

Japan's International Economic Policy in Cooperation with the United States

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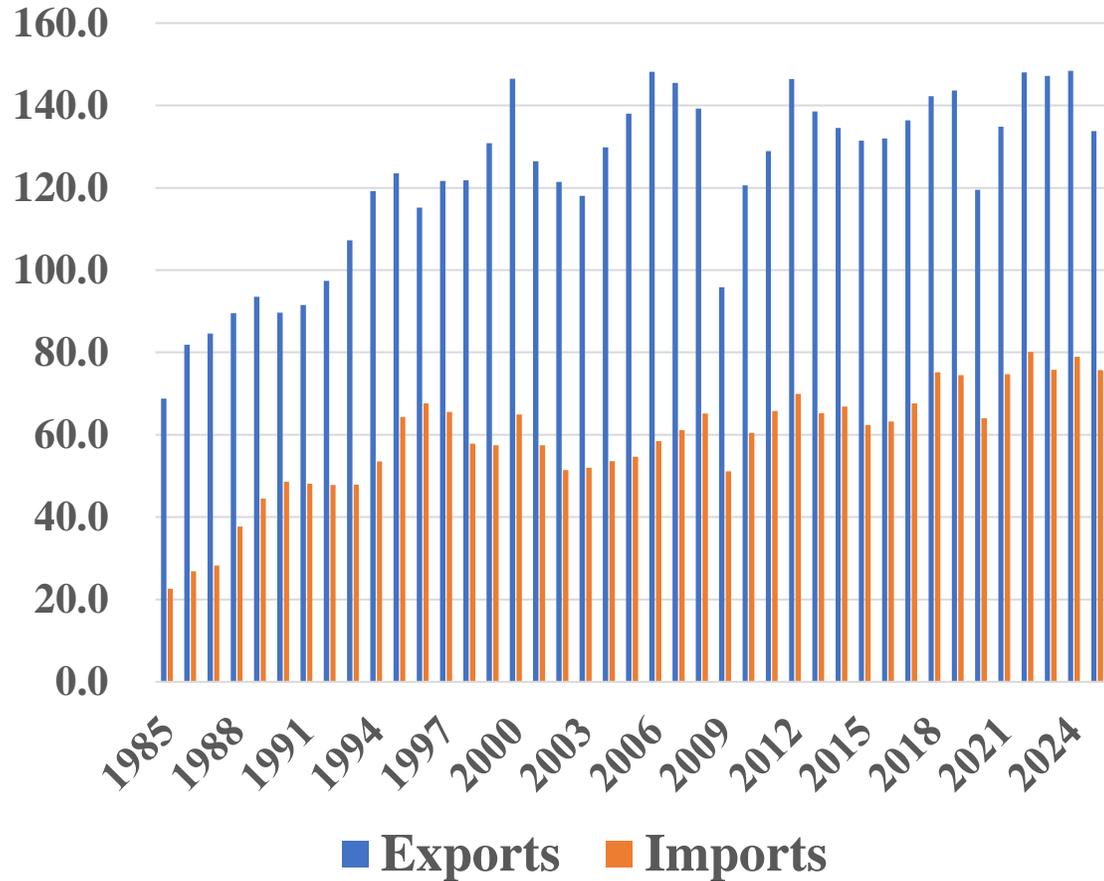
Waseda University

