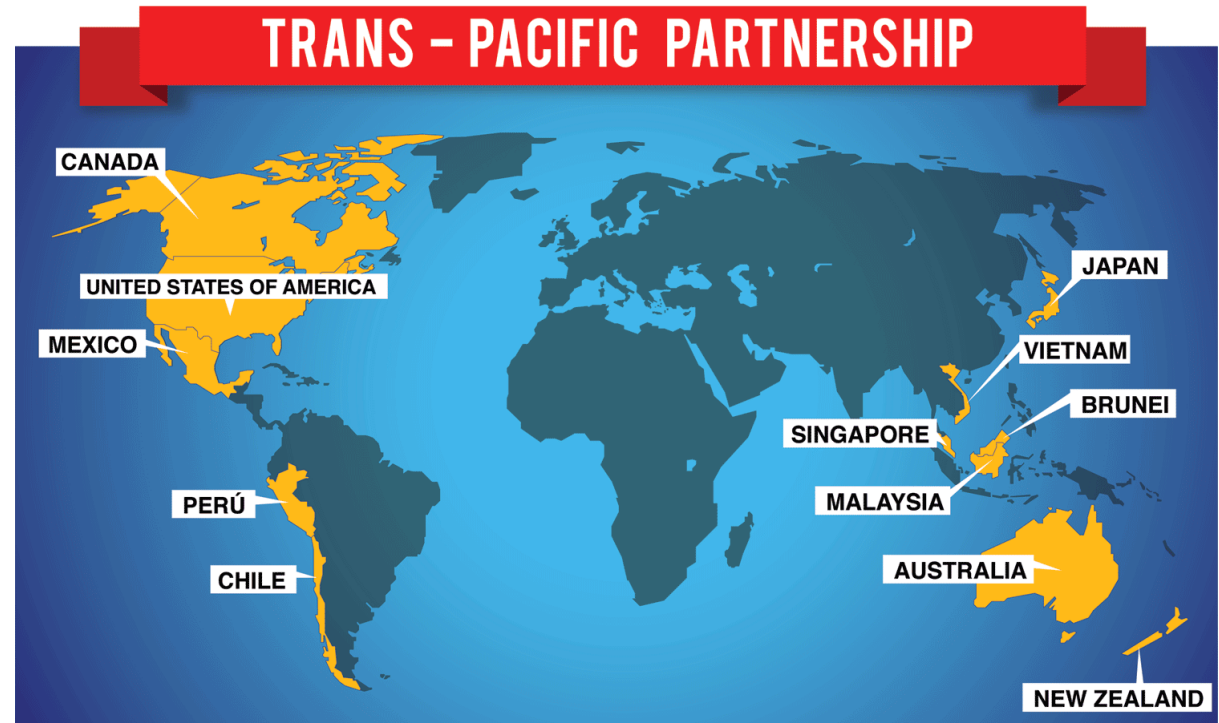


The Trans–Pacific Partnership: Ambition, Scope and Impact for Asian countries

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Made in Asia | Hong Kong | 9 March 2016

- Signed on 4 February 2016 in Oakland
- 7 years of negotiations
- Effective once ratified by 6/85% of total GDP
- Members: 40% of WW GDP and 20% of WW trade



Goals of Trans-Pacific Partnership

- Promote economic growth;
- Support the creation and retention of jobs;
- Enhance innovation, productivity and competitiveness;
- Raise living standards;
- Reduce poverty in our countries; and
- Promote transparency, good governance, and enhanced labor and environmental protections.



- **Comprehensive market access:** TPP eliminates or reduces tariff and non-tariff barriers for goods and services trade and investment
- **Regional approach to commitments:** TPP facilitates the development of production and supply chains, and seamless trade, enhancing efficiency, creating and supporting jobs, raising living standards, enhancing conservation efforts, and facilitating cross-border integration, and opening domestic markets
- **Addressing new trade challenges:** TPP promotes innovation, productivity, and competitiveness with development of the digital economy, and addressing the role of state-owned enterprises.

- **Inclusive trade:**

- commitments to help small and medium-sized businesses understand the Agreement, take advantage of its opportunities
- specific commitments on development and trade capacity building for members to meet the commitments and take full advantage of benefits

- **Platform for regional integration:** platform for regional economic integration and designed to include additional economies across the Asia-Pacific region.

Scope of the TPP Agreement – 30 chapters



1. Initial Provisions and General Definitions
2. National Treatment & Market Access for Goods
3. Rules of Origin and Origin Procedures
4. Textile and Apparel Goods
5. Customs Administration and Trade Facilitation
6. Trade Remedies
7. Sanitary and Phytosanitary Measures
8. Technical Barriers to Trade
9. Investment
10. Cross-Border Trade in Services
11. Financial Services
12. Temporary Entry for Business Persons
13. Telecommunications
14. Electronic Commerce
15. Government Procurement
16. Competition Policy
17. State-Owned Enterprises & Designated Monopolies
18. Intellectual Property
19. Labour
20. Environment
21. Cooperation and Capacity Building
22. Competitiveness and Business Facilitation
23. Development
24. Small and Medium-Sized Enterprises
25. Regulatory Coherence
26. Transparency and Anti-Corruption
27. Administrative and Institutional Provisions
28. Dispute Settlement
29. Exceptions and General Provisions
30. Final Provisions

Examples of requirements under TPP:

- Gradual elimination or reduction of tariff (18,000) and non-tariff barriers for trade of goods and services and investment
- Expedited customs procedures
- Privacy, security and consumer protection for online transactions
- IP: minimum level of protection
- ISDS: investor-state dispute settlement
- Government procurement and SOEs: application of market principles, elimination of subsidies, transparency, predictability and “non- discriminatory”

Members of Asia

- Brunei, Japan, Malaysia, Singapore, and Vietnam

Candidates

- Colombia, Philippines, Thailand, Taiwan, South Korea, and Indonesia

China?

- Counterbalance to China's massive manufacturing industries and predominance over some TPP members
- Opportunities for Chinese investors in TPP countries

Threats and Challenges

- Compliance with (US?) protection standards on IP, environment, labor (independent unions)
- Government procurement/end of subsidies to SOEs
- Massive and focused investment required (reliance on FDI)
- Livestock industry: local versus US, but up to 10 years before duty-free

Benefits and Opportunities

- Poised to be a major beneficiary of the TPP
- Preferential tariffs will reduce the cost of Vietnam products for US consumers
- Projections 2030 (as compared to no TPP):
 - GDP boosted by 8%
 - Exports boosted by 30%
- VN consumers to pay lower prices for TPP imported products
- Higher FDI figures in TPP favorable sectors
- Administrative reform (i.e. SOEs) in long term
- Lower dependence on China (USD28B trade deficit & 30% of VN import)
- Key VN industries to benefit from TPP:
 - Textile & Apparel (but: rules of origin; ‘yarn forward’; phase in)
 - Seafood
 - Aquaculture, agriculture, forestry

Thank you



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