviews, 344 excerpts were coded using 275 unique codes. The initial higher density of codes relative to the number of interviews can be attributed to the greater relative length of these interviews and the denser information these interviews inhibited. At this stage, no extract was coded twice using different codes. To make sense of the data, some codes were collated. However, it was not entirely clear where the data was pointing towards at this point, so many codes were kept semantic to better create themes afterwards.

Phase 3 involves searching for themes (Braun & Clarke, 2006). Now, all codes were placed under major codes, grouping negative and positive experiences. From these, 10 major codes were formed that were considered candidate themes for now. All themes were discussed extensively by SME's. However, after closer inspection, most of these themes matched the interview guide too closely. Moreover, most of these themes reflected a rather mixed outcome, thus did not necessarily provide direction. Therefore, not reflecting a theme following the criteria of Braun and Clarke (2006). Nonetheless, 3 candidate themes did not reflect the questions in the interview guides, i.e., *cultural differences*, *partners*, *institutional*

support. Afterwards, the number of themes was dramatically reduced: *The EPA, cultural differences, intermediaries*. However, even though coming up extensively during the process, *cultural differences* would not satisfy as a theme as this research focuses on regulatory barriers rather than cultural ones. Therefore, *cultural differences* was discarded and *intermediaries* once again split in *partners* and *institutional support* as means of overcoming regulatory barriers to export. *Cultural differences* was then coded again. If a participant talked about cultural differences in relation to partnerships, the excerpt was coded under the sub-code *partnership dynamics*. These references were interpreted as a limitation of the effectiveness of *partnerships* as an intermediary. Finally, as NTBs in the form of entry barriers came up extensively, a fourth theme was added: *barriers to entry*. Moreover, *firm capabilities and constraints* was added as a way of explaining firm-embedded differences in experiences. Therefore, at the end of phase 3, one theme reflected barriers in place: *entry barriers*. Additionally, 4 themes indicated means of overcoming these barriers and limits to their effectiveness. During this process, codes were collapsed to allow for better overview. Now, all semantically inductive coded expert interviews were deductively grouped according to those themes. Codes that did not match for both SME and expert interviews were coded under *bucket* for later reference. This bucket was checked later in the process but did not tell a coherent story, thus its codes were discarded.

Afterwards, phase 4 commenced, this phase involves reviewing themes (ibid.). After closer inspection and by comparing both SME and expert interviews, it was concluded that *firm constraints and capabilities* did not have sufficient data to support it. Therefore, was excluded as a theme. The sub codes for this theme also did not fit under any other theme and were thus discarded from analysis. All other themes were then checked for internal and external homogeneity following Patton (2002), i.e. data within themes cohered meaningfully, whilst all themes were clear and distinct. It was then concluded that all themes satisfied these criteria. Afterwards, all interview transcripts for SMEs and experts were checked again to determine whether they still fit the now collapsed main codes and to what extent some coded extracts could be combined due to codes now being broader, instead of purely semantic. After this process, only 407 excerpts for SMEs remained, whereas 282 for experts. During this process, all themes were kept in mind and reviewed to see if they accurately reflected participants' experiences. The researcher concluded that this was the case. However, themes 1 and 2 do reflect the interview guide closely, which could explain the relative frequency in experiences. Nonetheless, these experiences were kept as they directly addressed the research

question. Therefore, fulfilling the criteria for developing themes as established by Braun and Clarke (2006).

Thereafter, phase 5, which involves defining and naming themes, was initiated (ibid.). In this phase, the researcher defines the essence of each theme. For theme 1 it was concluded that the essence of the theme involved the challenges faced when SMEs start exporting to Japan, with one main culprit: NTBs. This theme was then named *A fortress island*. The theme reflects the literature on barriers to trade. Accordingly, the interview guide was partly designed to account for these experiences (see Appendix A). Even though not all barriers to trade anticipated from the literature were felt by SMEs, the severity of SPS and TBT measures for SMEs was expected based on prior review (Chen & Bao, 2023; Ferro et al., 2017; Rosenow, 2025). Moreover, the literature review highlighted that Japan's regulatory standards are more rigorous than those found in the EU (Felbermayr et al., 2017), making market access particularly challenging for SMEs. A pattern confirmed by SME accounts. However, not all barriers to trade highlighted in the literature were experienced in practice. Nevertheless, these were retained within the theme, as they contribute to a coherent understanding of how SMEs experience trade barriers in Japan in different ways. Thus, the literature on barriers to trade was either confirmed or rejected by empirical data. Therefore, theme 1's development was grounded in prior literature exploring barriers to trade and the ways SMEs experience them.

The other 3 themes reflected the strategies SMEs used to overcome barriers to export and the constraints that come with these strategies. These strategies could have been collapsed, however, all reflected distinct ideas. As *the EPA* represented strategies utilizing the regulatory environment. Whereas *partners* involved strategies in collaboration with private entities. Finally, *institutional support* reflected non-commercial help as a strategy. Moreover, the constraints of each strategy were overcome with help from the next strategy down the line. Where the mixed EPA effectiveness was solved through partnerships and institutional support. Furthermore, hurdles related to partnership dynamics were overcome by institutional support. For the EPA, the theme *A "goodie"* was established. This theme is grounded in the literature, as this research and the literature review accordingly examines the EPA's effectiveness. Consequently, interview questions were designed to assess the EPA and its provisions (see Appendix A). This theme mostly concerns findings from these interview questions. It explores whether these anticipated benefits have been realized in practice. Therefore, theme 2 ties closely to the literature and was included to capture how the EPA functions as a mechanism for overcoming barriers to trade.

For *partners*, theme 3 was labelled *Partner is (a rusty) key*. The theme emerged separately from the interview guide. The literature reviewed prior to analysis mentioned little about the role of partners as intermediaries. While some studies suggested that SMEs might rely on external partners to compensate for limited resources (Kasteng et al., 2021; Legge & Lukaszuk, 2024; Medin, 2021), the researcher did not expect the prominence of such partnerships. Therefore, the role of partnerships was not explored further in the literature review. The theme reflects how partners act as intermediaries and fill the gaps the literature had expected the EPA to address. Since the idea appeared frequently across interviews, it was developed as a separate theme. During the analysis, additional literature on the importance of partners in international trade was reviewed, which confirmed the relevance of this finding. The theme also captures the challenges that come with such partnerships, which were first identified in the data and later supported by existing research. Therefore, theme 3 emerged separately from the interview guide but was subsequently validated by subsequent literature, justifying its inclusion as a distinct theme.

Theme 4 concerning *institutional support* as an intermediary is titled *The missing link*. The theme focuses on how SMEs overcome barriers to trade through various forms of institutional assistance. The interview guide accounted for informational support within the EPA as a means of alleviating information discrepancies (see Appendix A). However, literature reviewed before analysis did not address other ways in which institutional support helps firms overcome entry barriers or partnership-related obstacles. Since the prevalence of partnerships was not initially anticipated in the literature, neither was the institutional support connected to these partnerships. Nevertheless, this type of support was frequently mentioned by SMEs and therefore included in the analysis. Theme 4 is thus partly grounded in prior literature yet also developed separately from the interview guide. Additional literature on institutional support was reviewed after its emergence, confirming its relevance. Therefore, theme 4 captures both the previously reviewed literature on the EPA and informational support, while also emerging from the data as a means of overcoming barriers to trade.

Finally, phase 6, concerned with producing the report commenced (ibid.) The results of this phase can be found below under analysis and discussion. Note that in line with Braun and Clarke (2006)'s approach to thematic analysis, the whole process did follow a strictly linear path, instead, involved going back and forth through the data.

3.4 Establishing trustworthiness

This research made use of several strategies to establish trustworthiness.

Trustworthiness is a way of persuading the readers that their research findings are worthy of attention (Lincoln, 1985). This research follows the general strategies as proposed by Nowell et al. (2017) and Ahmed (2024b) to account for each of the four concepts of trustworthiness. Credibility is concerned with the fit between respondents' view and the representation of findings in a study (Tobin & Begley, 2004). To establish credibility, this research employs within-method triangulation, making use of multiple data sources to cross-verify findings, i.e., SME and expert interviews. Therefore, the impact of the potential biases that might emerge from a single source is reduced (Ahmed, 2024b). Additionally, a reflexivity statement is included in the limitations section, thereby enhancing credibility as it acknowledges the researcher's role in shaping the findings (ibid.). Moreover, after phase 5, the themes were analyzed with a peer that successfully finished her thesis using thematic analysis. Therefore, enhancing credibility by employing peer debriefing strategies to provide an external check on the process (Nowell et al., 2017). Finally, checking for referential adequacy in phase 4 can further enhance credibility by comparing the preliminary findings with the raw data (Nowell et al., 2017).