Presentation

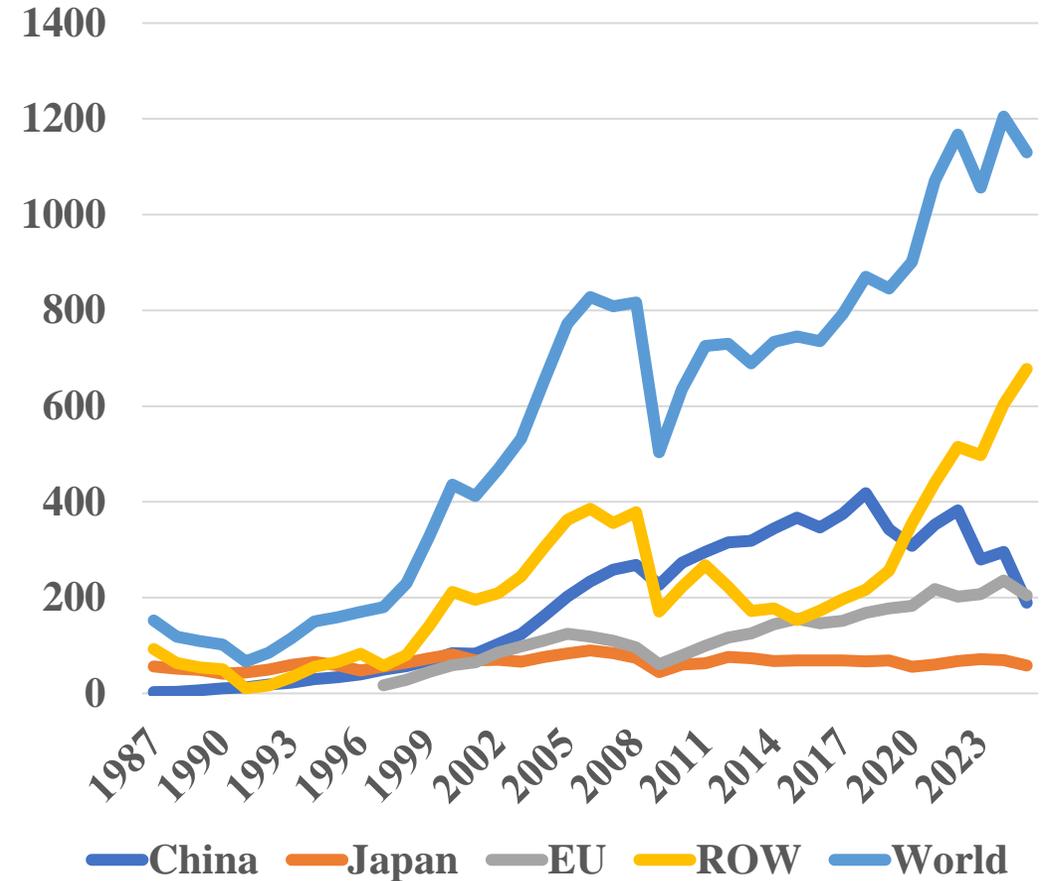
- Recent Developments in US-Japan Trade and Investment Relations
- Japan's International Economic Policy in Cooperation with the United States

Japan-US Trade in Goods (1) (\$ billion)

