



Insight

TPP: “The Gold Standard”

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Starting in 2008 and continuing through early this week, The Department of State worked closely with the United States Trade Representative in negotiations for a trade deal that became the Trans-Pacific Partnership (TPP). Less than three years ago, before her recent decision to oppose the deal, the Secretary of State referred to the deal as the “[gold standard in trade agreements](#).” Since then, the TPP has been signed by a dozen nations. [The White House even says](#) that “This partnership levels the playing field for our farmers, ranchers, and manufacturers by eliminating more than 18,000 taxes that various countries put on our products.”

Before entering into force, the details of the deal will face public scrutiny, and an up-or-down vote in Congress.

What TPP Could Do for the U.S. Economy

[Add Over Half a Million US Jobs](#)

The trade opportunities with these markets would not only open up increased capital, but would boost US jobs by 550,000 by 2025.

[Increase Exports by \\$124 Billion & GDP by \\$77 Billion](#)

There are few votes in Congress that could as easily increase both exports and GDP by that much.

How is this possible?

AAF’s President Douglas Holtz-Eakin [explains](#) that the potential benefits of the deal come from opening up U.S. innovations to a global market (TPP nations represent [40 percent of the global GDP](#)). [The deal promises](#) to demolish tariffs that hindered American manufacturers and agriculture from trading in the Asian-Pacific region that had artificially driven up the prices of U.S. goods. Once prices are restored to normal levels, U.S. industries can regain their competitive advantage.

Beyond the reduction of onerous tariffs, TPP will attempt to expand intellectual property rights. These rights will help U.S. companies fight counterfeiters and trade secret thieves. As more and more of our economy becomes based on technological advances, these protections become extremely important to U.S. companies.

In short, leveling the playing field for 40 percent of the world’s GDP will bring new consumers to U.S. companies, generally benefiting the economy as a whole.