Second, transferability was accounted for by employing two strategies. Transferability refers to the generalizability of the inquiry. In qualitative research this can only be achieved on a case-to-case basis (Tobin & Begley, 2004). Transferability can be achieved by providing thick descriptions of the research context, participants and methods (Ahmed, 2024b). This is accounted for in this research by thoroughly describing the research context of this study and its methods. Due to anonymity pledges, participants cannot be described in full detail. However, by providing country of origin, this research aims for transferability in this regard as much as possible. Transferability can also be achieved by clearly stating the sampling process and criteria that justify the potential transferability of the findings (ibid.). This research described this process thoroughly in the data collection section, thus accounted for transferability in this regard.

Third, dependability refers to the way research is logical, traceable and clearly-documented (Tobin & Begley, 2004). This can be achieved by methodological documentation, i.e., thoroughly describing research procedures and decisions made during the study (Ahmed, 2024b). By making use of Braun and Clarke (2006)'s method for thematic analysis and describing the process in detail in its data analysis section, this research aims for

high dependability. Moreover, to enhance its dependability further, this research provided an audit trail to its supervisor and is available on request. Thereby, keeping track of research decisions, changes and the overall data analysis to ensure traceability. In addition, all coding schemes and hierarchies were saved before major revisions were made, preserving earlier versions of the analysis and allowing for verification of how findings were derived. These strategies serve to ensure transparency and traceability, allowing others to replicate the study or assess its dependability (Ahmed, 2024b).

Fourth, confirmability requires the researcher to demonstrate how conclusions and interpretations have been reached (Tobin & Begley, 2004). Thus, to what extent the researcher's interpretations and findings are clearly derived from the data (Ahmed, 2024b). Confirmability can be established when credibility, transferability and dependability are all achieved (Guba & Lincoln, 1989). Moreover, by providing reasoning for certain theoretical, methodological and analytical choices throughout the entire study (Koch, 1994). In this study, confirmability was pursued by meeting the first three criteria and by justifying research decisions in the justification section, as well as, throughout the whole methodology. Thus, this research employed several strategies to enhance its trustworthiness. In addition, the use of Braun and Clarke (2006)'s structured method for thematic analysis itself contributes to trustworthiness, as its systematic six-phase framework already promotes transparency and rigor (Nowell et al., 2017). Combined with a trustworthy interview guide following recommendations of Kallio et al. (2016), these strategies ensure that the research process and its findings are presented in a methodologically rigorous manner.

4. Analysis & Discussion

Four themes were identified during analysis. The first theme *A fortress island* represents the barriers SMEs experience when exporting to Japan. The second theme *A "goodie"* analyses the EPA ability to address barriers to trade. Theme 3, *Partner is (a rusty) key* explores the partnership dimension as a means of overcoming barriers to trade. The final theme *the missing link* uncovers how institutional support jumps in when no partner support is available yet. The frequency of codes and the number of respondents who referred to them are represented as follows: (frequency of codes, number of respondents). The code tree is available on request.

Theme 1 A fortress island

The first theme highlights the extent to which SMEs still perceive Japan as a difficult market to penetrate. The theme covers barriers experienced when starting to export to Japan. This theme contains one code, *barriers to entry* (23,7). These experiences mostly covered the long lead times before being able to export due to strict Japanese standards. Experts confirmed these barriers to entry with 25 references of *barriers to entry* by experts. For experts, entry barriers were relatively evenly split between information searches and the long lead times associated with NTBs. Information barriers came up during SME interviews as well, however, the leading story in SMEs point at strict Japanese standards.

“You should not be afraid, you know, to start working in Japan. But you have to know in advance that you will not have the result like this.” (SME10 Lithuania)

„Die Deutschen sind ja schon sehr genau, die Japaner übertreffen es dann weiter nochmal. Wenn man dann so weit ist, dass man geliefert hat, dann ist eigentlich alles zehnmal abgeprüft und hundertmal geprüft.“

The Germans are already very precise, but the Japanese go even further. By the time you've finally delivered, everything has essentially been checked ten times and tested a hundred times. (SME6, Speaker 2, Germany)

These long lead times can mostly be attributed to NTBs, i.e., testing and conformity requirements. The time SMEs spent to get their products approved for export is seen as a burden to enter for most SMEs. Where one expert noted:

Other shared experiences might be just the patience that is required to do business in Japan and that it's not about quick wins. So yeah, just having the patience and the commitment, I suppose, to seeing out the long timelines and different requirements.

(BSO 2, Ireland)

The fact that NTBs came up often as an entry barrier is in line with the significance of TBT and SPS related challenges for SMEs. Therefore, this research confirms the notion of earlier research that stated that SMEs are disproportionately affected by the compliance requirements TBT and SPS related measures pose (Chen & Bao, 2023; Ferro et al., 2017;

Rosenow, 2025). These studies mostly understand costs in terms the financial costs of compliance associated with NTBs. This study, however, finds that SMEs perceive the burden of complying to NTBs primarily in terms of time, where lengthy procedures delay entry into the Japanese market. Nonetheless, time can equally be understood as a financial cost, since time lost to compliance reduces opportunities for profit-making. Yet, respondents did not explicitly identify direct financial compliance costs as a challenge, rather its time comprising effects. Therefore, this study argues for a greater consideration of time costs when factoring in NTB compliance costs. The perceived prevalence of NTBs in Japan reflects the strictness of the Japanese regulatory environment pre-EPA (Felbermayr et al., 2017). This is surprising as the EPA was set to alleviate challenges associated with NTBs, i.e., chapter 6, 7 and 17.2. The effects of the EPA in this regard will be discussed in theme 2.

Contrary to NTBs, tariff barriers were not mentioned once as a barrier to trade. This is surprising, as tariff barriers are one of the most frequently reported barriers to trade (European Commission, 2019). Moreover, tariff barriers are often disproportionately felt by SMEs (World Trade Organization, 2016). Nonetheless, in most sectors, Japan already has low tariffs in place (Felbermayr, Kimura, et al., 2019). Therefore, it could be that SMEs in this sample operated in sectors with low tariffs in place or these SMEs simply used the EPA, which alleviated this barrier. Yet, as one expert noted:

The challenge with Japan really is not tariffs (...),
I think everything in Japan is non-tariff (BSO2, Ireland)

Other barriers to trade did not significantly emerge for SMEs. RoOs were not perceived as a major barrier to trade. This contrasts with the literature on the administrative burden these RoOs can pose for SMEs (Hayakawa et al., 2014; Kawai & Wignaraja, 2011). This could signal chapter 3's effectiveness in addressing challenges related to RoO use. Therefore, as RoOs shape an FTA's effectiveness (Azmeah, 2015; Chen & Mattoo, 2008; Hartwell et al., 2018; Kim & Cho, 2010; Legge & Lukaszuk, 2024), their relative absence as a barrier in this study suggests that the EPA has successfully mitigated this burden. However, the relative absence of RoO related struggles can also be attributed to the limited use of the EPA by the SMEs in this sample (as will be explored in theme 2). Nonetheless, other SMEs did not seem to endure hardship with RoOs as well.

The fact that we haven't had any great load of questions come in, maybe indicates that it's reasonably okay. I hope. (interview BSO2, Ireland)

Therefore, this may indicate that either chapter 3 of the EPA has been effective in easing RoO compliance, or that administrative compliance issues do not affect SMEs as strongly as the literature suggests (Hayakawa et al., 2014; Kawai & Wignaraja, 2011). However, given chapter 3's loose requirements for RoO compliance, one could expect its effectiveness for SMEs. Other barriers as covered by the provisions will be discussed in more detail in theme 3, as most of these barriers were bypassed by the use of intermediaries.

Finally, information barriers arose more significantly for experts compared to SMEs. The relative little mention of information discrepancies is surprising as the view of experts on the matter aligns more with what the literature would suggest, namely that SMEs find obtaining information particularly burdensome (U.S. International Trade Commission, 2010). This divergence could be explained by the effectiveness of chapter 20 of the EPA, aimed at reducing information discrepancies. However, this research suggests that it is not the effectiveness of chapter 20 that explains limited information discrepancies, rather the use of intermediaries as information providers. This will be discussed in greater detail in theme 3 and 4.

To conclude, theme 1 shows that SMEs continue to face significant entry barriers when exporting to Japan, primarily due to the lengthy lead times required to comply with TBT and SPS measures. In contrast, tariff and other regulatory barriers did not emerge as relevant for the SMEs in this sample. This may point to the EPA's effectiveness in addressing these issues. However, this could also suggest limited use of the agreement by SMEs or hidden variables influencing outcomes. This will be explored in the following themes.

