INTERNATIONAL TRADE ADMINISTRATION

Trans-Pacific Partnership

Opportunities for the U.S. Consumer Goods Sector

U.S. Consumer Goods Exporters Currently Face Barriers in New TPP Markets**

$2.4 Billion in U.S. Consumer Goods Exports to New TPP Markets in 2015

Consumer Goods Exports Face Tariffs in New TPP Markets Up to **189%**

An Estimated **$80 Million** in Duties are Levied on U.S. Exports of Consumer Goods in New TPP Markets Every Year

The Consumer Goods Sector includes products such as jewelry, contact lenses, recreational transportation (boats & RVs), footwear, sporting equipment, and musical instruments

Key Market Access Benefits

Japan will eliminate import taxes on **93.5%** of U.S. consumer goods exports **immediately**

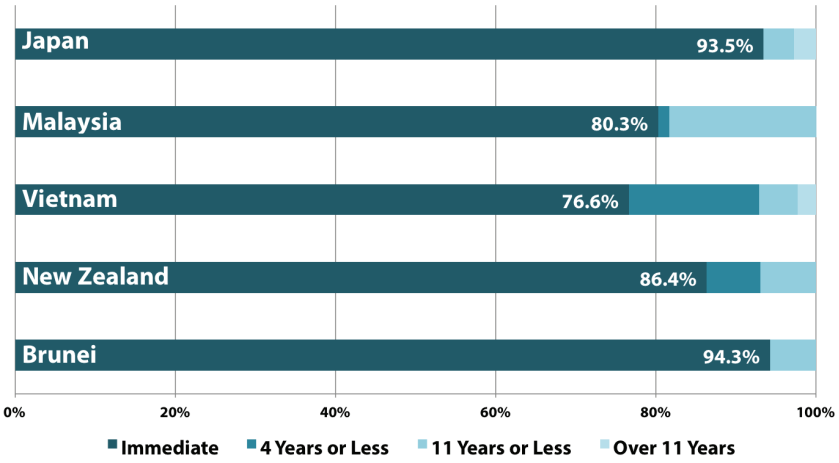
Vietnam will eliminate import taxes on **92.9%** of U.S. consumer goods exports within **4** years

Malaysia will eliminate import taxes on **80.3%** of U.S. consumer goods exports **immediately**

New Zealand will eliminate import taxes on **86.4%** of U.S. consumer goods exports **immediately** and **93.1%** within **4** years

90.9% of U.S. Consumer Goods Exports to New TPP Markets will Enjoy Duty-Free Access Immediately

Share of Exports by Tariff Elimination Basket



* **TPP Countries:** Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam

** **New TPP Countries:** Countries with which the United States currently does not have preferential market access – Brunei, Japan, Malaysia, New Zealand, and Vietnam

Importance of the U.S. Consumer Goods Sector

More than **770,000** U.S. Consumer Goods Sector Workers in 2015

$182.8 Billion
in U.S. Production in 2014

$42.7 Billion
in U.S. Consumer Goods Exports to the World in 2015

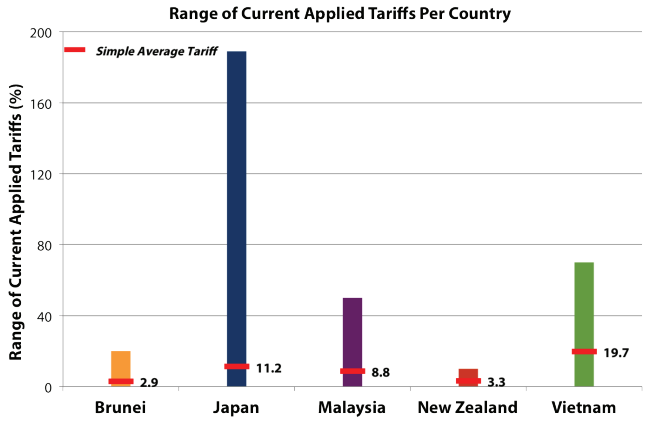
U.S. Consumer Goods Exports to the World Grew by **20%** between 2009 – 2015

44% of Total U.S. Consumer Goods Exports to the World in 2015 Went to the TPP Region

New TPP Partners are Significant Markets for U.S. Consumer Goods Exports

Japan	$1.9 Billion
Malaysia	$167 Million
Vietnam	$212 Million
New Zealand	$137 Million
Brunei	$2 Million

U.S. Consumer Goods Exports Currently Face High Barriers in New TPP Markets . . .



