The Trans-Pacific Partnership and its Impact on Asian Markets

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The United States backed Trans-Pacific Partnership Agreement (TPP) includes six Asian economies - Australia, Brunei, Japan, Malaysia, Singapore and Vietnam, while Indonesia has expressed a keen willingness to join. However, the agreement's potential impact will affect many others, not least of all China.

Currently, the weakness of the TPP is that it only contains one major market - that of the United States. While that is a significant attraction for some industries across Asia, the omission of large emerging consumer markets such as China and India from TPP discussions thus far have made it a controversial project. Some critics take the view that the TPP agreement is intended to create regional competition for cheap Chinese exports that dominate the U.S. economy. Others see it as a welcome counterbalance to China’s massive manufacturing industries.

In this issue of Asia Briefing magazine, we examine where the TPP agreement stands right now, look at the potential impact of the participating nations, as well as examine how it will affect Asian economies that have not been included.

I trust you will find this Briefing of use.

Kind regards,

Chris Devonshire-Ellis
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The proposed TPP Agreement is largely seen as an entity in its own right. However, the agreement originally began life as the Trans-Pacific Strategic Economic Partnership Agreement (TPSEP), which was signed off by Brunei, Chile, New Zealand and Singapore in 2005. In 2008, Australia, Canada, Japan, Malaysia, Mexico, Peru, the United States and Vietnam also joined these trade discussions, bringing the number of participating countries to twelve. With the inclusion of the United States, and the realization that this could both open up American markets to members and allow American exporters improved access to other markets, the TPP (as it subsequently became known) attained a far wider and global significance.

These twelve nations finally reached a consensus on trade issues in October 2015, and agreed to both implement and develop these further pending more negotiations. The full range of the agreements contained within the TPP have not yet been published, which, while raising some eyebrows in the media, is more due to translating and transcribing the completed document accurately rather than any non-democratic forcing through of the project. Trade agreements in progress are rarely made public, and the TPP was only signed off on October 5.

As such, arguments that the TPP omits China and India are somewhat erroneous, as they assume that the agreement is set in stone as an exclusive club. Rather, the TPP should be viewed as a work in progress. The complexity of the TPP and a future FTAAP agreement also has to take into account existing Free Trade Agreements, and especially those with which larger economies have already entered into. These include current and successful American FTAs with Australia, Chile, Peru and Singapore, as well as the ASEAN FTAs with China, India and numerous others.

As usual in such agreements, while the onus is on free trade – including the lowering or abolition of import tariffs, market access to other economies and so on – the reality is that market protectionism exists amongst all members, and especially so when one considers the still relatively closed markets of potential partners such as China, India and Japan. While India and Japan can ultimately solve this issue via political means, that does not follow in the case of China. Getting China ready to face increased domestic market competition is a huge task that the Communist Party faces, both in ideological terms as well as structural. Large swathes of reform are required in Chinese industry in multiple sectors, with the State heavily involved in manufacturing, banking, finance and a host of others. Breaking up China’s State Owned Enterprises (SOEs) will be necessary for China to fully enjoy market access to other potential partners, as well as the coveted goal of free trade with the United States.

As such, arguments that the TPP omits China and India are somewhat erroneous, as they assume that the agreement is set in stone as an exclusive club. Rather, the TPP should be viewed as a work in progress. The complexity of the TPP and a future FTAAP agreement also has to take into account existing Free Trade Agreements, and especially those with which larger economies have already entered into. These include current and successful American FTAs with Australia, Chile, Peru and Singapore, as well as the ASEAN FTAs with China, India and numerous others.
Understanding How the TPP Will Impact on Asia and Beyond

By Chris Devonshire-Ellis

The TPP agreement requires ratifying and effectively passing into law by the participating countries. Should there be no political hiccups, the agreement should start to take effect from mid-late 2016.

