WHAT IS THE TRANS PACIFIC PARTNERSHIP?

The Trans Pacific Partnership (TPP) aims to deepen economic linkages between its members by opening up trade in goods and services, boosting investment flows and promoting closer links across a range of economic policy and regulatory issues.

The objective of the TPP is to establish a high standard, comprehensive regional trade agreement that would expand to take in new members who share this objective. It will open markets, create jobs and make it faster, easier and cheaper to do business. There are currently nine participants in the TPP negotiations: Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, the United States and Vietnam.

Expansion of the Trans Pacific Partnership offers a potential pathway to the Asia-Pacific Economic Cooperation (APEC) forum goal of free and open trade and investment in the Asia-Pacific region. It offers the prospect of high quality trade liberalization in a relatively short timeframe.

“The TPP will boost our economies, lowering barriers to trade and investment, increasing exports, and creating more jobs for our people…. the TPP has the potential to be a model not only for the Asia Pacific but for future trade agreements.” President Barack Obama, November 12, 2011, Honolulu

US TRADE WITH TPP PARTNER COUNTRIES

- US goods exports to TPP partner countries in 2010 totaled $US 105.4 billion.
- If the TPP partner countries were counted as a single market, they would be the US’ third largest export market.
- US goods exports to TPP partner countries grew by 18 percent from 2010 to 2011.

ADDRESSING 21ST CENTURY ISSUES

The TPP will address cross-cutting ‘horizontal’ issues which free trade agreements have not traditionally dealt with, such as:

- supply chains – deepening the production and supply chain linkages between TPP countries;
- regulatory systems – enhancing the coherence of the regulatory systems of TPP countries to better facilitate trade;
- small and medium sized enterprises (SMEs) - promoting SME participation in international trade;
- a ‘living agreement’ – creating an agreement which adapts to changing business needs and can accommodate new members over time; and
- development – supporting the development needs of some TPP countries through technical assistance and capacity building.

Current as of May 2012
**TPP COUNTRIES INVEST IN THE UNITED STATES**

New Zealand firm "Gallagher" has been active in the US market since the early 1970s, introducing the world’s first high powered electric fence to the agricultural sector. The company has since expanded its US operations to include perimeter security fencing and access management platforms. Its US operation is headquartered in Kansas City, Missouri.

Austal, an Australian-owned shipbuilder that produces high speed passenger and vehicle-passenger ferries, cruise vessels and a range of patrol, fast freight and offshore support vessels, employs 700 people at its manufacturing facilities in Mobile, Alabama.

ST Engineering, a Singapore-based global integrated engineering group in the aerospace, electronics, land systems and marine sectors, has invested over US $473 million in its subsidiaries across the US. It employs over 4,000 people in operations located in Virginia, Texas, Alabama, Massachusetts, North Carolina and Mississippi.

Twin Rivers Technologies, a subsidiary of Felda Holdings Behad of Malaysia, manufactures oleo-chemicals for the North American market. Its headquarters are in Quincy, Massachusetts.

In 2011, Fetzer Vineyards, a Californian winemaker, was acquired for US $238 million by Concha y Toro, one of Chile’s best known wineries. Fetzer’s main facilities are in Hopland, California and employ approximately 240 people.

Cementos Lima (Peru) owns a 91% stake in Skanon Investment Inc., a company based in Scottsdale, Arizona which in turn has a 90% interest in Drake Cement. Through this subsidiary, Cementos Lima has recently built a US $300 million cement plant in northern Arizona, which employs nearly 100 people.

"The TPP creates the chance for a state-of-the-art regional trade agreement that would provide access to over 160 million consumers for US manufacturing, technology, services and agriculture."

Rep. Dave Camp, then Ranking Member and now Chairman, House Ways and Means Committee, 13 November 2009

"At the end of the day (TPP) may be the most important (US trade agreement) when viewed from ten years from now."

Jim McNerney, Boeing CEO and Chairman, President’s Export Council, 9 December 2010, Washington, DC

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**KEY ECONOMIC INDICATORS FOR TPP PARTNER COUNTRIES**

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<td><strong>TOTAL</strong></td>
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Sources: US International Trade Commission, IMF, World Bank