Japan's Exports to and Imports from the US

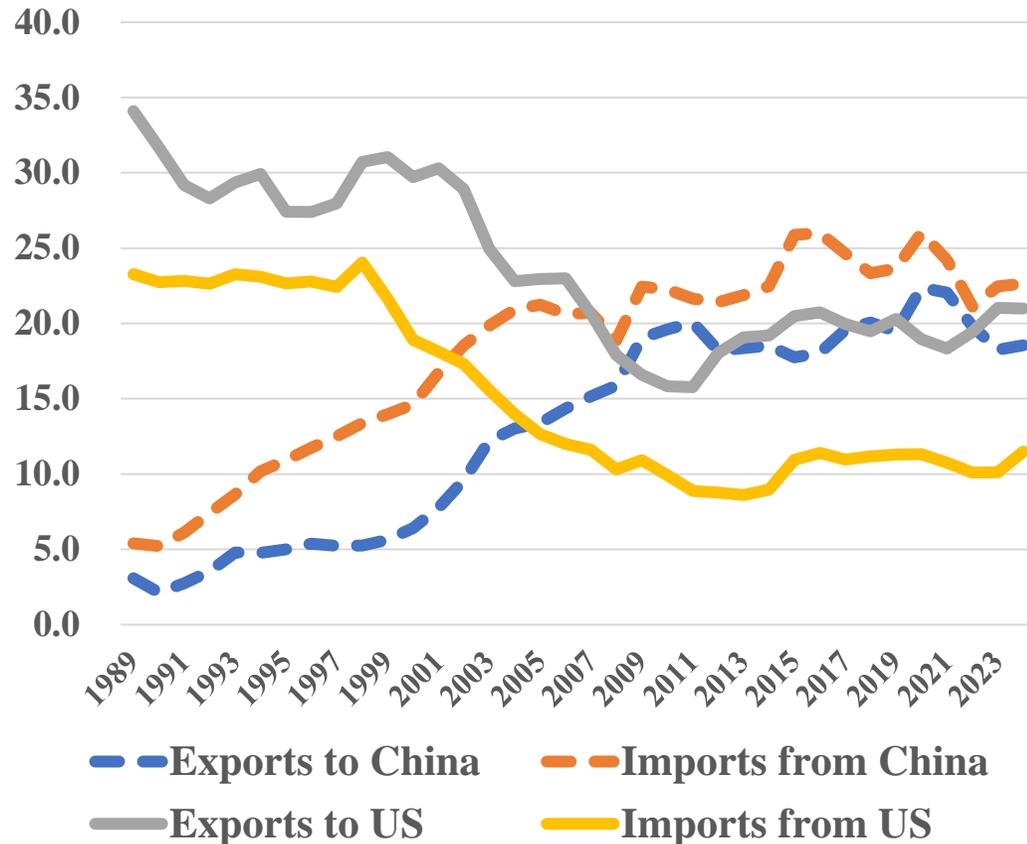


US Trade Deficits by Countries



Japan-US Trade in Goods (2)

Shares of US and China in Japan's Overall Trade (%)

