

United States and Japan to Discuss Bilateral Trade Deal

Melissa M. Brewer

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In a [joint statement](#) issued yesterday, the United States and Japan announced that the two countries will begin discussions to enter into a bilateral trade deal. The announcement comes after President Trump and Prime Minister Shinzo Abe attended a Summit Meeting in New York to discuss a host of issues, including trade. The joint statement highlighted that the two countries will enter into negotiations for a trade agreement that will cover goods and services, as well as other unnamed areas. Following completion of the trade deal, the two countries also “intend to have negotiations on other trade and investment items.”

The joint statement also reflects the established positions of each government with respect to certain sectors, with the auto industry likely to take center stage on the U.S. agenda:

“For the United States, market access outcomes in the motor vehicle sector will be designed to increase production and jobs in the United States in the motor vehicle industries.”

“For Japan, with regard to agricultural, forestry, and fishery products, outcomes related to market access as reflected in Japan’s previous economic partnership agreements constitute the maximum level.”

Against the backdrop of the Trump administration’s imposition of tariffs on numerous Chinese imports, the statement further emphasizes that the two countries will work together to protect U.S. and Japanese companies from “non-market oriented policies and practices by third countries.” The United States and Japan also intend to work closely with the European Union to address key trade issues including “intellectual property theft, forced technology transfer, trade-distorting industrial subsidies, distortions created by state-owned enterprises, and overcapacity.”

The decision by the United States and Japan to enter into bilateral trade discussions comes on the heels of the Trump administration’s decision to withdraw from the Trans Pacific Partnership (“TPP”) multilateral trade agreement. The TPP included the United States and Japan, along with nine other pacific region countries, and had been negotiated for years leading up to the United States’ ultimate withdrawal. U.S. Trade Representative Robert Lighthizer indicated that a bilateral trade deal between the United States and Japan would be significantly different than what was negotiated in the context of TPP.