

## **TPPA talks to continue as US and Japan disagree**

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**By Brian Wingfield, Bloomberg**

The 12 nations brokering a Pacific-rim trade deal will continue talks as the US and Japan were unable to overcome key differences in advance of a planned visit by President Barack Obama to Japan.

US Trade Representative Michael Froman and Japanese Minister for Economic and Fiscal Policy Akira Amari yesterday concluded talks in Washington on the Trans-Pacific Partnership without striking a deal on some of the most contentious issues.

“After more than 20 hours of negotiations, we continue to make progress,” the US trade office announced yesterday in an unsigned statement. “These issues are important to both sides and considerable differences remain.”

Negotiators had accelerated their work — meeting in Tokyo last week and Washington this week — as President Barack Obama prepares to visit Japan, Malaysia, the Philippines and South Korea April 24-28. The nations forging the pact aren’t holding themselves to a specific deadline and will take the time necessary to achieve a good agreement, according to a US official who requested anonymity to brief reporters.

Chief negotiators from the TPP countries will meet in mid-May in Vietnam for additional negotiations, the official said. Trade ministers will meet separately during an Asia-Pacific Economic Cooperation summit in Qingdao, China from May 17-18.

### **Biggest deal**

If completed, the Pacific-region accord would be the biggest trade deal in US history, linking a region with about \$28 trillion in annual economic output, about 39 percent of the world total. In addition to the US and Japan, the countries seeking the accord are Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

The Washington-based US Chamber of Commerce, the nation’s largest business lobby, is looking for Obama and Japanese Prime Minister Shinzo Abe to say they are

committed to completing the deal, according to Tami Overby, the group's vice president for Asia issues.

Failure to chart a way forward by the time of next week's meetings would mean that an agreement probably won't be reached before US elections in November, she said during an April 16 briefing with reporters.

"If it is business as usual, my fear is people would lose energy around TPP right now," Overby said. "The longer this drags on, the more the opponents will have the opportunity and will take full advantage of it and make it harder."

### **Rice, cars**

The US is seeking greater access to Japan's markets for autos and agricultural products including rice and beef, which are politically sensitive goods in the Asian nation.

Reaching a deal is complicated by opposition in Congress to so-called fast-track legislation the Obama administration is pushing to help conclude the talks. Lawmakers from both parties, particularly Democrats, want a greater role in drafting the trade deal before considering the bill, which would prevent them from adding amendments to the accord.

The trade deal "threatens to roll back financial regulations, environmental standards, and US laws that protect the safety of drugs and food and the toys we give to our kids," Representative Rosa DeLauro, a Connecticut Democrat, said on an April 16 conference call with reporters.

"We should not blindly endorse any more Nafta-style deals negotiated behind closed doors" that depress wages and put US jobs at risk, she said, referring to the 1994 North American Free Trade Agreement.

The Obama administration, seeking to double US exports from 2009 levels by the end of this year and aware of China's growing influence in Asia, is striking back.

"We are at a critical inflection point" on the Pacific accord, Commerce Secretary Penny Pritzker said yesterday during a speech in Washington. Failure to conclude the accord will "let others with different values and interests take the lead" in setting regional trade rules, she said.

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