



ANALYSIS

**Exploring new
trade frontiers**

Viewing the
Trans-Pacific
Partnership Agreement
through an Agriculture
Lens





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EXECUTIVE SUMMARY

The Trans-Pacific Partnership (TPP) trade agreement will be one of the most consequential trade agreements in twenty years, on par with the North American Free Trade Agreement (NAFTA) or China's entry to the World Trade Organization (WTO).¹ The TPP is deeper and broader than other agreements, containing 30 chapters that bind 12 member countries (Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States and Vietnam) together in ways that are often covered in less depth or are even carved out completely.

Most the TPP takes effect immediately. As discussed in greater detail below, roughly 90 percent of all tariffs fall to zero on the date of entry into force of the agreement. All of the services and investment provisions kick in immediately. Much of the remainder of the agreement's rule book also becomes active from the first day, with some flexibility for some of the rules in areas like intellectual property rights protections for countries like Vietnam. Once the TPP has been fully implemented, nearly all of the tariffs will be at zero for all of the TPP members moving goods between markets in the agreement.

These provisions apply even to sensitive items like agriculture. The TPP could dramatically reconfigure supply chains in food and processed food items in ways that past trade agreements did not. The deep and broad commitments in the TPP sets up some interesting new dynamics. It is likely to exacerbate tensions in the global trading system that fall most acutely on the smallest, poorest states as companies increasingly "vote with their feet" and shift production, sales and services into TPP member markets and leave behind non-member markets in the region.



Introduction

A. ECONOMIC SIGNIFICANCE

The Trans-Pacific Partnership (TPP) trade agreement brings together 12 countries: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States, and Vietnam. The deal spans three continents across the Pacific with members at diverse levels of current economic development. Together, TPP members account for 40 percent of global trade.

Assessing the economic significance of the TPP is difficult. The agreement was completed in October 2015. The texts were released in November 2015 and the legally scrubbed texts and schedules were made public in late January 2016. The 30 chapters in the legal texts run to 622 pages and the various schedules add more than 5,000 pages. Many TPP parties also signed more than 100 bilateral side letters. Totaling up the economic impact of an agreement of this magnitude, with overlapping and interlocking commitments is not easy. The start date is unclear, since ratification procedures are not finished yet.

Nevertheless, some experts have weighed in with estimates of the economic impact. The most keenly awaited modeling was released in late May 2015, when the United States International Trade Commission, USTIC, released its report on the TPP. The USTIC is an independent federal agency charged with producing a report for Congress within 105 days of TPP signing. The agency reviewed the TPP agreement, other analyses of the TPP and projected its impacts on the United States.

The report's findings were modest overall. It found that by year 15 of the TPP, America's income would be 0.23% higher, imports and exports would both be about 1% higher, and there would be 128,000 more US full-time jobs than there would be without the TPP. American agriculture and services would benefit most, while manufacturing, energy and resource sectors would be 0.1% lower than without the TPP.

While the US already had FTAs with most TPP countries, the report predicts exports to increase 18.7% to the five countries (Brunei, Malaysia, New Zealand Vietnam, and most significantly, Japan) where it did not have prior free trade agreements. Trade with the other six nations would increase 2.4% as a result of further improvements to existing FTAs. The TPP can only come into force if the United States is included (along with at least Japan and four other parties).

The US trade deficit is projected to increase by \$21.7 billion due to the TPP, though this rests on the assumption that there is a fixed ratio between GDP and the size of the trade deficit, i.e. the deficit grows because GDP is higher.

The report used a computable general equilibrium model, known as GTAP, to predict the economic outcomes. This model allows large variegated databases that should lead to more accurate results than simpler economic models used in the past. But USTIC's model also included certain assumptions: The US economy is operating at or close to full capacity (long-run aggregate supply). Thus the TPP will reallocate resources from less liberalised to more liberalised sectors. (p73) All spillover effects are ignored, particularly the likely removal of non-tariff barriers by non-TPP members. (Note that these are included in an important report released by PIIE.) It does not assume that US firms will become more competitive due to the TPP (p45)

While some non-tariff measures were included, the modeling omits many that were difficult to quantify. This cautious approach may suggest an underestimation of effects. It also ignores spillover effects resulting from other countries' actions following TPP implementation.

Early reactions to the report varied. Many US industry groups welcomed it. The American National Association of Manufacturers used it as an opportunity to restate the importance of the other 27 chapters, beyond just tariffs reductions, especially improvements in transparency, fair competition and intellectual property (IP) laws among trading partners.² Peter Petri and Michael Plummer, authors of important calculations of economic benefits from TPP, praised the ambition of USTIC's report but found it too cautious.³ Economist Jared Bernstein made a similar point: the overall economic impacts may be negligible, but there will be significant changes for some industries and changing regulations in other countries.⁴ The ITC report was congressionally mandated, so it should come as little surprise that was US-centric, aimed at members of Congress who need impartial information on the TPP, and have elections to fight.

With the ITC report out, other academics, particularly, will be eagerly sharpening up pencils to take aim directly at the assumptions or conclusions of the 792 pages report. In relatively short order, new economic projections should be forthcoming for the TPP agreement. Hopefully, many of these will be based

on the texts and schedules of the deal with more attention paid to the non-tariff aspects (which are, of course, considerably harder to quantify and model but which are also likely to bring much greater benefits).

B. LITERATURE REVIEW

The legal texts of the TPP were released on 26 January 2016. Considered one of the most ambitious FTAs in recent memory, TPP has drawn significant attention from scholars, researchers and institutions. A large number of publications have been done over the years even before the legal text was released to estimate and analyze potential effects of TPP. In general, these works either discuss the general impact of TPP on the whole economy or focus on a narrower portion of the agreement such as a country or a sector.

As Appendix 1 shows, some of the most important broad-brush works are Petri and Plummer (2016), Lawrence and Moran (2016), Schott et al. (2016), and Elms (2014, 2014, 2015 and 2016). There are, on the other hand, more publications with a narrow emphasis. A range of country-specific articles include O'Neil and Rachel's on Australia (2016), Vo Tri Thanh's on Vietnam (2015), Vergara et al.'s on Chile (2016), Chen et al.'s on Malaysia (2016), Sosnow et al.'s on Canada (2016), Narayanan et al.'s on India (2016), Ortiz and Turena Ramirez's on Mexico (2016), Gault et al.'s on New Zealand (2016) and a few works on USA such as USITC report (2016), Congressional Research Service (2015, 2016) and Elms (2015).

There are also other articles that analyze different sectors under TPP effect. Many of these articles focus on public health and medical topics such as Mitchell et al. (2016), Lee et al. (2016), Beard (2015) and, Labonté et al. (2016). Others analyze various sectors such as Horton et al.'s on intellectual property (2016), Herzfeld and Mindy's on government regulation and taxation (2016), Sutton and Trent's on labor and employment (2016), Cheong and Takayama's on public welfare

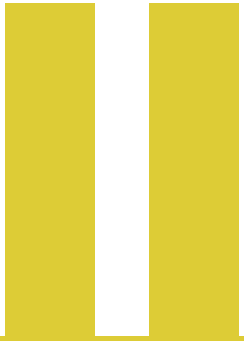
(2016), Fleury and Marcoux's on State-Owned Enterprises (2016) and Henckels and Caroline's (2016) and Nottage and Luke's (2016) on investment.

However, only one other work has been done on the agriculture sector after the release of TPP texts and schedules—a chapter in Peterson Institute for International Economics publication (February 2016). Being aware of the gap and the importance of agriculture in most TPP countries, this paper largely attempts to fill this critically important missing link.

C. MARKET ACCESS PROVISIONS

Assessing the overall impact of the TPP is complicated. Even tracking market access for goods is difficult, as the provisions that affect trade in goods can be found throughout the entire agreement. In such a deep and broad set of commitments, member states included provisions in various locations that may dramatically affect the ability of goods producers to access markets in different member countries. As an example, some aspects of the e-commerce chapter may have an impact on firms that do not currently view themselves as e-commerce participants. Provisions in the trade facilitation chapter may make it easier or harder for some products to cross member market borders than Chapter 2 on trade in goods suggests.

To narrow down the scope of assessing the impact of the TPP, this paper focus attention on one sector—market access for agricultural products. Doing so helps keep the context for assessment more manageable. It also brings into sharp relief the paradox at the heart of the TPP project—on the one hand, some of the most substantial benefits found in the entire agreement can be found in agricultural products and, on the other, food remains subject to some of the most complicated provisions in the deal with the least progressive elements overall.



**Assessing the
Commitments:
Focusing on
Agricultural
Goods**

A. GOOD COMMITMENTS ARE EXTENSIVE

The TPP commitments for goods are complex and are contained in multiple locations in the agreement. Chapter 2: National Treatment and Market Access for Goods sets out the specific regulations to be followed by member governments for trade in goods. This chapter also contains a section specifically on agricultural trade (Section C). The annexes for the chapter include: 2-A on notifications by members on national treatment and import and export restrictions; 2-B on remanufactured goods for Vietnam; 2-C on export duties, taxes and other charges for Malaysia and Vietnam; and annex 2-D that outlines in exhaustive detail the tariff elimination schedules by each individual member country.⁵

Other elements of the TPP that apply to trade in goods can be found in many other locations. In an agreement that stretches for thousands of pages, relevant or important aspects to a given industry or firm can literally be found sprinkled anywhere. The legislative and regulatory changes needed at the domestic level to bring the TPP into implementation are critical, since many of the TPP provisions are more like guidelines than specific instructions.

Within the TPP texts, the commitments on tariff reductions cannot be read and understood without a close focus on the accompanying rules of origin (ROO). Firms that do not meet the ROOs for a specific product cannot qualify for the lower tariffs on offer in the TPP.

The TPP uses product-specific ROOs—for each and every tariff line, there is a matching ROO. This is different from many other trade agreements, particularly in Asia, where ROOs are often blanket rules (as long as 40 percent of the content, for example, comes from participating members, the products qualify for tariff preferences).

Other goods rules can be found in the trade facilitation chapter (5) that covers the faster, smoother (and hopefully cheaper) movement of goods over borders. As discussed in greater detail below, Chapter 7 deals specifically with food and food safety (Sanitary and Phytosanitary) although the chapter does not go very far in writing new standards for the industry as the gaps were quite substantial between members. Instead, the SPS chapter and the Technical Barriers to Trade (TBT) chapter (8) mostly cover provisions for transparency

in creating rules: procedures for how new regulations should be communicated, requirements for rules to be based on science, pressure on members to eliminate duplicative testing requirements, and the timelines and public comment periods that should be followed if possible.

Goods are also addressed in other areas. While services are normally assumed to be divorced from trade in goods, the two are intertwined. An increasing proportion of the value of a manufactured good can be found in services. The TPP opens services dramatically across the 12 members, making it much easier for companies to operate goods and, particularly, supply chains across the region. Investment is also extremely important to goods companies. E-commerce rules matter, even to firms that do not seem themselves as operating in this space today. In short, most of the TPP agreement is relevant to the goods sector.

B. CONCENTRATED INDUSTRY FOCUS IN AGRICULTURE

The TPP is a wide, deep and broad agreement, with interlocking commitments across 30 chapters that can make it difficult to determine with certainty the impact of the agreement on specific sectors. Overall, the agreement is likely to contain many benefits, especially in services and investment. But the commitments in goods are less progressive. Within goods, many of the agricultural pledges are the least ambitious of all.

One of the reasons, perhaps, why the goods commitments are the least progressive parts of the overall agreement may be that interest groups are most organized for goods. Since trade negotiations have been underway for goods and have been steadily reducing tariffs for decades, the ground has been very firmly covered in all member countries. The TPP is a bit different than most past trade agreements in its coverage of even highly sensitive goods sectors like all parts of agriculture, but the majority of items under discussion have been aired somewhere previously.

Many of the goods sectors have industry associations and many have had long histories of working together. Many even had trans-national connections across TPP member countries. Thus, firms and farmers that might be affected by TPP rules or commitments in goods were more organized and vocal than firms that might be affected in newer areas like state-owned enterprises or government procurement or even services.

Agriculture is unique, perhaps, in most countries in having an outsized political influence relative to their overall numbers. This is certainly true for TPP member countries where the total number of farmers in some specific sectors can be quite small. For instance, the total number of sugar producers in the United States is about 700 farms, while Australia has roughly 4,000.⁶ In spite of relatively modest numbers, the extent of sugar protections granted as shown further below, in the TPP is quite substantial.

C. MARKET ACCESS COMMITMENTS FOR AGRICULTURE

Despite conditions that favored a limited outcome, negotiators in the TPP were still able to obtain more impressive results in agriculture than nearly any other existing agreement. Nearly all tariffs cut to zero and many do so on entry into force (EIF). On the first day of the agreement, 99 percent of agricultural tariff lines into New Zealand will drop to zero, all but one line⁷ will become duty free for Australia, 92 percent of Malaysian tariffs are eliminated, 31 percent of Vietnamese lines drop, and 32 percent of Japan's tariff lines also disappear.⁸

Many of the tariff reductions are substantial as well, including some that will be duty free on EIF—drops from 15%, 18% or even 40% are not uncommon. The products chosen for zero tariffs are also not automatically items that are never traded. For example, many high value fresh or processed fruits and vegetables that are currently subject to high tariff levels that are produced across TPP members are becoming tariff free on EIF.

Some of the tariff drops are even greater. Mexico is dropping tariffs of over 200% on many types of pork products to 0 on entry into force or in as little as five years for TPP firms.⁹ The tariff schedules for all 12 members are available for review along with the complete TPP texts.¹⁰

Market access improvements for most goods are immediate (nearly 90 percent to zero on EIF). In the remaining ten percent or so of tariff lines, the majority of these products also fall to zero and most do so in a relatively short time frame. Most drop within as little as three years, and a few in five years. Goods negotiations were largely about which product lines fit into the first category subject to immediate drops,

which could be phased out, the specific timelines that could be used, and any mechanisms for protection along the way.

There are tariff lines that have phase outs that last longer than five years. Most of the products with the longer phase out periods are agricultural.¹¹ As an example, many cheeses into Japan (that do not have TRQs as discussed below) have staging categories of 16 years. This means that tariffs on these products will drop, sometimes from fairly high levels like 40%, in 16 even cuts. Sometimes the cuts are long even for low original tariffs, making it complicated for companies to work out the specific benefits for firms in a given year. As an example, some beef products from Japan into the United States are currently subject to 4% tariffs. This is being cut down over a 10 year time frame. The tariff reductions, therefore, drop annually from 4% to 3.6% to 3.2% to 2.8% and so forth until they reach 0 in year 10. For a firm, tariff cuts are always welcome, of course. But the benefit of a tariff reduction from 2.8% to 2.4% is extremely modest. During the same period, exchange rate fluctuations, to name just one issue, could easily offset whatever tariff gains are on offer.

