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BUSINESS

Japan to decide on whether to join Pacific free trade zone by next month's APEC summit

TOKYO — Top Japanese officials said Wednesday the country will decide whether to join a U.S.-led Pacific-wide free trade zone ahead of a regional economic summit to be held in Hawaii next month.

Chief Cabinet Secretary Osamu Fujimura said the ruling party has started intensive discussions on the possibility of joining the Trans-Pacific Partnership by the Nov. 12-13 Asia-Pacific Economic Cooperation, or APEC, meeting in Honolulu.

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Under former Prime Minister Naoto Kan, Japan had been studying whether to join the so-called TPP, which in principle would eliminate all tariffs on imports, but had put off a decision in the aftermath of the March 11 earthquake and tsunami.

The U.S., Australia, Malaysia, Vietnam and Peru are negotiating to join the bloc, which already brings together the smaller economies of Chile, New Zealand, Brunei and Singapore.

Japanese business leaders say the country must join or suffer a competitive disadvantage, but most farmers are opposed because of worries that an influx of cheaper imports would ruin them. Imported rice, for example, is subject to a 778 percent tariff.

“There are many cautious opinions and we will study the issue very carefully,” Fujimura said. “The (ruling) party said it will come to a conclusion by early November, so the government will carefully follow the development and cooperate with the party.”

Some APEC member economies see the Pacific pact as a building block for a free trade area that encompasses all of Asia and the Pacific — from behemoths China and the U.S. to minnows such as New Zealand and Singapore. Slashing tariffs and other barriers to imports and investments, it would cover half the world's commerce and two-fifths of its trade.

Trade and Industry Minister Yukio Edano said that Japan will make a decision after thorough discussion, even as it keeps the upcoming APEC summit in mind.

“We need thorough discussion and a certain level of consensus within the country. Those two things may look conflicted, but we will do our utmost to solve the difficult equations,” he said.

Edano did not indicate whether Japan is leaning toward joining or not.

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