

U.S. readies for more 'extremely tough' trade talks with Japan

Fri, Mar 7 2014

RICHMOND, Virginia (Reuters) - The United States is finding talks with Japan on opening its agricultural market "extremely tough", a senior U.S. trade official said on Friday, as the two countries prepared for another round of bilateral negotiations.

Japanese officials will visit Washington next week in a bid to break a deadlock over tariffs on farm and industrial products, which is drawing out plans to conclude a wider free trade agreement among 12 Pacific Rim nations, the Trans-Pacific Partnership (TPP).

The United States had hoped to wrap up the deal last year, but ministerial-level talks in Singapore last month ended with many issues still on the table, most notably Japan's protection of its farm sector.

U.S. Acting Deputy Trade Representative Wendy Cutler said Japan was moving very slowly, despite a commitment to work towards a comprehensive and high-standard agreement when it joined the TPP talks last year.

"We and other TPP countries ... have reminded Japan what it signed up for, and what all the TPP countries signed up for, when it joined the TPP. We've made limited progress on agriculture with Japan to date, big gaps remain, but we are engaging with them," she told the Governor's Conference on Agricultural Trade in Richmond, Virginia.

"We continue to look to Japan to provide meaningful market access for our agricultural exports in a range of sectors."

Japan is keen to protect sensitive products such as beef, rice, sugar and dairy, while U.S. carmakers are concerned about increased competition from Japanese competitors if there is more open auto trade.

Meanwhile, a trade deal close to conclusion between Japan and Australia, another TPP partner, posed another risk to U.S. farm exporters, Cutler said.

That deal could give Australia "a leg-up with respect to many of our agriculture exports to Japan," Cutler said.

"Given Australia's emphasis on agriculture I would assume that they would be getting preferential market access to Japan and those preferences will come into effect before the TPP can come into effect."

Other countries participating in the TPP talks include Canada, Mexico, Malaysia and Vietnam, and U.S. Trade Representative Michael Froman said there had already been important steps forward with some countries.

"We've made great progress in Vietnam, for example, and Malaysia, for example," he told local radio, according to a transcript supplied by his office.

"These are countries that have 20 percent, 40 percent, 50 percent tariffs on our agricultural products, so to be able to chart out a course where those tariffs will be eliminated, creates real opportunities for American farmers and ranchers and growers."

(Reporting by [Krista Hughes](#); Editing by Meredith Mazzilli)

