

# Free Trade is Good for Everyone

Making the Trans-Pacific Partnership a  
Win-Win-Win for All Member Countries



**JAMA**

JAPAN AUTOMOBILE MANUFACTURERS ASSOCIATION, INC.

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## Introduction

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1. JAMA strongly supports Japan's participation in the TPP.

**See pages 1 through 3.**

2. Unsubstantiated claims have been made that Japan's market is closed to imports. On the contrary, Japan's auto market is completely open to other countries' products. No restrictive customs or other regulations apply to imported vehicles.

**See pages 4 through 7.**

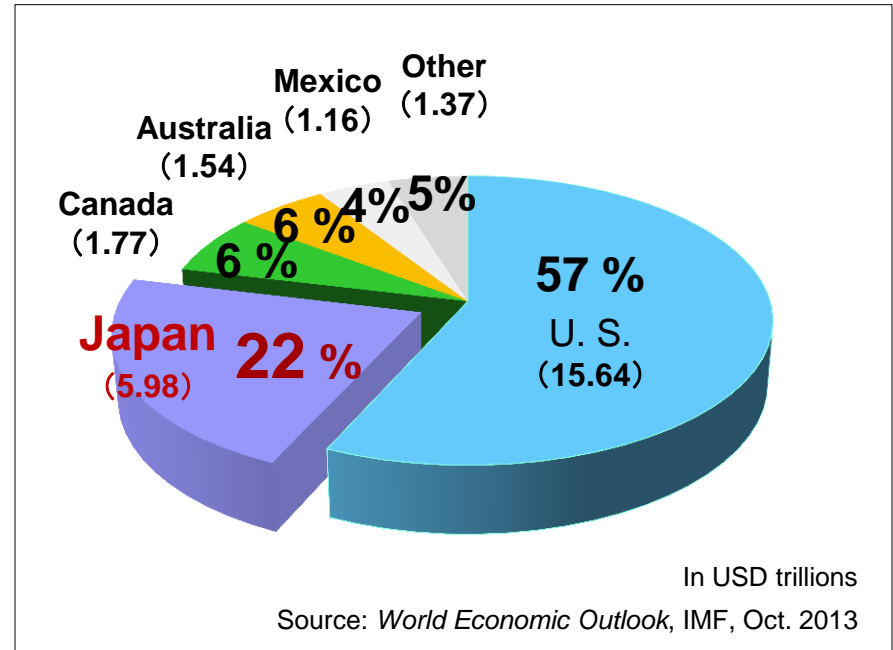
3. Japan's auto industry has been and will continue working with the global auto industry on issues of mutual concern.

**See page 8.**

# 1. The TPP Will Bring Economic Benefits to the World

- By enabling free trade and the liberalization of investment in the Pacific region, the TPP will contribute to the further development of the world economy.  
(The TPP will promote liberalization while negotiations in the Doha Round are suspended.)
- TPP-enabled free trade will bring major benefits to consumers through more diversified market choices.
- The participation of Japan, the world's third largest economy, is key to the role of the TPP.

**GDPs\* of the 12 Countries Participating in the TPP Negotiations (\*2012 nominal GDP)**



**“A successful conclusion to the TPP negotiations will be economically beneficial to all parties, and its significance will go beyond the capacity to liberalize trade.”**

Joshua Meltzer, *The Trans-Pacific Partnership—Its Economic and Strategic Implications*, Brookings Institution, Sept. 30, 2011

