



# The Trans-Pacific Partnership & Washington State's Trade Economy

Joint Legislative Oversight Committee on Trade Policy  
*November 14, 2012*

# About WCIT

The Washington Council on International Trade is dedicated to growing our state's economy through public policies favorable to expanded opportunities in the global marketplace.

WCIT members are farmers, manufacturers, retailers, service providers, non-profit organizations and individuals who support a strong trade policy that benefits Washington's small, medium and large companies and creates jobs for Washington residents.



# The Role of WCIT

- Educate Washington's elected officials about trade policy issues that impact Washington's international economic competitiveness.
- Engage the business community and others in actively supporting policy changes that increase Washington's international economic competitiveness.
- Serve as a repository of data and information on international trade in Washington.



# What is Trade?

All International Business is International Trade

- Aerospace & Manufacturing
- Agriculture
- IT
- Retail
- Professional Services
- Global Health
- Int'l Tourism
- Int'l Education

# Why Exports Matter

- \$64 billion in goods exports
- \$23 billion in services exports
- 325,000 direct jobs supported by exports
- 95% of consumers are outside the U.S
- 90% of exporting companies are SMEs
- WA ports handle 7% of U.S exports & WA is the 5<sup>th</sup> largest commodity exporting state (behind Texas, California, Florida and New York)



# Why Imports Matter

- \$47 billion in goods imports in 2011
- 145,000 direct jobs supported by imports
- Increased supply chain competitiveness for Washington's retailers and manufacturers
- Increased capacity for exports



# How Do We Grow Washington's Trade Economy?

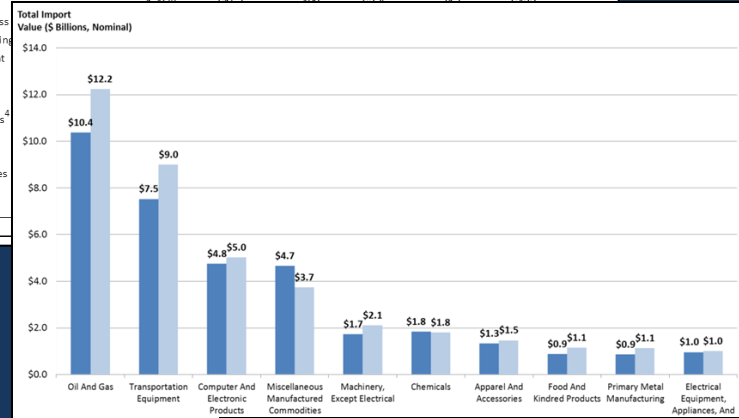


# Data: Comprehensive overview of our international economy

## Highlights include:

- At least 40% of jobs are tied to trade
- Imports are linked to 25% of all trade-related jobs
- Our international economy benefits not only from imports & exports, but also FDI and immigrants

Sector <sup>1</sup>	Import Supported		Direct		Foreign		Total Trade Supported	
	Import Intensity	Output (millions)	Employment from Imports	Exports (millions)	Employment from Exports	Output (millions)	Employment	
1. Agricultural Products <sup>2</sup>		\$0	-	\$6,170	34,145	\$6,170		
2. Forest Products	0.32%	\$0	2	\$690	3,219	\$691		
3. Food & Marine Products	7.99%	\$703	1,558	\$3,705	11,704	\$4,408		
4. Wood & Paper Products	9.57%	\$617	2,105	\$1,613	4,413	\$2,229		
5. Machinery	24.75%	\$395	1,280	\$1,743	6,033	\$2,138		
6. Computers & Electronics	29.57%	\$732	2,004	\$3,856	13,936	\$4,588		
7. Aircraft & Other Transportation	15.08%	\$203	437	\$23,929	84,723	\$24,132		
8. Other Manufacturing & Commodities	16.43%	\$4,038	9,376	\$7,112	16,406	\$11,150		
9. Travel & Tourism	3.22%	\$368	5,735	\$3,643	56,761	\$4,012		
10. Computer Software & IT Services	13.45%	\$1,432	6,178	\$13,035	56,254	\$14,466		
11. Telecommunications								
12. Financial, Legal, Business								
13. Architecture & Engineering								
14. Research & Development								
15. Educational Services								
16. Global Health Services <sup>3</sup>								
17. Port and Freight Services <sup>4</sup>								
18. Utilities								
19. Construction								
20. Rental & Leasing Services								
21. Wholesale Trade								
22. Retail Trade								
<b>Total</b>								

