

Highlights of the 10th APEC Automotive Dialogue Meeting

APEC Automotive Dialogue (AD) meeting was convened in Singapore from 10-12 September, attended by delegates from the Government and industry players of Australia, Chinese Taipei, Indonesia, Japan, Korea, Malaysia, Philippines, Thailand and United States of America. India industry representatives took part in the meeting as guests.

A wide range of issues was discussed during the AD meeting, such as road safety, Small & Medium Enterprises (SME) development, customs facilitation, market access, intellectual property rights.

During the discussion by the Market Access Working Group, industry representatives from United States, India and Korea shared their observations of the necessary elements for a high quality FTA/EPA from the automotive industry perspective. JAMA took this opportunity to also share its views and position on its industry perspective on supporting the promotion of FTAs/EPAs.

JAMA's basic position focuses on the three areas of tariff elimination/reduction, non-tariff barriers, and improvement of business environment. For tariffs, JAMA's expectation is for its immediate elimination for automobiles, auto parts and other industrial goods. However JAMA also recognizes that due to certain specific and sensitive circumstances, countries

may prefer to reduce tariffs gradually over time. JAMA believes that for automakers to strengthen their international competitiveness, trade liberalization and free competition are necessary. FTAs/EPAs, by promoting competition and cooperation between the two contracting parties, result in increased industry competitiveness for both sides.

JAMA noted that non-tariff barriers such as restrictions on import or foreign investment should also be removed.

Finally, JAMA reiterated that to make for a quality FTA/EPA, improvement of business environment should be effectively addressed. For e.g., appropriate rules of origin and certification procedures should be adopted, tax regimes simplified, infrastructure improved, and harmonization of technical regulations and type approvals promoted.

On the technical front of the meeting, a representative from US government presented on policies to promote biofuels in the country, as well as activities related to the Biofuels Task Force. From the industry, a JAMA expert also presented on recommended biofuel specifications for the draft Worldwide Fuel Charter, including E100 and B100 guidelines for E10 and E5 blends and their test methods. JAMA's position on biofuel is that it is becoming increasingly important, given the current

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situation of energy security and CO₂ reduction urgency. Hence, JAMA actively supports the introduction of biofuels but maintained that the issue of fuel quality at retail level should be addressed. Moreover the development of biofuels should also not be in conflict with developments on food, land, nor be contributing towards water pollution. Comments are invited from the APEC countries on the contents of the Charter.

Among the various proposals for projects suggested to be pursued by the APEC AD meeting, the SME Market Access Project and the Customs- Automotive Rules of Origin (ROO) Project were given more priority for development. The SME Market Access Project is expected to assist APEC SMEs in generating

more export opportunities and transactions, while the Project on ROO proposed a workshop for senior trade and customs officials from APEC countries, as well as to facilitate an AD ROO team to visit economies for discussion on current and future ROOs. These two projects are to be developed by the relevant Working Group Chairs for consideration by the APEC Committee on Trade and Investment in February 2009.

The next APEC AD meeting is scheduled to be held in Republic of Korea at the end of the first quarter of 2009.

Integration

In the current Japanese Diet, the ruling Liberal Democratic Party occupies the majority of seats in the Lower House (the House of Representatives), while the opposition Democratic Party of Japan dominates the Upper House (the House of Councillors). This creates a situation where decisions made in one house can easily conflict with decisions made in the other; but this is what the people of Japan have chosen, reflecting the results of democratic elections. Can the two parties compromise and successfully “integrate” their positions to achieve some degree of consensus? I think they should. At any rate, it will be very interesting to see how the citizens of Japan judge this situation in the next Lower House election.

In the United States, meanwhile, the two presidential candidates—Republican John McCain and Democrat Barack Obama—have been pitted against each other in a fierce electoral campaign. At the time of writing, U.S. opinion polls indicate that Obama holds a lead over his Republican rival, albeit a slim one. The fact that Obama, an African-American, is enjoying such success and garnering such levels of support throughout the U.S. is a symbol of the integration that has occurred

in American society, one of the world’s most ethnically diverse populations.

In the automobile industry as well, integration is the growing trend. One example is hybrid cars, which combine conventional fuel combustion technology with electric motors; another example is the blending of gasoline and biofuels. As new technology is developed, it is integrated with existing technology. Such integration serves to improve vehicle performance in important ways and, in so doing, make further headway towards the achievement of sustainable mobility.

To extend this discussion to the subject of food, I think it’s fair to say that numerous classic dishes from around the world are a result of the fusion or integration of cultures. Sushi, one of my favorites, is said to have its origins in the preserved food of mountain-dwelling people in southeast Asia, while French cuisine is believed to have derived from Italian cuisine.

Integration, it seems, has brought about significant advances in culture in virtually every instance I can think of. When integration takes place, therefore, I believe we can look forward to a brighter future.

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