Most of the tariff reductions take place in even installments—starting at entry into force and continuing in regular steps afterward over a clear schedule until completed. But some tariff cuts for specific products may contain a tariff cut at the outset (sometimes modest) that holds for a period of time and then comes down again only right at the end of a (usually) long phase out period. These variations in tariff reductions and schedules were all subject to often-heated negotiations across many rounds and intercessional meetings of officials across the years of negotiations.¹²

One complicating factor in negotiating market access in the TPP from the beginning was the promiscuous nature of the participating countries. Nearly all members had existing free trade agreements between at least some of them. Some had multiple agreements binding them together in different ways. Many of these existing deals had different types of commitments. All covered trade in goods. Hence TPP officials had to figure out how to offer access to each other that took existing commitments into account.

The end result in the tariff schedules for each of the 12 TPP members is not as bad as some had feared. In most cases, TPP commitments went beyond existing

FTAs by granting lower tariff rates or greater quota access. By default then, the TPP granted the best market access and existing FTAs did not need to be referenced at all.¹³ In instances where existing FTAs provided a specific member with improved access off the TPP provisions, this had to be noted in the schedules.

In practice, this difference largely shows up in a few country schedules. The tariff schedules for most of the participating countries shows the preferences granted to all TPP members. The primary country-specific variations are found in the TRQs for agricultural products, discussed in more detail below.

The US has a more complicated tariff schedule overall, which breaks out commitments for specific products in some areas by country. As an example, chilled or frozen swordfish fillets are broken into two categories. Brunei, Japan, Malaysia, New Zealand, and Vietnam (all countries that did not have existing FTAs with the Americans) were given ten years for the 6% tariff to be reduced. But Australia, Canada, Chile, Mexico, Peru and Singapore already receive duty-free entry for swordfish and this was preserved in the TPP.

1. Rules of Origin

The reduction in tariffs is important, but not every product crossing the border into a TPP member country will automatically qualify for these reduced duty rates. The TPP has a single set of rules of origin (ROOs) that apply to all members. The ROOs are all product-specific. Each tariff line has a specific, matching ROO that must be met in order to qualify for the tariff reduction as indicated in the TPP tariff schedules.

Hence TPP goods access has to be read with a careful eye towards both the tariff reductions and the ROO commitments for the same product. It is possible that duty free access promised in the agreement will be easy or completely impossible for companies to use. It may very well be the case that companies will need to shift current sourcing patterns, especially for processed agricultural products, to ensure that finished goods meet the ROO and qualify for tariff reductions into TPP member markets. As always, TPP benefits apply only for goods being shipped into TPP countries.

The TPP uses “wholly obtained” and “substantial transformation” as the two principle criteria to determine origin of goods. Most agricultural products

are wholly obtained, but processed food producers are keenly interested in the rules for transformation.

For substantial transformation, the TPP allows three different calculation methods:

- (i) A general Regional Value Content (RVC) Rule, ranging from 30% to 55% content value, depending on the method of calculation (Focused Value Method, Build-Down Method or Build-Up Method);
- (ii) Change in Tariff Classification Rule: Requires that for the final good to qualify for preferences, it has to be classified under a different tariff category (usually at 4 or 6 digit level) as compared with the original inputs; or
- (iii) Process Rule.¹⁴

For certain tariff lines, businesses may opt to use either one of the three methods to determine origin. For some other tariff lines, only one option is specifically allowed. The TPP Chapter 3 outlines the specific methods for calculating origin under each method.

Of particular importance to companies, the TPP does allow cumulation across members—this is one of the biggest benefits of using a regional arrangement instead of a bilateral trade deal. Firms can add up or “cumulate” the originating content from a wider set of countries to reach thresholds, particularly for meeting RVC calculations.¹⁵ The TPP also allows firms to include 10 percent of the content of products to originate outside the TPP (a 10% de-minimus threshold) without violating RVC or CTC.¹⁶

2. Tariff Rate Quotas in the TPP

From the earliest days of negotiations, it was clear that some very sensitive issues in agriculture were going to prove problematic. These areas, like dairy, beef, and sugar, have always been hard to handle. Most agreements simply carve them out completely. But TPP officials had insisted that no lines could be excluded from the agreement.

Aggravating the solution to these issues was the inclusion after 2 years of negotiations of Canada and Mexico to the list of participating countries, as both also have strong sensitivities in dairy and sugar. Once Japan got into the negotiations a year later, it was also obvious that some new agricultural problem areas were going to be added to the list. The Japanese government had a list of five “sacred” items from the

beginning: rice, wheat, beef/pork, sugar and dairy. If the list covering these five items had contained, in fact, just five items, the outcome might have been more easily managed. However, the Japanese split rice alone into more than 66 tariff lines and keeping so many lines out of the agreement was not going to be possible.¹⁷

The solution to many of these problematic areas for agriculture was the continued use of tariff rate quotas (TRQs) in the TPP. TRQ issues might have been handled differently. In fact, not all TPP members went down this path and most avoided using TRQs at all. A TRQ assigns two tariff rates to products. The first, lower, rate applies to a certain volume of products, say 50 tons at 10%. The second, out-of-quota rate applies at the 51st ton and may be set at 50%.

TPP members have always claimed to be creating a “high quality, 21st century agreement.”¹⁸ A genuinely high standard agreement could have said, “Every product will have tariff cuts on EIF. For products with TRQs, the TRQ in-quota should fall to zero. Over time, the amount of the quota should be lifted. The out-of-quota tariff rate should also fall. In time, the TRQ will be abolished, as both rates will be 0 and all quantitative limits will be abolished.” As the TRQs are largely in highly sensitive sectors, the end point might have been set at a distant date, but the general high standard could have been maintained while ensuring sufficient time for transition for domestic industry. The point of the agreement, after all, is to encourage more open trade between partners.

This was not done across the board in the TPP. Many of the tariff lines that contain TRQs do not result in new market access for all TPP partners. The tariff rates do not really change or the quotas do not change. In some circumstances, TPP parties simply shifted the quota allocations from one party to another, like for cake mixes or wheat or malt.

Some of the TRQs are embedded within the Annex 2D tariff schedules, like Vietnam’s commitments for sugar or salt. Others are highlighted in separate schedules in the TPP. Canada has included separate TRQ documents for dairy products (like milk, cream, milk powders, yogurt and buttermilk, whey powder, butter, mozzarella and other types of cheese, ice cream), eggs, chicken and turkey. Japanese TRQ information covers items like wheat products, barley, shredded cheese, butter, milk powders, cocoas and chocolates, oils, evaporated and condensed milks, coffee and

teas, candies, sugars, rice, and whey. Malaysia has several TRQs as well, including for live poultry, some pork products, milk, and eggs. Mexico has TRQs on dairy, butter, cheese, and palm oil with country-specific allocations for sugar. The U.S. schedules for TRQs runs to 54 pages and is, as with most things related to the TPP, much more complicated than others. Finally, Vietnam also has a separate TRQ document, but it covers very different products—on used vehicles and on unmanufactured tobacco.

To see where this all ends up, consider Japan’s commitments on butter. Under TPP, the in-quota tariff rate remains at 35% forever (or at least as far as the current schedule can predict). Of course, the situation is not so simple. The Japanese also tacked on an additional charge that varies across the first ten years for in-quota butter shipments. In the first year, the tariff is 35% plus 290 yen/kg. This additional per kg rate falls gradually, reaching 174 yen/kg in year 5, 29 yen/kg in year 10 and disappears completely in year 11 leaving only the 35% tariff rate for butter.

The quantity of the quota increases, but barely at all, from 39,341 metric tons in whole milk equivalent in year one to 45,898 in year six where it also never increases afterward. The out-of-quota rate is unchanged. Hence the highly competitive dairy producing TPP countries will be fighting for an additional 6,000 or so metric tons of in-quota butter over a six-year period and sharing in the spoils of continuing to pay a 35% tariff (plus an additional declining rate charge) for the privilege.

3. Safeguards and Other Market Protection Mechanisms

TRQs are being used to shelter some products from competition. But this is not the only deviation from the “gold standard” in goods commitments. Some tariff levels never actually fall to zero. Cream cheese into Japan, for example, remains at 26.8% forever. Some beef remains at 9% (and subject to safeguards as well). Shiitake mushroom tariffs stay 9.6%. Mexico maintains high tariffs on coffee of either 10% or 36% (depending on classification) from year 10 onwards. Instant coffee is even higher at 42%.¹⁹

These tariff rates are an improvement, certainly, off the current status quo. Beef into Japan without the TPP is subject to 38.5% tariffs, so 9% is better. Given the competitive strengths of some TPP companies, it is likely that they will be able to take advantage of these

new rates.²⁰ However, 9% is not 0. Particularly for a sector that has access to myriad ways of managing competition within this agreement, it is deeply disappointing that the tariff is also scheduled to remain across decades.

The TPP also contains some safeguard mechanisms for Japan and the United States. Both countries identified and scheduled a list of products where higher duties can be imposed if the level of imports surge past certain levels. For example, the United States maintains a safeguard on Swiss cheese from Australia if shipments exceed more than 800 metric tons in the first year then the US can reapply the MFN tariff

rate. Other American safeguards apply to different specific dairy products from individual TPP countries including a wide variety of cheeses from Peru. Japan has extremely complicated commitments to protect beef and pork, milk powders, fresh oranges, and race horses (!) from import surges.

Some products also covered by a provision called tariff differentials.²¹ For some products coming into the United States, Japan and Mexico, companies have to comply with an additional set of rules as well. For the US, covered products include sugar and some dairy.²² Japan scheduled some seafood and forestry products.²³



**The Trans-Pacific
Partnership in
Practice:
A Series of
Case Details**

A. SELECTED AGRICULTURAL GOODS

1. Mineral water

Eight of the 12 TPP members currently apply tariffs for mineral water imports. On the day TPP comes into force, seven countries – apart from Vietnam – will remove tariffs for this product. Starting with remarkably high rate for mineral water (40%), Vietnam will take eight years to remove this tariff for other TPP members.

2. Pumpkins

Pumpkins are one of the more common vegetables in the region. As can be seen from figure III.2, the tariff rates applied for pumpkins range from 3% to 12% for Chile, Japan, Mexico, US and Vietnam.

The USA has a more complicated tariff schedule for pumpkins compared to other TPP countries. At EIF, the tariff of 11.3% will be removed for eight countries, while Japan, New Zealand and Vietnam have it gradually reduced to 0% within 5 years.

Figure III.1: Tariff schedule - Mineral water (Percentage)

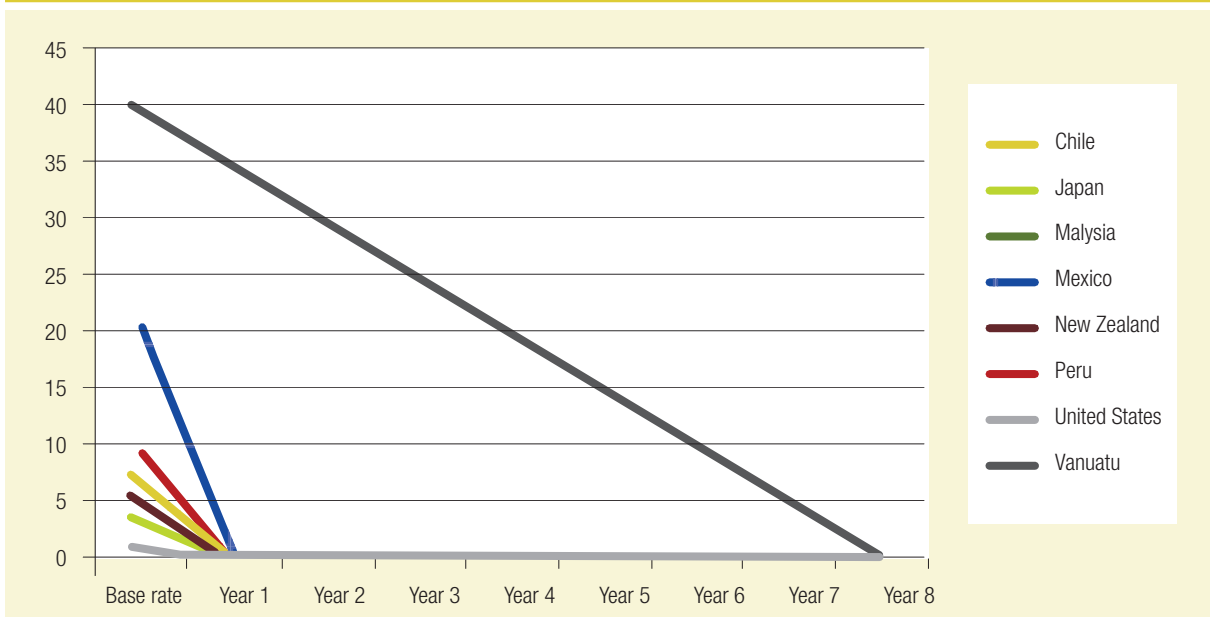
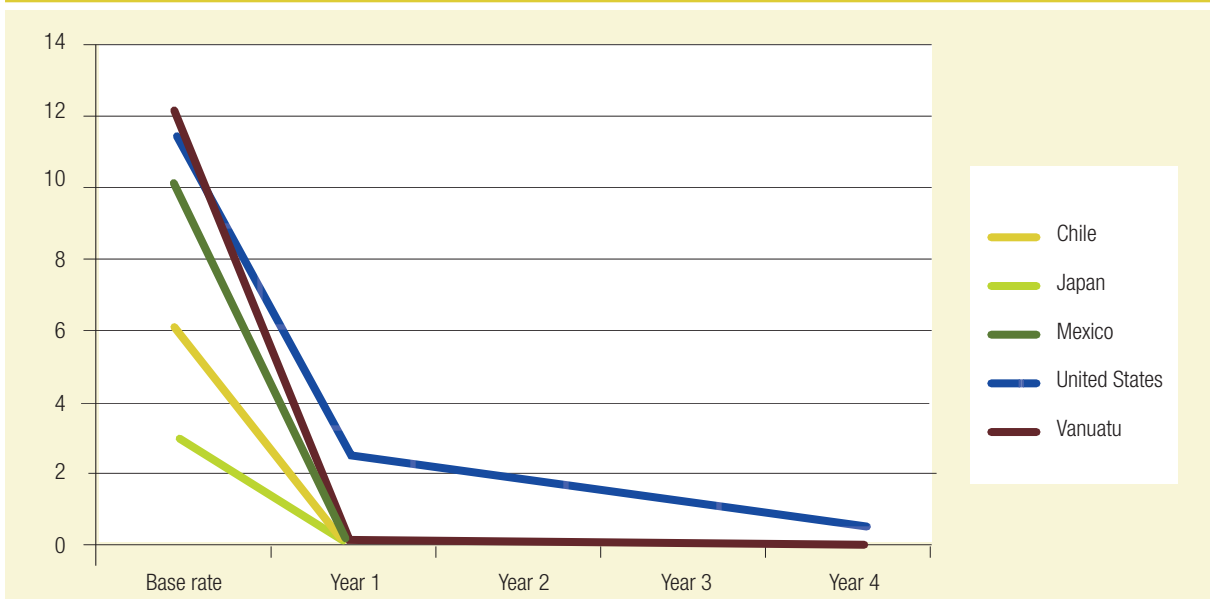


Figure III.2: Tariff schedule - Pumpkins (Percentage)



3. Frozen red salmon

Red salmon imported to TPP countries are subject to non-zero tariff rates in Chile, Japan, Mexico and Vietnam. Under TPP effect, all of these tariffs will be removed.

