

TRANS-PACIFIC PARTNERSHIP REGIONAL TRADE AGREEMENT

Policy Factsheet

BACKGROUND

The Trans-Pacific Partnership (TPP) began as an Asia-Pacific regional trade agreement being negotiated among the United States and 8 other partners: Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam; in June 2012, Canada and Mexico were invited to join the negotiations. The agreement would not only increase trade within the region but would also serve as a framework for other Asia-Pacific countries that may join in the future. Broad outlines have been formed and a final agreement is expected in 2012.

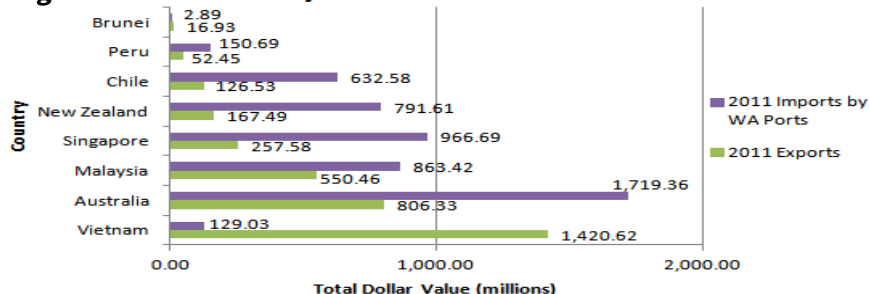
WHY IT MATTERS TO WA

Washington is dependent on trade with the Asia-Pacific region. In 2010, 69% or \$36.8 billion of Washington goods were exported to the Asia-Pacific region.¹ 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.²

POLICY FAQs

- What does the agreement include?** Negotiations are still underway; however, the goal is to create a trade policy that will be practical for the 21st century and evolve as new issues rise. The policy will create compatible regulations between the partner countries such as improving intellectual property rights (IPR) and eliminate tariffs on goods and services.
- Why this region?** The Asia-Pacific economies are growing faster than the world average and generated 56% of global GDP in 2009. The amount of Washington exports to the region has increased annually since 2005 (not including 2008 to 2009). Considering the region makes up 40% of the world population, there are significant customers in the TPP countries who want to buy Washington made products.¹
- How will the TPP benefit small businesses?** Washington's close proximity to Asia-Pacific gives SMEs a competitive advantage because of lower transportation costs. The TPP agreement will increase competitiveness for Washington SMEs by eliminating tariffs and enforcing fair regulations.
- How will the TPP effect the Biopharmaceutical Industry?** The TPP will enforce medical patents, create transparency, and implement strong IPR within the industry. In 2008, the industry supported 63,983 Washington jobs and \$11.6 billion economic output.³
- How will the TPP effect the Apparel Industry?** Retailers who import from TPP countries and have headquarters in Washington include: Nordstrom, REI, Starbucks, and Costco. Almost 70% of all duties collected by the U.S from TPP countries are from apparel imports. Eliminating tariffs and creating harmonized rules will increase trade in the industry.⁴

Original 8 TPP Country Trade Flow with WA²



1 United States Trade Representative, "Benefits from the Trans-Pacific Partnership Free Trade Agreement-Washington" 2010 | 2 WISER Trade, 2011
 *Import products determined by total WA port imports | 3 PhRMA, "TPP FTA Benefits Washington's Biopharmaceutical Industry" April 2011 | 4 TPP Apparel Coalition | *Asia-Pacific Region is defined as APEC countries & export stats are only commodity exports and include pass-through trade.

