

Transatlantic Trade and Investment Partnership

POLICY FACTSHEET



Why it matters to WASHINGTON

Accounting for 10.6% (\$9.1 billion) of Washington's goods exports in 2015, the European Union is one of Washington state's largest trade partners.¹ Washington benefits from European foreign direct investment (FDI) with French, German, Dutch, Swedish and British firms employing 43,762 Washington residents, which accounts for 42% of the state's employment from foreign owned firms.²

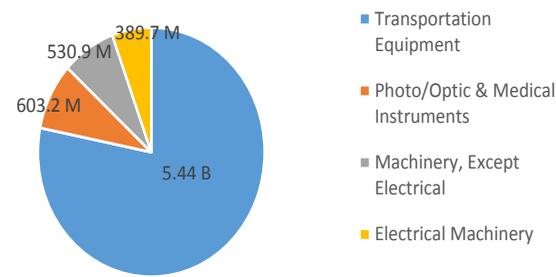
Washington could benefit significantly if trade barriers in the EU were eliminated. In fact, a recent study by the Atlantic Council, Bertelsmann Foundation and British Embassy found a successful TTIP could create over 17,000 jobs in Washington state and increase our exports to the EU by nearly 26%.

The United Kingdom's recent decision to exit the European Union has cast a shadow over the continuing TTIP negotiations. However, both the United States and the European Union remain steadfast in their determination to finalize a high standard TTIP. The U.S. and U.K. will work bilaterally to address mutual trade concerns and strengthen their trade relationship.

Snapshot of Services Exports to the EU:

- U.S. services exports to the European Union are \$130.5 billion, which is about 71% of the value of U.S. goods exports to the EU²
- Five EU member countries are among the top ten destinations for Washington state services³
- Ireland is the 3rd largest destination for Washington state services exports
- Tourists from EU member countries represented 31.2% of overseas tourists to the Puget Sound region firms.³

Washington State Commodity Exports to the EU¹



POLICY FAQs

1. What would the TTIP include?

TTIP will likely include the elimination of tariff and non-tariff barriers as well as increased regulatory compatibility across most sectors. A successful TTIP would increase trade liberalization, leading to growth in exports, investment and jobs in Washington state.

2. Why the EU?

U.S.-EU trade is important to the world economy. Transatlantic trade accounts for 30% of world trade, and the economies of the EU and U.S. make up nearly half of the world's GDP. The EU has a population of over 500 million people, which would provide significant market opportunities for a variety of Washington's retailers, farmers, manufacturers and service providers.

3. How would the TTIP impact the aerospace industry?

Currently, Washington state aerospace exporters pay an average duty of 4.3% when they export their merchandise to the EU. A potential TTIP could significantly reduce or even eliminate tariffs on aerospace products exported from the U.S. to the EU.

4. How would a TTIP impact the agriculture industry?

EU technical, sanitary and phytosanitary regulations on agricultural and food imports impede trade between the U.S. and EU. A potential TTIP could result in the reduction of these non-tariff barriers to trade for the mutual benefit of both parties.

5. How would a TTIP impact services trade?

TTIP could liberalize data flows, improve transparency, increase access to a variety of service sectors, allow service professionals to practice in both markets by recognizing each others' qualifications and streamline licensing and approval for certain services.

6. How would a TTIP impact the life sciences industry?

Products such as pharmaceuticals are subject to costly tests both in the EU and the U.S. If the TTIP could harmonize regulation, then a single approval could free these products for access to both markets.

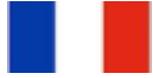
7. How will Brexit effect the TTIP?

The U.S. and EU are still committed to finishing a high-standard TTIP and negotiations are ongoing. The U.K. will remain a part of the EU for two years, and the U.S. will work with the U.K. bilaterally to foster a mutually beneficial trade relationship.

1 WISER Trade Database, 2014 | 2 An International Competitiveness Strategy for Washington State, Washington Council on International Trade and Trade Development Alliance of Greater Seattle | 3 2013 Seattle Convention and Visitors Bureau Annual Report | 4 TTIP and the Fifty States: Jobs and Growth from Coast to Coast, British Embassy Washington, Bertelsmann Foundation, Atlantic Council | 5 Office of the United States Trade Representative, | 5 The Confederation of British Industry (CBI), Sterling Assets 6: British Investment Creating U.S. Job, 2014

LARGEST EU ECONOMIES¹

FRANCE



Population: 66.2 M GDP: \$2.82 T

- WA top goods exports: aircraft, spacecraft, and parts (\$1 B), electric machinery (\$155.6 M), optic, photo, medical instruments (\$61 M),
- WA top goods imports: Industrial machinery (including computers) (\$939.1 M), aircraft, spacecraft, and parts (\$98.9 M), furniture, bedding (\$85.7 M)