4. Avocados

Under TPP, five member countries will remove tariffs for avocados on the day of entry into force, while Vietnam and the USA will take 4 and 5 years respectively.

Figure III.3: Tariff schedule - Forzen red salmon (Percentage)

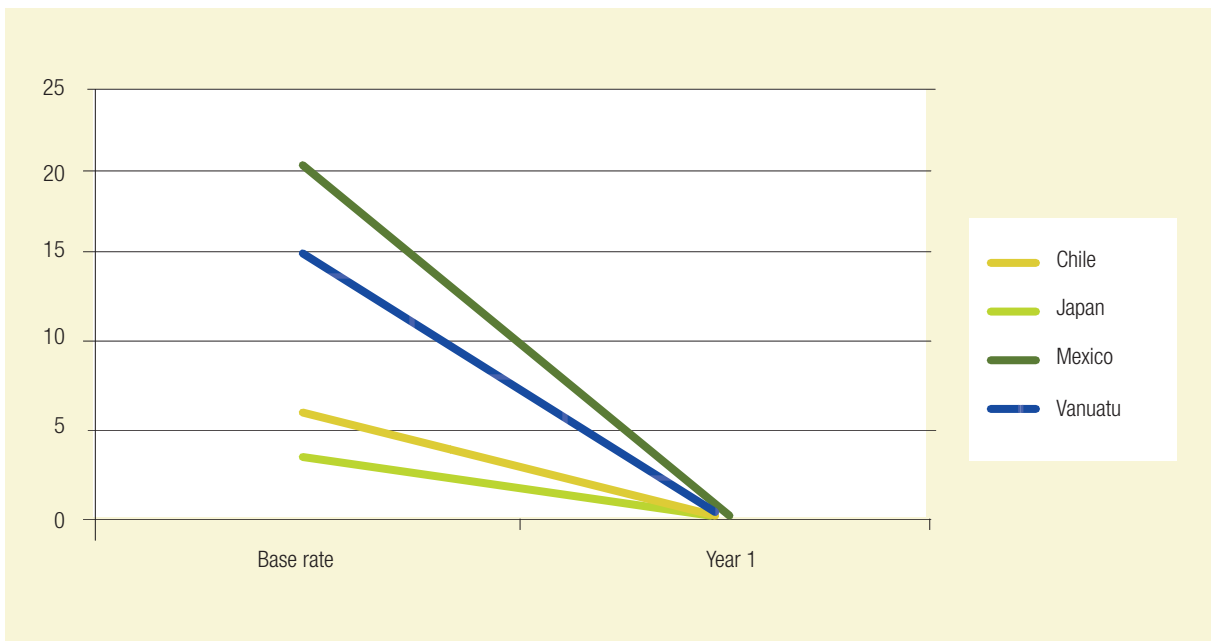
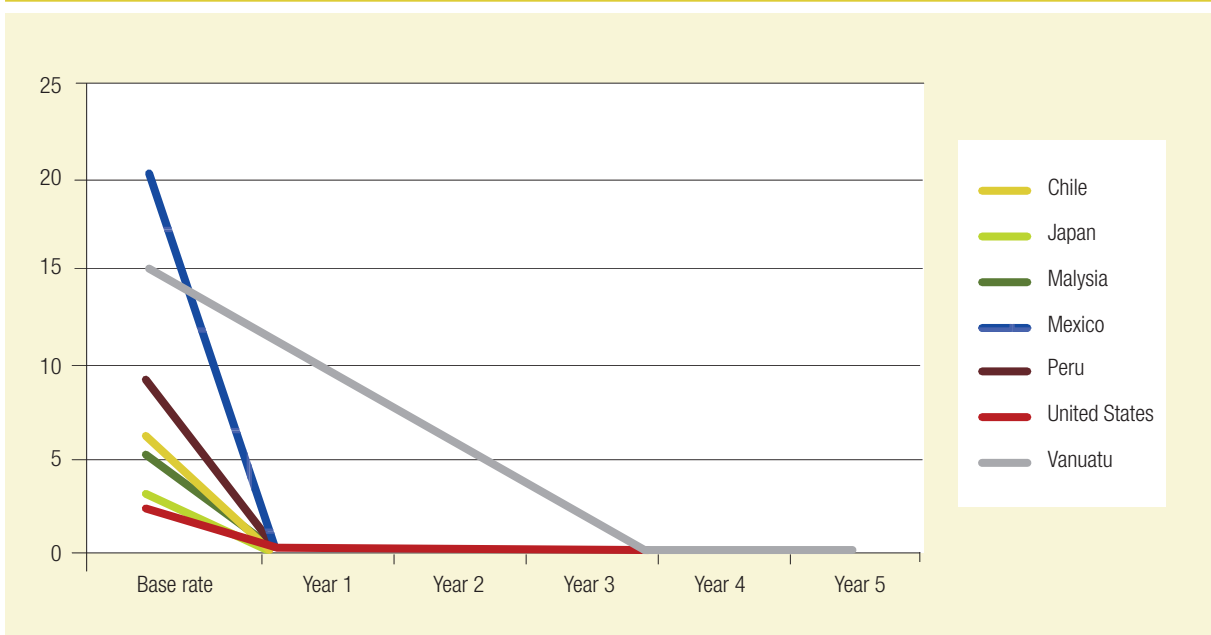


Figure III.4: Tariff schedule - Avocados (Percentage)



5. Beef

Significant advances were made on meat and livestock. Japan, Peru, Mexico and Vietnam substantially cut beef and pork tariffs. This is good news for major exporters Australia, New Zealand, Canada and the USA who also see rising demand from a more affluent Asia short of pasture, as well as complementary corn and soybean demand.

However, the specifics are more variegated. Take beef as an example. The United States and Canada are net beef importers, but did not reduce restrictions much because most of their domestic market is targeted at higher-end products, and these producers sought to avoid competition. The main TPP beef exporters (Mexico and Australia) already have FTAs in place.

Japan, the world's third largest beef importer (over US\$3 billion in 2014), will reduce tariffs for all beef products from 38.5% to 9% over 16 years. This will be significant, given that all of Japan's beef imports come from TPP countries. However, Japan has a lengthy appendix detailing 'agricultural safeguard measures', meaning that if beef imports exceed a certain annual limit, a higher tariff (though still lower than MFN) will apply. These are used for several agriculture goods by various countries. With Japan's beef imports forecast to exceed 800,000 MT by 2019, around a quarter of imports will incur higher tariffs.²⁴

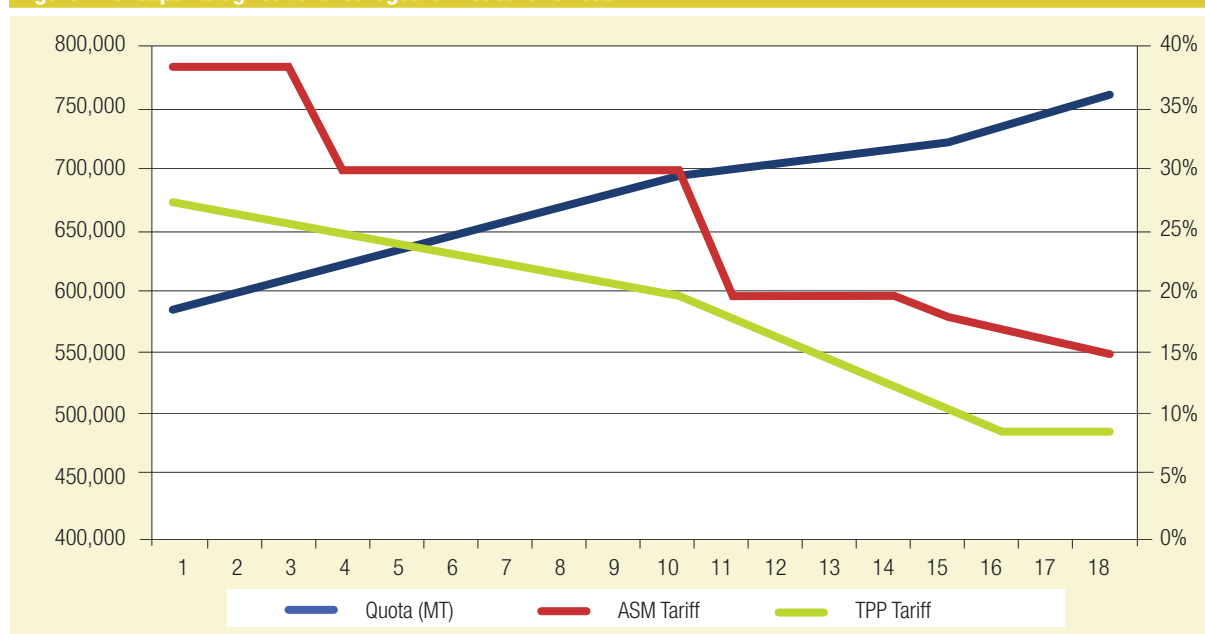
6. Rice

Rice exporters should realize significant potential benefits from TPP as this free trade agreement will help to liberalize access to rice market in most TPP countries including those with high domestic protection.

Vietnam's 40 percent tariffs on all types of rice will be eliminated immediately when the deal comes into force. Starting with the same high tariff level for most types of rice as Vietnam, Malaysia will take 10 years to become duty-free. Malaysia is one of the largest rice importers in Asia, so even a long tariff elimination schedule could still result in potential benefits to TPP rice exporters. Similarly, Mexico needs 10 years to cut tariff on long-grain rice to zero from 20 percent rate while Chile agreed to eliminate eight percent tariff on rice within 8 years. However, the good news for broken rice exporters to Mexico is that the 10 percent tariff rate will be removed immediately under TPP effect. Even for US—a giant rice exporter—tariffs for all kinds of rice will be eliminated immediately for most TPP countries except Japan and Malaysia.

For Japan, rice remains one of the most sensitive agricultural products to be protected by the government, such as Japan's rice production structure. Unlike US and Australia's structure with smaller number of big rice farms, Japan has a huge number of tiny rice farms that are geographically diffuse.²⁶ However, under the TPP, Japan's tariff schedule for rice shows modest concessions when the country has agreed to increase tariff-rate quotas (TRQ) within 13 years for US and Australia.

Figure III.5: Japan's agricultural safeguard measure for beef²⁵



7. Tomato ketchup

Ketchup or tomato sauce is most associated with Western fast food, but is consumed in all countries. The USA is certainly the largest market, though Mexico, Japan, Canada and Australia are all significant.

The main ingredients are tomatoes, vinegar and sugar. Other flavorings such as onions, garlic, celery, salt and pepper may be included though these items make up a small proportion of the product.

The finished product will see all tariffs eliminated immediately for all except Japan and Vietnam. In light

of this, the US Tariff Schedule changes differently for other countries.

7.1. Tomatoes

Of the six countries with tomato tariffs currently in place, four will remove them on day one of the TPP. Vietnam and USA take four years to reduce their tariff to 0%²⁷.

The biggest producers by volume are China, India and USA. Of TPP members, Mexico and Australia also produce tomatoes²⁸. It is a relatively labour intensive crop so favours countries with lower labour costs.

