

TRADE seeks to advance inclusive growth by improving the Philippines' global standing in the international economy through higher levels of trade and foreign direct investment. It also works to ensure that national trade regimes conform to international standards.

What is the TPP?

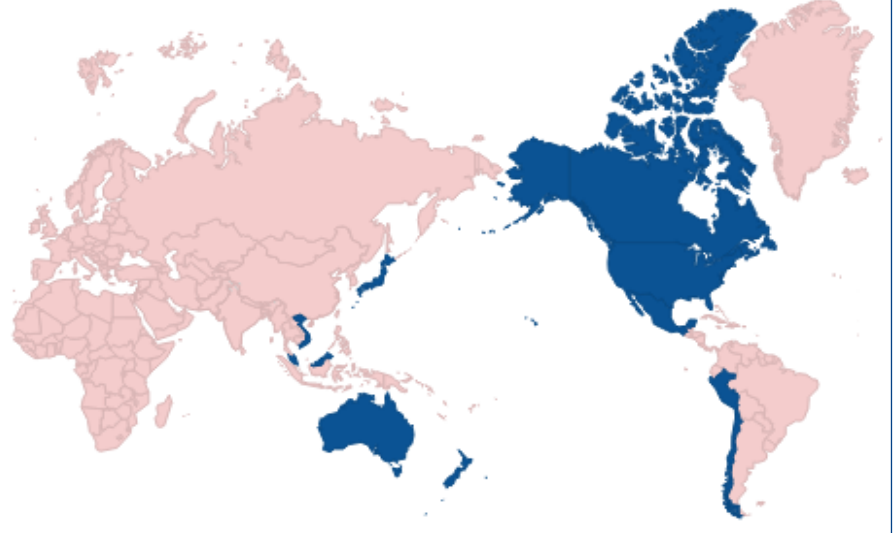
The Trans-Pacific Partnership Agreement (TPP) is a trade agreement between Australia, Brunei Darussalam, Chile, Canada, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam. It will account for roughly 40% of global gross domestic product and a third of world trade. The comprehensive plan covers, among other areas, government procurement, intellectual property, electronic commerce, labor protections, food safety, animal and plant health, competition policy and state-owned enterprises. Membership is by invitation only.

TPP Updates

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Recent developments on the Trans-Pacific Partnership gathered from third party sources as indicated in the provided hyperlinks.



International news:

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The US International Trade Commission (USITC) has released an assessment of the TPP's impact on the US economy.

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TPP BRIEFS: Malaysia sees the TPP taking effect no earlier than February 2018; Singapore has stressed the deal's importance to relations with the US; majority of Viet Nam and Canada's firms shows strong support for agreement; Google says TPP promotes free flow of information in "unprecedented" ways.

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CMTA seen to help PH membership bid

Republic Act 10863, also known as the Customs Modernization and Tariff Act (CMTA), could boost the Philippines's chances of membership in the Trans-Pacific Partnership, according to Mr. Sergio Ortiz-Luis, president of the Philippine Exporters Confederation, Inc. The CMTA, enacted into law on 30 May, brings the first comprehensive reform to the country's customs laws in the past three decades, amending the 1978 Tariff and Customs Code of the Philippines, and enabling the Bureau of Customs (BoC) and other relevant government bodies to simplify and harmonize customs clearance processes.

Quoted in [The Philippine Star](#), Mr. Ortiz-Luis said that the CMTA will establish "the requisite foundation for a cashless, faceless and paperless environment in Customs," and streamlines Philippine customs processes with those of other countries.

The new law sets down basic trade facilitation standards, and increases the transparency and predictability in import and export transactions. It also calls for the optimum use of information and communications technology (ICT) to help speed up the clearance of goods at the borders and minimize opportunities for corruption and informal costs.

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USITC releases TPP assessment report

The US International Trade Commission (USITC) has released a [report on the Trans-Pacific Partnership Agreement](#), assessing the trade deal's likely impact on the US economy as a whole, and on specific industry sectors. The report, a requirement under the US Trade Priorities Act, was prepared principally by Jose Signoret and Laura Bloodgood. It covers the TPP's impact on the US gross domestic product; exports and imports; aggregate employment and employment opportunities; the production, employment, and competitive position of industries likely to be significantly affected by the agreement; and the interests of US consumers. It also reviews other available economic assessments of the TPP, and discusses areas of consensus and divergence between the Commission's analyses and conclusions and those in the literature reviewed.

The USITC states that the TPP would have positive effects for the US, "albeit small as a percentage" compared to the overall size of the economy. It projects an annual real income for the US of \$57.3 billion by 2032, 0.23% higher than baseline projections; and .07% higher employment. It also sees US exports rising by 1%, to \$27.2 billion, and imports by 1.1%, to \$48.9 billion. U.S. exports to new FTA partners would grow by \$34.6 billion or 18.7%, while imports from those countries would grow by \$23.4 billion or 10.4%. Agriculture and food are among the sectors that would see the greatest gain, with an output of \$10.0 billion, or 0.5% percent higher by the TPP's 15th year. Also seen to benefit is the services sector, with an output gain of \$42.3 billion or 0.1%. Output in manufacturing, natural resources, and energy would be \$10.8 billion or 0.1%, which is lower with the TPP than it would be compared with baseline estimates without the agreement.

The report says that many stakeholders consider as crucial two new electronic commerce provisions protecting cross-border data flows and prohibiting data localization requirements, particularly as these will affect how cross-border trade in services will develop. The provisions are also seen as vital to optimizing the global operations of US companies in all sectors. The TPP is expected to strengthen and harmonize regulations, increase certainty, and decrease trade costs for firms that trade and invest in the TPP region. Interested parties particularly emphasize the importance of TPP chapters on intellectual property rights; customs and trade facilitation; investment; technical barriers to trade; sanitary and phytosanitary standards, and state-owned enterprises.

