

Will the U.S. Re-Join the (CP)TPP?

February 28, 2018

On February 21, the final version of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership ("CPTPP") was released ahead of its official signing, which is scheduled for March 8, 2018. The CPTPP reduces tariffs between 11 nations: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. The economies of these nations together account for more than 13% of the total global GDP, or 10 trillion U.S. dollars.

New Zealand Trade Minister David Parker, in a February 21, 2018 news conference, stressed the importance of the deal "because of the growing threats to the effective operation of the World Trade Organization rules." Steven Ciobo, Australia's Minister for Trade, also praised the deal telling Reuters that, "the TPP-11 will help create new Australian jobs across all sectors - agriculture, manufacturing, mining, services - as it creates new opportunities in a free trade area that spans the Americas and Asia."

The United States was a member state of the predecessor to the CPTPP - the Trans Pacific Partnership ("TPP") - which was negotiated under former President Barack Obama, but was never ratified by Congress. The U.S., however, withdrew from the TPP on January 23, 2017 pursuant to an executive order signed by President Trump. If the United States had participated in the agreement, the economies of the member states would have represented 40% of total global GDP. In January, while at the World Economic Forum in Switzerland, President Trump stated it was possible that the U.S. may return to the agreement - if it obtained a better deal. On Tuesday, at an event sponsored by the U.S. Chamber of Commerce, [the U.S. Treasury Secretary Steven Mnuchin said the United States had "begun to have very high-level conversations" about rejoining the agreement and that renegotiating was "on the table."](#)

The final text of the CPTPP reflects changes in more than 20 provisions of the original agreement. These changes include the suspension of provisions concerning intellectual property rights protections - specifically pharmaceuticals - that were originally included at the request of the United States. Minister Parker stated that he expects the deal to come into force at the end of 2018 or the beginning of 2019.