. . . Which Will be Eliminated Under TPP

Opportunities for Selected Consumer Goods Subsectors

Leather Products

TPP will provide U.S. exporters of leather goods and leather footwear significant new access to Japan's market. Currently, those exports are significantly restricted by the import quota and high tariffs (up to 189%) Japan applies to those goods. Under TPP, Japan will immediately eliminate its quota for leather goods and leather footwear before phasing out all remaining tariffs.

Recreational Transportation

The elimination of tariffs on U.S.-made recreational transportation products (boats and RVs) in Japan and New Zealand will enhance the competitiveness of U.S. products in those high-income markets. Additionally, the elimination of tariffs on recreational transportation products in Malaysia and Vietnam (which apply tariffs as high as 70%) will provide U.S. producers greater access to the growing middle class in those markets.

Appliances

U.S. exports of consumer appliances face tariffs as high as 35% in Vietnam and 30% in Malaysia. Under TPP, Vietnam will eliminate all its tariffs on U.S. consumer appliances within four years; Malaysia will eliminate most of its tariffs on consumer appliances immediately with the remaining tariffs eventually phased out. The elimination of the tariffs will provide U.S. producers the ability to compete more effectively with China for access to the growing middle class in Vietnam and Malaysia.

TPP Commitments Will Make it Easier to Sell More Made-in-America Products

Saves Time

- **Customs Procedures:** TPP provides for transparent and predictable customs regulations to facilitate the quick release of goods, and promotes regional supply chains. This includes special features to support small business exporters, including extra facilitations to speed express delivery.
- **Rules of Origin:** TPP provides common rules of origin to ensure that TPP benefits go to the United States and other TPP countries, not China or other non-members. This includes strong, industry-specific rules for certain sensitive sectors and products.
- **Digital Economy:** TPP features the most ambitious and advanced digital trade provisions of any trade agreement the United States has ever concluded. TPP establishes requirements that support a single, global internet, including ensuring a free flow of data across borders. TPP also provides for non-discriminatory treatment of digital products transmitted electronically, and commits TPP countries not to impose customs duties on digital products.

Reduces Costs

- **Investment:** TPP ensures that U.S. investors have the same kinds of protections in TPP markets that the United States already provides investors here at home, such as due process, non-discrimination, and just compensation in the event of expropriation.
- **Technical Barriers to Trade (TBT):** TPP enhances transparency, reduces unnecessary testing and certification costs, and promotes greater openness as standards are developed. This will enable U.S. exporters to ship more specialized, high-value manufactured goods to the region.

Promotes Fairness

- **Intellectual Property Rights:** TPP establishes strong and balanced protections for patents, trademarks, copyrights, and trade secrets, including safeguards against cyber theft of trade secrets, as well as robust enforcement that will protect innovation and the 40 million American jobs that are directly or indirectly tied to innovation. TPP goes beyond past trade agreements to require partner countries to criminalize the theft, including cyber theft, of trade secrets.
- **Regulatory Coherence:** TPP establishes principles to guide government processes for planning, implementing, and reviewing regulations. Partner countries have also agreed to a set of good regulatory practices, including the use of regulatory impact assessments and regulators' assessments of the economic costs and benefits of the regulation.
- **Enforcement:** TPP establishes a fair and transparent dispute settlement mechanism that applies to all chapters and procedures, which will enable disputes to be settled in a timely manner.

Want to learn about the tariff for your specific product in the TPP?
Visit the FTA Tariff Tool at http://www.export.gov/fta/ftatarifftool/

