

TRANS-PACIFIC PARTNERSHIP IS GOOD FOR TRADE AND ECONOMIC GROWTH

BY: MIKE JACKSON, S.V.P. OF POLITICAL AFFAIRS AND ADVOCACY | MIACKSON@OKSTATECHAMBER.COM

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KEY FACTS

- The Trans-Pacific Partnership (TPP) agreement would reduce tariffs and other trade barriers and open foreign markets to U.S. goods and services for trade with 11 countries representing 40% of global GDP
- Trade with TPP countries supports 155,500 Oklahoma jobs
- An estimated 120 businesses in Oklahoma, which are an important source of investment and job creation, are subsidiaries of companies based in TPP countries
- As a result of TPP, net agricultural exports from Oklahoma are forecasted to increase \$102 million a year and cash receipts are estimated to increase by \$144 million a year

BACKGROUND

The Trans-Pacific Partnership (TPP) is the largest regional trade agreement in history and would set new provisions for trade and business investment among the United States and 11 other Pacific Rim nations. A deal was reached between the 12 countries last October, but the agreement still requires the approval of Congress.

The TPP agreement would expand trade between the United States and six current U.S. free trade agreement (FTA) partners (Australia, Canada, Chile, Mexico, Peru and Singapore) while also

establishing formal trade agreements with the “new FTA” TPP countries (Brunei, Japan, Malaysia, New Zealand and Vietnam). This trade pact will create a free-trade zone by reducing tariffs while also establishing a level playing field by enforcing rigorous labor and environmental standards on trading partners.

THE FACTS

Oklahoma stands to benefit greatly from the TPP. If approved by Congress, this agreement will eliminate all foreign import taxes on industrial and consumer goods, which will benefit Oklahoma’s top export sectors, including transportation equipment, machinery and health products. In 2014, Oklahoma exported \$3.3 billion in goods to TPP countries, which was 52% of Oklahoma’s total goods exports. Of the 1,780 Oklahoma companies that exported goods to TPP countries in 2013, 83% were small and medium sized companies.

The Trans-Pacific Partnership is crucial for Oklahoma agriculture. In 2012, meat products made up the largest share (33.6%) of Oklahoma goods exported to “new FTA” TPP countries. According to the National Cattlemen’s Beef Association, the TPP levels the playing field for U.S. beef exports to all TPP countries by eliminating tariffs and phasing down the Japanese tariff on U.S. beef from 38.5% to 9% over 16 years. With Japan being the largest export market for U.S. beef, it is imperative that TPP is authorized.

STATE CHAMBER POSITION

U.S. business is quite capable of competing and winning against anyone in the world when markets are open and the playing field is level. Trade has brought enormous benefits to America. **We urge Congressional support of the pending trade agreements contained within the Trans-Pacific Partnership.**