

Osher Great Decisions Chapter 2 – Trade - Notes

The Trans-Pacific Partnership (TPP) free-trade deal is 5,544 pages long – that’s longer than both Obamacare and Sen. Marco Rubio’s (R-FL) failed immigration bill combined.

Rubio’s immigration bill – which never cleared Congress – was just under 1,200 pages long, weighed roughly 24 pounds and was criticized for its large size and complexity. Under that same measure, the 5,000-plus pages and 30 chapters of the TPP would weigh more than 100 pounds.

Obamacare, also known as the Affordable Care Act (ACA), was originally just under 2,000 pages long.

Members (with the US withdrawing, the pact has zero change of being ratified)

Country	Status 2005 agreement	Signature of TPP	Start of TPP Negotiations	Withdrawn
 Singapore	Party (28 May 2006)	4 February 2016	February 2008	
 Brunei	Party (28 May 2006)	4 February 2016	February 2008	
 New Zealand	Party (12 July 2006)	4 February 2016	February 2008	
 Chile	Party (8 November 2006)	4 February 2016	February 2008	
 United States	Non-party	4 February 2016	February 2008	23 January 2017 ^[31]
 Australia	Non-party	4 February 2016	November 2008	
 Peru	Non-party	4 February 2016	November 2008	
 Vietnam	Non-party	4 February 2016	November 2008	
 Malaysia	Non-party	4 February 2016	October 2010	
 Mexico	Non-party	4 February 2016	October 2012	
 Canada ^[32]	Non-party	4 February 2016	October 2012	
 Japan	Non-party	4 February 2016	May 2013	

Some defining features of the Trans-Pacific agreement, include:

- Comprehensive market access. The TPP eliminates or reduces tariff and non-tariff barriers across substantially all trade in goods and services and covers the full spectrum of trade, including goods and services trade and investment, so as to create new opportunities and benefits for our businesses, workers, and consumers.
- Regional approach to commitments. The TPP facilitates the development of production and supply chains, and seamless trade, enhancing efficiency and supporting our goal of creating and supporting jobs, raising living standards, enhancing conservation efforts, and facilitating cross-border integration, as well as opening domestic markets.
- Inclusive trade. The TPP includes new elements that seek to ensure that economies at all levels of development and businesses of all sizes can benefit from trade. It includes commitments to help small- and medium-sized businesses understand the Agreement, take advantage of its opportunities, and bring their unique challenges to the attention of the TPP governments. It also includes specific commitments on development and trade capacity building, to ensure that all Parties are able to meet the commitments in the Agreement and take full advantage of its benefits.

The TPP accounts for more than 40% of the world's economy and includes superpowers such as the US and Japan. Here's a look at some of the major winners and losers of the free trade agreement that would cut thousands of taxes or tariffs.

Carmakers - Winners

- Some of the world's biggest car firms based in Japan, such as Toyota and Honda, would benefit from getting cheaper access to the US, which is its biggest export market
- Japanese carmakers may be able to manufacture US-bound cars with parts bought from elsewhere in Asia, as the deal enforces minimums for locally sourced materials
- Meanwhile, US vehicle exports would also grow if car tariffs as high as 70% in growing emerging markets such as Vietnam are removed

Farmers - Winners

- Farmers and companies behind foods such as US poultry, that are currently taxed up to 40% in some cases, will benefit if those taxes are cut or eliminated
- Beef farmers are also set to gain on the reduction or elimination of tariffs on the meat into Japan, Mexico and Canada over 10 years
- Other foods that would see 98% of the taxes eliminated include dairy, sugar, wine, rice and seafood

Job Markets – Winners & Losers

- Labor groups are worried the deal would result in jobs leaving developed economies such as the US and being sent to countries with lower wages and less strict labor laws
- Vietnam is considered among the big winners, as analysts predict the deal would boost its growth by 11% in the next 10 years as firms move factories to the low-wage country
- For less developed economies, it will also mean they have to abide by international labor laws, such as introducing a minimum wage

Drugmakers - Winner for drug companies, Loser for patients

- The deal gives pharmaceutical companies up to eight years of protection for new biotech drugs, rather than 12 years of protection pushed by the US
- Activists argue that blocking rivals from making copies of the drugs will drive up the prices of prescription drugs and make them more expensive for people in poorer countries
- It could also strain national healthcare budgets and keep life-saving medicines from patients who cannot afford them

Tech firms – Winners and Losers

- Tech giants such as Google and Uber will see restrictions removed on sales in foreign markets, along with requirements that they establish local infrastructure
 - The countries also vowed to lower global roaming charges through regulation, which could result in increasing competition among telecoms giants
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