

Trans-Pacific Partnership Policy Factsheet

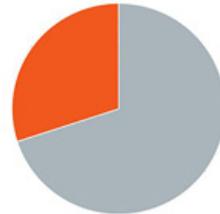
Why it matters to Washington

- If implemented in 2015, TPP could have increased Washington exports up to \$8.7 billion.¹
- If implemented in 2015, TPP could have directly created up to 26,000 Washington jobs (along with 47,000 indirectly-created jobs).
- Trade agreements benefit Washington - our exports have increased 141% with our free trade agreement partners since 2004.¹
- U.S. leadership in the fast-growing Asia-Pacific region is critical; if we don't write the trade rules, other countries will.

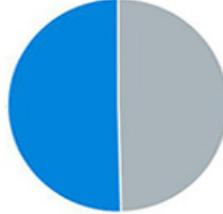


Local winery owners, Marty and Megan Clubb, stand to benefit from TPP.

30% of Washington exports go to TPP countries



50% of Washington imports come from TPP countries



WHEAT TARIFFS



SALMON TARIFFS



FRENCH FRY TARIFFS



TPP: IMPROVING THE WAY THE WORLD TRADES:



High standard trade policy will help local aerospace parts producer, Norfil, grow and expand

- Lowers or eliminates 18,000 tariffs and other market access barriers on our goods and services exports
- Creates compatible regulations and rules between countries on sanitary and phytosanitary (SPS) measures, cross-border data flows, investment, financial services, e-commerce, state-owned enterprises (SOEs), and customs
- Raises intellectual property protections on everything from software to manufacturing, incentivizing research and development
- Includes fully enforceable labor and environmental standards, incentivizing countries like Vietnam and Malaysia to raise their standards

TPP COUNTRY PROFILES²

Vietnam: \$193B GDP; high tariffs with 9.5% average; need to improve labor & IP protections and address competitiveness with state-owned enterprises; very high restrictions on trade in services

Japan: world's 3rd largest economy at \$4.12T; average tariff 4.9% and numerous import barriers on rice, dairy, meat, sugar & autos

Canada: \$1.55T GDP; largest U.S. trading partner; average tariff 4.2% with major barriers in dairy and agriculture



Mexico: \$1.14T GDP; second largest U.S. trading partner; average tariff 7.9%; TPP would improve upon NAFTA by making labor & environmental provisions

Peru: \$192B GDP; average tariff is 6%; need to improve IP protections; will expand on existing trade pact with U.S.

Chile: \$240B GDP; average tariff is 6%; will expand on existing trade pact with U.S.

Singapore: \$292B GDP; will expand on existing free trade agreement with U.S.

Brunei: \$15B GDP; would improve labor standards

Malaysia: \$296B GDP; trade in services is severely restricted in Malaysia and average tariff on goods exports is 6%

Australia: \$1.34T GDP; average tariff 3.4%; TPP would expand the current U.S.-Australia trade agreement

New Zealand: \$173B GDP; average tariff 2% and very few restrictions on trade in services; needs to improve IP protections

POLICY FAQS

Will the Investor-State Dispute Settlement (ISDS) system in the TPP supersede national law and limit the ability of national, state or local government to regulate? No. The ISDS provision exists to incentivize all countries to abide by rules and to provide basic legal protections for American companies abroad. The U.S. is already party to 50 agreements with ISDS provisions, and has never lost a case. The agreement has special provisions to protect governments against frivolous lawsuits and to ensure transparency.

Will the TPP lower labor and environmental standards? No. In fact the TPP contains the strongest commitments on labor and environment of any trade agreement in history and will raise these standards across partner countries. For the first time, countries like Malaysia and Vietnam will have to allow unions to form and collectively bargain and will have to meet the International Labor Organization's core labor standards. Members of the trade pact will also have to cut down on ozone-depleting substances, combat wildlife trafficking, illegal logging and fishing, and crack down on ocean pollution.

How will the TPP affect the apparel industry? Major Washington-based retailers import from the Asia-Pacific region. Almost 70% of all duties collected by the U.S from TPP countries are from apparel imports. The TPP would immediately eliminate tariffs on about half of all apparel products made in TPP countries.

How will the TPP affect agriculture and food processing? Agriculture is Washington's second largest export, and TPP will provide large tariff reductions such as a 208% decrease in whey powder and a 30% reduction in wheat tariffs.



How will the TPP affect manufacturing? Manufacturing, including aerospace, is Washington's largest export. The TPP will eliminate every single tariff on U.S. manufactured products.

How will the TPP affect the tech sector? Tech companies will benefit from the TPP's cutting-edge rules to protect and promote a free and open internet and e-commerce. The agreement allows free flows of data by barring governments from requiring U.S. companies locate their servers in that country. In addition, it will knock out the tariffs that reach as high as 35 percent on U.S. ICT exports.

Will the TPP cause an influx of Asian goods that will put American employers out of business? U.S. tariffs and trade barriers are some of the lowest in the world, so the real benefit of a trade agreement like TPP is ensuring other countries' markets are as open to sales of U.S. goods and services. For imports that have high tariffs, such as apparel and footwear, the majority of products are already manufactured overseas, so the impact of the tariffs is rising costs for consumers.

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SECURE CONGRESSIONAL APPROVAL FOR THE TRANS-PACIFIC PARTNERSHIP



POLICY FACTSHEET

Background

Negotiations on the Trans-Pacific Partnership (TPP), an Asia-Pacific regional trade agreement including the United States and 11 other partners - Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, Vietnam, Canada, Mexico and Japan - concluded on October 5, 2015.

The TPP is the highest-standard trade agreement in history and addresses issues relevant to the 21st century economy. The agreement will create a framework that will encourage other countries in the region to raise their standards to participate. The trade deal offers an unprecedented opportunity to shape global trade rules to ensure U.S. workers can compete on a level playing field in an important and fast-growing region. TPP countries generate 40% of global GDP and receive 45% of U.S. exports.