GERMANY



Population: 80.9 M GDP: \$3.86 T

- WA top goods exports: aircraft, spacecraft, and parts (\$1.174 B), electrical machinery (\$129.7 M), stone, plaster, cement (\$209.5 M)
- WA top goods imports: industrial machinery, (including computers) (\$213.1 M), furniture, bedding (\$140.3 M), vehicles (\$110.8 M)

ITALY



Population: 60.7 M GDP: \$2.14 T

- WA top goods exports: aircraft, spacecraft, and parts (\$65.5 M), stone, plaster, cement (\$59.1M), medical and surgical equipment (\$34.2 M)
- WA top goods imports: industrial machinery (including computers) (\$123.6 M), aircraft, spacecraft, and parts (\$92.5 M), works of art, collectors pieces (\$59.9 M)

SPAIN



Population: 46.4 M GDP: \$1.38 T

- WA top goods exports: fish and seafood (\$41.9 M), vegetables (\$17.5 M), optic/photo equipment (\$13.6 M)
- WA top goods imports: aircraft, spacecraft, and parts (\$52.7 M), chemicals (\$15.1 M), machinery, (including computers) (\$14.7 M)

UNITED KINGDOM (exiting the EU in 2018)



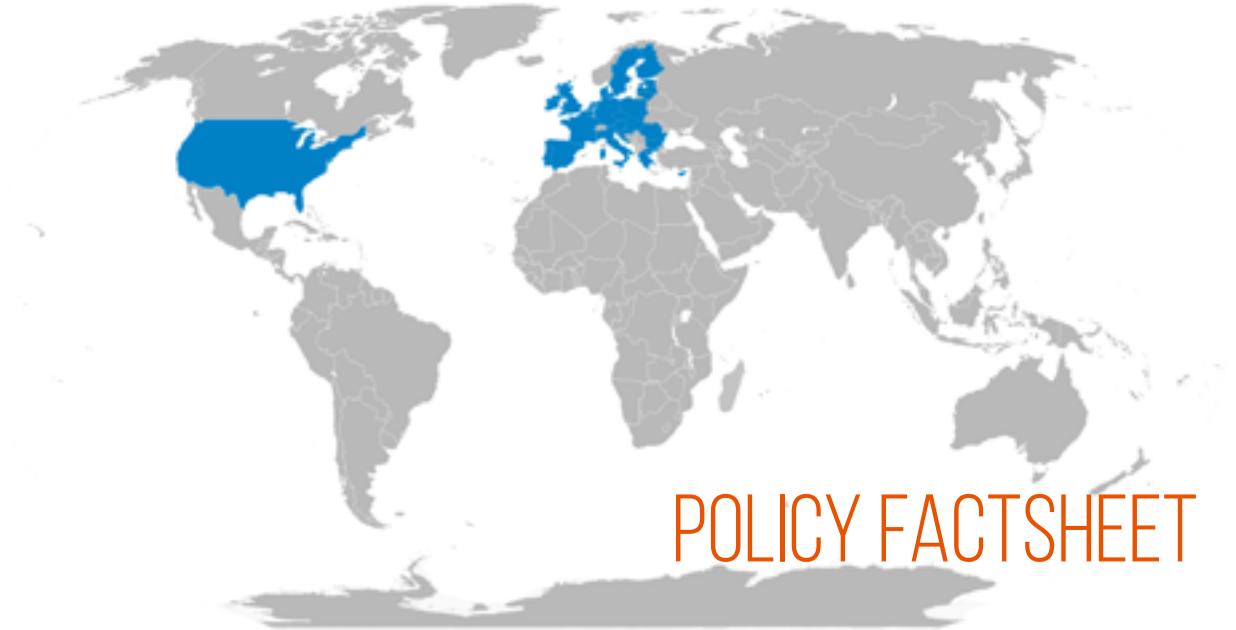
Population: 64.5 M GDP: \$2.98 T

- WA top goods exports: aircraft, spacecraft, and parts (\$1.7 B), electrical machinery (\$196.9 M), industrial machinery (including computers) (\$148.2 M)
- WA top goods imports: industrial machinery (including computers) (\$472.4 M), furniture, bedding (303.3 M), aircraft, spacecraft, and parts (\$154.5 M)

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CONCLUDE A HIGH-STANDARD TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP (TTIP)



Background

The U.S.-EU economic relationship is already the world's largest, representing 45% of global GDP and supporting \$4 trillion in investment. However, a successful Transatlantic Trade and Investment Partnership (TTIP) would drive economic growth in both the U.S. and EU by eliminating tariffs, liberalizing services trade, and increasing regulatory compatibility. In particular, regulatory barriers frequently impede trade between the U.S. and EU, so harmonizing regulations has potential to significantly increase trade and create jobs on both sides of the Atlantic.

Although the United Kingdom has voted to exit the EU in 2018, negotiations for a TTIP will continue, and the U.S. will work with the U.K. bilaterally to strengthen our trade relationship.

Negotiations began in July 2013.