Theme 2 A “goodie”

Theme 2 explores the EPA in more detail. This theme consists of 5 major codes. The first major code captures whether SMEs use the EPA, thus make use of the tariff reductions, with active use (6,3) being less common than non-use of the EPA (8,6). *EPA awareness and knowledge gaps*, reflects the limited awareness of the EPA among SMEs, with some having EPA awareness, however no awareness of specific provisions (3,3) and others showing no or only limited awareness of the EPA itself (7,5). The third code, *EPA perceptions*, shows that most SMEs view the EPA as primarily beneficial for importers (7,6), while only a minority

saw direct value for themselves (5,4). To test the ability of the EPA in tackling perceived barriers related to NTBs discussed in theme 1, the code *NTBs* is explored. *Divergent regulation* came up more frequently (20, 6) compared to *harmonization* (7, 5). The final code, *engagement with provisions*, contains several subcodes which reveal that SMEs mainly found the regulatory environment clear and predictable (8,9), albeit strict as noted in Theme 1. Whereas provisions on IPR and e-commerce were mostly not engaged with (16,9). *Customs experiences* were mentioned only infrequently and in a mixed manner, yielding no meaningful findings (9,4). The non-engagement and mixed perceptions can be explained by partners taking over provision-related tasks. These are coded as *commercial partner reduces barriers*, which will be discussed in theme 3. The provision on information availability did yield significantly positive results, coded as *institutional support reduces barriers*. Which will be discussed as part of theme 4. Most of these codes and their relative frequency amongst them were shared by experts. Apart from transparency in regulations, where experts considered regulation as non-transparent and considered the EPA difficult to use, whereas these challenges were not mentioned significantly by SMEs. This divergence can be explained by *commercial partner reduces barriers*, thus, will be discussed as part of theme 3.

Among the SMEs in this sample, the EPA is rarely used. Thus, the SMEs in this sample do not reflect the reported aggregated EPA PUR of 72% (Press and information team of the Delegation to Japan, 2024). This could be due to sampling bias, as the use of convenience sampling is particularly prone to this type of bias (Loftus, 2022). However, this discrepancy could also signal the relative limited use of the EPA among SMEs. Prior research suggests that SMEs use FTAs less compared to larger firms (Hayakawa, 2015; Takahashi & Urata, 2010). Therefore, SMEs are likely underrepresented in overall EPA usage figures. As the PUR split by firm size is not yet available (European Commission, n.d.-b), it could be possible that SMEs are relatively underrepresented in the aggregate PUR. The first empirical argument this research makes for limited EPA usage among the SMEs in this sample is limited awareness. Awareness of the EPA among SMEs is relatively low.

(To whether said SME was familiar with the EPA and its provisions relevant for SME's)

What is that? (SME10, Lithuania)

No. I've never heard about that. (SME8, Finland)

This lack of awareness can be explained by the information discrepancies SMEs often face compared to larger firms (U.S. International Trade Commission, 2010). Yet, awareness alone does not solely explain limited EPA use. Even when SMEs were previously aware or had the EPA explained, most did not necessarily see the EPA as actively benefiting them, rather the importer.

Maar voor ons maakt het natuurlijk niet uit, hè. Als er importheffing is in Japan en de klant vraagt daar niet om, dan zullen wij dat ook niet zo snel gaan initiëren.

But of course, it doesn't matter to us. If there's an import duty in Japan and the customer doesn't ask for it, we won't be so quick to initiate one. (SME3, Netherlands)

Also für uns war jetzt dieses Freihandelsabkommen, ich sage es mal ganz ehrlich, ist ein Goodie, dass es es gibt. Es ist schön. War aber jetzt nicht unsere Vorgabe, das zu machen.

So for us, this free trade agreement was, I'll be honest, a good thing that it exists. It's nice. But it wasn't our intention to do it. (SME6, speaker 2, Germany)

Thus, the low utilization of the EPA could be explained by the relatively limited value exporters assign to the agreement. Many exporters in the sample rely on export schemes where ownership was transferred before goods crossed the border. As a result, exporters are unable to benefit directly from the tariff reductions offered under the EPA. Therefore, from the exporter's perspective, the EPA's tariff reductions are mostly seen as valuable for the importers. This is surprising, given the EU highlights tariff reductions as a key advantage for SME exporters (Braitto et al., 2021). However, when ownership transfers earlier, benefits in cost reductions only accrue to the importer. This is more pronounced for smaller firms, as SMEs use exporting relatively often as a mode of internationalization (ibid.). Larger firms, by contrast, are better positioned to capture such gains directly through other forms of export. Therefore, by examining the reasons SMEs provide for low FTA utilization, this research proposes an additional variable in the relationship between firm size and the PUR. This concerns the role of importers in shaping FTA utilization. Most studies explore the relationship between firm size and the PUR on the exporter's side (Hayakawa, 2015; Park & Park, 2023; Takahashi & Urata, 2010), whereas limited studies explore this relationship from the importer's side (Kasteng et al., 2021). This reveals an under-researched area in the literature, namely, how importers shape FTA utilization patterns for exporters.

However, not only importers benefit from tariff reductions in FTAs, exporters could still gain, as lower tariffs can make their products more competitive on foreign markets (Crowley et al., 2024). Therefore, importers might be more willing to choose European products over products from countries with no FTA in place. Nonetheless, the MoP for Japanese products is often low (Felbermayr, Kimura, et al., 2019). Which is reflected in SMEs not naming tariff barriers as a concern once. Therefore, importers might not be incentivized to propose EPA usage. Research by Hayakawa (2011) found that an MoP threshold of around 3% is necessary for firms to consider the use of tariff preferences.

(...) because the money they save, it's fairly low. Let's say before the EPA, our kind of product, the tariff was 2%.

It went from 2% to 0%. And the importer will say, oh, well, it's too much paperwork for 2%. I don't care. (BSO1, Belgium)

Given Japan's low tariff rates, the SMEs in this sample might not fall in industries that mostly benefited from the EPA's tariff reductions, e.g., dairy and leather (European Commission, 2018; Górska, 2022). Therefore, the effectiveness of the EPA for the SMEs in this sample may not lie in its tariff-reducing provisions. Instead, the EPA's effectiveness could be better measured in its potency tackling NTB removals. This is justified, as studies suggest that most of the EPA's welfare gains would come from a reduction of NTBs, rather than its tariff cuts (Benz & Yalcin, 2015; Felbermayr, Kimura, et al., 2019; Sunesen et al., 2010). Therefore, measuring the EPA's effectiveness by its NTB reducing capability could be a more appropriate approach. Looking at chapter 6 and 7, the EPA seems properly fit to reduce NTBs. However, these NTB reductions are not yet felt by the SMEs.

Everywhere it's some differences, everything, some extra, extra regulation, extra requirements, unbelievable. So it's tough. (SME9, Lithuania)

It is possible that NTB reduction efforts have not yet taken full effect, since NTB reducing measures often take longer to have an impact on trade (Cheong et al., 2018). However, for now, it does illustrate the EPA's inability to address the most prominent barrier to trade in Japan as identified in theme 1. The EPA's inability to effectively address NTBs is reflected in earlier research by Kettunen and Alvstam (2023), which confirms the lack of TBT harmonization in Japan four years after implementation. Two years later, this gap appears to

remain unaddressed by Japanese authorities. In fact, as expert 1 noted, the EPA only harmonized legislation in two distinct sectors.

So indeed, in this context, the EPA helped for some regulation. Actually, EPA helped only for two regulations, wine and automotive. (BSO1, Belgium)

Therefore, it does make sense that divergence came up more compared to harmonization, since none of the interviewed SMEs operated in sectors the EPA did harmonize. SMEs that reported harmonized regulation, attributed the harmonization of rules to them operating in sectors that either had little regulation in place or already followed international regulation. Therefore, regarding Japanese NTBs, the EPA seemed to have contributed little for SMEs not operating in the wine and automotive industries. For now, it seems like the EPA is not as deep as an agreement as one might expect from the legal text. This lack of depth could explain the relatively modest increase in exports so far (European Commission, n.d.-d; Shiho Sugimoto, 2025). Research has shown that deeper FTAs have greater trade enhancing effects compared to more shallow FTAs (Baier et al., 2014; Kohl & Trojanowska, 2015; Kohl et al., 2016; Liu, 2016). For SMEs in particular, deep FTAs are especially beneficial as they are more affected by NTBs (Park & Park, 2023). Therefore, for SMEs, the EPA achieved little so far. This could explain why the proportion of SMEs exporting to Japan did not grow after EPA implementation (European Commission, 2018; Eurostat, 2023). In this context, larger firms would be better positioned to expand their market share in Japan following tariff liberalization, while SMEs exit due to increased competitive pressure and little NTB relief. Therefore, confirming predictions that the relative share of SMEs would drop, as suggested by Benz and Yalcin (2015). To conclude, as the EPA's effectiveness is best explained through its NTB reducing capabilities (Benz & Yalcin, 2015; Felbermayr, Kimura, et al., 2019; Sunesen et al., 2010), this study suggests that the EPA has so far fallen short on its most promising feature.

Nonetheless, the above discussed chapters are not necessarily designed with SMEs in mind. Therefore, evaluating the EPA's effectiveness through its SME-related provisions might provide a fairer perspective on its effectiveness. This study argues that the limited engagement with e-commerce and IPRs can be explained by the use of commercial partners. Moreover, the insignificance of customs interactions can be justified through the same mechanism. The divergence in experiences of SMEs and experts regarding transparency in regulations is also attributed to commercial partners reducing barriers. The effectiveness of

the provision on information availability is linked to institutional support. As the next themes cover these intermediaries in trade, i.e., partners and institutional support, the provisions will be discussed as part of the following themes.

