

SUMMARY

The Political Process of Australia-Japan
Trade-Liberalization Talks in Beef
Australia's Policy Implication

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In June 1988, Japan finally agreed to open its beef market to the United States and Australia. Japan's liberalization, therefore, has generally been regarded as the outcome of the close cooperation between the U.S. and Australia. Another reading of the situation, however, suggests that this was not necessarily the case. The U.S. and Australia did not in fact collaborate with each other. Although Japan's liberalization of the beef market was a final goal for both countries, why did Australia not seek to coordinate affairs with the U.S.?

At the same time, Australian diplomatic pressure on Japan was relatively low compared to that of the U.S. In other words, Australia had not always been active in bringing about the rapid liberalization of Japan's beef market. Why was Australian pressure on Japan weaker than its American counterpart?

Therefore, the purposes of this paper are, firstly, to examine the reason why Australia did not fully collaborate with the U.S. in order to achieve the opening of the Japanese market, and secondly, to clarify why the Australian demand for Japan's liberalization was relatively poor compared to that of the U.S.

The key to answering these questions is in understanding the competitive trade relationship between the U.S. and Australia. Although Australia had previously accounted for an overwhelming share of Japan's beef market, the U.S. had gradually begun to overtake the Australian share. In addition, because Australia had been the largest exporter of beef to the U.S., the U.S. had imposed import restrictions on Australia to protect the American domestic beef industry. In short, the United States and Australia were longtime rivals in regards to the Japan's beef market.

In conclusion, until the mid-1980s, Australia preferred not to compete directly against the U.S. In other words, Australia's primary intention at that time was not to fully open the Japanese beef market, but to expand their total share within the framework of that limited market. However, because the U.S. was one step ahead of Australia in regards to trade strategy, the result was that Australia substantially decreased its share of the Japanese market. Therefore, in terms of trade rivalry, this trade contention between the U.S. and Australia resulted in a negative outcome for Australia.