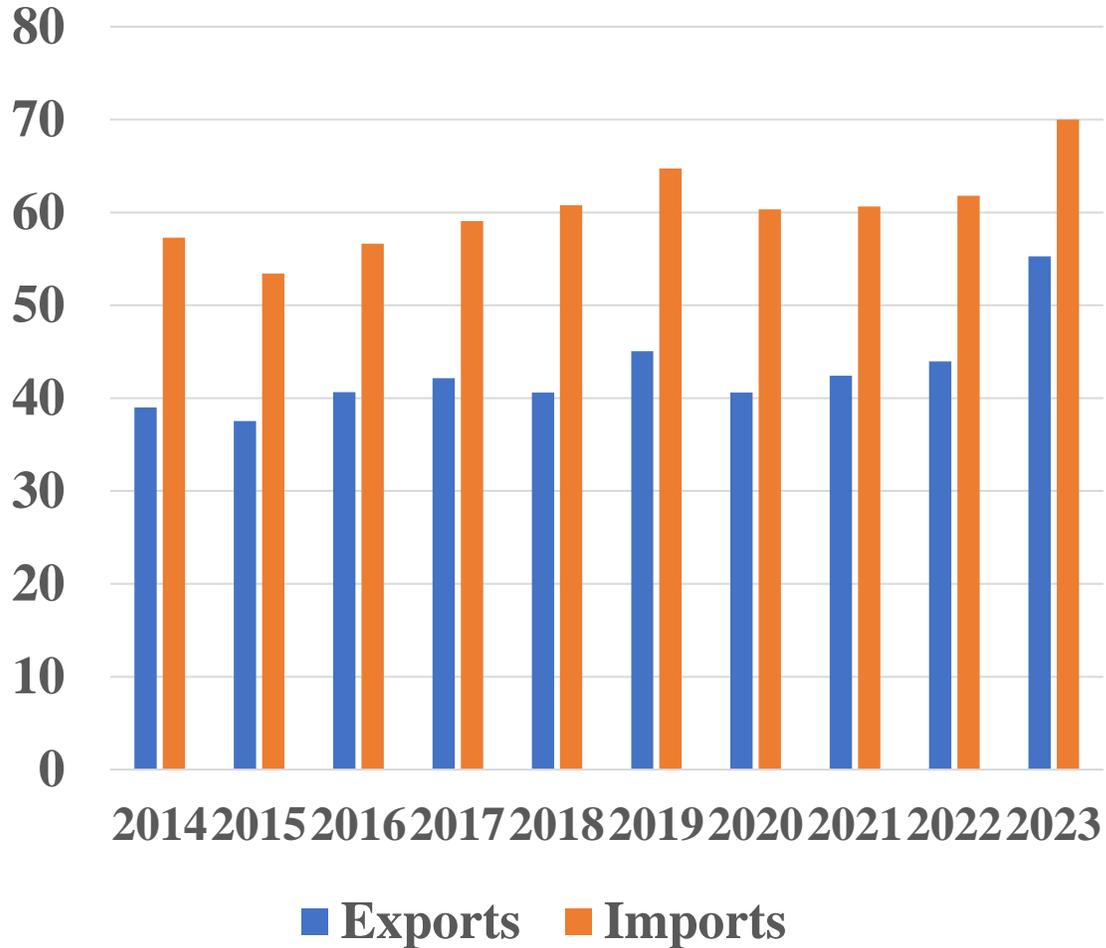


Product Composition (%)

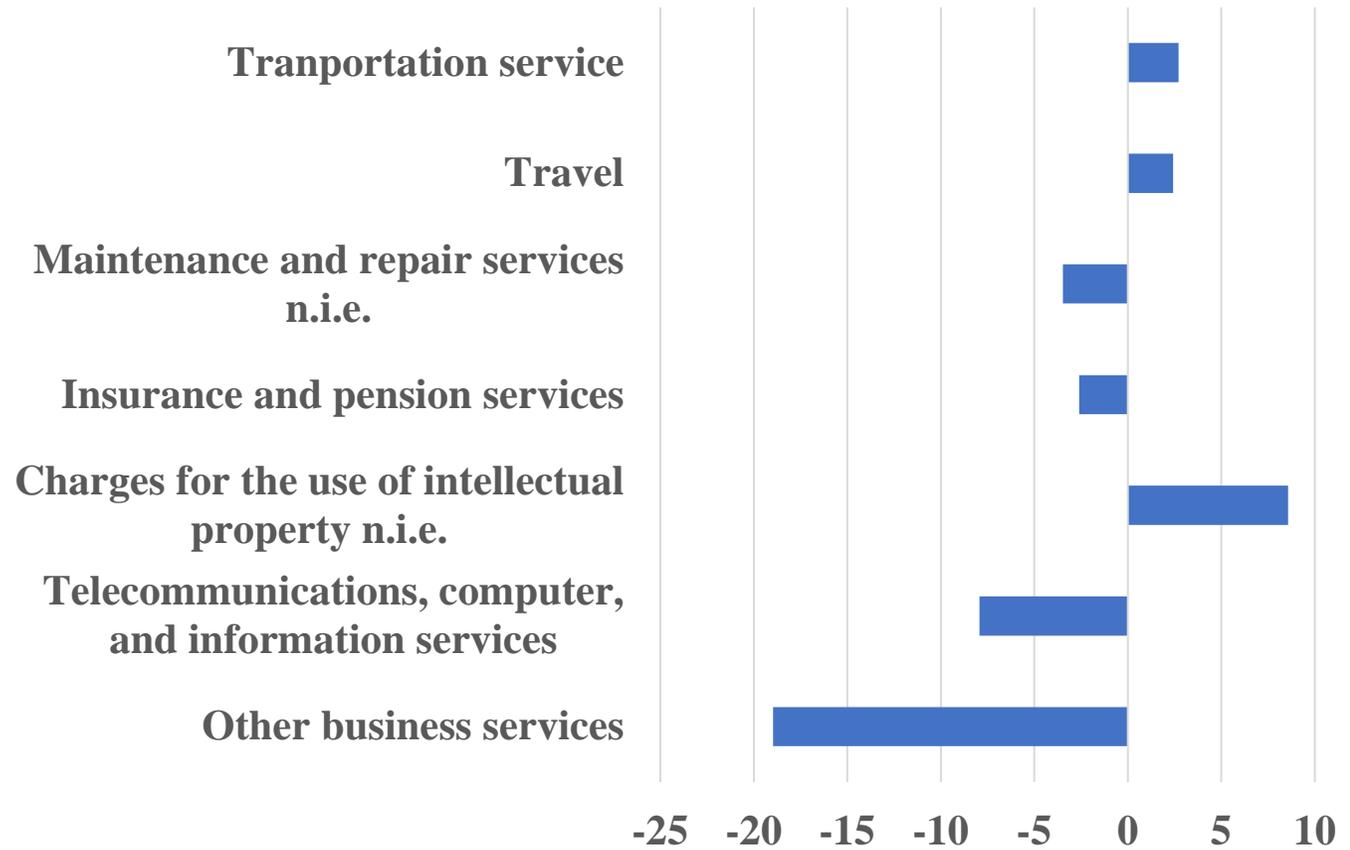
	Exports	Imports
Total	100	100
Machinery	75.4	36.8
General machinery	22.6	16.4
Electric machinery	10.6	6.5
Transport machinery	36.4	5.7
Automobiles	28.2	1.2
Passenger cars	27.6	1.2
Auto parts	5.8	0.4
Precision machinery	5.7	8.2
Chemicals	9.5	18.9
Foods	1.0	13.9
Crude materials and products	5.8	23.6

