



An overview of the bilateral, plurilateral and multilateral trade negotiations

Charles Akande, Editor

Impact of Abe's Visit on TPP Talks

Japan's Prime Minister, Shinzo Abe's official visit to the White House at the end of this month (April 28th), has increased expectations for the Trans-Pacific Partnership (TPP) negotiations, given the key role the bilateral negotiations between the U.S. and Japan play into the broader TPP agreement.

The White House confirmed on March 23rd that President Barack Obama and Prime Minister Abe will indeed discuss, among other issues, the progress achieved in the TPP since they last met. Call it a coincidence of the calendar, but the last time the two leaders met head-to-head on TPP issues came shortly after Easter, the week of April 21, 2014 – when President Obama visited Tokyo.

The Easter 2014 visit was capped by the two sides announcing “a breakthrough” in their bilateral market access negotiations. The set of measures that was then identified as a “pathway for the resolution of the major market access issues in agriculture and autos” have done little to help the talks moving closer to the finishing line, disenchanting many TPP supporters.

The odds are better this time around, some observers believe, citing the timing of Abe's visit. They say the event will encourage U.S. lawmakers to introduce the trade promotion authority (TPA) bill – which many anticipate to be done as early as April 13th when U.S. lawmakers return from their two-week recess.

The introduction of the bill has been delayed several times, given the divergences between the Senate Finance Committee, chaired by Hatch (R-Utah) and the House Ways and Means Committee, chaired by Paul Ryan (R-Wis.). However, there seems to be light at the end of the tunnel as negotiations between the two committees' staffers have gone non-stop throughout the two-week recess, leading some to claim that enough progress could be achieved before the end of the congressional break.

If the Bill is introduced sometime in Mid-April, it could galvanize negotiations at the upcoming chief negotiators session slated to take place tentatively in Washington from April 23–26.

In the meantime, acting Deputy U.S. Trade Representative, Wendy Cutler, and Japanese TPP Ambassador, Takeo Mori, will reconvene their parallel discussion on autos on April 6th in Tokyo. The discussion on motor vehicle trade has recently emerged as the biggest hurdle to an agreement between the two sides, Japanese sources said.

The negotiations have bogged down on non-tariff measures and whether this should be subject to a dispute settlement mechanism, source said, also citing problems with the level of U.S. tariffs on auto parts.

The uncertainty in the TPA process has pushed the Japanese to play down expectations for this upcoming meeting. Ambassador Mori acknowledged at the end of March that the bilateral talks between the two countries were not yet ready to go to ministers – U.S. Trade Representative, Michael Froman and Japanese Economy Minister, Akira Amari.

The aim remains to work toward achieving a concrete outcome ahead of Prime Minister Abe's visit, a Japanese source said, adding that the current debate on TPA will definitely impact this month's talk either positively or negatively, depending on how the congressional discussion evolves.

If all goes well and the bill is introduced by mid-April, this will send positive signals about the U.S.'s readiness to make the conclusion of the TPP this year a reality, he said, leading chief negotiators to embark in what could be an intensive bilateral negotiation to bring the remaining controversial chapters close to completion.

Chapters expected to be tackled at the April 23–26 TPP chief negotiators meeting include intellectual property (IP), market access, state-owned enterprises (SOEs), and rules of origin (RoO). There have been ongoing

bilateral/plurilateral negotiations on these issues since the Hawaii session held last month. TPP Members are now looking to finalize issues that are text-based at their upcoming meeting.

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