To conclude, the tariff reductions as part of the EPA benefited the exporting SMEs in this sample little. This could be explained by either limited awareness or little perceived value for the exporters, as importers would mostly accrue the tariff benefits. Moreover, SMEs had limited experience with harmonization in TBT and SPS measures, despite considering such barriers their greatest obstacle to trade. Finally, SME experiences with the provisions is explained through the use of intermediaries, which will be explored in the following themes.

Theme 3 Partner is (a rusty) key

Theme 3 considers the partnership dimension that emerged from the interviews. This theme contains 2 major codes. The first code explores *commercial partner reduces barriers*, with 2 sub-codes: *commercial partners taking care of provision-related duties* (20,8) and *commercial partner taking care of non-provision related duties* (31, 8). These codes explore how partners reduce barriers to trade for SMEs exporting to Japan. The second code *partnership dynamics*, contains references made by SMEs trying to navigate the dynamics between them and the respective partner (53,9). These codes were frequently mentioned by the experts as well, with 21 references to *commercial partner reduces barriers* and 16 references to *partnership dynamics*.

Most SMEs in the sample relied on partners to overcome barriers to trade, which kept their direct engagement with the Japanese market and its regulatory procedures relatively limited. The majority exported indirectly through local distributors, who handled everything related to the Japanese market. Even SMEs that exported directly often avoided dealing with the barriers the EPA was designed to reduce, since their customers typically managed these procedures on their behalf. Therefore, acting as de facto intermediaries.

(...) we don't get exposed to any of the issues. They're that buffer between us and the marketplace. (SME11, Ireland)

This limited engagement with the Japanese market can explain the divergence in SME and expert experiences related the transparency in rules and regulations covered by chapter 17.2. Most SMEs in the sample found these transparent, albeit strict as explored in theme 1.

It's not easy. It's over regulated, but it's quite clear. (SME9, Lithuania)

This perception diverges from the view of expert 1, who coins the regulatory environment in Japan difficult to navigate.

Well, people don't know, they might not know there's a rule. So, finding that kind of information is quite complex because it's not easy. (BSO1, Belgium)

This divergence might be explained by SMEs relying on partners and institutional support to navigate the regulatory environment of Japan. Information about the rules to comply to might have not reached SMEs directly, rather was first analyzed and passed on by intermediaries. In that sense, SMEs are not as affected by the information barriers they usually experience (Al-Hyari et al., 2012; Hessels & Terjesen, 2010). Moreover, this could confirm that SMEs rely more on secondary information sources (Street & Cameron, 2007). Therefore, this explains why the expert working for institutional support finds the information difficult to navigate, whereas SMEs that receive this information filtered through intermediaries do not. This insight could also be attributed to the in theme 1 discussed discrepancy between experts and SMEs regarding information barriers, where intermediaries too mediate the relationship between SMEs and the Japanese market. Therefore, the provision on transparency in rules and regulations might not benefit EU SMEs directly, rather the partners and institutions providing them. In that regard, the provision did not directly benefit EU SMEs exporting to Japan.

Moreover, most SMEs showed little direct engagement with the EPA and its other provisions, as partners effectively took over the very tasks the agreement was designed to simplify. For e-commerce, SMEs relied on their partners to sell their products on the Japanese market.

But now, our importer is actually specialized on selling our products on different e-commerce platforms like Rakuten or Amazon. And so, now we're, yes, engaged with a digital platform or sort of like e-commerce through our importers. (SME7, Estonia)

Partners can shield SMEs from the challenges associated with e-commerce. Therefore, SMEs do not have to navigate complex regulations, logistical challenges and

increased shipping costs as explored in the literature (López González & Sorescu, 2021; OECD, 2023). Consequently, this suggests that Chapter 8.80 of the EPA, which aims to support SMEs in overcoming e-commerce related challenges, does not prove effective for the SMEs in this study. Since they delegate e-commerce activities to their import partners, the exporting firms themselves are not confronted by the challenges associated with e-commerce. However, this reliance also reduces the extent to which SMEs can reap the benefits of e-commerce. As highlighted in the literature, firms engaging in e-commerce can increase productivity and develop a competitive advantage by broadening their customer base and collecting customer data (Hagsten & Kotnik, 2017; Neubert, 2018). In the case of the SMEs in this sample, those benefits are mostly transferred to the partner.

Regarding IPRs, all SMEs in the sample did not experience any practical implications of chapter 14.52. This can be attributed to the relative low use of IPRs in the sample. This is in line with the relative low use of IPRs by SMEs (European Patent Office & European Union Intellectual Property Office, 2025), thus will not necessarily be considered sample bias. Still, little can be said about the practical experiences of SMEs that hold IPRs and to what extent the EPA contributed to their experiences regarding IPR infringement. However, the one SME that did experience an infringement was alerted by its partner, thereby circumventing the information gathering costs that SMEs typically face when seeking to protect IPRs abroad (U.S. International Trade Commission, 2010).

And so we got photographs from the distributor, we provided that evidence to our patent lawyers. They in turn contacted attorneys in Japan and we wrote a letter to them pointing out that we had this brand name registered. (SME11, Ireland)

This suggests that the provision on IPR support as outlined in chapter 14.52 had little effect on the SME that did experience an IPR breach. Overall, it can be said that IPR infringements among the SMEs in this sample are rare. Therefore, the provision did not play a significant role in their export activities.

Finally, SMEs reported relatively little engagement with customs authorities. The experiences of the ones that did were rather mixed. Where some SMEs considered customs procedures unproblematic, others described the documentation as burdensome. The variation in experiences was largely because they relied on partners or commercial intermediaries to handle customs clearance at the border. Where the exporter's role was limited to providing customs documentation.

Aber die ganze Abwicklung, die ganzen Importgeschäfte, das macht eigentlich 100% der Importeur für uns. Im Endeffekt stellen wir die Ware auf die Rampe, er holt es ab und macht alles andere.

But the entire process, the entire import business, is actually handled 100% for us by the importer. Ultimately, we place the goods on the ramp, he picks them up and takes care of everything else. (SME6, Speaker 2, Germany)

This could be attributed to the in theme 2 discussed ownership transfer of goods, which usually takes place before goods cross the borders. The literature suggests that SMEs disproportionally struggle with the complexity of submitting documents to multiple agencies and delays at the border (López González & Sorescu, 2019). Yet, this was not the case for most SMEs interviewed. Instead, intermediaries alleviated most of the challenges associated with customs clearance in Japan. However, in line with the literature (López González & Sorescu, 2019), the preparation of customs documents was still seen as complex by some SMEs. In this respect, regarding the reduction of customs complexity, the contribution of chapter 4.6 of the EPA appears twofold. On the one hand, it did little to reduce the complexity in setting up customs documentation. On the other hand, issues related to customs clearance were once again only indirectly relevant for SMEs, since intermediaries took on ownership of goods before crossing the border. However, due to the infrequency in reports, these findings should be treated as indicative patterns, rather than conclusive.

To conclude, most provisions were not broadly felt by the SMEs, as commercial partners often closed the gap the EPA tried to fill. This is surprising as the provisions are explicitly branded as benefiting EU SMEs in Japan (EU-Japan Centre for Industrial Cooperation, 2019). The firms in this sample relied mostly on their partners instead of the EPA. Therefore, this study suggests that the provisions rather benefit exporting firms that engage with the Japanese market more deeply. However, previous research shows that firms exporting more independently tend to be bigger ones, not SMEs. Smaller firms often rely more on intermediaries compared to their larger counterparts to compensate for the limited resources and capabilities they inhibit (Abel-Koch, 2013; Wang & Gibson, 2018). This effect is particularly pronounced in markets that are geographically distant and regulatory complex (Martínez-Zarzoso & Johannsen, 2018). This could explain the relative great reliance on partners in this sample, as most SMEs see Japan as a difficult market to enter, i.e., regulatory complex. Therefore, these partners are essential to guide SMEs through the process of

exporting to Japan. This relates to the next sub-code, *commercial partner taking over non-provision related duties*.

Because it's impossible in other way. You cannot sell directly to Japan.

You need an importer. (SME9, Lithuania)

We've had a very good sort of... I had a lot of help from our partners.

