

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.

## International news:

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The Cato Institute unveils a new chapter-by-chapter study of the TPP that finds as a whole the terms of the trade deal net liberalizing.

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TPP BRIEFS: Canada faces a \$5 billion loss in GDP if trade deal is not ratified; UPS head says TPP is needed to reach 95% of the world's consumers; Viet Nam identifies challenges to IP commitments; eighteen laws are being sent to the Malaysian parliament for amendment.

### The TRADE Project

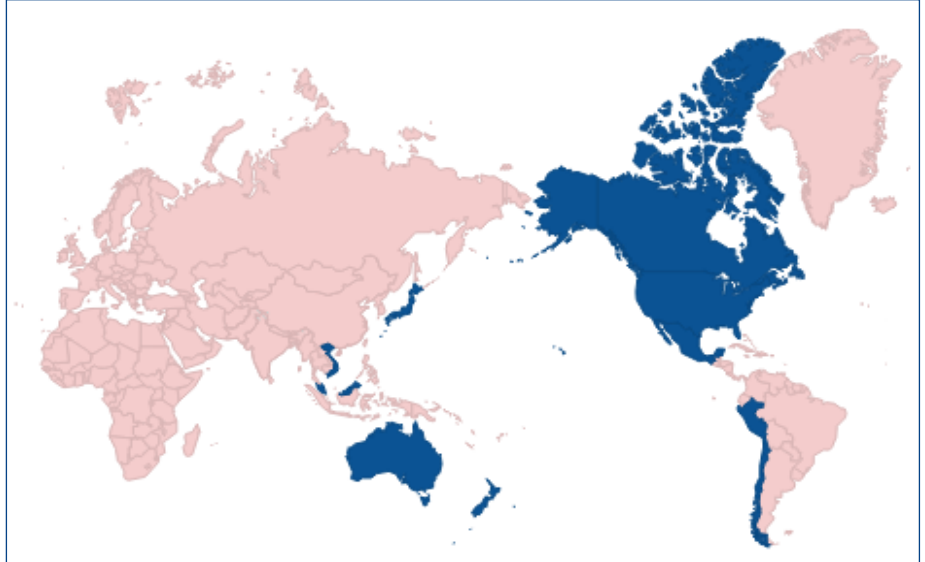
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# TPP Updates

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



## DTI urges ASEAN dialogue on trade deal

The Department of Trade and Industry (DTI) held an ASEAN Workshop on the Trans-Pacific Partnership (TPP) from 15 – 16 September, to encourage an ASEAN “sharing of insights” about the trade deal and its implications for the region, according to [SunStar Manila](#).

DTI said membership in the TPP would benefit local micro, small and medium enterprises (MSMEs), improving the country's position in the global market and spurring economic growth. The trade deal would also draw in increased foreign investments and more opportunities and choices for workers and consumers.

Assistant Secretary for Development Anna Maria Diaz-Robeniol said “an ASEAN discussion” of TPP issues was important since the trade agreement — with a combined population of member-economies at 800 million — is one of the most important to be concluded. She said such a discussion would help ASEAN identify and develop answers to how the trade deal would affect the investment attractiveness and growth potential of the region.

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# Cato Institute releases chapter-by-chapter study

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The public policy research organization [Cato Institute](#) on 12 September released a new study presenting a chapter-by-chapter study of the Trans-Pacific Partnership agreement, and which finds as a whole the terms of the trade deal net liberalizing. The Cato Working Paper #39, entitled “[Should Free Traders Support the TPP? An Assessment of America’s Largest Preferential Trade Agreement](#),” was written by Daniel Ikenson, Simon Lester, Scott Lincicome, Daniel Pearson, and K. William Watson.

According to the study, support for free trade agreements hinges upon whether free traders could see past “shortcomings and inconsistencies to the end result.” The pure logic of free trade may render “not shortcomings, but fatal flaws” to trade agreements, but if one’s primary concern is economic liberties and its promise, then free traders may be inclined to forgive the indiscretions and give their support.

“Integration and market expansion will remain hindered if the laws and regulations governing commerce differ between or among the countries that reduced their border barriers.”

— Cato Working Paper #39

The paper states that for free traders, trade aims primarily to expand market size and encourage greater levels of specialization and economies of scale. The traditional way of achieving this is to reduce tariffs and other border barriers, enabling goods and services to cross frontiers, “[b]ut integration and market expansion will remain hindered if the laws and regulations governing commerce differ between or among the countries that reduced their border barriers.” It adds: “Harmonization of product standards, equivalence of regulations, similarity of intellectual property regimes, and the coherence of other domestic frameworks that govern or affect commerce might also help expand the size of the market. It is this latter form of market expansion that makes modern trade agreements – 21st century agreements, such as the TPP – so controversial.”

