

The Benefits for Taiwan of Joining the Trans-Pacific Partnership Agreement (TPP)

Bureau of Foreign Trade
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- II. Why Taiwan should join the TPP
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I. Why is the United States pushing so strongly for the TPP?

I. The main reasons why the United States is pushing so strongly for the TPP?

- The TPP will set new rules for global trade in the future
- It will strengthen US geopolitical status
- The TPP will contribute to the economic development of the United States
- The TPP aims to reduce members' costs of trading and investing

II. Why should Taiwan join the TPP?

II. The main reasons why Taiwan should join the TPP

It is an important step towards our key strategic goals:

1. Regional safety
2. National competitiveness
3. Economic and trade development

III. Key Features of the TPP

III. Key Features of the TPP (1/13)

1. Significant expansion of market access for goods (1/3)

Most duties on industrial goods will be eliminated over set periods. The TPP allows members to retain flexibility.

- 87.73% of tariff lines to be liberalized on entry, and 99.13% eventually.

Member	Eliminated upon entry into force (%)	Tariff lines (%)	Phase-in periods for tariff elimination (years)	TRQ or Examples of Exclusions for tariff reduction
Australia	93.04	99.87	4	Second-hand cars
Brunei	91.67	100	11	-
Canada	94.9	98.86	12	Some poultry, cheese, dairy, etc.
Chile	94.4	98.39	8	Duties on wheat and sugar shall be eliminated subject to the conditions for the same items in the free trade agreements between Australia, Canada, Japan, Mexico, Peru, United States and Trans-Pacific Strategic Economic Partnership Agreement (P4).

III. Key Features of the TPP (2/13)

1. Significant expansion of market access for goods (2/3)

Member	Eliminated upon entry into force (%)	Tariff lines (%)	Phase-in periods for tariff elimination (years)	TRQ or Examples of Exclusions for tariff reduction
Japan	86.21	96.8	16	beef, pork, wheat, rice, sugar
Malaysia	84.70	99.9	16	Tariff-rate quotas : frozen poultry, duck egg
New Zealand	94.61	100	7	-
Mexico	77.71	99.26	16	Reduce tariff : coffee, second-hand cars
Peru	80.72	99.36	16	Cheese, brown rice
Singapore	100	100	0	-

III. Key Features of the TPP (3/13)

1. Significant expansion of market access for goods (3/3)

Member	Eliminated upon entry into force (%)	Tariff lines (%)	Phase-in periods for tariff elimination (years)	TRQ or Examples of Exclusions for tariff reduction
America	90.17	99.31	30	Australia, Canada, and Peru have limited access to the US for dairy and sugar imports through tariff-rate quotas.
Vietnam	64.61	97.86	21	Tariff-rate quotas: sugar, salt, second-hand cars

References : Chung-Hua Institution for Economic Research

III. Key Features of the TPP (4/13)

2. Further opening-up of the market for services

- Generally speaking, market access is broader in the TPP:
For example, Malaysia, which opens its market to TPP services providers in sectors such as: accountants and bookkeepers; computer and related services; research and development; the conference and exhibition sector, and distribution.
It also relaxes the foreign shareholdings ratio in international marine transportation services.
- TPP Members reserve the right to restrict or exempt sensitive areas of their service sectors:
For example, Canada and Brunei limit the foreign shareholdings ratio in telecommunications services.

III. Key Features of the TPP (5/13)

3. Access to be provided to domestic Government Procurement markets

- Non-GPA WTO Members - Australia, Brunei, Chile, Malaysia, Mexico, Peru, and Viet Nam offer new access to government procurement, services and engineering markets in the TPP.

For example:

- Chile, Malaysia and Viet Nam commit to opening most of their engineering services markets.

- GPA WTO Members – United States, Canada, Japan, New Zealand and Singapore have committed to further open specific sectors.

For example:

- Canada for wholesalers and telecommunications services;
Japan for catering and management services.

III. Key Features of the TPP (6/13)

4. Development and improvement of the domestic trading regime

- The TPP includes 30 chapters covering traditional trades in goods and services, and trade remedies.
- The TPP incorporates both new and emerging trade issues and cross-cutting issues.

