



Docket Number USTR–2025–0004
Submitted to the Office of the United States Trade Representative
Via Electronic Submission
November 3, 2025

The Japan Automobile Manufacturers Association¹ (JAMA) respectfully submits these comments to the Office of the United States Trade Representative in response to the September 17, 2025, request for comments relating to the operation of the agreement between the United States of America, the United Mexican States, and Canada.

Overview

JAMA members are major investors in the North American automotive market. The United States–Mexico–Canada Agreement (USMCA) has helped Japanese-brand automakers provide good-quality foreign direct investment (FDI) and demonstrate their ongoing commitment to manufacturing throughout North America. These investments have contributed to the substantial development and progress of numerous communities throughout North America, and in particular within the United States, which has significantly benefitted from these investments for the past 40+ years. JAMA members² currently operate 25 manufacturing facilities in the U.S. including vehicle, engine, transmission, parts and battery manufacturing facilities. In Mexico, JAMA members³ operate 12 manufacturing facilities: 9 vehicle manufacturing facilities, 1 engine facility and 2 parts manufacturing facilities. In Canada, JAMA

¹ JAMA is a nonprofit industry association that comprises Japan’s 14 manufacturers of passenger cars, trucks, buses, and motorcycles. JAMA’s membership includes Daihatsu Motor Corporation, Hino Motors, Honda Motor Corporation, Isuzu Motors Limited, Kawasaki Motors, Mazda Motor Corporation, Mitsubishi Motors Corporation, Mitsubishi Fuso Truck and Bus Corporation, Nissan Motor Corporation, Subaru Corporation, Suzuki Motor Corporation, Toyota Motor Corporation, UD Trucks Corporation, and Yamaha Motor Corporation.

² JAMA members operating manufacturing or R&D in the U.S. includes Honda Motor Corporation, Mazda Motor Corporation, Mitsubishi Motors Corporation, Nissan Motor Corporation, Subaru Corporation, and Toyota Motor Corporation. “Moving American Manufacturing Forward,” JAMA USA (https://www.jama.org/wp-content/uploads/2025/06/JAMA_2025_Report_v13.pdf) (June 10, 2025) (Accessed October 26, 2025).

³ JAMA members operating manufacturing in Mexico includes Honda Motor Corporation, Mazda Motor Corporation, Nissan Motor Corporation, and Toyota Motor Corporation.

members⁴ operate 5 manufacturing facilities: 4 vehicle manufacturing facilities and 1 engine manufacturing facility. Given the USMCA's positive impact on automotive manufacturing investment in the U.S., and throughout North America, JAMA strongly supports the extension of the agreement.

USMCA helps JAMA members invest efficiently in the U.S.

Japanese-brand automakers first opened vehicle manufacturing facilities in the United States, Canada and Mexico in 1982, 1986 and 1966, respectively. Initially, these operations focused on servicing each of these markets. With the advent of the North American Free Trade Agreement (NAFTA) in 1994 and, subsequently USMCA in 2020, the interconnectedness of the auto sector throughout North America, including its multi-layered supply chains, deepened. From an investment perspective, the regional trade agreement enables JAMA members to plan for production growth by leveraging the efficiencies created through this interconnectedness. Components and sub-assemblies journey back and forth over USMCA member countries' borders with value added at every stop, until it is eventually incorporated into a final vehicle assembly.⁵ For example, U.S.-built sub-assemblies, like engines and transmissions, can be found in vehicles assembled in Mexico and Canada, and similarly Mexican and Canadian-built engines find their way into U.S.-assembled vehicles. The tariff-free zone created through USMCA has helped investors like Japanese-brand automakers to efficiently manufacture vehicles in the U.S., maintain U.S. investment momentum and, importantly, deliver affordable vehicles to American consumers.