**“Japan’s inclusion in the TPP would be a ‘game changer.’”**

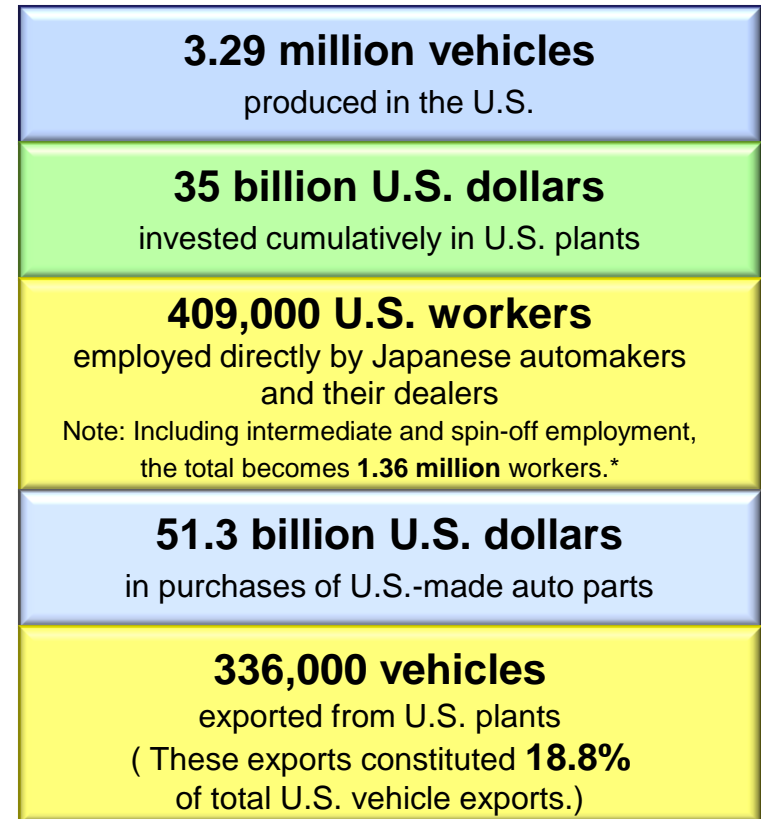
Bernard K. Gordon, *The Trans-Pacific Partnership and the Rise of China*, Foreign Affairs, Nov. 7, 2011

## 2. Japan's Participation in the TPP Will Bring Benefits to the U.S.

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- Japanese automakers have been engaged in local production in the U.S. since the 1980s, and today are an integral part of the U.S. auto industry. 70% of the vehicles they sell in the U.S. are built in North America.
- Japanese automakers contribute to quality job creation and enhanced productivity in the U.S. and to the increased competitiveness of the U.S. auto industry.
- The TPP would promote increased exports from the U.S. to TPP member countries, thereby boosting employment and the economy in the U.S.

### Japanese Automakers' Activities in the U.S.



All data is for 2012.

\* Source: Thomas J. Prusa, *The Contribution of the Japanese-Branded Automotive Industry to the United States Economy: 2012 Update*, Rutgers University, October 2013