For example:

- labour; environment; electronic commerce; small- and medium-sized enterprises; state-owned enterprises; regulatory coherence; transparency and anti-corruption; development; cooperation; capacity building.
- The TPP goes beyond WTO rules on SPS, TBT, investment and IPR, government procurement, and trade in services.

III. Key Features of the TPP (7/13)

5. New Rules set up for the New Era (1/2)

Goods

- No Party shall prohibit or restrict the importation/exportation of re-manufactured goods.(§2.11)
- Rules of Origin : Encourage producers, importers and exporters to complete the certification of origin themselves.(§3.20)

Intellectual Property Rights

- Criminal liability shall be attached to persons who violate anti-piracy measures on purpose for commercial gain.(§18.68)
- Copyright term to be extended to the lifetime of the author + 70 years. (§18.63) ◦

Electronic Commerce

- No Party should require persons who own widely commercialized software to transfer source codes.(§14.17.1)
- No Party should require foreign businesses to locate servers and data centres in their territory.(§14.13.2)

III. Key Features of the TPP (8/13)

5. New Rules set up for the New Era (2/2)

Trade
in
services

- No Party shall require a service supplier of another Party to establish or maintain a representative office as a condition for the cross-border supply of a service. (§10.6)
- A postal monopoly shall define the scope of the monopoly on the basis of objective criteria, including quantitative criteria such as price or weight thresholds. (Annex10-B)

Environ-
ment

- Parties should work hard on potential trade barriers on environmental goods and services, and develop bilateral and plurilateral cooperative projects on environmental goods and services to address current and future global trade related environmental challenges. (§20.18)

III. Key Features of the TPP (9/13)

6. More effective requirements on Transparency and Anti-Corruption (1/2)

Provisions formulated on Transparency and Anti-Corruption to regulate Governments' action on Transparency:

- To ensure transparency in law-making, the obligation to participate, and in the judicial process.
 - A 60-day public comment period to be provided to stakeholders for reviewing upcoming rules which may affect trade and investment.
- Based on the *United Nations Convention against Corruption*, the TPP formulates anti-corruption measures, promotes integrity among public officials, and encourages the participation of the private sector and society in the fight against unfair competition in trade and investment due to corruption.

III. Key Features of the TPP (10/13)

6. More effective requirements on Transparency and Anti-Corruption (2/2)

Provisions formulated on Transparency for specific chapters:

- Transparency :
Through TPP, we have an opportunity to enhance transparency in policy-making processes, combat corruption, and improve regulatory cooperation.
- Environment and labour :
Opportunity provided for interested parties to express their views on environmental and labour-related policies, and response in writing provided in due course.

III. Key Features of the TPP (11/13)

7. Expansion of commercial activities of the private sector (1/3)

- Members are able to require another member to provide a list of SOE, which shall cause no adverse effects to the interests of the other Party.
- The scope of the postal monopoly is defined in terms of the thresholds for price or weight, etc. Beyond that scope, express delivery firms have the right to run the business.
- TPP Members are to set up public websites to help SMEs better understand and take advantage of the TPP Agreement.

III. Key Features of the TPP (12/13)

7. Expansion of commercial activities of the private sector (2/3)

- A member is required to establish a system of disclosing the patent information of current pharmaceutical products in the market, by which the risk of infringement can be detected by the patent holder.
- A Party shall protect the information submitted for the granting of market approval, in order to prevent third persons from marketing the same or similar pharmaceutical product/s.
- In the event of unreasonable delays to a Party's issuance of patents, that Party shall provide, at the request of the patent owner, the means to adjust the term of the patent to compensate for such delays.

III. Key Features of the TPP (13/13)

7. Expansion of commercial activities of the private sector (3/3)

- **Telecommunications:**
 - Transparent and reasonable rates for international mobile roaming services will be encouraged.
- **Temporary Entry for Business Persons:**
 - The application procedures for immigration formalities shall be transparent, and every effort will be made to promptly provide information on the status of the application, whether it is granted or not.
- **Financial Services**
 - No TPP member shall require that more than a minority of the board of directors of a financial institution of another Member be composed of nationals of the host Member, persons residing in the territory of the host Member, or a combination thereof.

