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NEWS

TPP countries move ahead on deal without U.S.

Sen. Wyden criticized Trump Administration for not finding something to fill the void caused by not approving TPP.

Jacqui Fatka 1 | Nov 13, 2017

Although President Donald Trump withdrew the U.S. from the Trans-Pacific Partnership (TPP), progress was made over the weekend on a framework for

a new TPP deal on the sidelines of the Asian Pacific Economic Cooperation (APEC) Trade Ministerial Meeting.

"Ministers are pleased to announce that they have agreed on the core elements of the Comprehensive & Progressive Agreement for Trans-Pacific Partnership," the statement said. Reports indicate that about 20 provisions that were one part of TPP have been "suspended"; however, no agricultural commitments appear on the list of suspended provisions.

Canada was said to be dragging its feet on extending the pact. According to a statement from Canada, "The government of Canada looks forward to continuing to engage on the proposals but will not be rushed into an agreement that is not in the interest of Canada."

Senate Finance Committee ranking member Ron Wyden (D., Ore.) criticized the Trump Administration for not finding something to fill the trade void caused by not approving TPP.

"This Administration has spent nearly a year dithering and still lacks any serious strategy for the engagement with Asia in order to open those markets to exports of American goods and services," Wyden said.

Wyden said the announcement from the 11 TPP countries confirms that the world will not wait for the Trump Administration to find its way.

"Because of this failure to effectively engage, farmers, ranchers, manufacturers and service providers will lose business in the Asia Pacific markets compared to their competitors in countries like Canada and Mexico," Wyden said. "I fear that these 11 nations moving forward without the United States will create an incentive for American manufacturers to

move production to Mexico in order to access consumers in the Asia Pacific, such as those in Japan, Malaysia and Vietnam.”

The White House stated that Trump and Japan's Prime Minister Shinzō Abe are committed to boosting trade and investment ties between their two nations and taking bilateral steps to promote balanced trade across the Indo-Pacific region. The White House offered few specifics on concrete steps forward in a lengthy readout released amid Trump's three-day summit meeting with Abe, although it noted that the President acknowledged the importance of expanding trade and foreign direct investment between the two countries to strengthen economic growth and job creation.

"President Trump and Prime Minister Abe decided to accelerate engagement on trade in ways that expand the potential of the bilateral trade relationship," the readout said. Trump also highlighted his concerns surrounding the U.S.'s trade deficit with Japan, which stood at nearly \$70 billion last year, and emphasized the need to address the gap.

However, the National Pork Producers Council noted in its weekly newsletter that “Japan balked at the terms of a possible bilateral trade agreement with the United States. Its trade minister said that his country would not enter into (a free trade agreement) discussion simply to lower the U.S. trade deficit with Japan.”

Ohio State University trade economist Ian Sheldon said TPP was expected to increase U.S. agricultural exports \$2.8 billion by 2025 – a 33% increase in export market share. The U.S. has tried for 25-30 years to increase market access in Japan, and Sheldon explained that Japan was finally willing to cut back agricultural protections in TPP negotiations.

The European Union has jumped on the opportunity to advance a trade deal with Japan while the U.S. remains stalled. Japan continues to direct its focus on TPP and an agreement in principle formed with the EU that could take effect in 2018 or 2019.

Meanwhile, Trump continues to hold to the bilateral trade approach. In a speech at APEC, Trump said he will “make bilateral trade agreements with any Indo-Pacific nation that wants to be our partner and that will abide by the principles of fair and reciprocal trade. What we will no longer do is enter into large agreements that tie our hands, surrender our sovereignty and make meaningful enforcement practically impossible.”

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