

### **What is the Trans-Pacific Partnership Agreement?**

The Trans-Pacific Partnership (TPP) agreement is a regional trade agreement that the United States negotiated with 11 other Asia-Pacific countries (Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam). The TPP is a comprehensive and high-standard agreement that will support U.S. economic growth and jobs and address 21<sup>st</sup> century trade issues to help American companies, workers and farmers stay competitive. The United States joined the TPP negotiations in 2010; the negotiations were completed in October 2015; and the goal is for Congress to approve the agreement under the new Trade Promotion Authority law in 2016.

### **Why is the TPP Agreement Important for the United States?**

The TPP will expand U.S. trade opportunities in a region of the world that represents 40 percent of global GDP. It will also strengthen U.S. economic leadership and reinforce U.S. foreign policy and national security interests in a critical region. This regional trade agreement will expand U.S. trade and investment ties with the six TPP countries that are existing bilateral U.S. free trade agreement (FTA) partners and open new markets in the five TPP countries that are not current FTA partners, including Japan, the world's third-largest economy. By setting reciprocal, enforceable trade rules generally and establishing disciplines in key new areas of interest to the United States, the TPP will help promote U.S. innovation and economic growth and support American jobs in every state.

### **What Issues are addressed by the TPP Agreement?**

The TPP agreement addresses the types of issues that the United States has included in its past FTAs, such as market access for goods and services, the protection of intellectual property, strong investment protections including investor-state dispute settlement, and government procurement. It also establishes disciplines in such key new areas as competition with state-owned enterprises (SOEs), digital commerce and the protection of cross-border data flows, emerging issues related to intellectual property rights, and regulatory cooperation. The TPP countries used the U.S. approach of negotiating services (including financial services) and investment commitments on a "negative list" basis (*i.e.*, all commitments are binding on a TPP country unless it explicitly excludes itself from a commitment). This resulted in substantially increased market access opportunities for the United States. The TPP agreement also includes strong labor and environment provisions.

### **How Important are the TPP Countries for U.S. Exports and Jobs?**

With a combined population of 490 million and generating roughly 14 percent of global trade, the other 11 TPP countries are critical markets for U.S. goods and services exports. Every state

stands to benefit from increasing commercial engagement with these countries, as does the overall U.S. economy. For example:

- In 2014, the United States exported about \$726 billion in goods and \$178 billion in services to the current TPP countries. Combined, the TPP countries represent the largest market for U.S. goods and services exports in the world. Forty-five percent of U.S. goods exports went to TPP countries in 2014.
- In 2014, trade – exports and imports of goods and services – with TPP countries supported an estimated 15.6 million American jobs.
- The United States exported about \$636.1 billion worth of goods and \$126.5 billion worth of services in 2014 to the six TPP countries that are current FTA partners – Australia, Canada, Chile, Mexico, Peru and Singapore.
- The TPP will open new markets for the United States with five countries that are not current FTA partners – Brunei, Japan, Malaysia, New Zealand and Vietnam. The United States exported \$90.4 billion in goods and \$51.8 billion in services in 2014 to these “new FTA” TPP countries.
- Companies headquartered in TPP countries have invested more than \$720 billion in the United States and employ nearly 1.6 million Americans.

For more detailed information on the TPP and its benefits and importance, visit USTR’s TPP website at: <http://www.ustr.gov/tpp>.