Brief summaries, assessments, and scores on a scale of 0 (protectionist) to 10 (free trade), with scoring rationales are provided for 22 out of 30 chapters. Of these, 15 chapters received scores above 5, and 5 chapters received scores below 5. The highest score of 8 was given to the chapters on National Treatment and Market Access for Goods; Customs Administration and Trade Facilitation; Cross-border Trade in Services; Dispute Settlement, and Final Provisions, which deals with events such as entry into force and accession. The lowest score of 3 was assigned to the chapters on Textiles and Apparel; Trade Remedies, and Labor. Two chapters, on Telecommunications and Competition, received neutral scores of 5.

### **Canada faces billions in GDP loss if trade deal not ratified**

Canada could generate \$4.3 billion in gross domestic product (GDP) gains by 2040 as a TPP member, but faces a loss of \$5 billion or more if it fails to ratify the trade deal. This was revealed by a new study conducted by the Office of the Chief Economist at Global Affairs Canada, according to [Metronews](#).

The study assesses the potential economic impact of the TPP on members of the agreement. It found, among others, that Canada's TPP benefits would come primarily from the preferential access it would gain to markets in the Asia-Pacific rim, while potential losses would be partly because of missed opportunities to enhance trade and an erosion of Canada's preferential market position within NAFTA.

The TPP is the most significant regional trade agreement that Canada has negotiated since NAFTA.

### **UPS head addresses support for TPP**

The CEO of United Postal Service (UPS), Mr. David Abney, recently appeared on [Bloomberg TV](#) to discuss his support of the TPP agreement.

Mr. Abney spoke of the sentiment among UPS customers reflecting a need to better reach overseas markets. The TPP, he said, would make this possible by removing complexities in international trading rules. He explained that 95% of the world's consumers live outside the US, and the key to success for American business and workers, as well as for overall growth, is to help them export more goods to these markets.

"We have access to thousands of small businesses, and those are the people whose voices get overlooked. Those are the companies that could really take advantage of a simplified trading scheme," said Mr. Abney.

Mr. Abney also believes that America should take the leadership role regarding international trade, because of "things that are important to us like labor coverages, environmental issues, intellectual property."

### **IP chapter poses challenges for Viet Nam**

[Viet Nam News](#) has posted an analysis of the issues the country would have to address in enforcing intellectual property (IP) rights and complying with obligations under the TPP agreement.

According to the article, the TPP agreement requires its parties to accede to or ratify a number of important IP treaties. Viet Nam, however, has not yet joined a number of these agreements, specifically the Budapest Treaty; the Singapore Treaty on the Law of Trademarks; the WIPO Copyright Treaty (WCT 1996), and the WIPO Performances and Phonograms Treaty (WPPT 1996).

The TPP IP chapter also sets forth requirements on transparency in disclosure, providing that members make available on the Internet laws, regulations, procedures and administrative rulings of general application concerning the protection and enforcement of IPRs, among other information.

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## DTI urges ASEAN (from p. 1)

The 12-member TPP agreement, completed in October 2015, includes only four out of 10 ASEAN members, namely Brunei Darussalam, Malaysia, Singapore, and Viet Nam. The Philippines has expressed interest in also joining the agreement.

The two-day DTI seminar featured presentations by representatives from the four ASEAN-TPP members, and aimed to provide other delegates an understanding of how the trade deal addresses its members' different levels of development in areas like market access in good and rules of origin; trade in services and labor, and investment, as well as new generation trade issues such as intellectual property rights, state-owned

enterprises, government procurement, and competition policy.

Meanwhile, according to the [Philippine Daily Inquirer](#), the DTI will continue to push for Philippine inclusion in the TPP despite President Rodrigo Duterte's recent pronouncements against the United States, a leading member of the trade agreement. The DTI said possible accession would enhance the country's current competitive position as a regional hub for growth, investments, and exports.

The TPP is expected to add \$225 billion to the world economy by 2025 as it eliminates or reduces tariffs, lowers trade costs, and sets ambitious standards for global trade.

## TPP BRIEFS (from p. 3)

Many of these are already available in Viet Nam; however, some of the country's information systems – for instance, that of Viet Nam's Copyright Office – are frequently overloaded or suspended from operation. Their databases are also inadequate and fail to meet users' needs.

In addition, Viet Nameese law still has unsuitable provisions regarding disclosure of information on specific industrial property objects like patents, marks, and geographical indications. Other issues needing attention are expansion of protection and adjustment of patent validity terms.

### **Malaysia prepares to amend 18 laws**

Eighteen Malaysian laws are up for amendment in line with the country's efforts to implement its commitments to the TPP, according to the [New Straits Times](#).

Malaysia's international trade and industry secretary-general, Datuk J. Jayasiri, said these laws will be sent to parliament, and Malaysia would decide on ratifying the trade deal after the amendments have been completed. He also said the country remained on track, and was optimistic the trade deal would still come into force if at least six countries, accounting for 85% of the signatories' GDP, ratified the agreement.

The report did not specify what the 18 laws were.

Meanwhile, according to [The Sun Daily](#), Malaysia is near full compliance as far as the TPP's IP requirements are concerned. *The Sun* reported that while some structural amendments may be required, the country was essentially "up to speed" with the trade deal's IP standards.