TPP Implementation Offers New Opportunities for U.S. Exporters

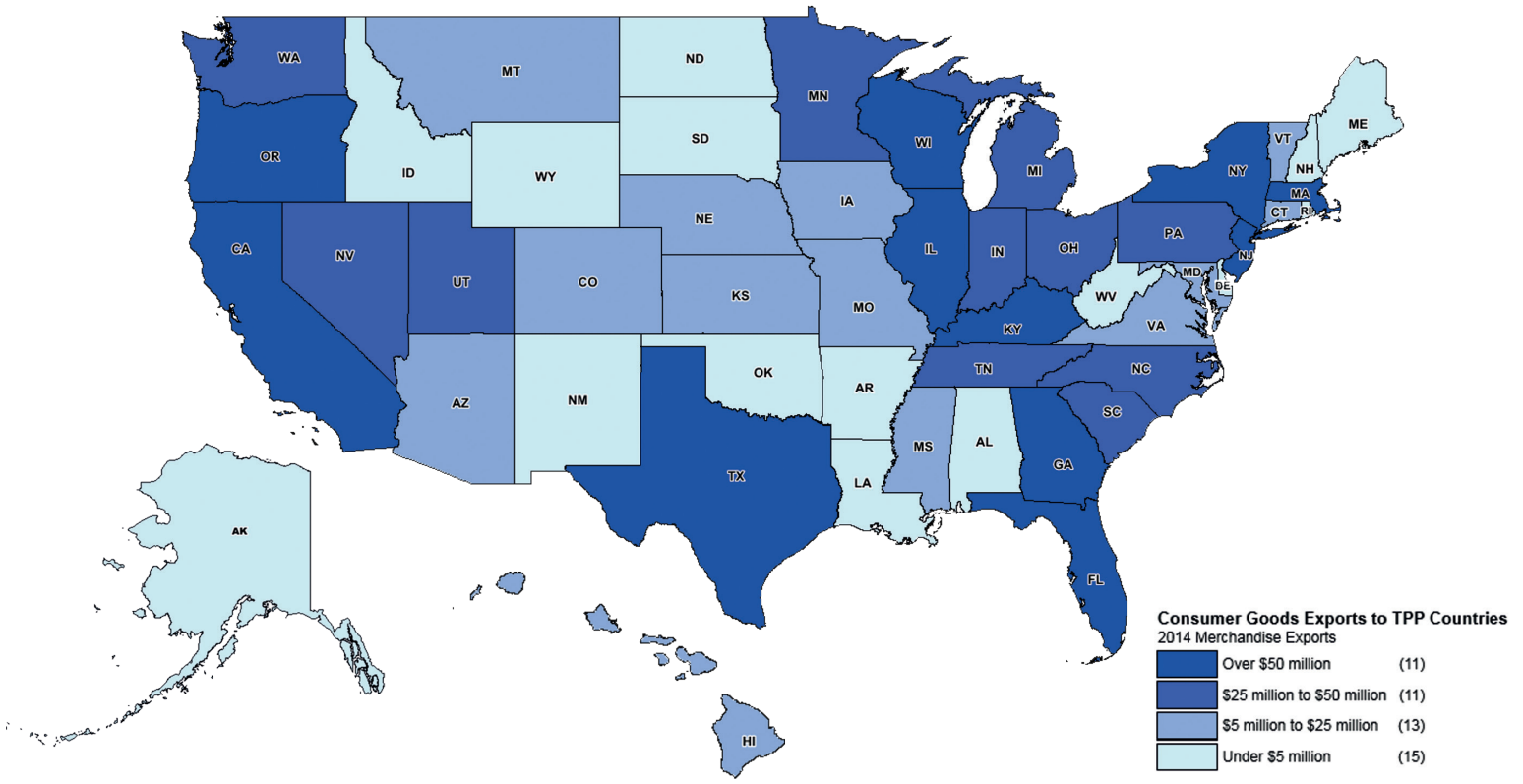
Market Opportunity Spotlight

Japan – Recreational Vehicles

As the world's largest producer of recreational vehicles (RVs), the United States is uniquely poised to benefit from Japan's rapidly growing demand for RV campers. In 2014, more than 73 percent of U.S. RV exports to Japan were comprised of towable travel trailers and the U.S. Commercial Service (CS) is working with U.S. industry to increase these exports to Japan.

Market Opportunity Spotlight

New Zealand – Marine Craft Components

New Zealand's extensive coastline and the proximity of its major urban centers to the ocean make recreational boating and yachting popular. Many U.S. boat brands are already visible in the New Zealand market. Additionally, New Zealand has a reputation for designing and manufacturing luxury yachts; U.S. componentry is a key part of that local industry. Under TPP, the elimination of tariffs on these products will help increase the competitiveness of U.S. exporters in the New Zealand market.

Consumer Goods Companies Across the United States Export to the TPP Region