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Increasing U.S. Exports, Creating American Jobs: Engagement with the Trans-Pacific Partnership

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President Obama announced today in Tokyo that the U.S. will engage with the Trans-Pacific Partnership on trade.

Read the fact sheet below to find out more.

INCREASING U.S. EXPORTS, CREATING AMERICAN JOBS: ENGAGEMENT WITH THE TRANS-PACIFIC PARTNERSHIP

On November 14, 2009, President Obama shared the United States' intention to engage with the Trans-Pacific Partnership and other economies in the region in an effort toward regional economic integration in the Asia-Pacific. This effort will be pursued with the goals of increasing American exports in the region and creating good jobs at home, through robust engagement in a region that already represents more than 40 percent of world trade.

The Trans-Pacific Partnership

The Trans-Pacific Partnership is a potential platform for economic integration across the Asia Pacific region. The United States will engage with an initial group of seven like-minded countries, Singapore, Chile, New Zealand, Brunei, Australia, Peru, and Vietnam, to craft a platform for a high-standard, comprehensive agreement - one that reflects U.S. priorities and values - with these and additional Asia-Pacific partners.

American Opportunity in the Asia-Pacific

Over the past four and a half years (1st quarter 2005 to 3rd quarter 2009), trade has remained an important part of the U.S. economy. American goods and services exports to the world accounted for 40 percent of real GDP growth in the United States. The Asia Pacific's robust economies offer huge opportunities to grow U.S. exports, thereby creating and retaining high-quality, high-paying jobs in the United States.

According to the East-West Center, Asia already accounts for 27 percent of total U.S. jobs from exports and employment from exports to Asia grew 12 percent from 2002 to 2006. The International Monetary Fund forecasts that the Asia-Pacific economies will grow faster than the world average through at least 2014. Expanding U.S. exports to the Asia-Pacific region can contribute significantly to further job growth and economic recovery for America's working families.

A Foundation for Success

The huge markets of the Asia Pacific already are key destinations for U.S. manufactured goods, agricultural and services suppliers. U.S. goods exports to the Asia Pacific totaled \$747 billion in 2008, up 8.3 percent over 2007, with agricultural products comprising \$76 billion in 2008 - a 30-percent increase over the previous year. U.S. services exports totaled \$186.5 billion in 2008, up 7.7 percent over 2007. America's small- and medium-sized enterprises alone exported \$173 billion to the Asia-Pacific in 2008.

Jobs supported by goods exports - the kinds of jobs that engagement in the Asia-Pacific can help to grow - pay 13-18 percent higher than the national average. A 2008 University of Michigan study estimates that an Asia-Pacific trade agreement would increase real U.S. income by 1.2 percent.

American Competitiveness in the Asia-Pacific

Engagement with the Trans-Pacific Partnership can help America ensure its share of the job-creating economic opportunities this region has to offer. While U.S. exports to the Asia-Pacific increased by 63 percent during the past five years, our share of trade in the region has declined by three percent in favor of U.S. competitors. Asia-Pacific countries have negotiated bilateral trade agreements and regional agreements, including ASEAN + 3 (Singapore, Malaysia, Indonesia, Thailand, Philippines, Vietnam, Brunei, Cambodia, Laos, and Burma plus China, Japan, and Korea) and ASEAN + 6 (ASEAN plus China, Japan, Korea, India, Australia, New Zealand).

A 2001 study by Robert Scollay forecasts that America could lose as much as \$25 billion in exports annually solely from the static discriminatory effects of an East Asia Free Trade Area excluding the United States.