IV. Main benefits for Taiwan of joining the TPP

IV. Main benefits for Taiwan of joining the TPP (1/7)

Greater market access for Taiwanese products
in the 12 TPP countries

- 1) Lower tariffs
- 2) Greater export potential for industrial products
- 3) Greater export potential for agricultural products

IV. Main benefits for Taiwan of joining the TPP (2/7)

Helps forge an improved investment regime
in Taiwan

- 1) Broadening Taiwan's portfolio of trading partners
- 2) Amending laws and regulations
- 3) Reducing the actual cost of doing business
- 4) Making further use of the 'investor-state dispute settlement' (ISDS) mechanism

IV. Main benefits for Taiwan of joining the TPP (3/7)

More effective laws and regulations on transparency and anti-corruption

- 1) A 60-day period for public comment when proposed regulations are to be enacted and/or amended.
- 2) A more transparent application process of visas and permits for business persons' temporary entry.
- 3) We have already promulgated both the Anti-Corruption Act and the Integrity and Ethics Directions for Civil Servants, and codified the implementation of the UN Convention against Corruption in our law.

IV. Main benefits for Taiwan of joining the TPP (4/7)

Helps small- and medium-sized enterprises (SMEs) to go global

- 1) TPP Members are to set up public websites to help SMEs better understand and take advantage of the TPP Agreement.
- 2) Structural reforms by governments prior to joining the TPP + the chapter on SMEs in the TPP Agreement will help them to participate in the global supply chain.
- 3) As part of the Asia-Pacific supply chain, Taiwan's participation in the TPP will help forge closer ties and cooperation among TPP members, creating better opportunities for our SMEs to go global.

IV. Main benefits for Taiwan of joining the TPP (5/7)

Level playing-field helps private sector compete with state-owned enterprises

- 1) Transparency obligations produce a fairer competitive environment and a better basis for our businesses to compete in foreign markets.
- 2) By improving our state-owned enterprises' governance structures and tying in with international standards, we improve the efficiency of our economy and become more attractive for foreign investors.

IV. Main benefits for Taiwan of joining the TPP (6/7)

Better protection for the eco-system of Taiwan and the world environment

- 1) Environmental protection covers issues such as the conservation of biodiversity, the prevention of invasive foreign species, the elimination of subsidies for over-fishing, and the fight against the illegal trade of wild animals and plants.
- 2) Implementing multilateral environmental agreements helps to protect the eco-system of Taiwan and the safety of the world environment.
- 3) TPP Members will develop cooperative programs for environmental goods and services (bilateral and multilateral) to channel more resources into relevant sectors, improve and adopt the best and most practical technologies, and improve the quality of our environment.

IV. Main benefits for Taiwan of joining the TPP (7/7)

Better protection for the worker

- 1) TPP members will adopt and observe fundamental ILO labour rights.
- 2) With respect to labour policies, the TPP is to establish a mechanism by which relevant stakeholders may provide their opinion, and to require a timely written reply when appropriate.

V. Taiwan' s preparations for joining the TPP

V. Taiwan's preparations for joining the TPP (1/3)

1. Impact assessment

- Thorough consideration of the overall aspects and cross-cutting issues, as well as a sectoral analysis.
- The first drafts are currently under review, and a body of experts and scholars has been assembled to discuss the proposed amendments.

2. "Gap Analysis"

- "Gap analysis" between our existing laws and the TPP text, plus stocktaking and adjustments recommended for implementation.
- The draft recommendations are identified as priorities in this legislative session and fully supported by the majority party.

V. Taiwan's preparations for joining the TPP (2/3)

3. Support from TPP members

- The WTO and APEC
- Continue collaborating with TPP member "think-tanks"
- Continue to utilize all possible existing channels for bilateral dialogue

4. Domestic capacity building

Detailed proposals and plans for the future implementation of TPP-related domestic regulations will be drawn up, focusing especially on TBT (technical barriers to trade) and SPS (sanitary and phytosanitary) measures.

V. Taiwan's preparations for joining TPP (3/3)

5. Domestic communication and consultation

- TPP website <http://www.tpptrade.tw/>
- TPP Facebook page <http://m.facebook.com/taiwantpp/>
- TPP tariff elimination schedule search tool
<http://tpp.taiwantrade.com/>

跨太平洋夥伴協定(TPP)專網
The Trans-Pacific Partnership

 T P P 來面對
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 TPP關稅優惠資料查詢