Japan-US Trade in Services

Trade in Commercial Services (\$billion)

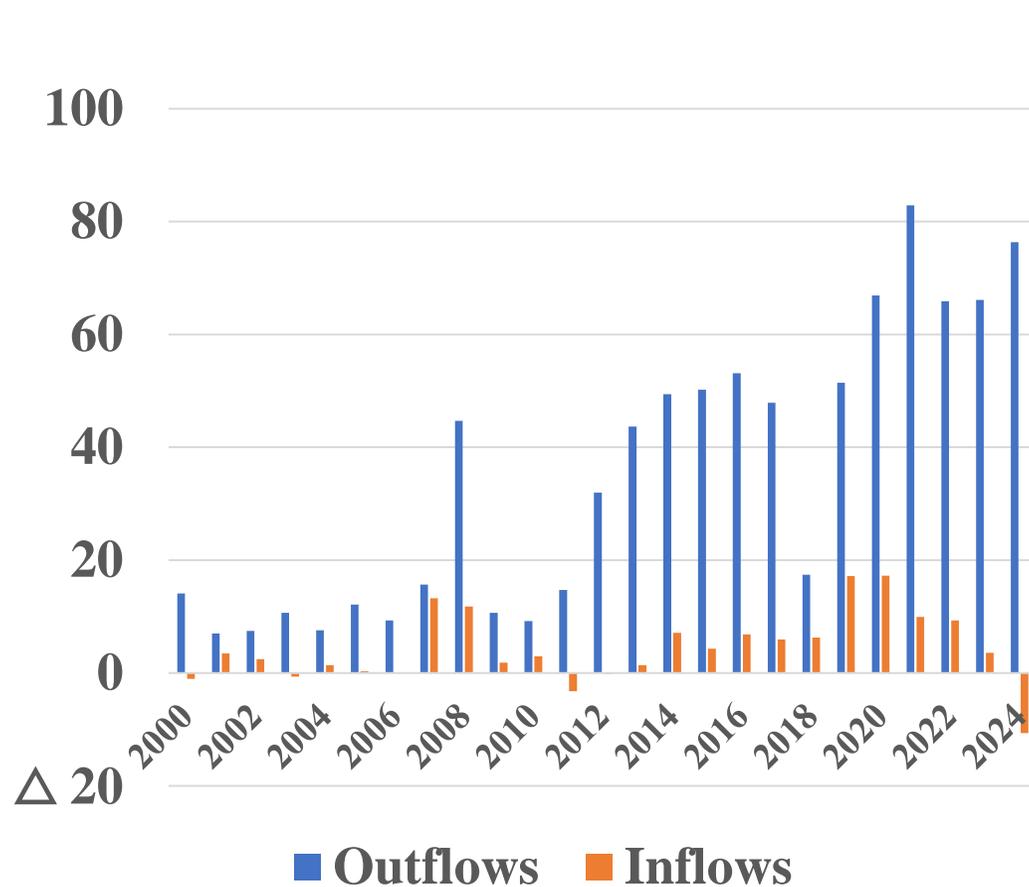


Trade Balance by Services (\$billion)

