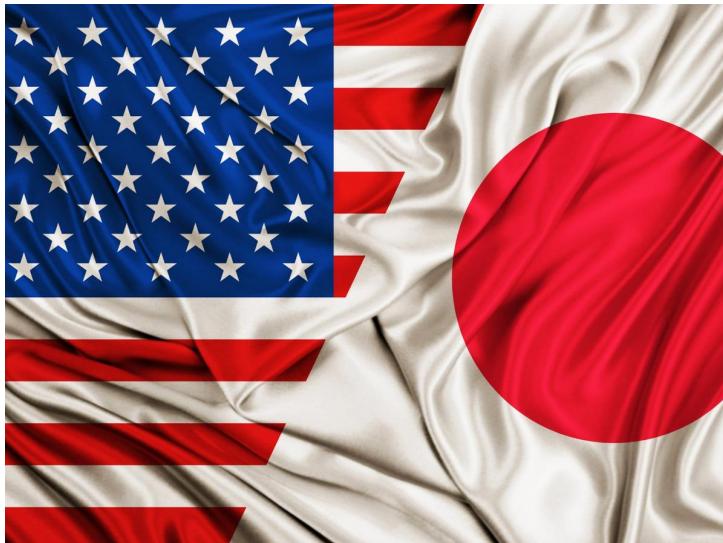

Japan-U.S. Investment Deal Raises Domestic Economic Concerns



Published on October 16, 2025

Document Date: Mon, Jan 19 2026 03:24:47 am

Category: ,Articles,English,Snippets

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Tokyo, October 16 (Xinhua) – Japan's recent Japan-U.S. tariff and investment agreement is drawing growing unease from the country's business community and industrial analysts, amid concerns that the deal may heavily favor Washington and increase Tokyo's exposure to U.S. protectionist policies.

Finalized in September, the accord commits Japan to a \$550 billion investment in the United States over the coming years, in exchange for lower tariffs on Japanese cars and other products. While Japanese officials describe the agreement as a “win-win” effort to strengthen economic and security ties, critics warn it risks turning Japan into a financier of U.S. industrial ambitions. Under the memorandum, investment projects are selected and managed under a U.S.-chaired framework, prompting worries that Tokyo may be influenced by U.S. political priorities. The profit-sharing arrangement also raises concerns: until Japan recoups its initial investment, profits are shared equally, after which 90 percent of further gains go to the United States and only 10 percent to Japan.

Economist Takahide Kiuchi of Nomura Research Institute criticized the deal as a “U.S.-dominated scheme that utilizes Japan’s funds to support American economic policy.” Similarly, Toshihiro Okubo, an economics professor at Keio University, cautioned that intensifying U.S. protectionism could limit Japan’s benefits from free trade.

With U.S. President Donald Trump scheduled to visit Japan later this month, government officials face pressure to deliver tangible results. Analysts advise that Japan pursue thorough project assessments, small-scale initial investments, and incorporate private-sector expertise to mitigate risks.

While Japan gains lower tariffs in the short term, experts warn that the agreement may mark the start of “managed trade”, a relationship shaped more by strategic dependence on the U.S. than by free-market principles, according to a recent Nikkei editorial.