

Trans-Pacific Partnership Agreement

Goal to Create Model that Others Can Join

Summary

Background

On November 14, 2009, during his first trip to Asia as President of the United States, President Barack Obama first announced the United States' intention to engage with the Trans-Pacific Partnership countries to shape a regional agreement.

The Trans-Pacific Partnership has been under way since 2005. It includes the original members of New Zealand, Chile, Singapore and Brunei with additions of Australia, Peru and Vietnam. Japan, Korea, Canada and Mexico have also expressed interest in negotiations. One of the objectives of the Trans-Pacific Partnership is to create a model trade agreement that other nations can join.

Current

U.S. Trade Representative Ron Kirk notified Congress on December 14, 2009 that President Obama intends to enter into negotiations for a regional, Asia-Pacific trade agreement, known as the Trans-Pacific Partnership Agreement, with the objective of shaping a high-standard, broad-based regional pact. Ambassador Kirk said that such an agreement would help to expand U.S. exports, saving and creating good U.S. jobs.

Impact

The Asia-Pacific region is a key driver of global economic growth, representing nearly 60 percent of global GDP and roughly 50 percent of international trade. Since 1990, Asia-Pacific goods trade has increased by 300 percent, while global investment in the region has increased by more than 400 percent. U.S. trade with Asian countries totals nearly \$1 trillion annually.

Anticipated Action

The first round of negotiations has already been announced by the current Trans-Pacific Partnership members for March 2010. Staff members for the Office of the U.S. Trade Representative have begun preliminary consultations with committees of jurisdiction in Congress, with stakeholders in U.S. industry, agriculture and other sectors, and with labor and environment advisors. The U.S. Trade Representative team also has met with current Trans-Pacific Partnership members and with countries that have expressed interest in potentially joining the negotiations.

CalChamber Position

The California Chamber of Commerce, in keeping with long-standing policy, enthusiastically supports free trade worldwide, expansion of international trade and investment, fair and equitable market access for California products abroad and elimination of disincentives that impede the international competitiveness of California business. New multilateral, sectoral and regional trade agreements ensure that the United States may continue to gain access to world markets, resulting in an improved economy and additional employment of Americans.

Reasons for Position

- The Trans-Pacific Partnership Agreement is important as a vehicle for Trans-Pacific-wide economic integration.
- This regional agreement sets a high standard that will enhance the competitiveness of the countries that are part of it and help facilitate trade and promote investment between them, increasing their economic growth and development.
- The Trans-Pacific Partnership is reinforcing the Asia-Pacific Economic Cooperation (APEC) goal of promoting regional economic integration and could serve as a potential way to build toward the Free Trade Area of the Asia-Pacific.

Staff Contact

Susanne T. Stirling

Vice President, International Affairs
susanne.stirling@calchamber.com
 California Chamber of Commerce
 P.O. Box 1736, Sacramento, CA 95812-1736; (916) 444-6670
www.calchamber.com/international
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