### 3. Japan's Participation in the TPP Would Promote the Creation of More Liberalized Trade and Investment Rules

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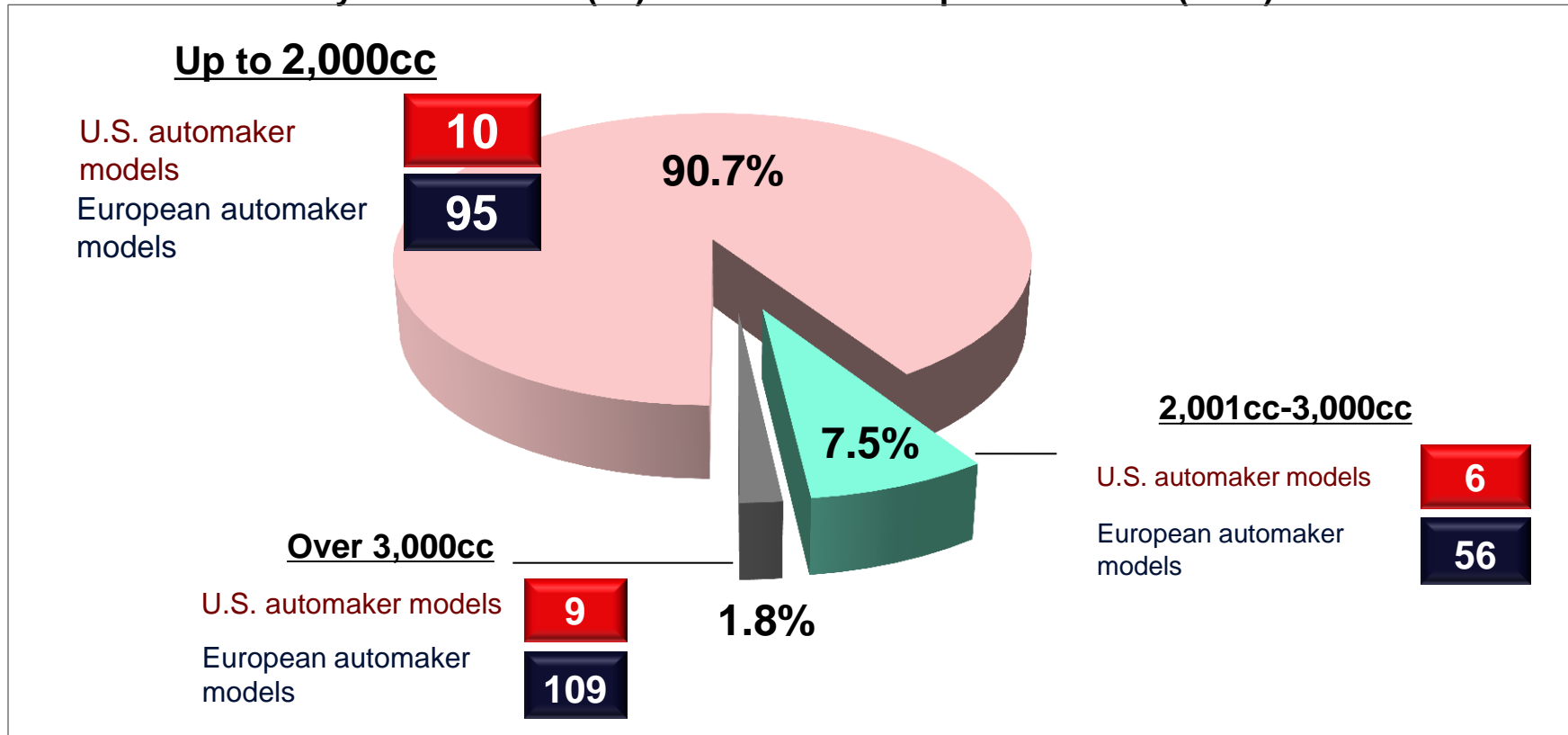
- JAMA believes that Japan's participation in the TPP will contribute constructively to the development of rules that promote free trade, open investment, and the protection of intellectual property rights, among other benefits.
- JAMA and its member companies endorse and will promote Japan's participation in the TPP, based on their long, proactive experience in the promotion of free trade, open investment, and the protection of intellectual property rights, among other activities.



## 4. Imported Vehicles in Japan's Home Market: Consumer Demand Profile (1)

- Smaller (compact) models of up to 2,000cc in engine capacity are the mainstay of Japan's passenger car market.
- European automakers have introduced models in a targeted response to the demands of Japanese consumers.

**Breakdown of Japan's Domestic Market for Passenger Cars,  
by Vehicle Class (cc) and Number of Imported Models (2013)**

