

# AMERICAN AUTOMOTIVE POLICY COUNCIL



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## **News Alert: Japan Could Weaken Trans-Pacific Partnership Free Trade Agreement**

Good morning, A recent news report from Japan's largest English-language newspaper confirms our fears about the possible inclusion of Japan in the Trans-Pacific Partnership – Provided below you will find the recent article related to the Trans-Pacific Partnership (TPP) and Japan's efforts to be included in the trade agreement, which the [American Automotive Policy Council](#) (AAPC) [has been on record](#) as opposing given Japan's historic efforts to close their market to American and other auto imports. Japan's inclusion in the TPP could lead to a weaker agreement. It looks like this is already happening, as reportedly Japan is now working with other countries to undermine the achievement of a high-standard 21st century free trade agreement. This news confirms our concerns that Japan's inclusion will lead to a watered-down TPP and/or indefinitely delay the conclusion of the agreement. We will be monitoring this issue closely in 2012 and will continue to urge members of Congress and the Administration to step in and not allow Japan to join the TPP until they open their markets to U.S. manufactured goods. Please follow me and AAPC on twitter [@MattBlunt](#) and [@USAutoCouncil](#) or visit [www.americanautocouncil.org](http://www.americanautocouncil.org) for updates on this important issue.

## **The full report:**

[TPP Role Gets Mixed Reactions](#) Some See Japan as Savior, but U.S. Industries Want Conditions

*Daily Yomiuri Online*

Preliminary consultations held by the government with related countries on joining the Trans-Pacific Partnership free trade agreement are now in full gear since the nation needs to win the approval of the United States and all eight other countries to participate in the TPP.

Whether Tokyo can approach the negotiations harmoniously will be key to winning solid approval, as some voices in the United States are questioning the closed character of the Japanese market.

Foreign Minister Koichiro Gamba told reporters in Tokyo on Friday the governments of Vietnam and Brunei have said they welcome Japan's interest in joining the TPP. His stance indicated that Japan has essentially won over the nations' approval to participate in the talks.

According to trade sources, Vietnam is concerned the United States may lead the TPP agreement and force the socialist country to liberalize its market. Vietnam therefore desperately needs Japan's TPP participation to avert possible pressure from the United States.

Concerning Japan, the sources said it hopes to win early approval from countries favorable toward Japan's participation to build momentum for it to join the TPP. Japan's desire to participate in the TPP was readily accepted during the preliminary half-day consultations with Vietnam and Brunei. Most of the meetings were believed to have been spent confirming the nine countries' current state of negotiations.

Some countries are said to remain cautious of the TPP since the outright elimination of service sector- or labor-related regulations may deal a blow to industries that will be affected by tariff reductions.

Brunei's gross domestic product was 12.3 billion dollars in 2010 and

the smallest among the nine, while the United States' GDP, the largest of the group, was about 1,200 times larger at 1.47 trillion dollars.

Expectations are therefore high among some nations that by participating in the TPP, Japan, as an economic powerhouse, will serve as a shield when negotiating with the United States.

Despite it now being the summer holiday season there, Chile will conduct preliminary TPP consultations with Japan on Wednesday.

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