

## **Chairman's Comment on the U.S. Section 332 National Security Investigation of Imports of Automobiles and Automotive Parts**

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The Japan Automobile Manufacturers Association, Inc. (JAMA) is gravely concerned that the investigation launched by the United States Department of Commerce on May 23, 2018, to determine the effects on national security of imports of automobiles, including cars, SUVs, vans and light trucks, and of automotive parts, will create uncertainty among automobile users in the U.S. and people involved in the motor vehicle industry.

Automobiles are sold to consumers on the basis of their own choices, and it is consumers themselves who would be penalized, through increased vehicle prices and reduced model options, in the event that trade-restrictive measures were to be implemented as a result of this initiative. Moreover, the business plans of automobile and auto parts manufacturers as well as imported vehicle dealers could be seriously disrupted, with potentially adverse impacts on the U.S. economy and jobs.

JAMA member companies today operate 24 manufacturing plants and 44 R&D/design centers in 19 U.S. states and in 2017, nearly 2.8 million vehicles were produced by American workers at these facilities. Of that total, over 400,000 units were exported to countries around the world, further underscoring our contributions to employment and economic growth in the United States. Through productivity enhancement and workforce development, Japanese-brand automakers are also contributing to the U.S. auto industry's improved competitiveness and sustainable development.

About 10 million automobiles, including Japanese-brand vehicles, are produced annually in the United States. We do not believe that imported vehicles represent a threat to U.S. national security, but rather that they increase the options for users' diversified needs with respect to vehicle supply.

JAMA deems that free and fair trade and a competitive climate in line with global rules benefit consumers in the United States and strengthen the sustainable growth of the U.S. auto industry and its economy. We will continue to monitor this situation closely and to uphold the vital importance of free trade worldwide.