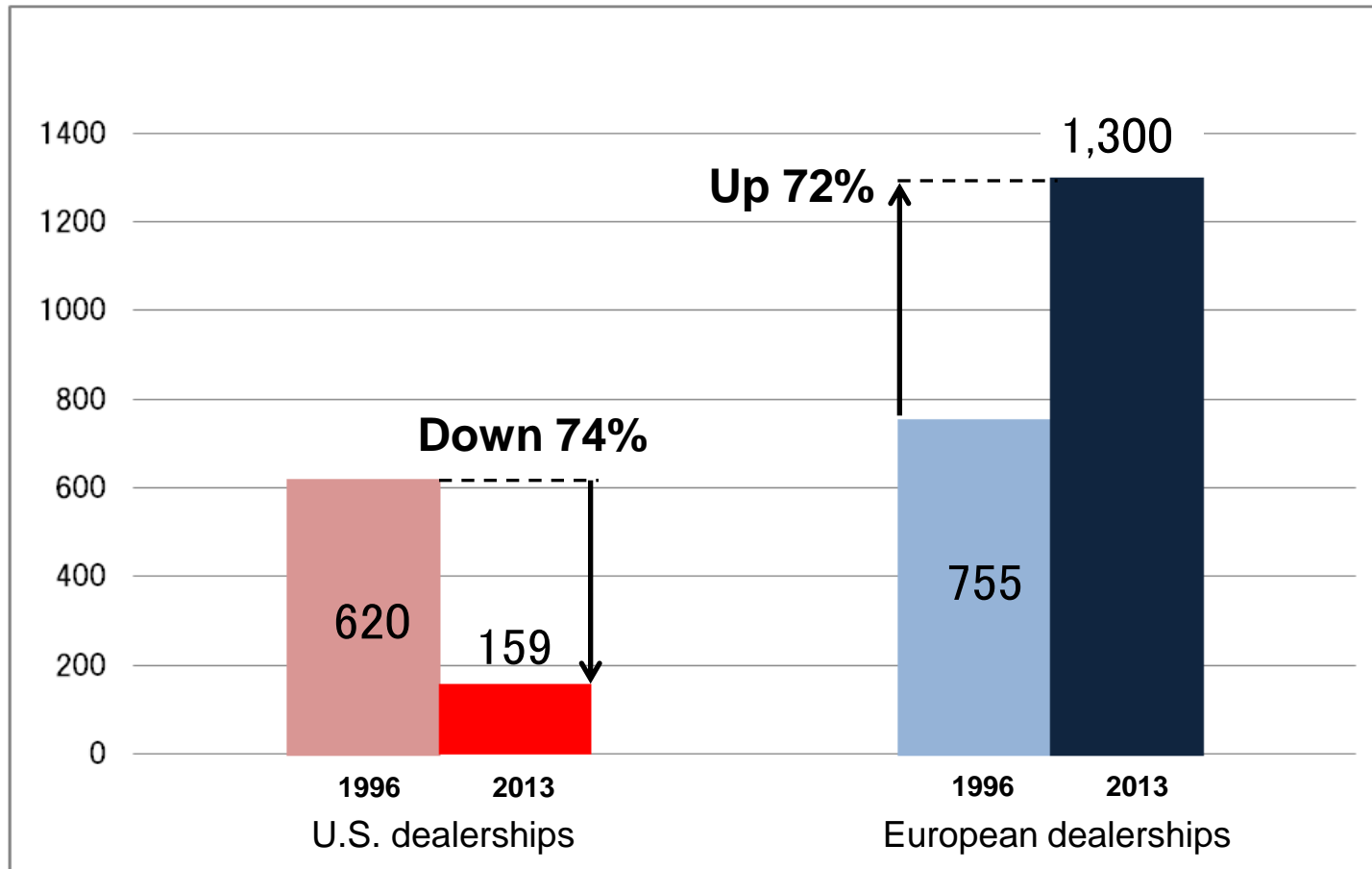


## 5. Imported Vehicles in Japan's Home Market: Foreign Vehicle Dealership Penetration

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- The number of dealerships in Japan selling European vehicles has increased.
- In contrast, there has been a decrease in the number of dealerships selling U.S. vehicles.