Table ES.1: Economy-wide effects of TPP: Changes relative to baseline in 2032 and 2047

	2032		2047	
	Billion \$	Percent	Billion \$	Percent
Real income	57.3	0.23	82.5	0.28
Real GDP	42.7	0.15	67.0	0.18
Employment (full time equivalents, thousands)	128.2	0.07	174.3	0.09
Capital stock	171.5	0.18	343.5	0.24

Source: USITC estimates.

Note: Dollar values are in 2017 prices.

Source: [USITC](#)

Malaysia sees February 2018 as earliest date for effectivity

The earliest that the Trans Pacific Partnership is expected to come into effect is February 2018, but the Malaysian government is now working hard for its ratification. [Malaymail Online](#) reports that an official of Malaysia's International Trade and Industry Ministry, Ms. Wan Wadrina Wan Abdul Wahab, said "several" amendments to Malaysian laws also will have to be made to accommodate the trade deal, which is expected to help Malaysia set in place "better mechanisms" that curb corruption.

"When it comes to government giving out contracts, we have to make sure certain disciplines are already in place," said Ms. Wan Wadrina, who is Malaysia's senior principal assistant director for strategic negotiations.

The Malaysian parliament in a special session debated and approved the TPP deal in January of this year.

Meanwhile, Malaysian trade minister Datuk Seri Mustapa Mohamed has stressed that the TPP would not undermine the ASEAN as a single community, and added that ASEAN countries that were not yet members of the trade deal wanted to know more about the challenges and opportunities offered by the TPP. Mr. Mustapa's comments, reported by [Human Rights in ASEAN](#), were made at the World Economic Forum (WEF) on ASEAN 2016 held in Kuala Lumpur.

Mr. Mustapa said that another workshop would be held this year in the Philippines, so that TPP countries in ASEAN can provide their neighbors in the region who are not yet part of the deal "a greater understanding" of the agreement.

TPP important "beyond trade," says Singapore minister

The TPP has strategic significance "beyond just trade," and is a manifestation "of commitment and strategic alignment," said Singapore's Foreign Affairs Minister Vivian Balakrishnan, who urged US lawmakers to support the trade deal during his visit to Washington this month.

Minister Balakrishnan, speaking to members of the bipartisan Congressional Singapore Caucus, cited the US-Singapore free trade agreement as an example of how such deals benefit the US, and said the trade volume between the two countries had doubled since the agreement was signed more than a decade ago.

According to [The Straits Times](#), recognition of the importance of US-Singapore ties has been growing among US lawmakers, with membership in The Congressional Singapore Caucus more than doubling since it was relaunched in June 2015.

Minister Balakrishnan said that Singapore companies in the US create around 33,000 jobs, and American exports to the island account for another estimated 200,000 jobs.

Approval of TPP higher among Viet Nam, Canada firms

The Viet Nam Chamber of Commerce and Industry (VCCI) says that more enterprises are showing support for the Trans-Pacific Partnership, with 72% of 1,000 local firms expressing strong approval for the trade deal. This is higher than the 62% recorded in 2014.

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CMTA seen to help (from p. 1)

Meanwhile, [John Negroponte](#), former US ambassador to the Philippines and current co-chairman of the US-Philippines Society, has said that the Philippines could count on continued US support in trade, investment, and security, even as both countries are set to change their respective presidents this year.

Speaking before a gathering of businessmen in Manila, Mr. Negroponte noted the Philippines's "upward trajectory" and economic growth, and US backing for the country's planned accession to

the trade deal. He said there was "every reason" for the two to strengthen their commitment as "partners in trade and investment, peace and stability, innovation and people-to-people exchange."

The US is a major economic partner of the Philippines, accounting for about 19% of total foreign direct investments in the country in 2014. Total goods traded between the two reached more than \$18 billion last year, while services traded exceeded \$6.8 billion in 2014.

TPP BRIEFS (from p. 3)

According to [Vietnem.net](#), this reflects that businesses are ready for the trade deal.

The figure was lower among FDI companies from TPP members, which registered a 67% approval, and FDI companies from countries outside of the TPP, with 65%. However, there is lower understanding of the TPP among local firms, at 70% of domestic enterprises by the end of 2015, compared to 86% of FDI companies from the TPP member states, and 82% of those from the TPP outsiders.

Meanwhile, [Globe and Mail](#) reports that a large majority of Canada's corporate leaders support expanded international trade deals, including more open commerce with the US and a free-trade deal with China.

The C-Suite Survey shows 87% in support of Canada's ratification and implementation of the TPP, while 90% say they wanted to see a customs union with the United States, where all tariffs are removed and most non-tariff barriers dropped. Seventy-six per cent would like to see that kind of open arrangement expanded to include Mexico some time in the next decade.

Google backs trade pact

Google has come out in support of the TPP, saying that it looked forward to seeing the agreement approved and implemented to promote free and open Internet across the Pacific region. Kent Walker, SVP and General Counsel at Google, recently wrote in a [blog post](#) that the TPP recognizes how the Internet has transformed trade. He added that the deal promotes the free flow of information in ways that are "unprecedented for a binding international agreement."

Mr. Walker also said the TPP supports the Internet's open architecture, and makes it more difficult for TPP members to block Internet sites "so that users have access to a web that is global, not just local."

He also said the trade deal balances the interests of copyright holders with the public's interest in wider distribution and use of creative works — enabling innovations like search engines, social networks, video recording, the iPod, cloud computing, and machine learning.