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The Geopolitics of the Trans-Pacific Partnership

Divya Reddy
Director, Global Energy & Natural Resources
Eurasia Group

Scott Seaman
Senior Analyst, Asia
Eurasia Group

Sean West
Director, United States
Eurasia Group

Inside this Issue…

Key Points:

- ***The Trans-Pacific Partnership (TPP) agreement is being negotiated among 12 Pacific Rim countries, which comprise 40 percent of the world's GDP.***
- ***This agreement is likely to be completed next year and ratified in 2015, though there is a reasonable chance that the process will drag on even longer.***
- ***The TPP aims to do more than just lower tariffs. It also intends to address various so-called behind-the-border barriers to trade that are equally important to creating open markets.***
- ***Agriculture is only a small part of the TPP. Yet it is one of the most controversial issues because domestic interest groups are accustomed to decades of protection from foreign competition.***
- ***Success or failure of the talks will hinge largely on whether negotiating countries can bridge historic divides over traditional trade issues such as market access for rice and beef, as well as automobiles and low-end manufacturing.***
- ***As a major agricultural producer and exporter, the U.S. stands to benefit greatly from the opening of market access under the TPP. However, two U.S. industries—sugar and dairy—remain protected and will likely prove contentious in TPP talks.***
- ***The TPP's largest gains for U.S. agricultural producers will come from access to markets in Japan and Canada (for dairy and poultry) as well as Vietnam and Malaysia, while the greatest competition will come from Australia and New Zealand.***

Introduction

The Trans-Pacific Partnership (TPP) agreement is being negotiated among 12 Pacific Rim countries, but it is no ordinary regional trade deal. It sits at the nexus of trade, investment, and geopolitics, and it is both an economic pact and a strategic alliance. It has the potential to anchor the Obama administration's pivot to Asia and reenergize global trade efforts, including with regard to agriculture. Furthermore, it could shift both the international economic landscape and U.S. relations with a host of Asian allies.