USMCA fuels JAMA Members' U.S. investments

Since the U.S., Canada and Mexico entered into a regional free trade agreement, JAMA members substantially and consistently increased their manufacturing investments in the U.S. Specifically, since 1994, Japanese-brand automakers have opened 7 vehicle manufacturing facilities, 4 engine manufacturing facilities, and 3 parts manufacturing facilities (including transmission manufacturing). In the past 10 years alone, JAMA members have invested \$28 billion in new manufacturing. Cumulative manufacturing investment in the U.S. as of the end of

⁴ JAMA members operating manufacturing in Canada includes Honda Motor Corporation & Toyota Motor Corporation.

⁵ "One Tiny Widget's Dizzying Journey Through the U.S., Mexico and Canada," Bloomberg (February 2, 2017) <https://www.bloomberg.com/graphics/2017-trump-protectionism-alters-supply-chain/>

2024 has reached over \$66.4 billion. Direct manufacturing employment is over 74,000 and JAMA members' U.S. investments support over 2.2 million U.S. jobs.⁶

Just this year, Japanese-brand automakers further diversified their manufacturing investments with the recent opening of Toyota's battery manufacturing facility in North Carolina⁷ and the expected opening of Honda's battery manufacturing facility⁸, which is a joint venture with LG Energy Solution, in Ohio. Additionally, last month, Isuzu broke ground on a new commercial truck manufacturing facility in South Carolina which is expected to open in 2027⁹.

Indeed, the benefits of USMCA extend across borders to both Canada and Mexico, where new investments have also been realized. As of the end of 2024, Japanese-brand automakers have cumulatively invested over \$87 billion and directly employ over 121,000 people in North America's automotive manufacturing sector. Notably, investments in Canada and Mexico have not come at a cost to new U.S. investments, as they help reduce costs for U.S. manufacturing operations and thereby strengthen the attractiveness of the United States as a manufacturing platform and an investment destination.

USMCA Supports North American Market's Global Competitiveness

Japanese-brand automakers typically manufacture close to their major markets, i.e. "build where you sell." This dynamic is supported by USMCA and has helped make North America the automotive manufacturing powerhouse that it is today. This in turn has made the U.S. and the vehicles it produces more globally competitive, as other regions work to realize those same benefits of scale and expertise. As a result of years of investments and integration across the region, approximately 75 percent of what our members sell in the U.S. is manufactured in North America, with approximately 50 percent of vehicles sold in the U.S. being made in the U.S. Of the vehicles produced in the U.S. that are not sold in the U.S., the vast majority head across the border to Canada and Mexico. This continuous cycle of

⁶ "The Contributions of Japanese-brand Automakers to the United States Economy," Dr. Thomas Prusa (<https://www.jama.org/the-contribution-of-the-japanese-branded-automotive-industry-to-the-united-states-economy-may-2023/>) (May 16, 2023) (accessed October 10, 2025).

⁷ "Toyota Battery Manufacturing North Carolina" (<https://www.toyota.com/usa/operations/map/tbmnc>) (accessed October 26, 2025).

⁸ "LG Energy Solution – Honda" (<https://lgeshonda.com/>) (accessed October 26, 2025).

⁹ "Isuzu holds groundbreaking ceremony for new production facility in South Carolina" (https://www.isuzu.co.jp/world/newsroom/details/20251002_1.html) (October 1, 2025) (accessed on October 26, 2025).

investment and North American supply chain integration supports U.S. manufacturing, exports, and ultimately enables the North American market to be globally competitive.

Conclusion

For over four decades, JAMA members have established, developed, and expanded their manufacturing footprint within the United States. These good-quality investments have impacted communities across the U.S. and strengthened the auto industry, through their long-running employer engagement in developing the U.S. workforce. As Japanese-brand automakers have built upon their successful manufacturing investments in the U.S., Canada, and Mexico, the USMCA has helped them make efficient and predictable investments, which only further fuel investments in the region as the market grows. The interconnectedness of all three countries' automotive supply chains has created a strong, globally competitive North American automotive industry, which is highly valued and beneficial to investors and consumers alike. Given the USMCA's positive impact on automotive manufacturing investment in the U.S., JAMA strongly supports the extension of the agreement and welcomes further engagement and dialogue during the USMCA review process.