Table III.1: United States' ketchup tariffs

US Ketchup Import Tariff	Base rate (%)	Year 1	Year 2	Year 3	Year 4	Year 5
- for Japan	6	4.8	3.6	2.4	1.2	0
- for Vietnam	6	4	2	0	0	0
- for other TPP countries	6'	0	0	0	0	0

Figure III.6: Tariff schedule - Tomato ketchup

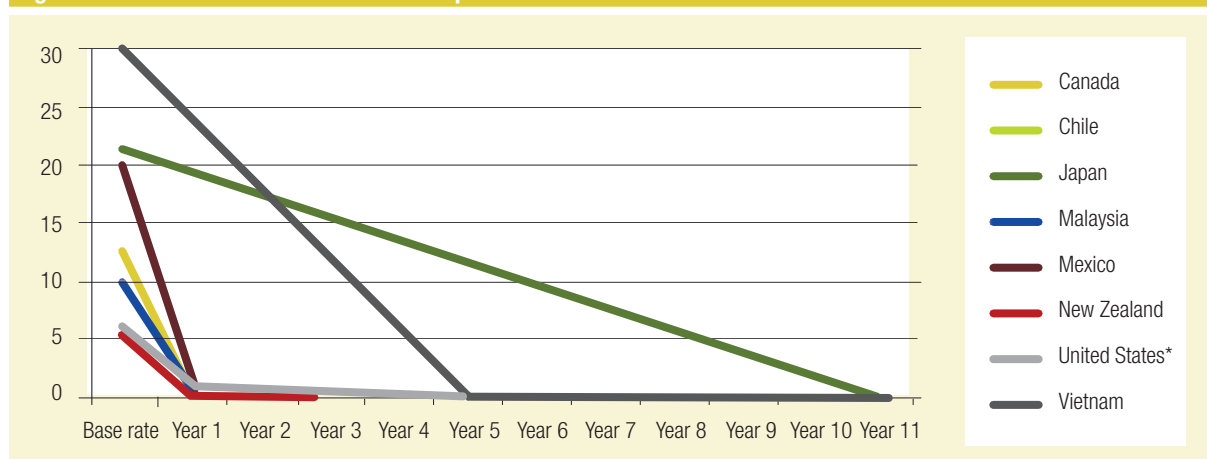


Figure III.7: Tariff schedule - Tomatoes

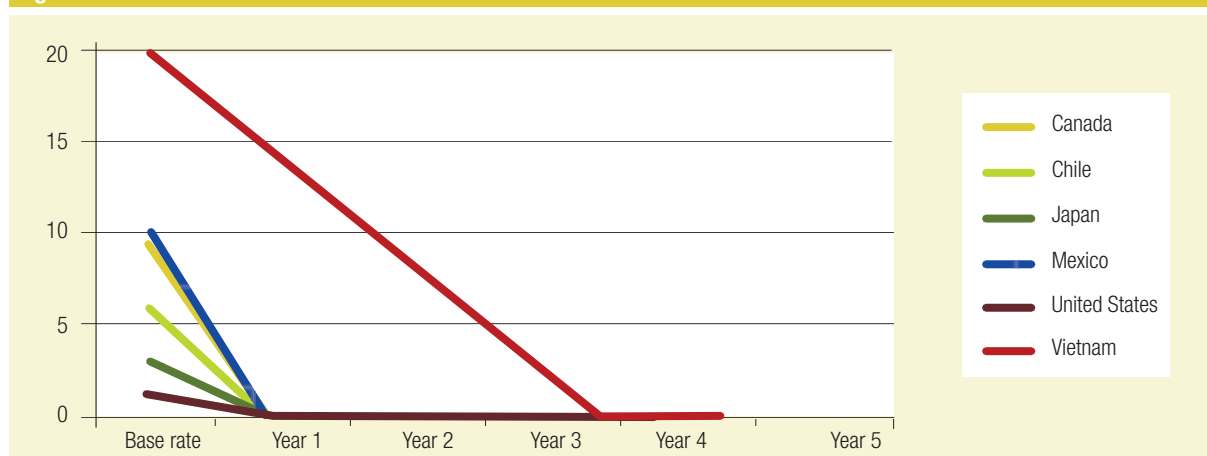
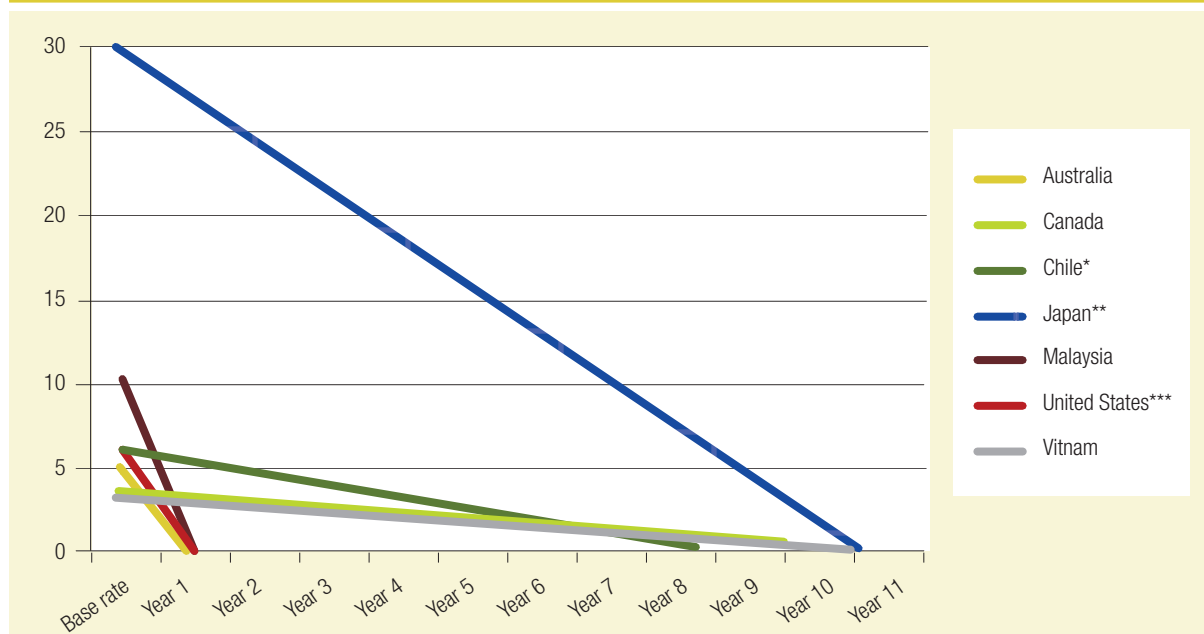


Figure III.10: Tariff schedule excluding Mexico - Fructose syrup



Box 1: It's Complicated, Sugar

The largest sugar producers among TPP countries are USA, Mexico and Australia. Between them they account for 80% of sugar exports from TPP countries, though the US does little sugar exporting. (PIIE).

Bruce is an Australian beet sugar farmer, who has so much sugar he decides to sell some to the Americans. America uses 14 million metric tons (MT) of sugar per year so this should be easy.

Under the TPP, Australian producers may export an additional 60,500 MT of raw sugar to the USA per year, 0.5% of its total sugar consumption. Any raw sugar beyond this amount is subject to a tariff of 33.9¢ / kg, double the world price. Bruce may also export sugar derived products like syrup, but these are capped at 4,500MT / year. This is a larger quota than was hitherto allowed, but is still relatively small, and much less than the Australians had hoped for. (<http://www.cato.org/blog/sugar-tpp>)

7.4. Rules Of origin (RoO) for ketchup

According to Annex 3-D (Product-Specific Rules of Origin), for a ketchup product produced from non-originating materials to be an originating product, there should be:

“A change to ketchup of subheading 2103.20 from any other chapter, except from subheading 2002.90; A change to any other good of subheading 2103.20 from any other subheading.”

[2002.90 -- Tomatoes prepared or preserved otherwise than by vinegar or acetic acid including tomato paste, tomato powder and others.]

In short, provided the ketchup is made in a TPP member country and not made from tomato paste or

powder, it satisfies the rules of origin.

More generally, TPP's rules of origin include transparent procedures that promote compliance and avoid unnecessary obstacles to trade. Certification of origin can be completed by exporters, importers or producers on the basis of they having enough information required (article 3.21). Verification of origin can be conducted after the good has been imported. Refund of excess duties will then be paid after the verification has been completed. (Article 3.27)

7.5. Value chain scenario: Chilean ketchup Ltd.

The changing tariff schedules above show how value chains in ketchup may change over the coming years. The graphic shows a ketchup company with a production facility in Chile. It is trying to expand into

the north American market, and sees an opportunity to become competitive due to the TPP. Market research shows that American and Canadian consumers prefer the taste of corn syrup to sugar, so it alters its recipe for exports to these markets. It is able to save 6% on the input costs due to lower input costs, and finally 12.5% on the final import tariff to Canada.

Table III.2 shows Chilean Ketchup Ltd.'s changing unit cost for a bottle of ketchup both domestically and for export.²⁹ While this example is hypothetical, it is clear

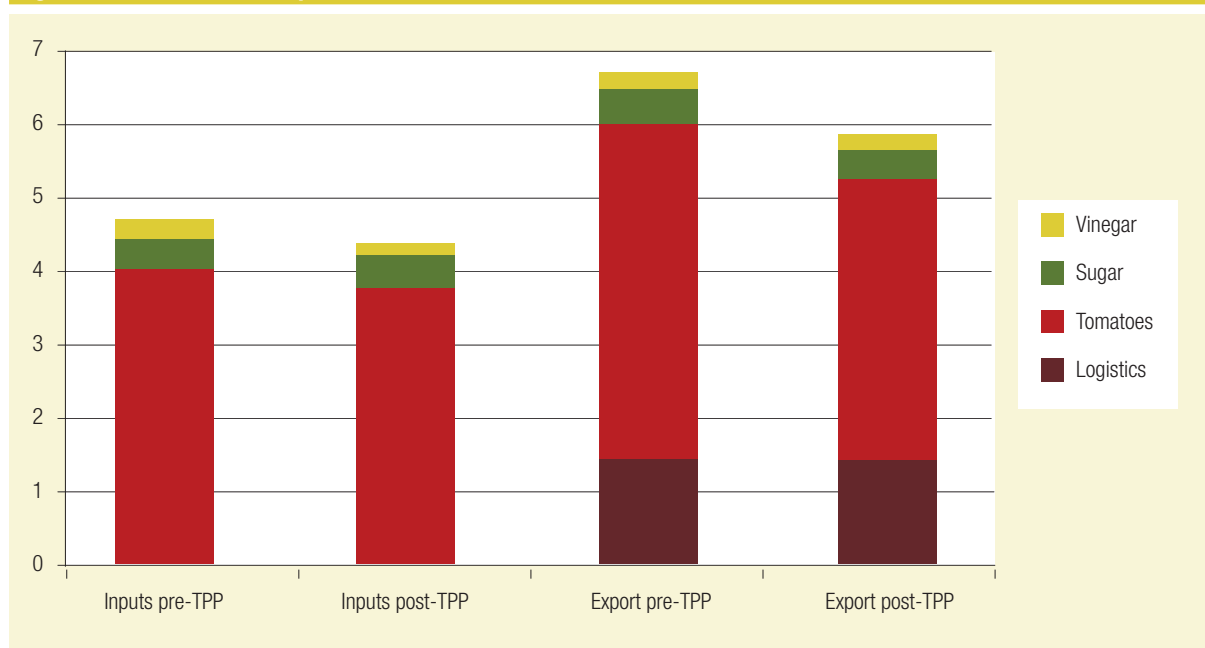
that costs can be reduced by over 12% purely through tariff reductions.

Chilean Ketchup Ltd. may struggle to export to Japan, where Japanese ketchup manufacturers are afforded protection for longer, though they will still need to import sugar cheaply enough to stay competitive. Vietnam's competitiveness will depend on access to cheaper inputs, though the removal of tariffs on ketchup for most of its markets will help.

Table III.2: Chilean Ketchup Ltd.'s costs (US dollars)

	Cost pre-TPP	Cost under TPP	Export Cost pre-TPP	Export under TPP
Logistics			1.50	1.50
Tomatoes	4.03	3.80	4.53	3.80
Sugar	0.42	0.40	0.48	0.40
Vinegar	0.21	0.20	0.24	0.20
Total	4.66	4.40	6.75	5.90

Figure III.11: Chilean ketchup Ltd'd costs



IV

Trade Facilitation

For agricultural traders and other goods companies, however, the rules for tariff reductions and ROOs are not the only things that matter. The processes and procedures for getting goods in and out of TPP member countries are also important. Fortunately, TPP rules for trade facilitation are likely to prove extremely helpful for companies.

The TPP generally promotes efficient and transparent customs procedures. Particularly important provisions include the following:

- Expedited and consistent customs treatment at all domestic entry points, including the use of automated systems
- Self-certification of origin for selected companies
- Advance rulings to allow companies to get a ruling from customs officials about tariff classification and ROO determinations that will remain in effect for a full calendar year
- Specific rules for express shipments and expedited delivery processes to include 6 hour guidelines
- Pre-arrival processing and guaranteed release within specific time periods

A. SPS AND TBT

While tariffs matter to farmers and agricultural producers, some of the greatest barriers to trade can be loosely lumped together under the heading of non-tariff barriers. These include both sanitary and phytosanitary (SPS) restrictions and technical barriers to trade (TBT) regulations. Such barriers run the gamut from inconsistent testing procedures to incompatible pesticide regulations to conflicting rules for labeling products.

Early on in negotiations for the TPP, officials often spoke with enthusiasm about a desire to achieve regulatory coherence. While TPP Chapter 25 has this title, most of the content of these discussions was ultimately removed and put into the SPS and TBT chapters instead. What remains in Chapter 25 is mostly descriptions of how TPP parties intend to foster future regulatory cooperation, increase transparency in procedures and encourage contact points across TPP members.³⁰

The TPP parties attempted to address many of the non-tariff and other regulatory barriers, but in most instances, the gaps between the 12 member states

were simply too large to overcome in the negotiations. Hence the rules put in place in the agreement might be best regarded as a basic framework rather than any true achievement of deeper regulatory integration.

For SPS, Chapter 7 requires that members create health-based restrictions for trade in goods that are based on science.³¹ The risk assessment systems put into place to screen products must be built on a scientific basis. The agreement refers to specific international standards, including the *Codex Alimentarius* and the WTO SPS agreement. Any shipments that are stopped for SPS reasons have to be reported under tight timelines, with a special consultation system put in place between members for addressing SPS issues and a special dispute resolution system just for such concerns. Over time, the consultation mechanisms, transparency procedures and recommendations on equivalence may evolve into something more meaningful or may not.

The TBT chapter is notable for agriculture chiefly for three specific annexes. Annex 8-A covers wine and distilled spirits rules in rather deep detail, including such matters as details that can (and can not be) required on labels and allowable certification procedures. Annex 8-F covers proprietary formulas for prepackaged foods and food additives. The annex is quite brief and basically says that member governments must collect only information related to legitimate objectives and keep such information confidential. Annex 8-G on organic products is also brief and encourages TPP parties to be transparent and consistent in regulations regarding organic products.

B. SERVICES

While market access for goods in the Trans-Pacific Partnership (TPP) remains subject to some exceptions and complications, the TPP exceeded expectations for the quality of the services commitments. TPP member states might have been expected to exclude some services subsectors, but generally this did not happen. The services elements of the TPP may turn out to be the most ambitious aspect of the agreement overall.

Services are increasingly important to today's globalized economy. It may not seem obvious that agriculture and services are linked, but new research suggests that services account for somewhere between 30-70 percent of the total value embedded in

supply chains.³² Failure to provide market access with minimal conditions attached would have strangled the efforts of many firms trying to compete across the TPP. Services are also a critical mechanism for smaller firms or companies in more remote, geographically distant locations to plug into larger supply chains. Even micro enterprises can deliver services via e-commerce platforms.

Trade in services (Chapter 10) is divided into 12 sectors and approximately 160 subsectors, ranging from business services to construction to travel to retail. In many Asian free trade agreements (FTAs), services commitments are woeful. Members have opted to keep many sectors and subsectors closed to foreign participation or have opened only areas with limited or even zero commercial importance.