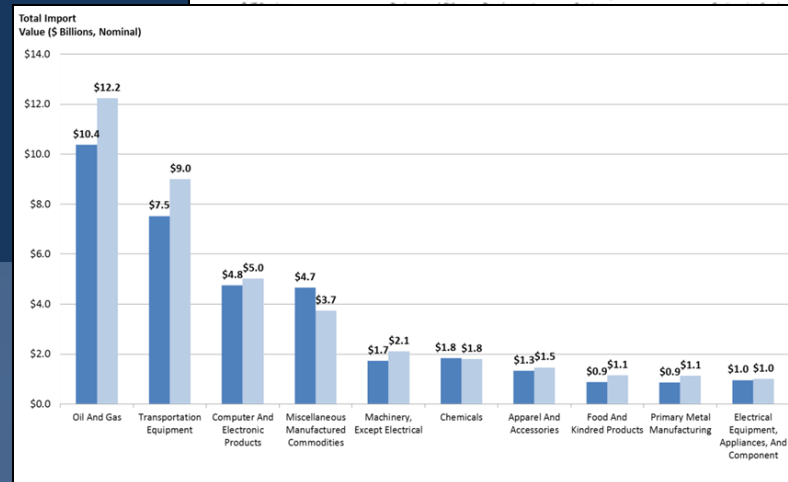
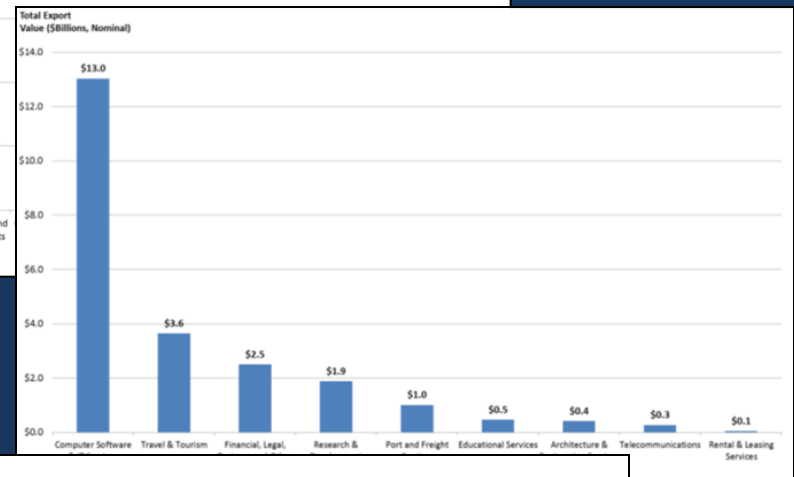
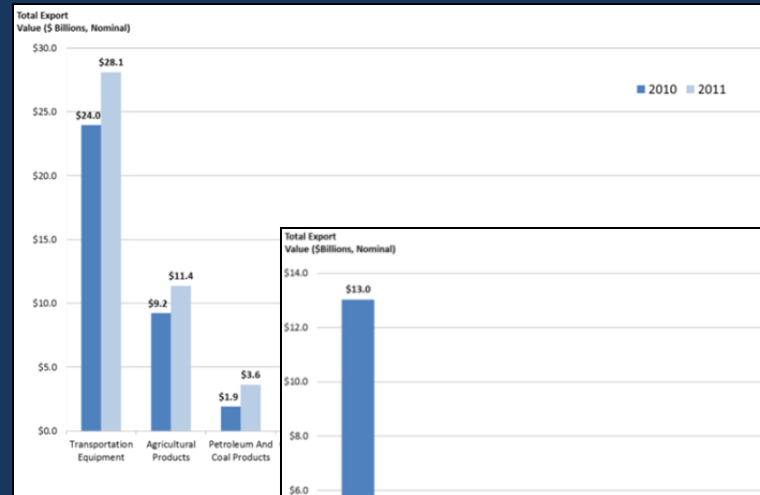




# Data, Con't.: Exports & Imports

*Highlights include:*

- Aerospace & ag are our biggest goods exports, while software & tourism are our biggest services exports
- Aerospace is also one of our biggest imports...much of it in components that are later exported as part of a finished airplane!



# Trans-Pacific Partnership: What Is it?

- We don't know yet!
- “A 21<sup>st</sup> Century Trade Agreement”
- Asia-Pacific regional trade agreement being negotiated by the United States, Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, Vietnam...and Mexico and Canada (as of 6/18)

# Trans-Pacific Partnership: Why The Asia-Pacific Region?

- Asia-Pacific region is the largest market for U.S. exports (including 2/3 of U.S. agricultural exports).
- The Asia-Pacific economies are growing faster than the world average and generated 56% of global GDP in 2009.
- The region makes up 40% of the world population

# Trans-Pacific Partnership: Why It Matters to Washington

- In 2010, 69% or \$36.8 billion of Washington goods were exported to the Asia-Pacific region.
- Washington exports to the original 8 TPP countries increased by 50% to approximately \$5 billion in 2011, 8% of Washington exports.
- Washington imports from the original 8 TPP countries grew by 4% to more than \$3 billion in 2011, 4% of Washington imports.



# Trans-Pacific Partnership: Benefits Beyond Increased Trade

- TPP could serve as a framework into which other Asia-Pacific countries might eventually enter (i.e. – Japan, South Korea, Philippines); Canada and Mexico prove this point
- “United States is a Pacific nation.” – President Obama
- Role of TPP in balancing China’s regional influence – both as a hedge and a standard (“TPP is not something that one gets invited to. It’s something that one aspires to.” – Michael Froman, deputy national security adviser for international economic affairs)



Questions?

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