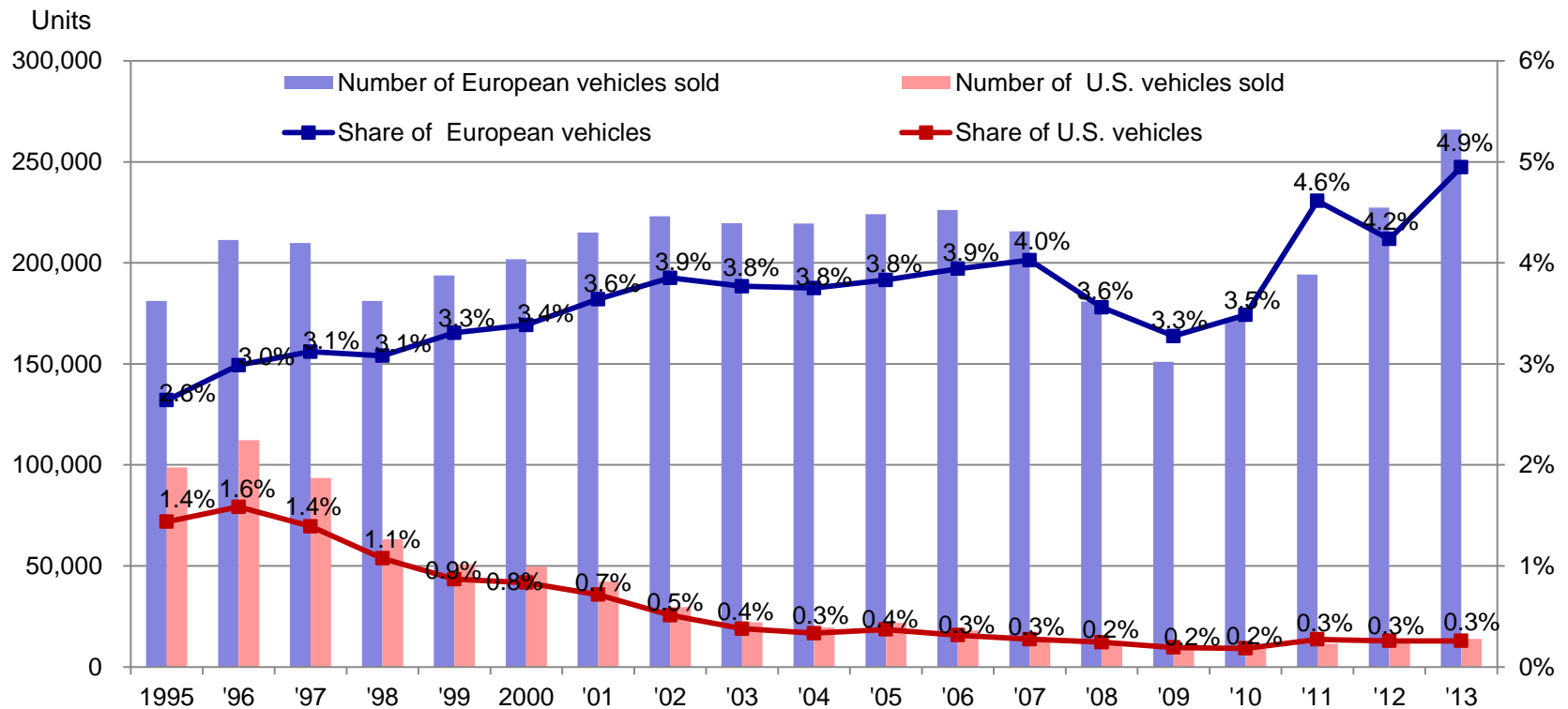
**Number of U.S. and European Auto Dealerships in Japan's Home Market**



## 6. Imported Vehicles in Japan's Home Market: Market Shares

- The share of European vehicles in Japan's home market has steadily increased over the past 15 years.
- In contrast, the share of U.S. vehicles has decreased over the same period.