They usually, you know, guide us through all these kind of, you know, very specific detail aspects of, you know, labeling and documentations, what is required for the Japanese customs and so on. (SME7, Estonia)

The significance of solid partner relations connecting exporters with foreign markets reflects research showing that strong exporter–importer ties facilitate market entry. Strong exporter-importer ties help solidify the presence of exporters abroad, provide essential information, and reduce the uncertainty associated with foreign trade (Aykol & Leonidou, 2018). Therefore, as SMEs often lack internal expertise to navigate foreign markets (U.S. International Trade Commission, 2010), partners can bridge that gap. So far, one could argue that further efforts aimed at reducing barriers to trade under the EPA are unnecessary, as partners already shield SMEs from the marketplace. However, partnerships come at a cost as well. Intermediary partners often take large margins in Japan, ranging from 40 to 65 percent, while both importers and partners also incur prices for handling all procedures related to exporting (Tomaskova, 2015). These margins could reduce SMEs' margins and make their products less competitive compared to firms that handle their procedures in-house. Moreover, the quality of partnerships constitutes an exporter's performance (Lages et al., 2005; Piercy et al., 1997). Consequently, this means that exporters who rely on intermediaries are highly dependent on the strength of these relationships, which might put them at risk if the quality of partnership is poor. Nonetheless, outsourcing these procedures might be the only option for most SMEs, since many lack the capacity to handle these processes internally (Arsić et al., 2020). Coupled with the perceived regulatory complexity in Japan, partnering up seems like the only viable option, albeit expensive. Still, SMEs in this sample noted that navigating the dynamics between them and their partners sometimes proved challenging.

With the Japanese, it's a lot about, you know, reading the air.

It takes some experience to properly do that. (SME7, Estonia)

So, this cultural difference, yeah, the biggest issue. (SME9, Lithuania)

Compared to domestic buyer-seller relationships, exporter-importer ties are marked by greater cultural and geographical distance, which could make navigating this relationship difficult (Dou et al., 2010). Moreover, due to this relative greater complexity, insecurity over the partnership increases, which can often lead to misunderstanding, tensions and a greater use of organizational resources compared to domestic partnerships (Leonidou et al., 2011). These difficulties in assessing partnership dynamics are reflected by the SMEs in this sample. However, most SMEs notice that once that initial phase is overcome, the relationship between exporter and importer is built on reciprocal trust and commitment.

Man muss sehr lange Vertrauen aufbauen. Und eigentlich ist die Vertrauen... was wir jetzt so sehen, die Vertrauens- die persönliche Beziehung wichtiger als eigentlich die geschäftlichen Rahmenbedingungen.

You have to build trust over a very long period of time. And actually, trust... what we're seeing now, the trust, the personal relationship is more important than the business context.

(SME6, Germany)

Maar, eens je binnen bent, zijn ze ook enorm trouw.

But once you're in, they're incredibly loyal. (SME1, Belgium)

This suggests that while navigating partnership dynamics comes at a cost at first, once the initial hurdles are overcome these relationships are characterized by trust and commitment. Trust-based partnerships are beneficial, as this trust develops into a competitive advantage in exporter-importer relationships, which in turn enhances performance (Abu Saleh et al., 2014), as well as, survival rates (Payan et al., 2010). Therefore, navigating these partnership dynamics successfully and establishing trust can be a source of success in the complex Japanese market.

I suppose the in-person engagement and the trust building are still important parts of it.

(BSO2, Ireland)

Offering help in navigating partnership related dynamics is precisely where one provision not yet discussed comes into play, namely institutional support. Beyond facilitating

the navigation of these partnership dynamics, thus establishing trust, institutional support also acts as an additional help for SMEs overcoming barriers to trade. Therefore, institutional support and the provision related to this will be discussed in theme 4. To conclude, the reliance on intermediaries undermines the EPA's direct impact on the SMEs in this sample. By failing to reduce the complexity of the Japanese market at the source, SMEs remain dependent on partnerships. Which both provide opportunities but can also create liabilities. Institutional support can help alleviate some of these liabilities, which will be explored in the following theme.

Theme 4 The missing link

Theme 4 is concerned with institutional support. This research makes a clear distinction between partner- and institutional support. This theme consists of one major code: *institutional support reduces barriers* (30, 9). This code is then divided into several subcodes to see which barriers are reduced by this institutional support. Only two sub-codes proved significant; *institutional support reduces information discrepancy* (7, 5) and *institutional support reduces partnership-related barriers* (14,8). References to *institutional support reduces barriers* were made 43 times by experts. However, it should be noted that the experts interviewed are affiliated with organizations providing institutional support, which may explain their relative frequency.

Apart from partners reducing barriers to trade, institutional support also reduced information discrepancies for the SMEs in this sample. Therefore, institutional support can provide additional assistance for SMEs in reducing information discrepancies. Most of the information offered by these institutions was accessed before partnerships were established.

Yes, in that program explanation what is Japan, how to understand Japanese way of thinking, what kind of market it is, what restriction, what rules. It was really great program, great. And then you very, you got a good understanding that this difficult market but it's possible to achieve it. (SME9 Lithuania)

Earlier research reflects institutional support as a mean of reducing information discrepancies, where enhanced foreign market knowledge provided by institutional support improves export performance (Falahat et al., 2020). Institutional support aimed at reducing information discrepancies was even found to be more effective than receiving direct subsidies

(Ivanova, 2021; Mata et al., 2021). However, research by Faroque and Takahashi (2015) found no direct link between informational support and the export performance of firms. Nonetheless, effects were still found for SMEs in the early stages of internationalization and without established networks. This study confirms this notion, as most informational support was engaged with prior to market entry. Moreover, offers a possible explanation: once firms enter the market, partners act as information providers. Therefore, informational institutional support is most effective in reducing information discrepancies before partners assume this role.

Nevertheless, firms must still overcome hurdles before forming partnerships based on reciprocal trust, thereby establishing competitive advantage. Here, institutional support can likewise bridge this gap as reflected by the second sub-code: *institutional support reduces partnership-related barriers*. This support includes finding suitable partners and navigating partnership dynamics.

Flanders Investment and Trade, voor ons dan eigenlijk heel belangrijk, omdat die wel een mooie database hebben van (...) contacten

Flanders Investment and Trade, is actually very important for us, because they do have a good database of (...) contacts (SME1, Belgium)

(...concerning institutional training courses)

It was like a two-week intensive course about, you know, basically like a 360 degrees sort of crash course about Japan and, you know, the culture of Japan, the business culture and so on. So, it was a lot of fun and at the same time very, very educating and a very good experience for me. (SME7, Estonia)

This role of institutional support acting as an intermediary between partners and SMEs was reflected by the experts working for these organizations.

That's why we have those trainings since '87 (...) on Japanese business culture. It's a brainwashing to make the European representative understand how to do business in Japan. (BSO1, Belgium)

An important role of institutional support appears to be facilitating the process of finding such partners and helping SMEs navigate partnership dynamics. This is consistent

with earlier research, which shows that identifying and nurturing potential partner relations through institutional support has significant effects on export performance (Faroque & Takahashi, 2015; Wilkinson & Brouthers, 2006). Moreover, these effects occur indirectly, as institutional support enhances relationship quality in importer-exporter relationships, which in turn enhances performance (Haddoud et al., 2017). This research confirms this notion. Therefore, institutional support can be seen as the missing link before SMEs are able to fully reap the benefits of trustworthy partnerships.

This brings us to the effectiveness of Chapter 20 of the EPA, which establishes support for SMEs seeking market access. Since most SMEs described support as reducing barriers, the provision seems effective. However, the institutional support referred to by SMEs was mostly established prior to EPA implementation. Chapter 20 of the EPA covers a commitment of both sides to create helpdesks, websites and factsheets related to the use of the EPA. However, for the SMEs in this sample, institutional support primarily took the form of national and international assistance outside the scope of the EPA. On an EU-level, this type of support predates the agreement (EU-Japan Centre for Industrial Cooperation, n.d.). Therefore, regarding informational and partnership support on an EU-wide level, the EPA only codified existing structures for the SMEs in this sample. However, the researched SMEs showed little engagement with the EPA. Therefore, institutional support established by the EPA might have benefited SMEs beyond this sample.

Overall, Theme 4 shows that institutional support plays an important role in reducing barriers to trade for SMEs before partners step in. Institutional support helps closing information gaps in the early stages and facilitates the establishment of partnerships and trust within these partnerships. While Chapter 20 of the EPA mainly codified existing structures for the SMEs in this sample, its EPA-related support mechanisms could have benefited SMEs beyond this sample.

5. Conclusion

This study explored the EPA's impact in shaping the experiences of SMEs exporting to Japan. SMEs account for 99% percent of EU companies, yet are often underrepresented in international trade, overlooked in FTAs. As part of its new generation of FTAs, the EPA marked Europe's first attempt to include smaller players through SME provisions. Given the current decline of the multilateral order and consequently the EU's ambition to ramp up its FTA network, this new generation of FTAs presents an opportunity to exploit the capabilities

of this vast group of companies. Therefore, it is important to explore the EU's first attempt at achieving a more inclusive FTA to help guide future policy decisions. Hence, how did SMEs experience exporting to Japan in light of the EPA? The simple answer: through partners.