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ORIGINAL 8 TPP COUNTRY PROFILES²

AUSTRALIA



- WA top commodity export industries: transportation equipment (\$969 million), computers and electronics (\$158.1 million), petroleum and coal (\$158 million), non-electrical machinery (\$150.5 million), food and kindred (\$75.9 million)
- WA ports top commodity import products: iron and steel (\$303.5 million), inorganic chemicals (\$231 million), aircraft (\$94.9 million), meat (\$36 million), beverages (\$30 million)

SINGAPORE



- WA top commodity export industries: petroleum and coal (\$228 million), computers and electronics (\$184.5 million), primary metal manufacturing (\$173.7 million), transportation equipment (\$140 million), non-electrical machinery (\$51.9 million)
- WA ports top commodity import products: industrial machinery (\$72 million), special classifications (\$58.7 million), optic/photo/surgical instruments (\$36 million), pharmaceutical (\$14.5), plastics (\$13 million)

MALAYSIA



- WA top commodity export industries: transportation equipment (\$380 million), agriculture (140.4 million), computers and electronics (\$88.7 million), waste and scrap (\$67 million), food and kindred products (\$65.4 million), nonmetallic minerals (\$53.6 million)
- WA ports top commodity import products: electric machinery (\$170 million), industrial machinery (\$58 million), furniture (\$54 million), rubber (\$48 million), aircraft (\$25 million)

NEW ZEALAND



- WA top commodity export industries: transportation equipment (\$668.9 million), petroleum and coal (\$61.4 million), non-electrical machinery (\$11.7 million), food and kindred (\$8.5 million), computers and electronics (\$8.5 million)
- WA ports top commodity import products: meat (\$39.5 million), aluminum (\$38 million), industrial machinery (\$23.9 million), wood (\$22 million), beverages (\$10 million)

CHILE



- WA top commodity export industries: petroleum and coal (\$426.5 million), agriculture (\$113 million), computers and electronics (\$29.5 million), non-electrical machinery (\$21 million), transportation equipment (\$12.4 million)
- WA ports top commodity import products: fish (\$35.5 million), fruit and nuts (\$25 million), wood (\$16.7 million), ships (\$15 million), prepared vegetables/fruits/nuts (\$7.9 million)

PERU



- WA top commodity export industries: non-electrical machinery (\$49.7 million), petroleum and coal (\$25.8 million), agriculture (\$17.6 million), computers and electronics (\$16.4 million), food and kindred (\$9.5 million)
- WA ports top commodity import products: coffee/tea/spices (\$26 million), prepared vegetables/fruits/nuts (\$9.9 million), wool/yarn (\$3.5 million), fish (\$2.47 million), apparel (\$2.46 million)

VIETNAM

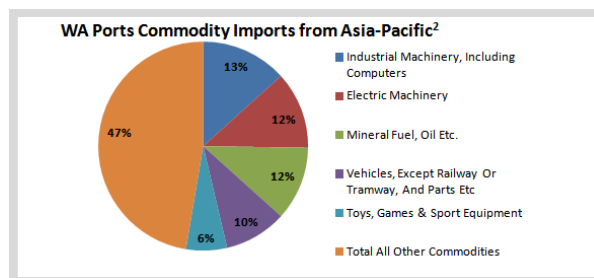
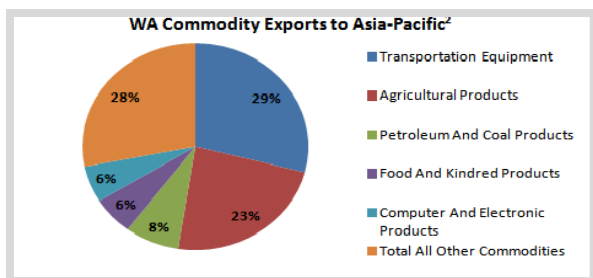


- WA top commodity export industries: agriculture (\$51.5 million), food and kindred (\$26 million), wood (\$9 million), primary metal manufacturing (\$8.7 million), paper (\$8 million)
- WA ports top commodity import products: apparel-knit (\$563 million), apparel-not knit (\$354 million), furniture (99 million), electric machinery (\$91 million), footwear (\$75 million)

BRUNEI



- WA top commodity export industries: food and kindred (\$1.2 million), transportation equipment (\$774,342), agricultural (\$712,652), electrical equipment (\$117,000), plastics and rubber products (\$37,980)
- WA ports top commodity import products: pearls and natural stones (\$8.6 million), organic chemicals (\$8 million), apparel



² WISER Trade, 2011 (approximate numbers) *Import products determined by total WA port imports