Share (in units and %) of U.S. and European Vehicles in Japan's Home Market

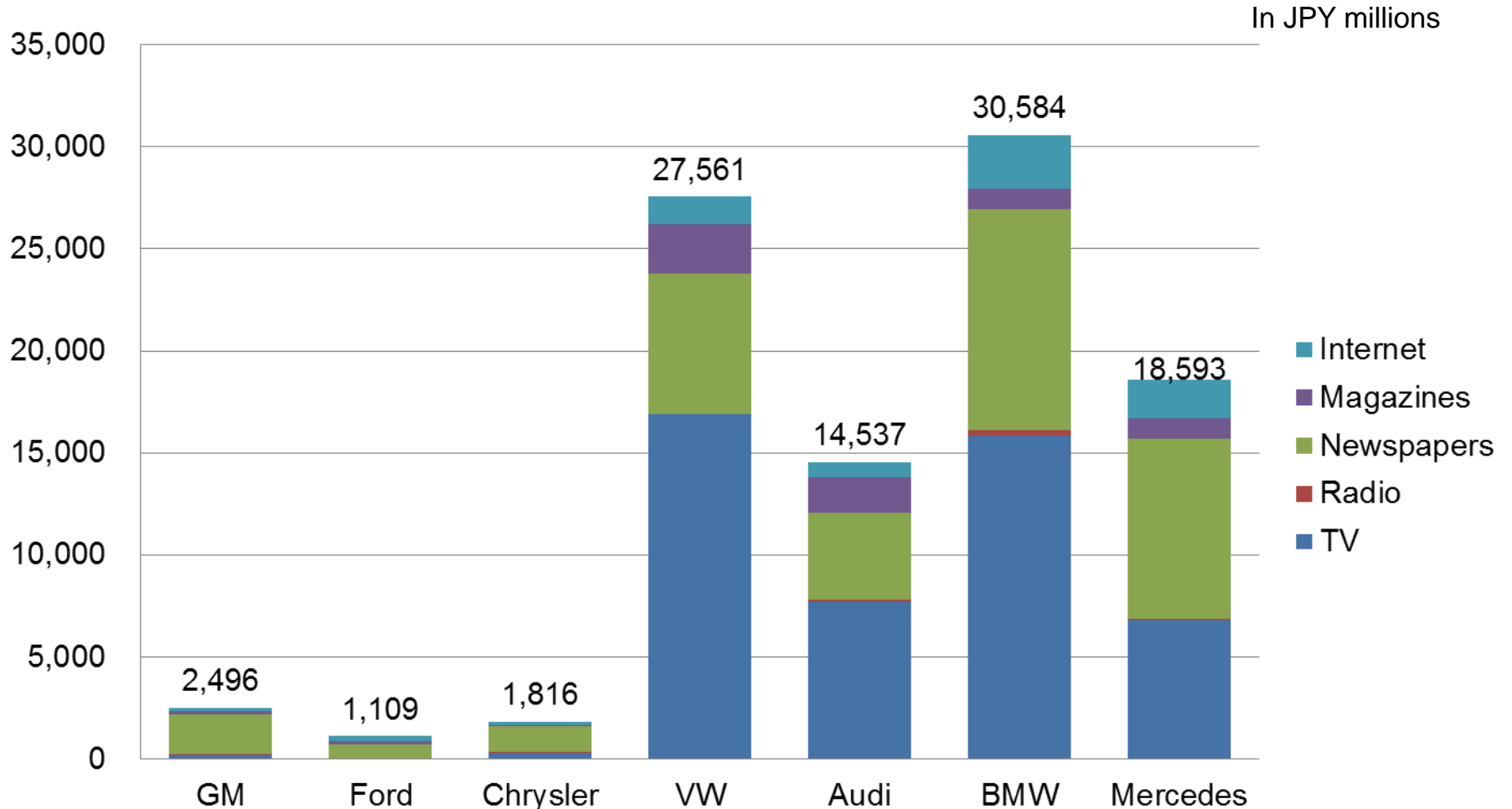




## 7. Imported Vehicles in Japan's Home Market: Investments in Advertising

■ European automakers are actively involved in product promotion via advertising in various media.