SMEs in this sample still reported complying with NTBs as one of the main challenges faced when exporting to the land of the rising sun, this finding is confirmed by experts. Despite the EPA's promises to harmonize regulation, the EPA only achieved little in addressing NTBs. Even though regulatory harmonization is precisely where the EPA was expected to demonstrate its greatest strength. Moreover, the interaction with the EPA and its provisions remained limited overall. SMEs reported little interaction with the tariff reductions in the agreement, saw the EPA as mostly beneficial for the importer and were sometimes not even aware of the agreement in the first place. Most of its provisions were not interacted with, as partners took care of procedures addressed by these provisions and the EPA in general. Partners appear to be key for alleviating barriers to trade for SMEs exporting to Japan. The relative great reliance on partners seems to stem from the complexity of the Japanese market. Nonetheless, this reliance also creates additional costs, dependencies and challenges associated with partnership dynamics. Institutional support can alleviate some of the costs related to partnership dynamics. Moreover, bridges the gap before SMEs establish partnerships by supporting their search and providing information. Whilst the EPA accounts for this institutional support in its essence, most of this support predates the agreement. Thus, for the SMEs in this sample, the EPA did not achieve much, as partners took on procedures covered by the EPA. The only area where the EPA could have made considerable impact for SMEs would have been the reduction of NTB, something it failed to address. Lowering NTBs could remove the barriers greatest felt by SME, thereby potentially reducing reliance on partners, which in turn could alleviate some of the costs associated with partnerships in international trade.

The reliance on partners over the EPA stands out as the most important finding of this research. NTBs amplify this reliance, while institutional support plays a role in helping SMEs manage it. Most of the themes reflected in this thematic analysis are not entirely novel. However, to the researcher's knowledge, this study is among the first to focus on how SME provisions in FTAs are experienced by SMEs themselves and connect this to the critical role of partners in this process. Therefore, this research makes an empirical contribution by explaining the 'why' behind the predominantly quantitative analyses of the EPA's impact conducted to date. However, it should be noted that the European Commission is preparing an ex-post evaluation of the EPA, including an analysis of SMEs' experiences. Which means

this study will not be the last contribution in this area. Theoretically, it challenges the perception that including SMEs in FTAs automatically benefits exporting SMEs on the ground, rather this dynamic is mediated by the existence of cross-border partnerships.

Based on these findings, this study offers several policy recommendations. First, NTBs should be prioritized by authorities, following the legal text of the EPA. These NTB reductions can deliver the most tangible benefits for SMEs, since this remains their biggest challenge when exporting to Japan. Moreover, greater regulatory harmonization and mutual recognition agreements could also ease the process and reduce partner dependency. Second, institutional support should assist SMEs in complying to these NTBs, thereby helping SMEs enter Japan more easily on their own. Third, the EU should launch more awareness campaigns about the EPA and its potential advantages for SME exporters, as many SMEs were unaware of its benefits. Not only regarding its tariff savings but also on how SMEs can set up shop independently in Japan utilizing the EPA. Thus, bypassing some of the costs incurred through partnerships. Fourth, given that institutional support has been valuable for the SMEs in this sample, extending this model to other countries could prove valuable in assisting SMEs in markets beyond Japan.

Additionally, this study introduces several managerial recommendations. First, SMEs should check compliance with Japanese standards well before starting to export. Tied to this, SMEs should consider whether they have sufficient resources to commit, since penetrating the Japanese market can take long due to NTBs and the search for partners. Moreover, SMEs should make use of the resources provided by institutional support, since these are most often free and could help in reducing information discrepancies and the search for partners. Therefore, participating in trade shows, information seminars and matchmaking missions could be well worth the time invested. This relates to the fourth recommendation, namely the need to invest in strong and trustworthy partnerships, as having a dependable partner proves crucial for overcoming barriers related to international trade. Finally, SMEs should enhance their awareness of the potential benefits the EPA offers, particularly regarding tariff reductions and help in overcoming SME-associated barriers.

This study is subject to several limitations that must be considered when interpreting its findings. First, the relatively small sample size. Even though this research aimed for a higher sample size, this could not be achieved due to recruitment difficulties. However, thematic saturation was reached after the seventh SME interview, suggesting that the core themes were captured despite the limited number of cases. Second, SMEs were picked based on convenience and snowball sampling. This means that participants were not selected

randomly but rather through networks, referrals, and accessibility. While this approach made it possible to gather valuable insights within the constraints of time and resources, it also introduces potential bias, as the sample may not fully represent the diversity of SMEs exporting to Japan. However, the relative wide variety of industries and countries of origin does guarantee a somewhat wide range of perspectives. Nonetheless, this can also introduce comparability issues, as firms from different sectors may face different types of barriers and opportunities. Still, the EU is vast and its industries are numerous, so divergences will inevitably exist.

Third, the focus of this study on successful exporters may introduce survivorship bias, as firms that failed to enter the Japanese market are not fully represented. Exporters that attempted but failed might perceive certain barriers and opportunities different than their exporting counterparts. For example, two non-exporters SMEs that were interviewed but not included in analysis, perceived institutional support differently from their exporting peers. Fourth, most SMEs relied heavily on partners to manage EPA procedures. Therefore, this study did not capture how SMEs that did engage with the EPA and its provisions experience exporting to Japan. Most of the above-mentioned limitations were intended to be addressed through methodological triangulation by incorporating expert interviews. These experts could capture a wider range of experiences, thus alleviating some of the above-mentioned limitations. Nonetheless, as these experts concerned BSOs, one must notice that they are embedded with potential biases regarding their professional position as well.

Fifth, two companies included in analysis do not qualify as SMEs under the EU definition. Even though these companies could be considered SMEs if they were stand-alone entities not linked to larger corporations, they still fall outside the formal SME definition. It could be that they face the same constraints as SMEs due to the relative autonomy of subsidiaries that export, but the extent to which the parent company assists them in their operations remains unclear. Therefore, one should speak of SME-like firms rather than SMEs in these cases and interpret their insights with caution. Sixth, the findings on limited EPA use do not align with official PUR statistics. Even though, it could be that SMEs are underrepresented in aggregate statistics, this may also be attributed to selection bias or an overrepresentation of sectors with low MoP. Seventh, the data is time- and context-bound, since NTB reduction efforts often take years to materialize, these findings might not reflect the long-term EPA impact.

Eight, Themes 1 and 2 risk reflecting the structure of the interview guide strongly. Since the guide was designed around anticipated barriers and EPA provisions, participants

may have been steered toward discussing these issues, while other relevant experiences received less attention. This framing should be considered when interpreting the thematic outcomes. However, this framing was partly mitigated by including a final question about experiences not yet discussed, thereby potentially capturing these missed insights. Moreover, theme 4 did not emerge completely unrelated to the interview guide, i.e. the question on how SMEs receive information could have shaped part of the theme. However, its other subcode did emerge unrelated to the interview guide. Additionally, theme 3 emerged completely by itself, as the role of partners was not anticipated beforehand. Since this became the main finding of the study, namely, partners taking precedence over the EPA, the risk of framing effects is therefore reduced.

Finally, the role of the researcher must also be acknowledged as a limitation. The researcher's background, assumptions and design choices may have influenced the data collection and analysis. Even though efforts were made to remain transparent during most of the process, the findings do reflect the interpretations of the researcher. To better interpret the findings, one must note that the researcher has an educational background in business and international relations. Moreover, the personal stand of the researcher tends to lean more towards a critical examination of EU policy. Importantly, this does not stem from opposition to the EU, in contrast, the researcher is a strong supporter of EU integration. Therefore, often views EU policy as not ambitious enough. To mitigate bias, the researcher tried to stay as close to participants' accounts as possible.

Future studies should include a larger sample of SMEs across a greater variety of industries and countries to enhance transferability of the findings. These could also emphasize industries where harmonization took full effect and see if outcomes differ. Moreover, future research could include larger firms to compare how the experiences mentioned by SMEs differ from those of their larger counterparts. Furthermore, the PUR should be split across firm size to better compare use of the EPA across all firm sizes. Additionally, firms that tried to export but ultimately failed could be compared to their exporting peers as well. Future research could also focus on EU or Japanese importers, as they are the ones mostly impacted by the EPA provisions. Alternatively, exporters that make limited use of partners for most of its procedures could be explored. Follow-up research could also explore differences in regulatory harmonization more years in, since NTB reductions often take longer to materialize. Furthermore, studies could also compare the EPA against FTAs without SME provisions to see how they differ on certain SME-related aspects.

Finally, the cultural dimension could be explored further, as this dimension was frequently mentioned by the SMEs in this sample.

