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Ishiba taps ally Akazawa as trade negotiator

Key takeaways

- Economic Revitalization Minister Akazawa Ryōsei, one of Prime Minister Ishiba Shigeru's closest allies, will serve as the government's chief trade negotiator.
- While Akazawa's close relationship with the prime minister will be an asset, the relatively inexperienced Akazawa could face significant challenges forging a unified negotiating position and managing talks with the Trump administration.

s the Ishiba government prepares for <u>negotiations</u> with the Trump administration in pursuit of relief from new tariffs of 24% on all Japanese exports other than automobiles (which face a separate 25% tariff), Prime Minister Ishiba Shigeru has named Akazawa Ryōsei, economic revitalization minister, as his chief negotiator.

On the one hand, Akazawa, who hails from Tottori prefecture like Ishiba and was a member of the prime minister's former eponymous faction, has a close relationship with the prime minister, particularly important given the extraordinary political sensitivity around the negotiations with the United States. In contrast to some of the other names mentioned as potential chief negotiators – particularly Motegi Toshimitsu, who negotiated with the first Trump administration – Ishiba will be able to rely on Akazawa to communicate closely with him and not undercut his position.

At the same time, however, Akazawa, who was appointed to the cabinet for the first time by Ishiba, is less senior and has less ministerial experience than some of his predecessors as Japan's chief trade negotiator. To the extent that he will have to forge a unified negotiating position across ministries – while also keeping Liberal Democratic Party (LDP) backbenchers and opposition parties informed about progress in the talks – while also potentially negotiating with US President Donald Trump himself, this role could prove to be a heavy lift for Akazawa. The Ishiba government has on the whole

been characterized by weaker central coordination by the prime minister's office and more power wielded by the ministries and the political parties, a tendency that Akazawa will have to overcome to succeed in this task.

Moreover, his authority in negotiations will not be total. Finance Minister Katō Katsunobu, who has already talked with US Treasury Scott Bessent about bilateral exchange rate issues, has reserved the rate to continue talking one-on-one with Bessent about currencies. Katō has stood up his own tariffs task force between the Ministry of Finance (MOF) and the Financial Services Agency (FSA), led by their respective senior-most bureaucrats, MOF administrative vice-minister Shinkawa Hirotsugu and FSA commissioner Itō Hideki. This taskforce points to the seriousness of Katō's role in the negotiations but could also complicate Akazawa's job of forging a unified negotiating position.

Finally, it bears stressing the potential for agriculture to be a complicating factor in the swift resolution of trade friction. While US Trade Representative Jamieson Greer reiterated in a Senate hearing on Tuesday that the Trump administration is aiming for "more and better agricultural market access" in Japan, the Ishiba government could be most constrained in making a deal on agricultural market access. The Ministry of Agriculture, Forestry, and Fisheries (MAFF) and Japan's farmers are especially dissatisfied over Trump's perceived violation of the informal agreement swapping agricultural concessions for a pledge not to raise automobile tariffs in the US-Japan free trade agreement concluded during the first Trump administration and may be reluctant to make significant concessions under duress. Not only will the US-Japan negotiations come ahead of upper house elections – in which rural voters will play an outsized role given the importance of more rural single-member constituencies in determining the outcome of upper house elections – but also Japanese farmers have been agitated about worsening conditions, resulting, for example, in a sizable protest on 30 March in central Tokyo that featured a line of tractors on the city's streets. While the JA Group, the industry group of agricultural cooperatives, has lost some of its political power due to political reforms and the changing structure of agricultural sector – it is notable that MAFF is concerned about the impact of tariffs on Japanese agricultural exports to the US, a sign of the growing importance of higher-value-added agricultural exports for Japan – farmers are still an important LDP constituency and it will not be easy for Ishiba, already weakened, to force through an agreement over their resistance, particularly before the upper house elections. MAFF Minister Etō Taku announced that his ministry is establishing its own tariff taskforce, pointing to possible conflict between ministries in the coming weeks. The agricultural sector's leverage is not unlimited given the potential impact of Trump's tariffs on the Japanese economy as a whole, but its political clout remains considerable, perhaps never more so than during the run-up to an election.

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