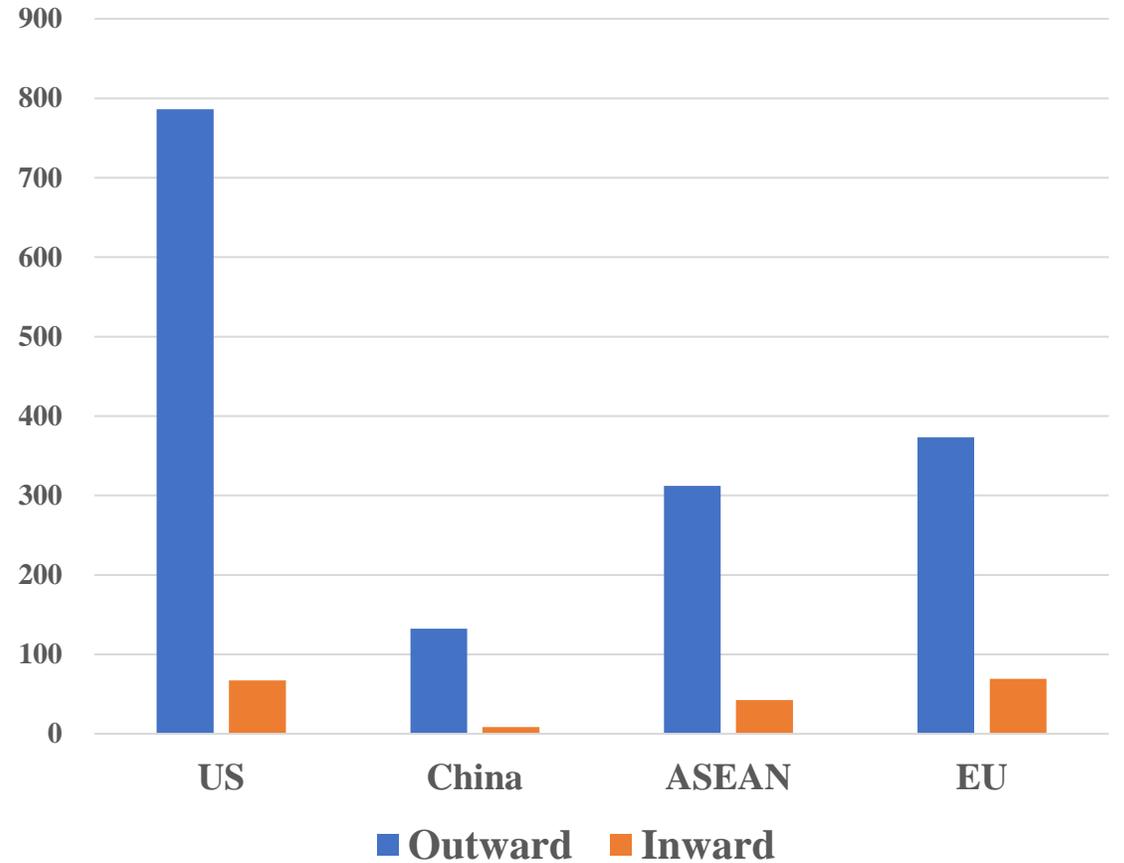


Japan's Foreign Direct Investment to and from the US

Outflows and Inflows in \$billion



Positions at the end of 2024 (\$billion)



Japan-US Trade and FDI Relations: Contentious Issues

- Despite the depth of the economic relationship through trade and FDI, several contentious issues remain.
- Trade:
 - Bilateral trade imbalance
 - US tariffs
 - Japan's non-tariff barriers
- FDI:
 - Japan's Pledge of \$550 billion FDI in the US
 - Low level of FDI in Japan

Japan's International Economic Policy: Goals and Challenges

- Goals:
 - Achieve sustained economic growth
 - Enhance economic security
- Challenges
 - Limited resources, particularly public financial resources
 - Growing geopolitical/geoeconomic tensions
 - Increasing economic uncertainty and instability

Japan's International Economic Policy: Key Proposals

- Cooperation and Collaboration with the United States
 - Build and rebuild infrastructure
 - Develop and strengthen resilient supply chains
(critical minerals, rare earth elements, semi-conductors, etc.)
- Acting Independently and/or Cooperation with Like-Minded Countries
 - Expand CPTPP
 - Promote reform of WTO
 - Advance plurilateral trade agreements (e.g. digital trade)