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7. Appendix

A. Interview questions and their justification

#	Interview question	Justification
1	Can you briefly tell me about your company, how many people work there, and what your role is?	To establish SME status and the existence of specialized managerial talent
2	What motivated your company to start exporting to Japan?	To assess whether the EPA had effect on SMEs' motivation to export
3.1	How would you describe your company's overall experience exporting to Japan so far?	To assess whether SMEs experience any of the barriers related to international trade
3.2	Have there been any unexpected situations and how did you handle them?	To assess whether SMEs experience any of the barriers related to international trade
4	Could you walk me through the typical steps your company takes when exporting to Japan?	To assess whether challenges arose for SMEs during the export process

5.1	Have you encountered any product-related requirements or standards in Japan that were different from those in your home market?	To assess SME experiences with NTBs
5.2	If yes: What was your experience in meeting those requirements?	To assess SME experiences in relation the compliance costs of NTBs
6.1	What has your experience been like with handling customs documentation and customs procedures?	To assess SME experiences with the provision on improved customs procedures
6.2	Did any unexpected situations emerge at the border?	To assess SME experiences with the provision on improved customs procedures
7	Have you had any experiences related to protecting your intellectual property in Japan?	To assess SME experiences with the provision on improved intellectual property protection
8.1	Has your company engaged in any digital platforms or e-commerce activities to export to Japan?	To assess SME experiences with the provision on the enhanced e-commerce framework
8.2	If yes: What was that experience like?	To assess SME experiences with the provision on the enhanced e-commerce framework
9	Are you aware of the EU-Japan EPA and its provisions relevant for SMEs?	To assess information deficiencies experienced by SMEs
10.1	Has your company taken steps to ensure its products qualify for reduced tariffs under the EU-Japan EPA?	To assess SME experiences with FTAs, since SMEs have a relatively lower PUR
10.2	If yes: Which steps did your company undertake?	To identify the experiences of SMEs with FTA compliance
10.3	If yes: What motivated your company to do so?	To assess EPA uptake factors such as the MoP or the transaction value
10.4	If yes: What was your experience like complying with the rules of origin and certification requirements?	To assess SME experiences with RoO requirements as a barrier to FTA uptake

10.5	If no: What were the reasons your company did not undertake additional steps?	To assess an SME's reason for not utilizing the EPA
11	Do you feel your experience exporting to Japan changed over time?	To assess whether SMEs felt the effects of NTB reductions during their export experience, given that such reductions often take longer to materialize
12.1	How do you usually obtain relevant information about the Japanese market and export process?	To assess SME experiences with the provision on information accessibility
12.2	Do you feel the rules and procedures involved in exporting to Japan are generally clear and predictable?	To assess SME experiences with the provision on regulatory transparency
13	Do you think your company's size has had any impact on your experience exporting to Japan?	To assess an SME's own opinion on their ability to internationalize
14	If you could change one thing about the export process to Japan, what would it be?	To account for any unidentified SME experiences or repeat existing important ideas
15	Is there anything I have not covered that you think is important to share about your experience exporting to Japan?	To account for any unidentified SME experiences

Table 3 –justification of interview questions

B. Final Summary

Introduction

Implemented in 2019, the EU-Japan Economic Partnership Agreement (EPA) links two of the world's largest economies. The agreement is expected to boost trade by €33 billion annually. The EPA reduces most of the existing tariff lines, various non-tariff barriers (NTB) and includes several provisions specifically aimed at supporting small and medium-sized enterprises (SME). This is important, as SMEs are often disproportionately affected by barriers to trade. The EPA marks the EU's first attempt to explicitly include SMEs in its free trade agreements (FTA), with similar provisions expected in future deals. On paper, these provisions should have helped level the playing field between small and large companies.

Yet, real-world data reveals a different picture. The share of SMEs exporting to Japan has declined after implementation, contrarily to what one might expect.

Purpose of study

In this context, this research moves beyond trade statistics to examine the extent to which the EPA and its provisions genuinely supported SMEs in their internationalization efforts. To answer this, the following research question is posed: *How do EU small and medium-sized enterprises experience exporting to Japan in light of the EU-Japan Economic Partnership Agreement?* To address this question, this study assesses SME experiences with the three most significant barriers to trade, the challenges SMEs face when utilizing FTAs and barriers to trade disproportionately affecting SMEs, as targeted by the provisions. By focusing on firsthand experiences this research seeks to uncover whether the EPA has alleviated these challenges and why SME performance has fallen short of expectations. The objective of this study is to inform future policy, guide SMEs in identifying best practices and address a research gap by examining SME perspectives rather than aggregate trade data.

Methodology

To achieve the study's objectives this research made use of a qualitative research design. Semi-structured interviews were carried out with representatives of EU-based SMEs exporting to Japan and business support organizations (BSO) that assist such firms. Interviewees were recruited using convenience-, snowball- and expert sampling. Of these, 9 SME and 2 BSO interviews were analyzed following Braun and Clarke's method for thematic analysis. This means that interviews were systematically coded looking for recurring patterns in the data. Both sets of interviews were first analyzed separately through inductive semantic analysis and were then triangulated using within-method triangulation. By staying close to the participants' experiences, this research shed light on the challenges SMEs face when exporting to Japan and means of overcoming these challenges throughout the export process.

Findings

This study finds that NTBs related to Japan's stringent regulations, standards and testing procedures remain the biggest challenge for SMEs. Despite the EPA's intention to harmonize regulatory requirements, it achieved little tangible effect so far. This is surprising, since most of the agreement's expected benefits were meant to come from reducing these barriers. By contrast, almost no challenges concerning tariff barriers or the administrative

procedures for claiming tariff benefits were reported, i.e., utilizing an FTA. This could be explained by the relative low tariff levels in Japan, consequently, relative limited engagement with the EPA's tariff benefit schemes. Another explanation can be found in the limited awareness of the EPA. SMEs were only minimally aware of the EPA and found that the agreement's benefits mostly accrued to the importer. Most SMEs in the sample made use of an export strategy where ownership transfers to their Japanese partner relatively early in the process, thereby preventing them from capitalizing on the agreements' tariff benefits. Furthermore, most of the SME provisions were not directly used, since partners also took care of the procedures the EPA was designed to simplify.

Instead of relying on the EPA, SMEs depended on partners to alleviate the challenges associated with exporting to Japan. These partners acted as buffers, handling everything from customs to e-commerce, which limited SMEs' direct engagement with the EPA and its provisions. This is surprising, given that the EPA was explicitly presented as benefiting EU exporting SMEs. However, in practice, the main beneficiaries appear to be the importers, as well as, firms that often export more independently, i.e., the larger ones. SMEs' reliance on intermediaries reflects their limited resources and capabilities, however, is amplified by the complexity of the Japanese market. While partners assist SMEs in the export process, they also generate additional costs, dependencies, and vulnerabilities when partnerships are weak. Institutional support plays a crucial role in this context, helping SMEs navigate partnership dynamics and bridging the gap to the Japanese market until trustworthy partnerships take over. To sum up, SMEs turn to partners rather than the EPA to facilitate entry into the Japanese market. Regulatory complexity heightens this dependence, while institutional support helps manage these partnerships.

Recommendations for policymakers

- *Prioritize NTB reductions*, since this can deliver the most tangible benefits for SMEs. Lowering NTBs could lessen partner dependency and ease the export process.
- *Expand the now already extensive SME support for Japan to other countries*, since institutional support has proven valuable in helping SMEs overcome export challenges and manage partnership dependencies.
- *Assist SMEs in NTB compliance*, thereby helping SMEs enter Japan more easily on their own.
- *Launch more EPA awareness campaigns*, consequently making SMEs aware of the potential benefits of the EPA for exporting SMEs.

Recommendations for managers

- *Brace for long-term commitment*, while entering the Japanese market is time consuming and requires extensive resources.
- *Make use of available support services*, since their services are oftentimes free of charge and can reduce information discrepancies, as well as, assist in partnership management.
- *Invest in strong and trustworthy partnerships*, as having a reliable partner proves crucial for overcoming barriers to trade in Japan.
- *Stay informed on the EPA's benefits*, since the agreement can support independent market entry and enhance competitiveness through its tariff reductions.

Limitations

This study is subject to several limitations that must be considered when interpreting the findings.

- Even though, thematic saturation had been reached after the seventh interview, the relatively small sample size could distort the findings.
- The use of convenience- and snowball sampling may introduce biases concerning the representativeness of the sample.
- The relative wide variety of countries and industries in the sample could create comparability issues.
- This study focused on firms that exported successfully, thus the sample might have suffered from survivorship bias, since firms that failed to enter are not fully represented. Exporters that ultimately failed might have experienced different barriers and opportunities.
- Experts interviewed assisted SMEs in their internationalization efforts, thus might have been embedded with biases regarding their professional position.
- Two companies included in the analysis did not qualify as SMEs under the EU definition. Their insights should therefore be interpreted as reflecting SME-like experiences.
- Findings on limited EPA use do not align with official FTA utilization statistics, which might signal selection bias.
- The data is time- and context-bound, therefore, might not reflect long-term EPA impact.
- Some themes captured risk reflecting the structure of the interview guide strongly.
- The researcher's background may have influenced data collection and analysis.