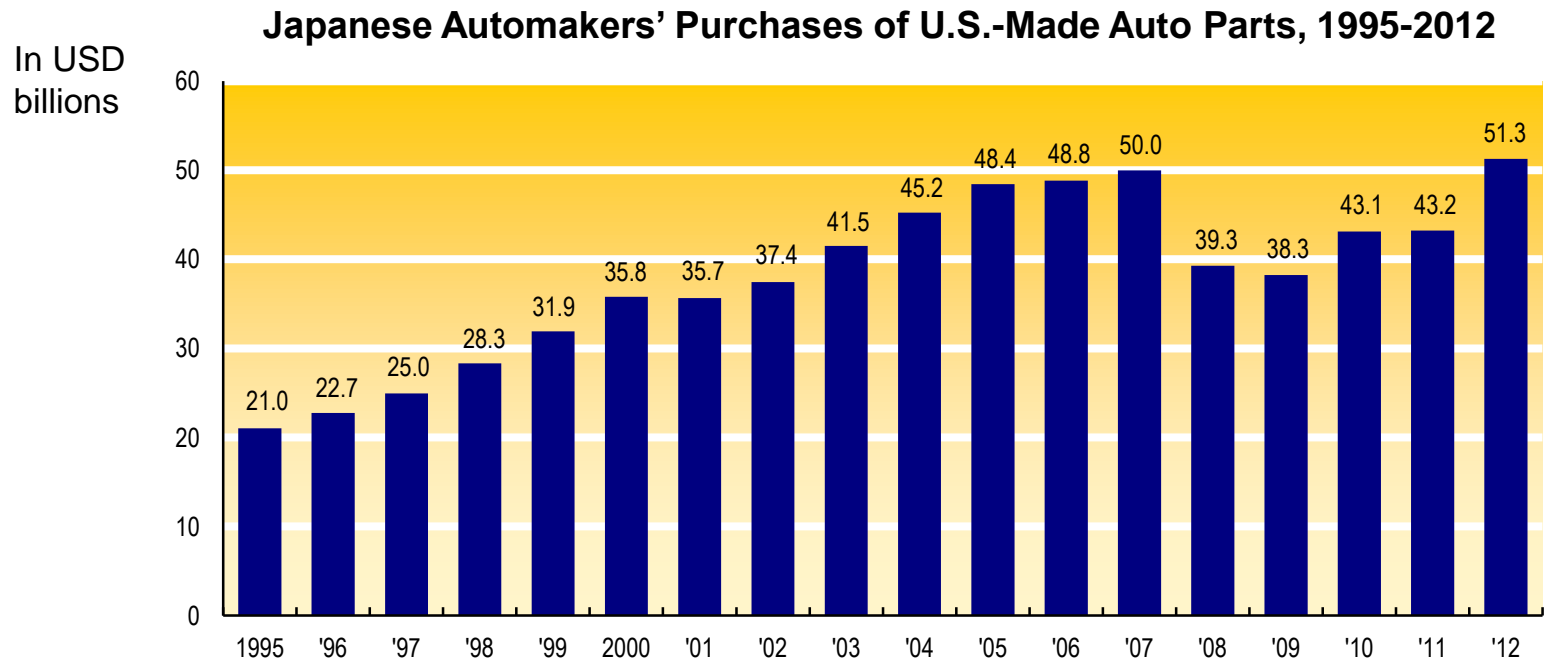
European and U.S. Automakers' Advertising Investments in Japan (2009-2013)



## 8. Ongoing Cooperation in the Global Auto Industry

- Japan's auto industry has been and will continue working with the global auto industry on issues of mutual concern.
- For example, in the course of the continuing JAMA-MEMA/OESA\* dialogues, the three parties have successfully addressed issues related to product quality, delivery time, and innovation, among others, which has led to increased competitiveness. Through these and other bilateral activities, the cooperative relations between Japanese automakers and U.S. auto parts suppliers have strengthened significantly.

\* MEMA: Motor & Equipment Manufacturers Association (U.S.); OESA: Original Equipment Suppliers Association (U.S.)





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