The TPP did not take the same approach, negotiating on a negative list. Companies should find it easier to deliver services across member states, particularly because the TPP does not allow, for example, quantitative limits to be placed on services. In other FTAs, members frequently allow in foreign medical clinics, but may limit the total number of such clinics to one or two facilities. Or caps may be placed on the total number of employees or boards of directors. In the TPP, by contrast, foreign companies can deliver services without having to have a representative office or be a resident to serve the market. The TPP requires that members treat foreign service suppliers just like local service suppliers.

Note that, mirroring World Trade Organization (WTO) handling of services, financial services and telecommunications have their own chapters in the TPP. Both have long been regarded as “backbone” service sectors that warrant special handling.

Some TPP countries appear to have been extremely cautious in their scheduling and to hedge against potential problems and gain future policy space by claiming a broad exception or non-conforming measure (NCM). Note that, for some TPP members, these exceptions may not ever be used. In other countries, the NCM may not matter overly much, as they are taken in areas of likely limited interest to other members. For instance, Japan requires that persons in the motor vehicle disassembling repair business must have a business in Japan. Assuming that electronic repairs do not count, it could be hard to imagine how a person might disassemble a car from overseas. Individuals engaged in specifying

measurement instruments have a host of rules to continue to follow in Japan.

For countries like Vietnam and Malaysia that have never used a negative list before, the peeling off restrictions exercise could have still left an extremely long NCM list. However, a glance at Annex 1 shows that both members largely matched the ambition levels of other partners. For example, Vietnam (like many other TPP member countries) will continue to have some restrictions in place on foreign lawyers. Tour guides continues to be a sensitive area for some members, with limited (or no) foreign access.

An examination of the schedules also throws up some surprises. Vietnam has an odd rule that appears to make it more difficult to open up a second (or more) retail establishment, although the measure is meant to expire within five years after the agreement takes effect. Services attached to agriculture, hunting and forestry still require a local partner. Major anniversaries in Vietnam must be marked with local film screenings only. Canada has a surprising number of rules around owning duty free shops. Amusement park investors can come into Vietnam, but only if they invest more than US\$1 billion. Less than that and investors are subject to onerous criteria that will likely to make it impossible to build the amusement park of their dreams.

Other restrictions across TPP members could be more problematic, including a host of rules around broadcasting rights, some restrictions on services and investment in energy or mining, and rules on internal land and sea transport that can prevent TPP parties from delivering these services.

Over time, it is possible that some of these restrictions will be relaxed. In the meantime, if a country did not schedule a NCM, it cannot easily create a new one to block market access to TPP member countries in the future.

Many existing FTAs have specific provisions attached to the services chapters that apply to the temporary entry to persons supplying services. The TPP goes beyond that in Chapter 12 on the temporary entry of business persons which applies to persons engaged in trade in goods, supplying services or conducting investment activities. It is not entirely clear how the provisions of Chapter 12 might change practices on the ground in TPP member countries for service providers or for business persons in other sectors,

since the chapter makes clear that immigration rules will continue to apply and dispute settlement provisions (mostly) cannot be used.

Particularly important services elements for agriculture and food may be the opening of logistics and other critically important supply-chain elements required to create, store, pack, ship and deliver agricultural products between markets. The TPP also opens up retail sectors include not just grocery businesses but also hotels and other final markets for agricultural and food products. Larger agribusinesses may also benefit from market opening in sectors like business services such as accounting, legal services, marketing and so forth.

In short, like other elements of the agreement, the basic texts have to be read carefully with the country-specific annexes. While the TPP may appear to have extensive carve-outs or broad exceptions in some specific areas, these are actually significantly fewer in number and cover a handful of subsectors that may be viewed as commercially meaningful to some TPP members. Certainly, compared to other agreements on services, the TPP may be setting the standard for high quality in this area.

C. INVESTMENT

In Chapter 9, the TPP addresses a critical issue for many firms: setting out the rules of the game that apply to foreign investors in TPP countries. Currently, investors can face a complicated thicket of regulations, shifting rules, and informal practices that make it difficult or even impossible to open and maintain businesses and investments in some TPP member countries.

The chapter aims to simplify and clarify the rules for inward investment by TPP firms. Doing so should make it easier for firms to operate across TPP countries and help unleash new growth for member countries. Most of the attention has been given to one aspect of this chapter, Investor-State Dispute Settlement (ISDS), but the rest of the provisions are likely to be much more relevant and important to companies.

Covered TPP investments include: an enterprise; shares, stock and other forms of equity participation in an enterprise; bonds, debentures, other debt instruments and loans; futures, options and other derivatives; turnkey, construction, management, production, concession, revenue-sharing and other similar contracts; intellectual property rights; licences,

authorisations, permits and similar rights conferred pursuant to the Party's law; and other tangible or intangible, movable or immovable property, and related property rights, such as leases, mortgages liens and pledges.

The basic point of the chapter is to ensure that investors are granted greater certainty with fewer risks of government action that could negate or destroy their investments. Investors are also promised free transfers of things like profits, dividends, proceeds, and payments from the investment in and out of the member country. Investors are also granted the ability to invest without being subject to certain performance requirements, such as a possible demand that investors export a certain amount, or include a certain percentage of local content, or transfer technology as a condition for investment permission. A prohibition on performance requirements is particularly important in Asia, where many FTAs continue to allow such practices.

The investment rules create opportunities for firms, but are not a guarantee of success. Nothing in the chapter promises profits or will compensate investors for normal business risks and losses.

The agreement does spell out in detail what happens when a TPP member government directly or indirectly seizes property through expropriation (nationalization). Government can, it should be emphasized, continue to make policy in the public interest and render decisions that could invalidate investments. For instance, a government can legitimately order the demolition of shops if these stand in the way of land needed for new roadways. However, the TPP makes clear that the government must follow certain policy steps prior to expropriation and provide adequate compensation.

In most of the rest of the TPP agreement, member states are legally bound to follow the rules. If they do not, other member governments can challenge their behavior, using the provisions in the dispute settlement chapter. Investors also have recourse to another mechanism for ensuring compliance. Section B of the chapter spells out in detail the rules around ISDS that allows investors to directly sue a government for breach of the agreement (illegal seizure of property). The lengthy passages devoted to ISDS spell out in detail how investors can claim arbitration to resolve the dispute.

Investors, like all business owners, also have the right to use domestic court procedures to resolve issues.

However, if the government seizes property, it is not unreasonable to assume that some court systems in some countries might not view the matters of the case dispassionately or may hesitate before deciding against their own government. In these situations, investors have the ability under the TPP to have the matter dealt with by arbitration. Annex 9B spells out in detail exactly what constitutes an expropriation for the TPP.

Just like the services commitments, understanding TPP investment provisions requires carefully reading the specific text with the rules that apply to all 12 parties and then sorting through the annexes. Note that Chapter itself contains several short annexes in the text—several of which are country specific or applicable to, for instance, Peru, Mexico or Canada. Investors or potential investors will also need to carefully review the country-specific annexes that list all non-conforming measures (NCMs). Just like the services negotiations, investment commitments were made on the basis of a negative list.

The list of NCMs for investment also contains a range of prohibited investments or restrictions on full access for TPP members. Some of these restrictions may be problematic as the exemption can be deep and broad while others are likely to be of limited commercial significance.

Canada, for instance, maintains the right to regulate the sales and marketing for air transportation services, as well as many rules around maritime services and transport, and maintains a possible cultural exception that allows the government to create rules or subsidize books, videos, music and other forms of cultural expression. Malaysia reserved the right to review materials for consistency with domestic decency standards.

Japan has an odd commitment that allows it to create any measure it wants for “telegraph services, betting and gambling services, manufacture of tobacco products, manufacture of Bank of Japan notes, minting and sale of coinage, and postal services in Japan.” Vietnam bundled together potential restrictions on the manufacturing of paper and buses with more than 29 seats. The complicated nature of these commitments—combining things that

may not appear logically connected—highlights the importance of reviewing the entire TPP document for hidden barriers.

Malaysia has scheduled a broad exception for Bumiputera policies. These are the programmes that provide advantages for Malay citizens, somewhat akin to affirmative action programmes used elsewhere. While considerably less sweeping, several other TPP members also lodged NCMs to protect native peoples.

In general, the investment provisions suggest that new opportunities exist for firms in the agriculture sector and, especially, the processed food sector, for companies. Certainly, combined with new market access and tariff concessions the stage is set for shifts in supply chains across the region as companies figure out how to take advantage of the rules to gain competitive advantage over potential business rivals. The opening of investment opportunities across TPP member states makes it easier for firms to contemplate setting up new or expanding existing operations in member countries.

Agriculture and services incidental to agriculture is among the sectors that are subject to NCMs in six TPP members including Australia, Brunei, Japan, Mexico, New Zealand and Vietnam. Most of the obligations concerned are national treatment or performance requirement. Table IV.1 shows in more details NCMs of these countries for Agriculture and services incidental to agriculture sector.³³

For example, in Mexico, only Mexican nationals or Mexican enterprises may own land for agriculture, livestock or forestry purposes. In Japan, a foreign person who has neither a domicile nor residence in Japan cannot enjoy most of plant breeder’s rights or related rights. Whereas in Brunei, foreign investors may not utilize sites under the control of the Department of Agriculture, Ministry of Primary Resources and Tourism, for any agriculture and services incidental to agriculture activities unless they comply with certain requirements. Besides that, in Vietnam, foreign investment to supply services incidental to agriculture, hunting and forestry is only possible under business cooperation contract, a joint venture or the purchase of shares in a Vietnamese enterprise.

Table IV.1: Non-conforming measures for agriculture and services incidental to agriculture³⁴

Country	Obligations concerned	Measure
Australia	National treatment (Art. 9.4) Most-favored-nation treatment (Art. 9.5) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	Australia reserves the right to adopt or maintain any measure to allow screening of investment proposals for agribusiness above a certain value.
Brunei	Performance requirements (Art. 9.10)	Performance requirements, technology transfer, preference for local goods; limit on foreign ownership; requirements for foreign investors at certain agricultural sites.
Japan	National treatment (Art. 9.4)	Prior notification and screening requirements for foreign investment in agriculture, forestry and related services; residency requirements for plant breeders.
Mexico	National treatment (Art. 9.4)	National requirements for land ownership for agriculture or livestock purposes; foreign ownership restrictions in enterprises owning such land; nationality requirements for ownership of enterprise involved in pesticide spraying.
New Zealand	National treatment (Art. 9.4) Most-favored-nation treatment (Art. 9.5 and 10.4) Local presence (Art. 10.6) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	Establishment of marketing authorities with monopoly marketing and acquisition powers for certain products; New Zealand reserves the right to adopt or maintain any measures regarding shares in certain dairy cooperatives; any measures regarding WTO rights for tariff quotas, country-specific preferences or other measures including wholesale distribution rights for agricultural products.
Vietnam	National treatment (Art. 9.4) Most-favored-nation treatment (Art. 9.5) Performance requirements (Art. 9.10) Senior management and boards of directors (Art. 9.11)	Limits on firms' legal form and ownership restrictions; Vietnam reserves the right to adopt or maintain any measure regarding investment in cultivating rare plants and breeding rare wild animals

D. E-COMMERCE PROVISIONS

One innovative chapter in the TPP that is likely to apply to a range of businesses now and, particularly, into the future is Chapter 14 on e-commerce. The agreement tries to set down some of the first rules across multiple countries for the digital space. Because the concepts were relatively new for a trade agreement, in many areas, the regulations will ultimately be come to be seen as light and in need of adjustment over time.

For example, the agreement carves out and defines the scope of e-commerce rather tightly. The agreement does not apply to government procurement and, perhaps more problematic, does not apply to financial institutions or cross-border financial service suppliers.³⁵ While customs duties cannot be applied to electronic transmissions, governments can impose internal taxes, fees, and other charges.³⁶ Broadcasting can be subjected to discriminatory treatment.

The TPP recognizes that consumer protection and personal information protection is important to governments, but does not include provisions for achieving either objective. The agreement recognizes that trading should be made paperless and electronic signatures allowed. Information should flow across borders without restriction as needed to allow the conduct of TPP business to continue. Computing facilities should not be required to be maintained locally. Source code should not be required to be transferred. The agreement is subject to dispute settlement.³⁷

Do note, however, that in most of the “harder” provisions of the text, TPP parties also gave themselves an exception clause—nearly every paragraph 3 undermines paragraph 2 by allowing governments to adopt or maintain inconsistent measures provided they meet legitimate public policy objectives that are not arbitrary or unduly trade restrictive.



**Trans-Pacific
Partnership
Ratification
Status Update**

Negotiations on the agreement concluded in October 2015 and trade ministers from the 12 member countries signed the agreement in February 2016. This triggered the start of domestic ratification procedures. All of the provisions in goods, services, investment and the like will be for naught, if the agreement never comes into force.