C. Zusammenfassung

Einleitung

Das im Jahr 2019 in Kraft getretene Wirtschaftspartnerschaftsabkommen, das EU-Japan Economic Partnership Agreement (EPA) verbindet zwei der größten Volkswirtschaften der Welt. Das Abkommen soll den Handel jährlich um 33 Milliarden Euro steigern. Das EPA reduziert den Großteil der bestehenden Zolltariflinien, verschiedene nichttarifäre Handelshemmnisse und enthält mehrere Bestimmungen, die speziell auf die Unterstützung kleiner und mittlerer Unternehmen (KMU) abzielen. Dies ist wichtig, da KMU überproportional stark von Handelshemmnissen betroffen sind. Das EPA stellt den ersten Versuch der EU dar, KMU ausdrücklich in Freihandelsabkommen (FTA) einzubeziehen, wobei ähnliche Bestimmungen auch in künftigen Abkommen erwartet werden. Auf dem Papier sollten diese Bestimmungen gleiche Wettbewerbsbedingungen zwischen kleinen und großen Unternehmen schaffen. Reale Daten zeigen jedoch ein anderes Bild: Der Anteil der KMU, die nach Japan exportieren, ist seit der Umsetzung zurückgegangen, entgegen den Erwartungen.

Ziel der Studie

Vor diesem Hintergrund geht diese Forschung über reine Handelsstatistiken hinaus und untersucht, inwieweit das EPA und seine Bestimmungen KMU tatsächlich bei ihren Internationalisierungsbemühungen unterstützt haben. Dazu wird folgende Forschungsfrage gestellt: *Wie erleben kleine und mittlere Unternehmen der EU den Export nach Japan im Rahmen des EU-Japan Economic Partnership Agreement?* Zur Beantwortung dieser Frage bewertet die Studie die Erfahrungen von KMU mit den drei bedeutendsten Handelshemmnissen, den Herausforderungen bei der Nutzung von FTAs sowie jene Handelsbarrieren, die KMU überproportional betreffen und die das Abkommen gezielt abbauen soll. Durch den Fokus auf die unmittelbaren Erfahrungen der Unternehmen soll aufgezeigt werden, ob das EPA diese Herausforderungen verringert hat und warum die Leistung der KMU hinter den Erwartungen zurückbleibt. Ziel der Arbeit ist es, zukünftige Politik zu informieren, KMU bei der Identifizierung von *Best Practices* zu unterstützen und eine Forschungslücke zu schließen, indem KMU-Perspektiven anstelle aggregierter Handelsdaten untersucht werden.

Methodik

Zur Erreichung der Forschungsziele wurde ein qualitatives Forschungsdesign gewählt. Es wurden halbstrukturierte Interviews mit Vertretern von in der EU ansässigen KMU, die nach Japan exportieren, sowie mit Vertretern von Unterstützungsorganisationen (BSO) durchgeführt, die solche Unternehmen begleiten. Die Teilnehmer*innen wurden mittels Gelegenheits-, Schneeball- und Expertenstichprobe rekrutiert. Insgesamt wurden neun KMU- und zwei BSO-Interviews anhand der Methode der thematischen Analyse nach Braun und Clarke ausgewertet. Dies bedeutet, dass die Interviews systematisch codiert und nach wiederkehrenden Mustern durchsucht wurden. Beide Interviewgruppen wurden zunächst separat mittels induktiver semantischer Analyse untersucht und anschließend durch eine methodeninterne Triangulation zusammengeführt. Durch die Nähe zu den Erfahrungen der Befragten beleuchtet die Forschung die Herausforderungen, mit denen KMU konfrontiert sind, sowie die Strategien, mit denen sie diese überwinden.

Ergebnisse

Diese Studie zeigt, dass nichttarifäre Handelshemmnisse im Zusammenhang mit Japans strengen Vorschriften, Normen und Prüfverfahren weiterhin die größte Herausforderung für KMU darstellen. Trotz der Zielsetzung des EPA, regulatorische Anforderungen zu harmonisieren, sind bisher kaum greifbare Ergebnisse zu erkennen. Dies ist bemerkenswert, da der Großteil der erwarteten Vorteile des Abkommens aus der Reduzierung solcher Barrieren resultieren sollte. Im Gegensatz dazu wurden kaum Schwierigkeiten im Zusammenhang mit Zolltarifen oder den administrativen Verfahren zur Inanspruchnahme von Zollvorteilen berichtet, also bei der Nutzung des FTA. Dies könnte durch das ohnehin niedrige Zollniveau Japans erklärt werden, damit durch die geringe Nutzung der Zollvorteilsmechanismen des EPA. Ein weiterer Grund liegt im geringen Bewusstsein für das Abkommen selbst: Die KMU wussten nur wenig über das EPA und gaben an, dass die Vorteile überwiegend den Importeuren zugutekämen. Die meisten befragten KMU verwendeten eine Exportstrategie, bei der das Eigentum an den japanischen Partner frühzeitig übergeht, wodurch sie nicht direkt von den Zollvorteilen profitieren konnten. Ebenso wurden die KMU-spezifischen Bestimmungen kaum direkt genutzt, da die Partner die Verfahren übernahmen, die das EPA eigentlich vereinfachen sollte.

Anstatt auf das EPA zu setzen, stützten sich die KMU auf Partner, um die mit dem Export nach Japan verbundenen Herausforderungen zu bewältigen. Diese Partner fungierten als Vermittler und übernahmen Aufgaben wie Zollabwicklung oder E-Commerce, was die direkte Auseinandersetzung der KMU mit dem EPA und seinen Bestimmungen reduzierte.

Dies ist überraschend, da das EPA ausdrücklich als vorteilhaft für exportierende EU-KMU beworben wurde. In der Praxis profitieren jedoch vor allem die Importeure, sowie größere Unternehmen, die ihre Exporte eigenständiger abwickeln. Die Abhängigkeit der KMU von Partnern spiegelt ihre begrenzten Ressourcen und Fähigkeiten wider, wird jedoch durch die Komplexität des japanischen Marktes verstärkt. Institutionelle Unterstützung spielt in diesem Zusammenhang eine entscheidende Rolle. Die Unterstützung hilft KMU, Partnerschaften erfolgreich zu gestalten und die Lücke zum japanischen Markt zu überbrücken, bis stabile Vertrauensbeziehungen aufgebaut sind. Zusammenfassend lässt sich sagen, dass KMU eher auf Partner als auf das EPA zurückgreifen, um den Markteintritt in Japan zu erleichtern. Regulatorische Komplexität verstärkt diese Abhängigkeit, während institutionelle Unterstützung hilft, Partnerschaften zu festigen.

Empfehlungen für politische Entscheidungsträger

- *Abbau nichttarifärer Handelshemmnisse priorisieren*, weil dies KMU den größten greifbaren Nutzen bringt.
- *KMU-Unterstützung für Japan auf weitere Länder ausweiten*, da institutionelle Unterstützung KMU nachweislich bei der Überwindung von Exporthürden hilft.
- *KMU bei der Einhaltung von nichttarifären Handelshemmnissen unterstützen*, um ihnen einen eigenständigeren Markteintritt zu ermöglichen.
- *Zusätzliche Informationskampagnen über das EPA durchführen*, um KMU stärker über die potenziellen Vorteile des Abkommens aufzuklären.

Empfehlungen für Manager

- *Langfristiges Engagement einplanen*, denn der Markteintritt in Japan ist zeit- und ressourcenintensiv.
- *Verfügbaren Unterstützungsangebote nutzen*, weil die häufig kostenlos sind und Informationsdefizite sowie Partnerschaftsmanagement verbessern können.
- *In starke und vertrauenswürdige Partnerschaften investieren*, da diese entscheidend sind, um Handelshemmnisse in Japan zu überwinden.
- *Sich aktiv über die Vorteile des EPA informieren*, da das Abkommen den unabhängigen Markteintritt erleichtern und die Wettbewerbsfähigkeit durch Zollsenkungen steigern kann.

Einschränkungen der Studie

Diese Studie unterliegt mehreren Einschränkungen, die bei der Interpretation der Ergebnisse berücksichtigt werden müssen:

- Obwohl nach dem siebten Interview thematische Sättigung erreicht war, könnte die geringe Stichprobengröße die Ergebnisse verzerren.
- Die Nutzung von Gelegenheits- und Schneeballstichproben kann Verzerrungen hinsichtlich der Repräsentativität der Stichprobe verursachen.
- Die breite Streuung der Herkunftsländer und Branchen könnte Vergleichbarkeitsprobleme schaffen.
- Die Studie konzentriert sich auf Unternehmen, die erfolgreich exportiert haben; dadurch besteht ein potenzieller *survivorship bias*, da gescheiterte Exporteure nicht vertreten sind.
- Die befragten Experten unterstützen KMU bei der Internationalisierung und könnten aufgrund ihrer beruflichen Rolle voreingenommen sein.
- Zwei Unternehmen in der Stichprobe entsprechen nicht der EU-KMU-Definition; ihre Aussagen sind daher als KMU-ähnliche Erfahrungen zu interpretieren.
- Die Ergebnisse zur geringen EPA-Nutzung stimmen nicht mit offiziellen Nutzungsstatistiken überein, was auf eine mögliche Stichprobenverzerrung hindeutet.
- Die Daten sind zeit- und kontextabhängig und spiegeln möglicherweise nicht die langfristigen Auswirkungen des EPA wider.
- Einige Themen könnten stark von der Struktur des Interviewleitfadens beeinflusst worden sein.
- Der Hintergrund des Forschers könnte Datenerhebung und Analyse beeinflusst haben.