

FACT SHEET: U.S.-Japan Trade Agreement

Under President Trump's leadership, the United States and Japan have reached agreement on early achievements from negotiations in the areas of market access for certain agriculture and industrial goods, as well as on digital trade. The United States looks forward to further negotiations with Japan for a comprehensive agreement that addresses remaining tariff and non-tariff barriers and achieves fairer, more balanced trade.

1. LIBERALIZING MARKET ACCESS BETWEEN THE UNITED STATES AND JAPAN

- The United States and Japan have reached an agreement in which Japan will eliminate or lower tariffs for certain U.S. agricultural products. For other agricultural goods, Japan will provide preferential U.S.-specific quotas.
- Once this agreement is implemented, over 90 percent of U.S. food and agricultural products imported into Japan will either be duty free or receive preferential tariff access. For example, under the agreement, Japan will:
 - Reduce tariffs on products such as fresh and frozen beef and pork.
 - Provide a country-specific quota for wheat and wheat products.
 - Reduce the mark-up on imported U.S. wheat and barley.
 - Immediately eliminate tariffs for almonds, walnuts, blueberries, cranberries, sweet corn, grain sorghum, broccoli, and more.
 - Provide staged tariff elimination for products such as cheeses, processed pork, poultry, beef offal, ethanol, wine, frozen potatoes, oranges, fresh cherries, egg products, and tomato paste.
- This agreement provides for the limited use of safeguards by Japan for surges in imports of beef, pork, whey, oranges, and race horses, which will be phased out over time.
- When the agreement is implemented by Japan, American farmers and ranchers will have the same advantage as CP-TPP countries selling into the Japanese market.
- The United States will provide tariff elimination or reduction on 42 tariff lines for agricultural imports from Japan valued at \$40 million in 2018, including products such as certain perennial plants and cut flowers, persimmons, green tea, chewing gum, and soy sauce.
- The United States will also reduce or eliminate tariffs on certain industrial goods from Japan such as certain machine tools, fasteners, steam turbines, bicycles, bicycle parts, and musical instruments.

2. CONCLUDING A HIGH-STANDARD DIGITAL TRADE AGREEMENT

- The United States and Japan have reached a separate agreement on a high-standard and comprehensive set of provisions addressing priority areas of digital trade. These areas include:

- Prohibitions on imposing customs duties on digital products transmitted electronically such as videos, music, e-books, software, and games.
 - Ensuring non-discriminatory treatment of digital products, including coverage of tax measures.
 - Ensuring barrier-free cross-border data transfers in all sectors.
 - Prohibiting data localization requirements, including for financial service suppliers.
 - Prohibiting arbitrary access to computer source code and algorithms.
 - Ensuring firms' flexibility to use innovative encryption technology in their products.
- The digital trade agreement with Japan meets the gold standard on digital trade rules set by the USMCA and will expand trade in an area where the United States is a leader.