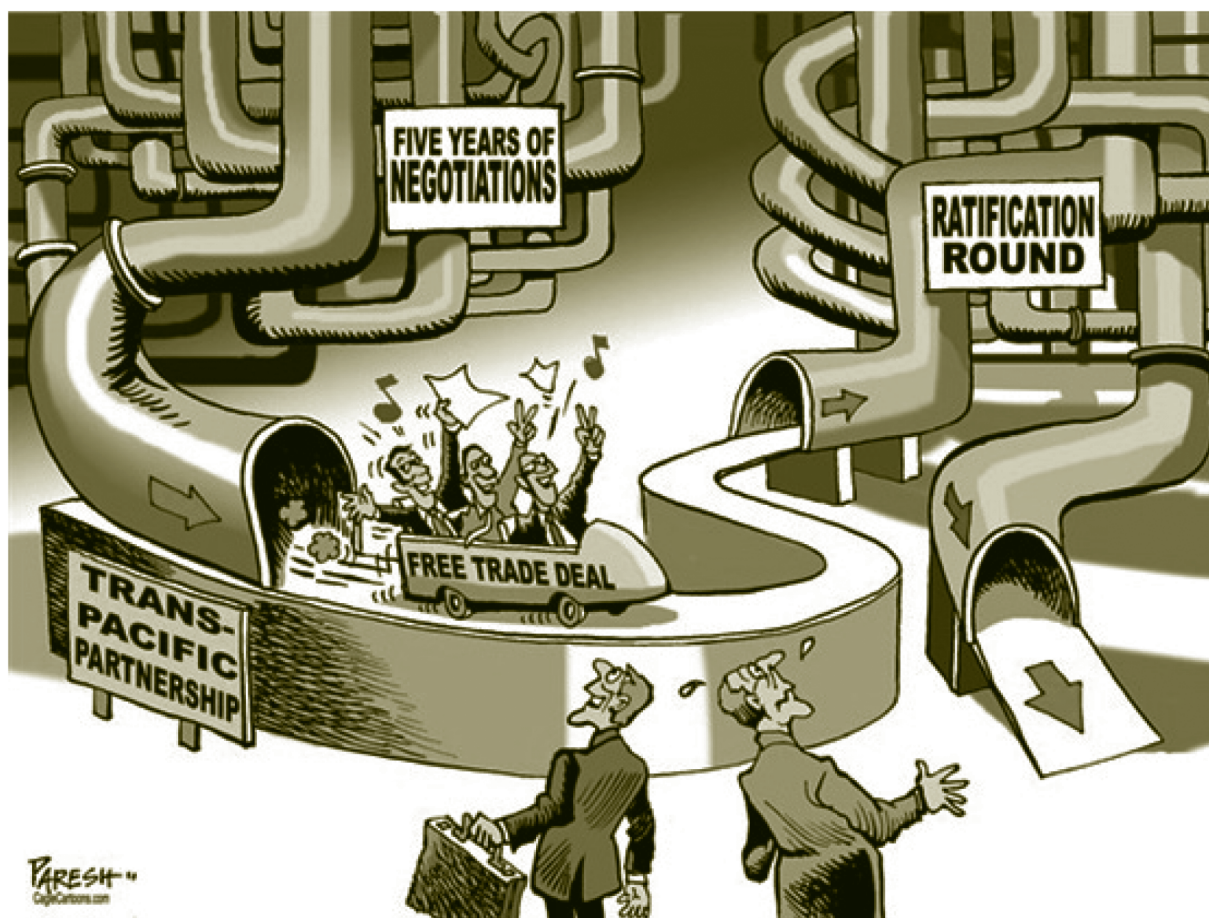
Each TPP member has different procedures needed to bring the final TPP agreement into force. In general, most members have limited specific requirements for free trade agreement implementation.

Malaysia, as an example, has no specific requirement for FTAs. Because the TPP became quite controversial domestically, the government decided to allow Parliament to hold a debate on the agreement prior to proceeding with signature. Such a debate had never been held on any other FTA in Kuala Lumpur. The debate was held across a two-day period in late January 2016, and, in the end, the Parliament agreed that the government could sign off on the final texts as negotiated.

This is not quite the end of the story in Malaysia, however. To bring the country into compliance with the agreement, the government identified 26 specific pieces of legislation that need to be changed. In addition, there are likely to be many different regulations that will also need to be altered in whole or in part to ensure that TPP rules do not conflict with domestic policy. However, having gotten clearance from Parliament on the TPP as a whole, the necessary legislative changes should proceed smoothly.

Singapore and Brunei are much easier. Each government will decide when it wants to “ratify” and it will happen. The bureaucracies will make the necessary changes to bring procedures into compliance. If laws need to be adjusted, these changes will be submitted to Parliament for approval and implementation.

More challenging are Australia and New Zealand, where the TPP agreement has some domestic opposition. In both, however, political parties from across the spectrum likely have sufficient support to push through the agreement in Parliament, even



with an election forthcoming in Australia. Canada's new government has been coy about whether it will support the deal. Since, in the end, the critically important dairy sector was largely protected from change, few legislative changes are forthcoming and the TPP will likely prove less controversial in practice.

Japan's ruling party had originally intended to push through TPP ratification in the Diet ahead of important elections in June 2016. However, the government has been facing rising discontent and falling poll numbers. The opposition party has been pushing back against the TPP specifically. The Abe administration has now said that consideration of the TPP has to be postponed until an extraordinary session of Parliament in late summer due to the earthquake in Kyushu in April. This will, conveniently, put the session after the electoral period where the ruling party is expected to secure a larger majority in the Diet.

The real problem, of course, is what happens to the TPP ratification in the United States. Unlike all the other TPP countries, the Americans have to contend with a serious approval process that includes Congressional legislators. The TPP cannot come into force unless both parts of Congress give explicit approval for the agreement.

The approval is enshrined in a piece of domestic legislation called Trade Promotion Authority (TPA). Put simply, Congress delegates authority to the Executive Branch to negotiate trade agreements. It would be too difficult for 535 individual members of the legislature to personally oversee negotiations, so they are to be kept informed by the White House agencies, chiefly the United States Office of the Trade Representative (USTR). At the end of negotiations, Congress must approve the necessary implementing legislation needed to bring the agreement into force by a simple majority vote in both houses without any amendments to the texts.

Trade has never been especially popular in Congress. Recent FTAs have passed with whisker-close margins. Historically, the Republican party, which represents business, has supported trade while the Democrats, which represent labor unions, have largely not.

The TPP has arrived at a very challenging moment in the United States. It is a Presidential election year when voter turnout is at its highest levels. The Democratic President Barack Obama is not eligible for re-election and his vice-president is not running for office. All

435 members of the House of Representatives are also running for office as well as 1/3 of the Senate. Given the fairly even division between the two parties in both chambers, the election may have serious consequences for Congress with the possibility of a flip from Republican control to Democratic control.

The leading candidates for President, including Republican, Donald Trump, as well as both Democrats, Hilary Clinton and Bernie Sanders, have all come out against the TPP. Some of this may well be political posturing, in an attempt to appeal to their respective base voters. Voters in the primary season tend to be more ideological than voters in the general election. Candidates often shift towards the center once the field narrows down to two.

Even if the anti-TPP rhetoric remains through the election, of course, it could diminish rapidly after the election is concluded in early November. It seems quite clear that the Obama administration and leading figures in the current Congress would like to push through TPP approval in what is called the "lame duck" period. This is the period between the general election and the seating of the new President and Congress in January 2016.

The advantage of the lame duck is that it has no consequences for members of Congress. Many members will never face voters again—they are retiring or have lost elections. The rest have already won re-election and will not face voters for at least two years. Many politically unpopular things have been addressed in the lame duck period over the years. Hence, the TPP might also be voted on in this period.

The TPA legislation has specific timelines for bill consideration embedded within it, but Congress could proceed extremely rapidly with approval of the TPP if it wanted to do so. USTR has already prepared all the necessary implementing legislation and Congress staff members have quietly started the mark up sessions needed.

If the lame duck is missed—perhaps because the incoming President or new Congress do not want to ruin a "honeymoon" by pushing through a major new trade bill directly after an election when many millions of voters have expressed strong opposition to trade—then what might happen? It will depend, of course, on the composition of the new Congress and on who becomes the next President. Another point to watch is who will be the next USTR, since it takes time for a

new person to get familiar with the complexities of the TPP. If the agreement is not approved before the end of 2016, it gets harder to predict, but could be taken up in late 2017 or early 2018 instead.

Given the uncertainty around when, exactly, all members would complete domestic procedures, the TPP texts provided three possible methods for achieving entry into force.³⁸ The first and easiest method for TPP EIF is to have all 12 countries finish domestic procedures within 2 years of signing the agreement. Within 60 days of the last approval, the agreement automatically enters into force.

If the Americans managed to approve the TPP in the lame duck before the end of 2016,³⁹ the remaining members could relatively quickly conclude their own ratification procedures. Most are simply waiting for the United States. Hence, EIF could be some time in 2017.

But if the United States struggles to get the agreement approved quickly in Congress, or if not all 12 members can get their own domestic approval procedures completed, the TPP provides a second option for triggering entry into force. Under option 2, if all 12 parties have been unable to commit to the agreement at the domestic level inside of 2 years, the agreement can still come into force if at least 6 members are ready.

However, this comes with a catch—because TPP officials were worried that either the United States or Japan would not get the agreement through their

legislators and bureaucracies for approval, option 2 also requires that *both* countries must be among the six (or more) countries ready to move ahead to implementation. Hence, option 2 really means that, provided the United States and Japan can join up with at least 4 other good-sized members by the end of a two-year period, the agreement can proceed and the TPP will enter into force automatically in April 2018.

But what if either Japan or the United States are not finished with domestic procedures within 2 years? Then Option 3 kicks in, under which the agreement can come into force within 60 days of the last one signing the agreement (along with the other major party and at least 4 more members).

The TPP agreement, therefore, does give more weight to the Japanese and American approvals than the remainder. This is a reflection of economic realities, where the payoffs are greatest if, and only if, the biggest markets are included. Unless all 12 members are included at the outset, then members that collectively contribute at least 85% of the market size need to be ready to implement the TPP. Any country that is not involved at the date of entry into force (other than the U.S. and Japan) can enter the agreement at any later time.

The TPP currently contains 12 members. Assuming it survives the ratification process and enters into force, it also has an accession clause to allow additional members to join in the future. While the clause privileges members of APEC, the TPP is not limited to only APEC membership.

VI

**Relationship with
Multilateral Trading
System**

The TPP, like other trade agreements, builds on the multilateral trade system. Many of the provisions in the TPP can be closely tracked to existing WTO rules. Others show just a hint of the origins, while some are completely new. Partly, the diversity comes from the age of WTO rules—the last major update of the MTS rulebook took place in the early 1990s. Since then, most TPP members have experimented with new regulations, market access approaches, and whole new concepts in different configurations of bilateral and regional trade agreements.

Some of these provisions may make their way back into the WTO rulebook in whole or in part. For example, TPP rules and some of the commitments on services are replicated in the ongoing Trade in Services (TiSA) negotiations. If TiSA is concluded and becomes part of the WTO as a plurilateral agreement, these rules will be directly incorporated.

Other TPP elements may be likely candidates for similar plurilateral discussions in the future, including a bundle of issues around e-commerce. To be truly effective at the MTS level, the TPP text in the current e-commerce chapter alone is likely to be insufficient. In part, this was because it was negotiated some time ago (in terms of a rapidly evolving industry). As noted above, unless payments are included, e-commerce is unlikely to flourish. Other rule changes are likely to be needed to help smaller firms compete effectively in e-commerce, including an additional emphasis at the WTO level on improving the movement of small size, small value shipments and freeing up cross-border trade in services. But the TPP suggests a promising avenue, perhaps, for launching discussions around a critically important area for the future.

The TPP should be taken much more seriously than past FTAs, for the potential threats it poses to the existing global trading regime. Existing bilateral arrangements do not reset the rules of the game. Even most past regional deals (with the exceptions of the European Union, of course, and the North American Free Trade Agreement) did not really offer companies significant enough benefits to dramatically reshape trade arrangements.

The TPP, by contrast, could really mark the start of something different. The deep and broad commitments in the TPP create a package of commitments compelling enough for companies large and small to reconsider many of their current and future sourcing, trading and investing decisions.

The likelihood—and not merely the potential—of trade and investment diversion as a result of the TPP is real. Such diversion is not just for large, complicated multinational companies, but even smaller firms.

Return to the example of ketchup production. The diagrams below show dramatically how a simple supply chain currently based in ASEAN is likely to be transformed by the TPP. Sourcing could change, with sugar currently supplied from Philippines changing to fructose from Mexico. The entire production process may shift to Singapore from Thailand. This change is true even though Singapore is already a duty-free port and already has existing preferential tariff rates for a wide range of countries given an extensive set of FTA partners.

If Singapore can suddenly capture the value chain for ketchup production as a result of the TPP, it is clear to see how many non-TPP countries are at risk. This simple example highlights only the tariff benefits of the agreement. It does not really emphasize the additional gains from improved access to services, new investment openings and protections, access to government procurement markets (if, for example, the defense department wanted to order up packets of ketchup), intellectual property protections of the trade secrets guarding our hypothetical ketchup formulas and so forth.

The TPP is meant to expand in the future. There are currently a number of countries lining up to join and the deal could easily include another 8 members by 2020. The trade and investment diversion effects of an expanded agreement are all the greater. This is particularly true, of course, for many of the neighboring countries in the Asia-Pacific and in Latin America.

As is often the case, the smallest and poorest countries are at the greatest risk. Countries like Laos and Cambodia will find it difficult or even impossible to meet the high standards and ambitions in the TPP. Membership in the agreement requires full commitment to every element of the agreement. There is no special and differential treatment clause or, really, any concessions to developmental status at all beyond a few extra years for implementation for some provisions and some capacity building.

What can these countries do? There are three things that should be encouraged. First, non-TPP members must recognize the dangers posed by these types of deep integration frameworks. Trade and investment

diversion is likely, particularly if governments continue to pursue “own goal” policies that make trade more difficult, costly, and cumbersome than it needs to be. In a competitive world, firms will move to where benefits are best. They will largely avoid countries that, for example, hold up shipments at the borders for days or even weeks or require complicated paperwork or side payments or charge excessive tariffs and so forth.

