



[PRESS RELEASE]

FOR IMMEDIATE DISSEMINATION

AmCham Singapore Urges U.S. to Rejoin CPTPP to Ensure U.S. Competitiveness in the Region

Agreement Poised to Go into Effect without U.S.

SINGAPORE – June 19, 2018: With Canada, Japan and Mexico all moving forward on legislation approving their respective entry to the Comprehensive Progressive Trans-Pacific Partnership (“CPTPP”), the American Chamber of Commerce in Singapore (“AmCham Singapore”) calls on the U.S. government to re-join the CPTPP and for the U.S. Congress to approve the agreement.

AmCham Singapore has been a leading advocate for the CPTPP as the agreement negotiated provides the foundation for implementing the high standards needed to further economic growth and development in the Asia-Pacific region and represents the future of sustainable international trade. The CPTPP will simplify trade, support investment, facilitate the internationalization of small and medium enterprises (“SMEs”), and instill market confidence.

In October 2009, AmCham Singapore was the first U.S. business association to call on the U.S. government to join the TPP negotiations.

“As Singapore serves as America’s business headquarters for Asia, we see trade liberalization continuing across the region,” said Dwight Hutchins, Chairman of AmCham Singapore. “The CPTPP is the best and most strategic trade framework from a business perspective and the U.S. needs to be a member for American businesses in Singapore, across the region and at home to remain at the forefront of 21st century trade.”

“At the Singapore Summit, we saw firsthand how President Trump and the U.S. government can bring dynamic change to the region through diplomacy,” said Ann Yom Steel, Executive Director, AmCham Singapore. “This opportunity also exists for U.S. leadership on trade.”

The deal will come into effect 60 days after six countries join the agreement.

“The CPTPP could go into effect as soon as this year, and will most certainly by the first quarter of 2019,” said Steven Okun, Chairman of the AmCham Singapore TPP Task Force. “U.S. businesses will be disadvantaged without the U.S. government as a party to the agreement.”

“While AmCham Singapore will work with its members on the deriving the fullest benefits possible under the CPTPP, especially given all the work to be undertaken by the parties to meet the highest standard trade agreement ever negotiated, this will not be as impactful without the U.S. government. Further, the provisions suspended upon U.S. withdrawal, from e-commerce to express delivery, will put U.S. businesses at a disadvantage to their foreign counterparts,” added Mr. Okun.

“U.S. agriculture exports globally are over a US\$140 billion market for American farmers; and Asia accounts for over 20% of U.S. agriculture exports overall. China alone buys about 60% of U.S. soybean exports worth over US\$ 19 billion. Keeping trade lanes open for food not only provides food security for

Asia, but also supports American farmers. Disrupting these trade flows are bad for everyone. Asian consumers will pay the cost in higher food prices and American farmers will lose income,” said Bruce Blakeman, Head of Corporate Affairs for Cargill Asia Pacific.

“Like any trade agreement, the CPTPP is not perfect from any individual perspective,” said Mr. Blakeman. “The issue for agriculture is the U.S. is falling behind our agricultural competitors. Other countries who are in the CPTPP will have double digit tariff advantages over U.S. agricultural products. American farmers are going to lose market share because U.S. products will have a significantly higher tariffs than agricultural products from countries in the CPTPP. For instance, Japan buys US\$13 billion of agricultural products from the U.S., products like beef, wheat and corn. But soon, CPTPP country exports to Japan will be 15% to 20% cheaper than U.S. produced products because the U.S. is not in the CPTPP.”

The AmCham Singapore TPP Task Force was created in 2015 with the goal of communicating to U.S. legislators and opinion-makers the TPP’s value to American business at large. Today, the Task Force has over 106 members. In August 2017, AmCham Singapore became the first U.S. business association to call for the CPTPP to go forward, even without the U.S. government.

AmCham Singapore has been a leading proponent of the CPTPP because not only does this agreement provide duty-free access to the CPTPP members for nearly all goods and all manufactured goods, it also dramatically opens up opportunities for the flow of services and investment sectors. It enhances protections for intellectual property rights, promotes cross-border data flows, ensures fair competition by state-owned enterprises and provides new opportunities for many government procurement contracts. Beyond any other trade agreement, it also includes unprecedented protections for the environment and labor.

“While the CPTPP is not perfect, a multi-party agreement based on the principles established within the CPTPP is the type of trade agreement needed in the 21st century,” added Mr Okun. “The U.S. government absence will harm American businesses, especially those based in the U.S. such as SMEs and those in agriculture, and will also lessen U.S. business access in the region.”

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Background

The American Chamber of Commerce in Singapore is the largest foreign business chamber in Singapore and Southeast Asia, representing 700 leading corporations, with over 5,000 members, to provide business critical insights, sustained policy advocacy, and opportunities to connect with businesses and government leaders in the region. American companies' direct investment in Singapore exceeds an estimated U.S. \$229 billion.

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