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Trade opportunities beyond the Americas

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With free trade, as in life, there are winners and losers. Among the biggest winners are "trade intensive" metropolitan areas like Los Angeles/Long Beach, Seattle, New York, Oakland, Houston, Norfolk and . . . Miami. That's why the proposed Trans-Pacific Partnership (TPP) is a most welcome development for our region.

The TPP involves the United States and 11 other countries throughout the Asia-Pacific region (Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam), collectively representing nearly half a billion people and 40 percent of the world's economy. The Asia-Pacific region is the fastest growing in the world, accounting for 60 percent of global GDP and 50 percent of international trade.

As with all free-trade agreements, the TPP would remove or lift a variety of tariffs, tariff-rate quotas, rules of origin, government procurement restrictions and other measures that discriminate against foreign suppliers and investors in local markets. This FTA will also produce far more positive affects than negative ones, providing one considers the often neglected "special interest group" in this equation — consumers.

One need only to look at the North American and Central American FTAs, where the United States has racked up trade surpluses in manufactured goods of $12 billion and $3 billion respectively and where exports are growing faster than imports. International trade expansion benefited U.S. households in the 1990s to the tune of $2,000 to $2,500.

Together, TPP countries make up the largest market for U.S. goods and services exports in the world. Forty-five percent of U.S. goods exports went to TPP countries in 2012 (over $600 billion), and trade with TPP countries currently supports an estimated 14.9 million American jobs.

Joshua Meltzer, of the Brookings Institute, calculates the benefits to the United States from the TPP to be $14 billion in 2025. Including investment liberalization measures, that figure would rise much higher. The formation of TPP would increase U.S. manufacturing exports by $26 billion and U.S. GDP by $11 billion. It could create as many as 48,000 additional jobs.

Beyond trade and investment, TPP has important security implications and serves to reassure the United States' Asian-Pacific partners in the face of a rising China.

How, precisely, does Florida benefit from TPP, especially South Florida? The export of Florida goods to TPP countries has increased 49 percent since 2006, services 40 percent. TPP countries have established more than 1,000 subsidiaries in Florida, supply almost 1 million jobs at the state and local levels and import 20 percent of the state's exports. Amcor Pet Packaging in Miramar, Nipro Medical in Miami, Siemens, Bimbo and Citrisuco are among the leading Florida firms from or involved with TPP countries.

The legislative fight in Congress over the TPP may come to a head during the lame-duck session following the November elections, when members are expected to introduce a new proposal for fast-track authority. David

Lewis, of Manchester Trade, predicts: “TPP will not be ready for congressional action until the second quarter of 2015 at the earliest.”

Whatever the case, for a nation that ships $2 billion in goods to TPP countries on a daily basis and a state — Florida — that exports $16 billion yearly, business and consumers both have much to gain from TPP. For South Florida, TPP’s tripartite linkage — the United States, Asia and Latin America — is not only a commercial opportunity but also a reflection of the global commercial nexus we are fast becoming.

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