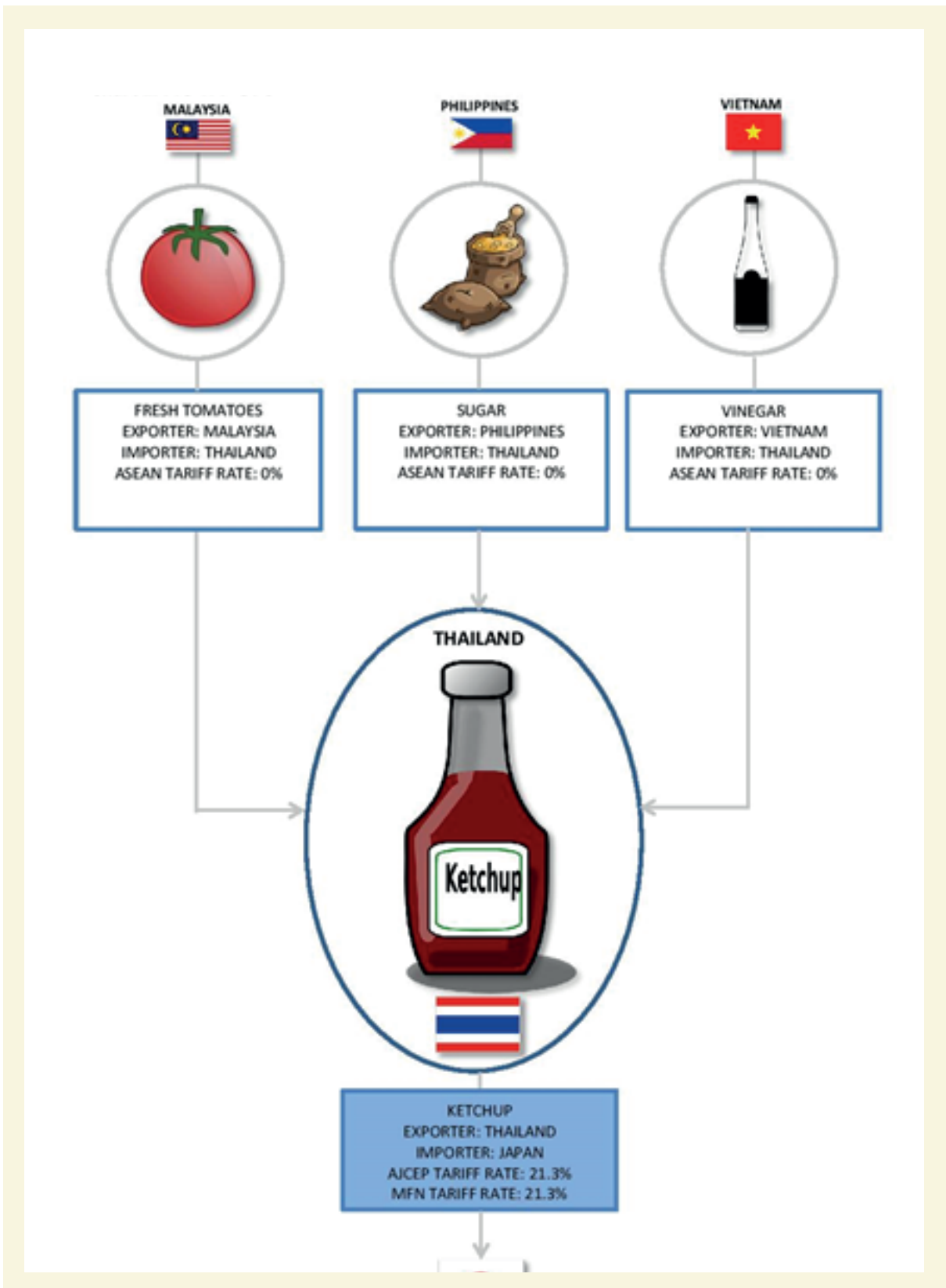
Second, countries should pursue trade arrangements that are available and use them as levers to make domestic reforms wherever possible. For example, Laos and Cambodia should seize on both the ASEAN integration process and the ongoing Regional Comprehensive Economic Partnership (RCEP) talks. The primary purpose ought to be to access markets, but also to reduce domestic impediments. Aid money should be directed to encouraging such outcomes as much as possible.

But the best, third, outcome—for smaller, poorer states but also for the broader system—is to focus

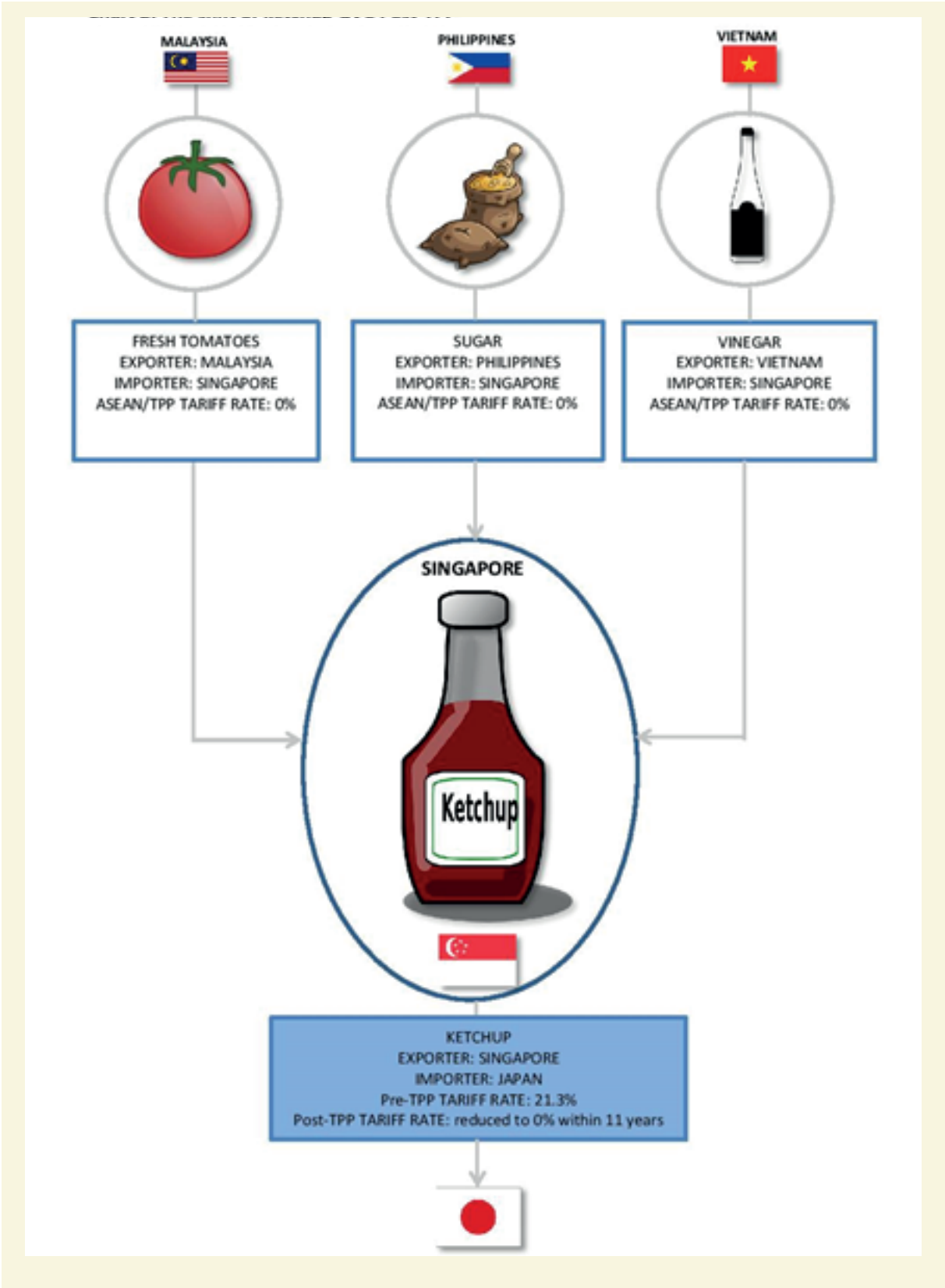
on reinvigorating the global trade system. Even companies that benefit from the TPP can (or will) see the benefits and constraints of an agreement that includes just 12 or 20 members. Far, far better would be a similarly ambitious effort from the WTO to expand access across more countries. Global value chains need to be global. It is inefficient to shift supply chains for ketchup to match the best tariff level reductions or to have to consider the final destination markets for every product off an assembly line to match the appropriate rule of origin or decide if a particular service can be delivered cross-border using which mode of supply.

The WTO needs to get beyond stale discussions of formula cuts for agriculture and start studying the TPP. Negotiators in Geneva should look carefully at what the agreement does in agriculture and think hard about what such a deal does for trade and supply chains. These talks are not easy, of course, but the business communities have moved on and are waiting for officials to catch up.

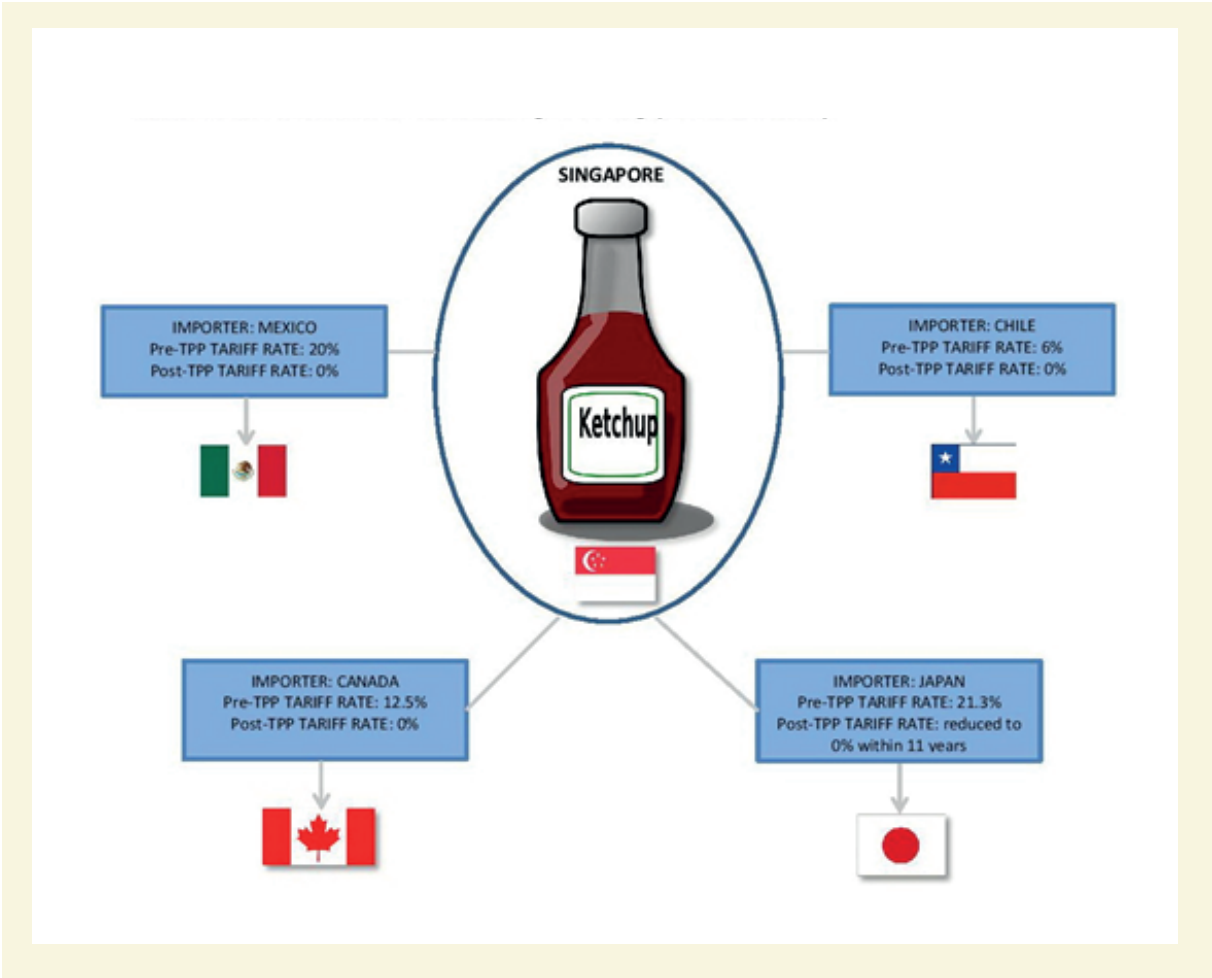
Pre-TPP global value chain



The shift of ketchup global value chain post-TPP



Graeter market access outside the region for Singapore-made ketchup



VII

Conclusions

The Trans-Pacific Partnership is a transformative trade agreement. The depth and breadth of the commitments between 12 members has the power to reshape supply chains and respond to many business concerns in ways that previous free trade agreements did not.

TPP member states have been busily signing FTAs with various parties. While many of these deals provide benefits for companies, many have been complicated to use. Bilateral agreements, for example, rarely match up with the production networks of companies who often struggle to meet qualifying criteria with just two member country inputs. Most existing FTAs carve out significant portions of goods trade, including highly sensitive sectors where trade usually occurs. Much of the commitments made in other areas like services and investment has tended to be light. Agreements, for example, often restate services pledges made at the WTO.

In short, while the growth in FTAs has been explosive, especially in Asia, the utilization of these agreements has remained relatively limited.⁴⁰ The “penalty” for non-use has also been limited. Most firms have always been able to rely on WTO MFN tariff rates, for example. For many products, MFN rates at the border meet or are not far from preferential rates available under existing FTAs in any case, particularly for agricultural products since many FTAs carve out agricultural trade in whole or in part from FTA benefits.

The TPP, as this paper makes clear, upsets this calculus quite dramatically. Tariff rates even for

sensitive agricultural products will fall. In most cases, tariffs drop to zero as soon as entry into force. The ability of firms to add up or cumulate the contents across the current 12 members of the TPP using relatively easy and consistent rules of origin makes it much easier for producers of processed goods to create products for TPP member markets.

These tariff reductions are accompanied by a host of additional benefits for firms, including new trade facilitation benefits, dramatic services and investment liberalization, and a host of new areas including additional intellectual property rights protections and enforcement, openings in government procurement markets and even new access to e-commerce markets across TPP members.

The result of the TPP—unlike most existing FTAs—is that firms are likely to reconsider existing trade and investment decisions. Companies may decide to change location decisions. They may reduce their footprint in some countries and shift production to TPP members for products that may be bought, sold or serviced in TPP markets now or in the future.

Not everything, of course, will move. Many agricultural products are never traded across borders. For some products, even the TPP does not solve all problems. Domestic regulations that require, for instance, that fresh milk be sold within 7 days of milking a cow does not make it easier for some TPP members to reach consumers fast enough no matter how low the tariff cut.

