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# TPP Likely To Pass Without U.S.

INTERNATIONAL, TAX
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This month the 11 remaining countries in negotiations under the Trans-Pacific Partnership (TPP) signaled that the agreement will move forward under a new version called the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) with an expected signing to take place on March 8 in Chile. The remaining nations of Australia, New Zealand, Japan, Malaysia, Vietnam, Singapore, Peru, Chile, Canada, Mexico and Brunei represents close to 15% of the global economy.

The deal plans to stimulate economic growth among the 11 countries by eliminating 98% of tariffs and standardize rules and regulations between participants. The deal has been modified from the original proposal with some changes to the tariffs selected and a suspension of some provisions pushed by the U.S. concerning government procurement and intellectual property rights. While the agreement is expected to be signed in two months, implementation could take up to a decade as countries phase out existing tariffs.

Malcolm Turnbull, the Australian prime minister, has publicly stated that the deal will include a path for U.S. participation if it desires to join in the future. If the U.S. were to join, this deal would cover 40% of the global economy and a quarter of world trade. The U.S. is currently engaged in renegotiations on the North American Free Trade Agreement (NAFTA) with Canada and Mexico and a trade deal with South Korea.

If CPTPP were to pass, a second wave of participants have expressed interest in joining, including the United Kingdom, Sri Lanka, Indonesia, Taiwan, Thailand, the Philippines and Colombia. For more information on the Trans-Pacific Partnership, contact us.

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