



New Economic Study Concludes Trade Deal Won't Open Japan's Auto Market

WASHINGTON, D.C. – Today, the Economic Strategy Institute released a report titled “[The Trans-Pacific Partnership and Japan](#)” that underscores that the United States will lock in a one-sided trade relationship with Japan if they join the Trans-Pacific Partnership (TPP).

The report authored by renowned global trade expert Clyde Prestowitz Jr., highlights that Japan is the most closed auto market in the world and inaccessible to imports from all automakers. It notes the Japanese auto industry has a severe overcapacity problem and seeks to utilize this excess production capacity by further expanding its exports through trade preferences and currency intervention rather than do the hard work that restructuring entails such as the U.S. has done and Europe is beginning to.

The report concludes that a free trade agreement with Japan will not open the Japanese market, but will instead lock in the one-sided trade that Japan currently enjoys. Only a substantial restructuring of the Japanese auto industry and a sustained commitment to open markets, concepts antithetical to decades of Japanese industrial policy, will create conditions where genuine free trade in automobiles can take place.

American Automotive Policy Council (AAPC) President Matt Blunt said, “Japan’s closed auto market and currency intervention is affirmed time and again in academic reports and analysis. Japan’s notoriously closed auto market and ongoing pattern of strong resistance to efforts to reform its policies by opening markets to imports disqualifies them from joining TPP at this time.”

“At a time where jobs and economic growth are a topline concern for most Americans, the U.S. should not allow the most closed market in the world preferential access to its market,” he added.

AAPC strongly supports a TPP trade agreement with the original nine countries, plus Canada and Mexico.

OTHER RESOURCES

Peterson Institute Report on Japan’s Currency Manipulation – [Combating Widespread Currency Manipulation](#)

[Letter from 10 U.S. Senators on Japan and TPP](#)

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