ENDNOTES

- ¹ Of course, the European Union and associated market, regulatory and legal provisions go far beyond what the TPP will provide. If the Trans-Atlantic Trade and Investment Treaty (TTIP) between the United States and the EU ever gets concluded and implemented, it could leapfrog the TPP as well.
 - ² <http://www.shopfloor.org/2016/05/itc-report-barely-scratches-the-surface-of-tpps-impact/>
 - ³ <http://www.politico.com/tipsheets/morning-trade/2016/05/itc-shakes-out-tpp-winners-and-losers-next-ttip-round-likely-in-july-a-new-day-for-brazil-trade-214390>
 - ⁴ http://www.huffingtonpost.com/jared-bernstein/itc-tpp-economic-impact-report_b_10054968.html
 - ⁵ Because each TPP member used slightly different approaches to scheduling tariffs, it is always important to examine the general notes that accompany each specific country commitments as well, ie, Australia has general notes that are meant to explain Australia's specific schedule. The TPP texts and schedules as a whole will not change in the future, however, once the date of entry into force for the agreement is known, the schedules shown in Annex 2D will be changed so that, for example, "Year 2" will read January 1, 2019, or whatever specific date reflects the year 2 commitment timelines once entry into force (EIF) is known.
 - ⁶ Shown in fn 15, PIIE Briefing 16-1, p. 50. Mexican sugar producers are much more numerous at nearly 166,000 sugar cane farms on significantly smaller plots.
 - ⁷ Bamboo shoots, which retain a 5% tariff for four years before becoming tariff free.
 - ⁸ "Opening Markets for Agricultural and Agri-Food Products," Government of Canada, October 5, 2015, <http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/tpp-ptp/benefits-avantages/sectors-secteurs/01-AgriSector.aspx?lang=eng> (accessed May 24, 2016).
 - ⁹ This statement may need to be viewed with some degree of caution. Because Mexico has existing FTAs with nearly all TPP members, few likely pay 200+% tariffs on pork products as most already receive preferential tariff rates in existing FTAs. However, the primary point is that all TPP members can be guaranteed the same rates under the TPP agreement and all are assured that the rates will be locked at 0 within five years. (It is possible that the existing FTAs do not drop to 0 or do not drop to 0 in the same time frame.)
 - ¹⁰ New Zealand is the official repository country. The texts are posted in English, French and Spanish at: <https://mfat.govt.nz/en/about-us/who-we-are/treaty-making-process/trans-pacific-partnership-tpp/text-of-the-trans-pacific-partnership/>
 - ¹¹ But not all. The longest tariff reductions can be found in autos, where the United States will take 25 years to remove a 2.5% tariff on passenger cars from Japan and 30 years to remove a 25% tariff on pickup trucks.
 - ¹² TPP negotiations officially commenced in March 2010 and concluded in October 2015. The agreement was released in November 2015 and signed in February 2016. The original TPP negotiating parties were Australia, Brunei, Chile, New Zealand, Peru, Singapore, United States and Vietnam. Malaysia joined later in 2010. Canada and Mexico entered in 2012. Japan entered in 2013.
 - ¹³ All existing FTAs continue to exist, of course. In most places, companies are free to choose the agreement that provides the best benefits. By default, the TPP is likely to give better terms (particularly deeper tariff cuts or better access to services or improved investment protections and so forth). Therefore, firms will effectively "vote with their feet" and migrate to using the TPP over other, less useful FTAs over time. Note, however, that
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many FTAs also contain “ratchet” clauses. These clauses grant FTA partners the same benefits and means that many TPP provisions could be spread to a much wider set of beneficiaries than originally intended and that many existing FTAs with different participants may continue to be used by companies since the provisions and benefits could be identical. Such clauses will also keep many lawyers gainfully employed for a long time to come in sorting out what is likely to be a very big set of issues.

- 14 The process rules are about where, in geographic space, a product was created and are mostly used for chemical tariff lines. See Margaret Liang, “Rules of Origin in the TPP,” AWRN Conference, Hong Kong, May 16, 2016.
- 15 Cumulation applies to all products except, as noted below, a very small number of dairy items for some member states where something called a “tariff differential” kicks in.
- 16 Although there is also a small set of products (again, mostly dairy) where de-minimus is not allowed.
- 17 TPP was negotiated at the level of domestic headings. The WTO negotiates and binds tariffs at the 6 digit level (like the World Customs Organization). By contrast, the TPP and many other FTAs are handled 8, 10 or even 12 digits resulting in a much more finely detailed set of product specifications. Note however that tariff bindings at the 6 digit level also cover more items.
- 18 Of course, no official ever went out and claimed to be creating a “low quality, low ambition” agreement. But most do not deliberately set the stage quite like TPP officials from the outset. The extent to which claims of high ambition were true was the subject of the book, *The Trans-Pacific Partnership: A Quest for a Twenty-first Century Trade Agreement*, Lim, Elms and Low (eds), (Cambridge, 2012).
- 19 Tariffs remain not only for agricultural items. For Mexico, used heavy vehicle tariffs will stay at 47.5%. Some other automotive tariff lines applied to Japan also remain as high as 7.5%.
- 20 Hopefully without triggering the safeguard mechanisms at the same time that will shut off the market.
- 21 Specifically, Japan, Mexico and the United States have annexes listed in the schedule of commitments as part of 2-D.
- 22 Plus footwear, glassware and porcelain, tires, autos and auto parts.
- 23 Mexico scheduled large vehicles and trucks
- 24 <http://www.thecattlesite.com/articles/2578/fapri-2010-agricultural-outlook-world-meat/>
- 25 From Appendix B-1. These schedules do not apply to cheek or head meat, which have higher tariffs. After year 16 the ASM tariff will reduce by 1 percentage point. If Japan does apply the safeguarding measure in a given year, the tariff will not reduce the following year. This means it would take a minimum of 25 years for the ASM quota to reach the level of other tariffs. However ASM will lapse entirely if it is not invoked for four consecutive years beyond year 15.
- 26 Elliott, K. A., Freund, C., Gelpert, A., Hendrix, C. S., Hufbauer, G. C., Kotschwar, B., ... & Petri, P. A. *Assessing the Trans-Pacific Partnership, Volume 1: Market Access and Sectoral Issues* (No. PIIEB16-1). Peterson Institute for International Economics.
- 27 The US has a lot of complex tariff schedules on agricultural goods and tomatoes are no exception. Currently the tariff is 3.9¢ / kg during autumn (harvest time) and 2.8¢ for the rest of the year. For all countries except Japan this falls to 0 on day one of the TPP. We calculated a percentage figure for the USA based on tariff as

a proportion of average retail prices in the USA. As this tariff only affects one country in subsequent years, this figure was divided by 11 to show average tariff. NB this does weight tariffs by export volume. Data from: <http://www.ers.usda.gov/data-products/fruit-and-vegetable-prices.aspx>

- ²⁸ <http://faostat3.fao.org/faostat-gateway/go/to/download/Q/QC/E/>
- ²⁹ We conservatively assume that logistic costs stay constant, though streamlined regulations, greater competition as service sectors open up and economies of scale suggest the costs would fall.
- ³⁰ All of which would have been much easier had the TPP created a Secretariat.
- ³¹ It remains to be seen how TPP members interpret such provisions in practice, of course, as the definition of “science” is often contested.
- ³² See, for example, Services in Manufacturing Supply Chains, Policy Support Unit, APEC Secretariat, APEC#215-SE-01.15, http://publications.apec.org/publication-detail.php?pub_id=1677
- ³³ USITC Report
- ³⁴ USITC Report
- ³⁵ It is not entirely clear what this provision will mean—simply that financial institutions *may* be required to host data locally? Or that financial data cannot move across borders? Or that financial institutions are not bound by source code restrictions and other provisions of the e-commerce chapter? Recall that financial services, more broadly, are opened under the TPP and are covered under TPP Chapter 11.
- ³⁶ To be fair, of course, such provisions also apply to other products—internal taxes can be applied to goods as long as these are applied consistently without discrimination.
- ³⁷ Malaysia and Vietnam have two additional years before this chapter can be enforced under TPP DSM.
- ³⁸ See Chapter 30, Final Provisions, Article 30.5: Entry into Force.
- ³⁹ There is, it should be noted, one final point for American approval. USTR must provide a report to Congress that “certifies” that all other members have completed their own domestic procedures. But this report is not voted on by Congress and the gap between approval by Congress and the delivery of the report need not be too lengthy. By the time other countries have concluded their own approvals, USTR could have finished the reporting.
- ⁴⁰ See, for example, Inkyo CHEONG, *Korea’s Policy Package for Enhancing its FTA Utilization and Implications for Korea’s Policy*, ERIA-DP-2014-11; W. Leelawath. 2012. *Utilization of Tariff Preferential under AFTA: A Case of Thailand*. Working Paper from the International Institute for Trade and Development. Bangkok: International Institute for Trade and Development; M. Kawai and G. Wignaraja. 2010. *Free Trade Agreements in East Asia: A Way toward Trade Liberalization?* ADB Briefs.1. Manila: ADB; R. Pomfret, U. Kaufmann, and C. Findlay. 2010. *Use of FTAs in Australia*. RIETI Discussion Paper Series. 10-E-042. Research Institute of Economy, Trade, and Economy. Tokyo: RIETI; and World Trade Organization (WTO). 2011. *World Trade Report 2011*. Geneva: WTO.
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Appendix

TPP Literature Review Summary			
Title	Author	Source	Category
A Trade and Welfare Analysis of Tariff Changes Within the TPP	Cheong Juyoung, Takayama Shino	B.E. Journal of Economic Analysis & Policy. Jan2016, Vol. 16 Issue 1, p477-511. 35p. 16 Charts	Tariffs, Public Welfare
Adjustment and Income Distribution Impacts of the Trans-Pacific Partnership	Lawrence, R. Z., & Moran, T	Peterson Institute for International Economics Working Paper, March 2016	
An Analysis of Tariff Reductions in the Trans-Pacific Partnership (TPP): Implications for the Indian Economy	Narayanan, Badri and Sachin Kumar Sharma	Margin: The Journal of Applied Economic Research 10.1 (2016): 1-34.	India
Assessing the Trans-Pacific Partnership, Volume 1: Market Access and Sectoral Issues	Elliott, Kimberly Ann, et al.	Peterson Institute for International Economics Working Paper, February 2016	Market access and sectoral issues
Assessing the Trans-Pacific Partnership, Volume 2: Innovations in Trading Rules.	Schott, Jeffrey J., and Cathleen Cimino-Isaacs	Peterson Institute for International Economics, (March 2016)	
Extensive IP Provisions in the Trans-Pacific Partnership	Horton, R. L., Otteson, J., Carmack, T., Reade, C. E., & Kientzle, M. E.	Intellectual Property & Technology Law Journal. Feb 2016, Vol. 28 Issue 2, p16-19. 4p.	IP
Impact of Trans-Pacific Partnership Agreement on Cost of Medicine	Lee, K. Seng, Tahir M. Khan and Chiau Ming Long	Research in Social and Administrative Pharmacy. Jan 2016	Medicine
Market Access in Goods in the Trans-Pacific Partnership Agreement	Elms, Deborah K.	Trans-Pacific Partnership Agreement: A Critical Vision, Publisher: National Autonomous University, Mexico City, January 2014	Market Access
National Interest Analysis of Malaysia's Participation in the Trans-Pacific Partnership	Institute of Strategic and International Studies (ISIS) Malaysia	November 2015	Malaysia
New Zealand and the TPP	Gault, Ian, and Andy Gienie.	Global Trade and Customs Journal 11.4 (2016): 175-177.	New Zealand
Origins and Evolution of the Trans-Pacific Partnership (TPP) Trade Agreement	Elms, Deborah K.	In book: Regionalism in the Asia Pacific, Publisher: ISEAS, Editors: Sanchita Das and Kawai, May 2015	

Title	Author	Source	Category
Possible Trans-Pacific Partnership Implications for Chilean International Trade.	Vergara, R., Vergara, M., & Laporta, P.	Global Trade and Customs Journal, 11(4), 188-191, 2016.	Chile
Potential impact of Trans-Pacific Partnership on labor and employment	Sutton, Trent	New York Law Journal. Feb 5, 2016, Vol. 255 Issue 24, p4, 2 p	Labor and Employment
Potential Macroeconomic Implications of the Trans-Pacific Partnership	World Bank Group	World Bank Global Economic Prospect, January 2016	
Protecting Regulatory Autonomy through Greater Precision in Investment Treaties: The TPP, CETA, and TTIP	Henckels, Caroline	Journal of International Economic Law 19.1 (2016): 27-50.	Investment
Public health and the Trans-Pacific Partnership Agreement	Mitchell, Andrew D. Voon, Tania Whittle, Devon	Asian Journal of International Law. July 2015, Vol. 5 Issue 2, p279	Public Health
Regional cooperation and free trade agreements in Asia	Hu, Jiaying; Vanhullebusch, Matthias	Publisher: Brill - Nijhoff; Lam edition, September 2014	
Study on Potential Economic Impact of TPPA on the Malaysian Economy and Selected Key Economic Sectors	Pricewaterhouse Coopers	December 2015	Malaysia
Tax implications of the Trans-Pacific Partnership	Herzfeld, Mindy	Tax Notes International. April 4, 2016, Vol. 82 Issue 1, p7	Government regulation, Taxation
The Economic Effects of the Trans-Pacific Partnership: New Estimates	Petri, P. A., & Plummer, M. G. (2016)	Peterson Institute for International Economics Working Paper, (16-2)	
The TPP Investment Chapter and Investor-State Arbitration in Asia and Oceania: Assessing Prospects for Ratification	Nottage, Luke R.	Sydney Law School Research Paper 16/28 (2016).	Investment
The Trans Pacific partnership and its implications for Australian Businesses	O' Neill, Rachel	PLoS Medicine. 3/8/2016, Vol. 13 Issue 3, p1-7. 7p	Australia

Title	Author	Source	Category
The Trans-Pacific Partnership (TPP) as a Pathway to Asian Integration The Goal: Free Trade Area of the Asia Pacific (FTAAP)	Elms, Deborah K.	Conference: 2014 Korea Dialogue on Strengthening North Pacific Cooperation, East-West Center and KIEP, At Hawaii, July 2014	
The Trans-Pacific Partnership (TPP) Negotiations and Issues for Congress		Congressional Research Service, 2015	USA
The Trans-Pacific Partnership Agreement: Looking Ahead to the Next Steps	Elms, Deborah K.	ADB Working Paper Number 447, December 2013	
The Trans-Pacific Partnership and Malaysia	Chen, Kuok Yew, and Tracy Wong.	Global Trade and Customs Journal 11.4 (2016): 185-187.	Malaysia
The Trans-Pacific Partnership Negotiations: Some Outstanding Issues for the Final Stretch	Elms, Deborah K.	Asian Journal of WTO and International Health Law and Policy (AJWH), Volume 8, Issue 2, pp 379-599, September 2013	
The Trans-Pacific Partnership, China and India	Amitendu Palit	Publisher: Routledge, 2014	China and India
The Trans-Pacific Partnership: Is It Everything We Feared for Health?.	Labonté, R., Schram, A., & Ruckert, A.	International Journal of Health Policy and Management. April 2016	Public Health
The Trans-Pacific Partnership (TPP): Key Provisions and Issues for Congress	Ian F., Brock R.	Congressional Research Service, May 2016	
The Trans-Pacific Partnership: Mexico's Perspective and Expectations	Ortiz, Turena Ramirez.	Global Trade and Customs Journal 11.4 (2016): 198-202.	Mexico

