

Complete the Trans-Pacific Partnership trade negotiations

Policy Factsheet

BACKGROUND

The Trans-Pacific Partnership (TPP) is an Asian-Pacific regional trade agreement currently being negotiated among the United States and eleven other partners: Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, Vietnam, Canada, Mexico and Japan. The Asia-Pacific region is the largest market in the world for U.S. exports and receives 72% of U.S. agricultural exports.¹ A high-standard agreement would create a framework into which other Asia-Pacific countries might eventually enter, raising the standards for global trade and opening more economic opportunities for American businesses.



Map showing countries that are part of the TPP (colored in yellow)

WHY IT MATTERS TO WA

Washington residents would benefit significantly from a well-crafted Asia-Pacific trade pact that addresses issues U.S. employers and workers are facing in the 21st century. In 2012, one-third of Washington goods exports and a large percentage of our services exports went to TPP countries.² In addition, major retailers, apparel designers and other companies headquartered in our state source a large portion of their global supply chain from the TPP region; a TPP agreement would make these imports more affordable, helping these companies create more local jobs and lowering the cost of living for Washington residents. If other Asia-Pacific countries eventually enter TPP, it would further increase this agreement's value for our state.

POLICY FAQS

- 1. What does the agreement include?** Negotiations are still underway and will hopefully wrap up in 2014. The goal is to create an agreement that is relevant for the 21st century and evolves as new issues arise. Ideally the policy would create compatible regulations between the partner countries, such as improving intellectual property rights (IPR), and would eliminate tariffs on goods and services.
- 2. 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.
- 3. How will the TPP affect the biopharmaceutical industry?** An effective, comprehensive TPP will enforce medical patents, create transparency, and implement strong IPR within the industry.
- 4. How will the TPP affect the apparel industry?** Major Washington-based retailers such as Nordstrom and REI import from the Asia-Pacific region. Almost 70% of all duties collected by the U.S. from TPP countries are from apparel imports. Eliminating tariffs and creating harmonized rules will drive growth and thus create jobs in the industry.⁴
- 5. Is China part of the TPP?** China is not currently one of the negotiating partners for the agreement. Michael Froman, the United States Trade Representative, has said that "TPP is not something that one gets invited to. It's something that one aspires to." The United States welcomes countries to participate in TPP if they are interested in ensuring that their trade practices meet the high standards of the 21st century agreement that TPP aims to be.

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TPP COUNTRY PROFILES¹



AUSTRALIA

Population: 22.9 M GDP: 1.379 T

WA top exports: aircraft (\$1 B), mineral fuel/oil (\$138 M), industrial machinery (\$121 M)

WA ports top imports: aircraft (\$222 M), inorganic chemicals/metals (\$191.7 M), iron & steel (\$79 M)



SINGAPORE

Population: 5.3 M GDP: \$260 B

WA top export industries: mineral fuel/oil (\$253 M), aircraft (\$158 M), electric machinery (\$93 M)

WA ports top imports: mineral fuel/oil (\$47 M), optic/photo/medical instruments (\$44 M), industrial machinery (\$13.6 M)



MALAYSIA

Population: 29.6 M GDP: \$278 B

WA top exports: aircraft (\$623.7 M), electric machinery (\$64.7 M), iron & steel (\$46.5 M), vegetables/fruit/nuts (\$34.5 M)

WA ports top imports: electric machinery (\$124 M), industrial machinery (\$64 M), optic/photo/medical instruments (\$57.6 M)



NEW ZEALAND

Population: 4.5 M GDP: \$162 B

WA top exports: aircraft (\$172 M), mineral fuel/oil (\$52 M), industrial machinery (\$14.6 M), paper (\$12.6 M)

WA ports top imports: meat (\$34.7 M), industrial machinery (\$30.8 M), aluminum (\$22 M), wood (\$13.7 M)



CHILE

Population: 16.6 M GDP: \$248 B

WA top export industries: aircraft (\$513.8 M), mineral oil/fuel (\$321.6 M), cereals (\$32.4 M), electrical machinery (\$30.3M)

WA ports top imports: fish & crustaceans (\$43 M), fruit & nuts (\$27.8 M), wood (\$9.7 M), vegetables & fruit (\$8.3 M)



PERU

Population: 30.1 M GDP: \$173 B

WA top exports: ores/slag/ash (\$26.4M), electric machinery (\$14 M), industrial machinery (\$10.8 M), vegetables (\$10.7M)

WA ports top imports: coffee/tea/mate/spices (\$21.9 M), apparel (\$21.5 M), fish & crustaceans (\$13.7 M)



VIETNAM

Population: 87.8 M GDP: \$123 B

WA top exports: iron & steel (\$72.8 M), cereals (\$39.7 M), food industry residue & waste (\$22 M), fruit & nuts (\$18 M)

WA ports top imports: apparel (knit) (\$109.8 M), apparel (non-knit) (\$92 M), aircraft (\$17.4 M), furniture & bedding (\$39.5 M)



BRUNEI

Population: 0.4 M GDP: \$19 B

WA top exports: vehicles (\$1.2 M), vegetables/fruit/nuts (\$941,754), toys/games/sports equipment (\$779,306)

WA ports top imports: organic chemicals (\$2.7 M)



MEXICO

Population: 112.3 M GDP: \$1.153 T

WA top exports: mineral oil/fuel (\$1.1 B), aircraft (\$798.2 M), fruit & nuts (\$149.5 M), vehicles (\$128.7), dairy & eggs (\$120.6 M)

WA ports top imports: vehicles (\$185.3 M), electric machinery (\$70.4 M), industrial machinery (\$70 M), ships & boats (\$43.4 M)

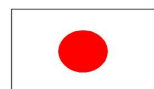


CANADA

Population: 35 M GDP: \$1.736 T

WA top exports: mineral fuel/oil (\$1.6 B), industrial machinery (\$806.7 M), vehicles (\$535 M), electric machinery (\$494.3 M)

WA ports top imports: mineral fuel/oil (\$7.8 B), aircraft (\$986.2 M), wood (601.2 M), live animals (\$382.9 M)



JAPAN

Population: 127.8 M GDP: \$5.867 T

WA top exports: aircraft (\$4.7 B), cereals (\$1.1 B), wood (\$442.3 M), inorganic chemicals/metals (\$345.2 M) oil seeds (\$345 M)

WA ports top imports: aircraft (\$2.4 B), vehicles (\$1.4 B), industrial machinery (\$715.6 M), electric machinery (\$658.6 M)

¹ WISER Trade, 2012 (approximate numbers) ; Washington State Department of Commerce; World Bank

*Import products determined by total WA port imports; import and export numbers for commodities, excluding services