

## Overview

The Trans-Pacific Partnership (TPP) is a multi-national trade agreement that is currently being negotiated among major economies in Asia and North and South America, all with the goal of facilitating even more economic growth in this swiftly growing region.

Together, TPP members — Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam — have a combined population of [800 million people](#) and represent [40 percent](#) of the global gross domestic policy (GDP). Since negotiations on the agreement began in 2005, twenty rounds of negotiations have occurred.

## TPP, trade and the economy

The countries that comprise the TPP represent a significant portion of U.S. trade. In fact, they are the largest export market of the U.S. In 2013, the [U.S. exported \\$697.8 billion](#) in goods to this region (nearly 44 percent of total exports). Nearly 85 percent of U.S. agricultural products were exported to TPP countries in 2013. A [recent analysis](#) also found that, if approved, the TPP would provide, by 2025, annual global income gains of \$295 billion. For the U.S., it would result in \$78 billion per year.

## TPP and small businesses

It's not just large businesses either that could benefit from the TPP. In 2011 (the latest data available), U.S. small and medium-sized businesses were responsible for over a [third of exports in the region](#) (\$247 billion). TPP could build on this investment and yield even more opportunity for American businesses of all sizes.

While small and medium sized companies often export, they frequently find their opportunities limited by tariff and non-tariff barriers alike. Today, [98 percent](#) of American companies that export are small businesses, but the majority of our exporters are only selling to one foreign market – removing barriers to trade in the fast growing Pacific Rim will open up new markets to countless American small businesses.

## Key Facts

- The Trans-Pacific Partnership (TPP) is a multi-national trade agreement that is currently being negotiated among twelve member countries: Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam.
- Supporters of the agreement say the TPP has the potential to expand economic growth in this swiftly growing region, which already constitutes a significant portion of U.S. trade, receiving nearly 44 percent of total U.S. exports.
- Since 2005, when the agreement was started, there have been 20 rounds of negotiations but it is expected they will wrap up in 2015. Congress could then vote on the final agreement.

## Essential Links

- Congressional Research Service, [The Trans-Pacific Partnership Negotiations and Issues for Congress, January 2015](#).
- Republic 3.0, [Small Business Exports Can Drive Big Growth](#), Ed Gerwin, April 2014

## What people are saying about the TPP

Proponents of strong trade agreements, like the TPP, say they benefit both countries and their people. Reducing tariffs means lower costs and faster growth. Lowering or removing import taxes in the U.S. could be a key factor in helping raise living standards for Americans and help reduce inequality by creating better paying jobs. On average, trade-related jobs pay nearly [20 percent better](#) than their non-trade counterparts. It also would create a level playing field for workers — in the U.S. and abroad — by creating strong labor standards, with a particular emphasis on fighting child and forced labor and supporting workers' rights to organize and bargain collectively.

While TPP enjoys the support of a broad collection of the U.S. business community, many have various industry-specific issues. Some in the automobile industry, portions of the agriculture and textile sectors, and others have various concerns with the deal. Unions almost unanimously oppose the deal, citing that they believe it will disadvantage American workers.

## What happens next

Negotiations are anticipated to conclude in 2015. Once the agreement is set, the TPP must be signed by member countries. In the United States, the President has the authority to enter into trade agreements, but Congress votes on the final agreement. During the process, public interest, labor, business and other groups can serve on permanent [trade advisory committees](#) (they also meet on other trade issues) but must sign non-disclosure agreements in order to protect ongoing negotiations.

The Obama Administration was able to get renewed trade promotion negotiating authority (called [TPA](#)) from Congress in June 2015, which requires Congress to introduce and then vote on a bill, authored by the administration, within 90 days and with no amendments or filibuster. Every President since Franklin Delano Roosevelt has been granted trade promotion authority by Congress.

## More Resources

- Office of the U.S. Trade Representative, [Trade Facts](#).
- Overview of the Trade Representative, [Overview of the Trans-Pacific Partnership](#).
- U.S. International Trade Administration, [Trade Statistics](#).
- Office of the U.S. Trade Representative, [Text of the “May 10” Bipartisan Agreement on Trade Policy](#).
- U.S. Senate Finance Committee, [Full Committee Hearing on President Obama’s 2015 Trade Policy Agenda](#) (January 2015).

## About Center Forward

Contact:

Cori Smith Kramer,  
Executive Director

[www.center-forward.org](http://www.center-forward.org)