



Trade Digest

Vol. 5 Issue 3

12 February 2018

The Revival of the Trans-Pacific Partnership

The long-awaited Trans-Pacific Partnership (TPP), which was abandoned following the United States' withdrawal from the pact in January 2017, is now being resurrected under a new name: the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). All former TPP member countries – with the exception of the United States – came to an agreement on the 23 January 2018. Leaders of the 11 remaining members, namely Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam, are expected to sign the new pact at an official signing ceremony to be held in Chile in March.

Signed in early 2016, and ratified by two of the signatories, the now-obsolete TPP mandated the removal of tariffs on 95 percent of goods over a rolling period and established mechanism for investor-state dispute settlement (ISDS). While the former remains intact, the ISDS has been reduced in scope and foreign firms which enter into a contract with a CPTPP government will now be unable to exercise the use of ISDS if there is a contract dispute. That being said, the key difference between the two iterations of this agreement is the List of Suspended Provisions, which has now been endorsed. Although they can be reinstated at a later date, 20 provisions related to express shipments, investment, express delivery services, minimum standard of treatment, telecommunication disputes, labor rights, further negotiations, intellectual property, technological protection measures and pharmaceutical products have been suspended.

Japan and Australia are now the de facto spearheads of this agreement. Ever since the US's retreat, the two countries have been working diligently to revive this agreement, with the promise of greater flexibility in negotiating terms. Currently, the Thai government has not announced its official position on the CPTPP, although it expressed interest in joining the original pact in November 2012. However, with the narrowed scope of SIDS having potentially resulted in

host governments being less vulnerable to foreign intervention, this new version of the agreement appears to be a more attractive proposition than its predecessor.

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