TPP-11 Business Coalition: Shaping the Future of Trade Agreements in Southeast Asia

The TPP-11 Business Coalition (“TPP-11 BC”) serves as the only international business association dedicated to working with governments to promote the Trans-Pacific Partnership and regional trade issues.

The TPP-11 BC will work to bring together companies based in each of the TPP-11 companies who want to both advocate for the TPP-11 and then support its implementation.

The TPP-11 BC will serve as both a resource for both governments and the private sector, acting as an advocate and thought-leader on key trade issues.

The TPP-11 Business Coalition: Why It Is Needed

The Trans-Pacific Partnership, an agreement which brought together twelve countries around the Pacific that together account for 40 percent of the world's economic output, was an ambitious effort to enshrine a framework to deepen economic ties, slash tariffs, and foster trade among member states.

With President Trump’s decision in January 2017 to withdraw the U.S. from the agreement, many thought it spelled the end of the TPP as originally envisioned. However, willingness shown by the eleven remaining TPP members to build off the progress made thus far to meet the high standards set out in the agreement has created a broad consensus that there is still hope for a “TPP-11” agreement.

However, the US government withdrawal also eliminated the most effective TPP business coalition, which had been predicated on US participation in the agreement. Now, there is no TPP-11 regional business group representing business’ interests and providing needed input into the negotiating process.

The Asia Business Trade Association: Home of the TPP-11 Business Coalition

The Asia Business Trade Association, managed by the Asia Trade Centre in Singapore, is the natural home for the TPP-11 BC. Based in Singapore . . .

- Already has corporate members from Singapore, Australia, Malaysia, Vietnam, etc.
- In-depth knowledge of TPP
- Relationships with key regional business associations, such as AmCham, SBF, etc

The TPP-11 Business Coalition Serves Three Core Purposes: Advocacy, Capacity Building, Implementation

- To advocate on behalf of businesses for the TPP-11 to go into effect with minimal changes to the agreed provisions.
• Once signed, to act as a clearinghouse for both governments and businesses for information on the agreement, and to provide training and capacity-building for member governments on implementation and best practices.

• Once in effect, to work with businesses to monitor implementation and ensure compliance with TPP provisions, while continuing to support capacity growth among member governments so they can meet the high-standards and requirements set out in the agreement.

Basis for Advocacy of TPP-11: There Is No Better Alternative, Even Without the US

In the absence of an agreement on TPP-11, there is no regional economic framework in Asia that can provide the same access to markets and level playing-field for local and foreign businesses. The Regional Comprehensive Economic Partnership (RCEP) does not meet the same high standards enshrined in TPP, particularly in areas such as competition with state-owned enterprises, intellectual property rights protections and protections for labour and the environment.

While existing bilateral agreements provide, to an extent, an opening to new markets and a framework for trade, the complexity of a spaghetti bowl of individual bilateral trade deals can be a significant burden for both small companies hoping to expand overseas and large multinational companies that must adapt to different rules and standards across multiple markets.

Regional trade deals such as TPP are the most effective way to enable exports to multiple markets by establishing uniform rules of the game. There is no substitute.

The TPP would, even with only the TPP-11 countries, represent the most high-level multi-party trade framework in the region. A multi-party agreement like the TPP would do the most to reduce complexity in trade rules and enable companies to more easily export to multiple markets. Even without the US, the grouping of Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam is still significant in its own right.

Further, as has always been the case, the TPP would bring with it high standard trade rules. These will aid further economic growth and development in the Asia-Pacific region. Not only will the TPP eliminate duties for nearly all goods, it will also address trade in services and provide a framework for investment. It better protects intellectual property rights, promotes cross-border data flows, requires more fair competition by state-owned enterprises and include protections for the environment and workers.
First-Step for TPP 11 BC: Keep the Agreement As Intact As Possible

There remain significant challenges in ensuring that the agreement can still come to fruition, particularly given the current political climate and in the absence of access to the U.S. market to act as a reform incentive for member states. However, there is broad consensus among the private sector here in Asia that an agreement on TPP-11 will still be hugely beneficial for the global economy. The first challenge is to demonstrate and voice the business community’s strong support for progress to continue on TPP-11. In particular, companies in Malaysia and Vietnam need to remain engaged with their governments to build on progress made thus far in regulatory reforms to meet TPP requirements. Second, an agreement on TPP-11 must seek to preserve as much of the original agreement as possible, ideally only suspending those provisions and chapters that were added for U.S. buy-in.

It is important to build consensus on these issues and keep member states motivated about TPP-11 in advance of the November APEC Summit being held in Danang, Vietnam. Should Member states decide to make a statement on their political commitment to seeing through TPP-11 at the APEC Summit, it will then be incumbent on those in the private sector to see it across the finish line.

TPP-11 BC: Needs Corporate Funding to Commence

As a first step, large corporates need to indicate their willingness to fund the TPP-11 BC. The first payment is required to create the coalition and recruit members from across the TPP-11 countries, with a focus on Malaysia and Vietnam. Then, if the TPP-11 moves forward, an additional payment will be needed to undertake advocacy and serve as a clearinghouse for information with regard to the negotiations and implementation.