

Why a TPP Without the U.S. Is Still a Big Deal?

By

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- **The Trans-Pacific Partnership is back, even after being spurned by the biggest of its 12 intended members.**
- **When [President Donald Trump withdrew](#) the U.S. a year ago, the prospects for the [trade pact looked bleak](#).**
- **Instead, leaders from [Japan's Shinzo Abe](#) to [Australia's Malcolm Turnbull](#) worked through a series of disputes to forge an agreement to [keep the framework alive](#).**
- **And while there's always a chance the U.S. will return to the fold, the TPP -- with a [new tongue-twister of a name](#) -- will prove an economic and political force regardless, not to mention a rival to a proposed new trade agreement including China.**

1. WHAT IS THE NEW TPP?

- It's much like the original agreement in 2015, expanding free-trade rules beyond agriculture and services, embracing the digital economy and adopting stronger protections for intellectual property.
- Unlike a traditional trade deal that merely covers the exchange of goods and services, there are broader requirements in areas such as labor issues, the environment and government procurement.
- The wording agreed in Tokyo in January was essentially the same as before, but with some of the nitty-gritty suspended; for example, investors' ability to sue governments will be cut back and copyright protection will not need to be extended as previously planned.

2. WHAT'S IT CALLED AND WHEN WILL IT START?

- The **old TPP** is **now the CPTPP** -- the **Comprehensive and Progressive Agreement for Trans-Pacific Partnership**.
- Trade ministers from the **11 remaining nations** -- Australia, Brunei, Canada, Chile, Japan, **Malaysia**, Mexico, New Zealand, Peru, **Singapore** and **Vietnam** - - intend to **sign up** in **Chile** on **March 8**.
- At **least six countries** or **50 percent** of the signatories must then **ratify the agreement** for it to come into force.
- Japan hopes this will happen in **2019**.

3. WHAT WILL THE ECONOMIC IMPACT BE?

- The 11 members combined account for about **13 percent of global gross domestic product -- a little over half the U.S. share of 24.5 percent.**
- But each can expect **additional growth in national income** of about **1 percent on average by 2030**, according to an analysis by Professor **Shujiro Urata** of **Waseda University** in Tokyo.

4. CAN OTHER COUNTRIES JOIN THE NEW DEAL?

- Yes. It's an open agreement with the flexibility to include others.
- **Thailand**, Indonesia, South Korea, the Philippines and Taiwan have all **indicated interest in joining**, as has the **U.K.**

5. MIGHT THE U.S. JOIN IT?

- That's hard to tell and is **up to Trump**.
- In January, he **said** he “**would do TPP if we made a much better deal than we had.**”
- Australia's Turnbull then said that the new 11-nation deal was designed to “**re-admit a member like the U.S. that chose to pull out.**”
- And 25 senators from Trump's own Republican Party sent Trump a letter asking him to “**re-engage with the Trans-Pacific Partnership.**”
- Whether the U.S. is in or out has **implications** for **major nations inside** and **outside** of the new deal, including **Japan** and **China**.

6. WHAT ROLE DOES JAPAN HAVE IN THE NEW TPP?

- As by far the **largest economy in the group**, Japan took the initiative to persuade others **to keep the deal alive -- hosting most of the meetings**, for instance.
- One of the main reasons was Abe's hope of getting the U.S. back in.
- Japan is seeking to **defend the rules-based economic order in the Asia-Pacific region to counter China's growing sway**, at a time when the U.S. appears to be paring back its influence.

7. MIGHT CHINA PLAY A ROLE IN THE NEW TPP?

- China **hasn't shown serious interest** in joining it and has been in talks for another trade agreement, the Regional Comprehensive Economic Partnership, or **RCEP**.
- If the **16-nation RCEP** had come into being in a TPP-free world, **China** would have **enhanced its regional dominance**, giving President Xi Jinping a platform to **further draw his Asian neighbors into his embrace**.
- Instead, **China** must **compete with Japan** at the head of a rival trading group.

8. WHAT'S THE STATUS OF THE RCEP?

- Despite the fact that it is less far-reaching in scope than TPP (it's more of a traditional trade pact), negotiators have **struggled to make progress since the first round of talks in 2013.**
- **India and Southeast Asia's Asean** countries agreed in January to “**intensify efforts in 2018** toward the swift conclusion” after missing previous deadlines.
- Philippine Trade Secretary Ramon Lopez said last year a signing could come in 2019.