While full drafts of the agreement have not yet been publically released, what is known is that it contains a number of protocols that require standardization between members, and that these are far reaching. These include issues such as internet access, intellectual property, environmental protection, pharmaceutical protocols and cross border movement of goods, services and people. Effectively this lays the framework for each of the member countries to be in compliance with American standards of protection, and especially within the copyright, trademark, patent and treatment of these.

The TPP covers the elimination of about 11,000 tariff lines, including some on sensitive agricultural products such as rice, wheat, sugar, barley, beef, dairy products and starch crops. In services, the TPP covers banking, insurance, construction, logistics and accounting, travel and tourism, consulting, app and game development and graphic design. In investment, it includes treatments related to the repatriation of funds and capital transfers, fair compensation in the case of expropriation, prohibition on performance requirements such as for local content and technology localization requirements. In addition, it covers an investor-state dispute settlement, which is an instrument of public international law that grants an investor the right to use dispute settlement proceedings against a foreign government.

This last issue has raised concerns, with some lawyers deeming it inappropriate to elevate an individual investor or company to equal status with a nation-state to privately enforce a public treaty between two sovereign countries.

On top of the coverage in the trade of goods, trade in services and investment agreements, there are three main challenges that members may face.

**Government Procurement**
All government procurements and their processes should be transparent, predictable and “non-discriminatory”. This means opening up bids and contracts to member state companies. Vietnam, which still controls large aspects of its SOEs, and certainly future potential member nations such as China and, to a lesser degree, India, could have serious problems in complying with this.

**Labor Regulations**
The TPP grants freedom of association and the right to collective bargaining, and also agrees to have laws governing minimum wages. The challenge for the emerging Asian economies is that they need to be able to improve the capacity of labor unions or any collective bargaining associations. This will be necessary in order to exercise this leverage of their rights for better productivity and working conditions, and to further govern the setting of minimum wages in a constructive manner for all three parties involved (the government, unions and businesses). It is uncertain what ‘constructive manner’ means, but it could pertain to a required relaxing of labor regulations in China should similar trade discussions involve Beijing at a later stage.
Copyrights and Patents

The TPP may grant extensions to copyrights and patents, including patents on medicines that prevent the making of generic medicines, which leads to consumers paying for higher-cost patented medicines for a longer period — the lifetime of the author plus 75 years on copyright and 20 years on patents. This is longer than that agreed in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Should TPP negotiations later include India, whose pharmaceutical companies have long made a living out of manufacturing out of patent generics at cheap prices, this would have a significant impact.

We will have to wait and see how each branch of the TPP impacts upon member and non-member nations. However, we can take a quick snapshot of the countries both within the TPP and affected by it as follows:

TPP Asian Members

OEC rankings are included in the comparisons below, ranked in order of complexity from first (Japan) to the lowest of 162 nations. These figures are important, as more complex economies are better able to adjust to changes in the trade environment, such as those arising from the TPP. Also included is basic data on the numbers of existing Free Trade Agreements in force, indicative of how prepared economies are to absorb the abolition of tariffs. The ASEAN members of Brunei, Malaysia and Singapore have a multilateral FTA with Australia-New Zealand, China, India and South Korea.

Australia

About 1/3 of all Australian exports — worth approximately AUD100 billion — go to countries that are also within the TPP agreement. Australia’s Trade Minister Andrew Robb has said he wants the TPP to give Australia better market access for its agricultural products, and commercial benefits for service providers and investors.

The agreement contains provisions concerning a more open internet market, the potential for longer time periods for patents — especially in the pharmaceutical industry — as well as mutually consistent administration procedures such as food labeling and quarantine periods. These are all key issues for the Australian agriculture industry.

Brunei

Brunei is one of the smallest countries in Asia, yet is an important player in the energy industry. The Southeast Asian country sits on large oil and gas reserves and both provides and refines crude and raw products, which account for over 50 percent of its GDP. It is the fourth largest producer of LNG globally and is Asia’s third largest oil supplier. Brunei is moving more towards the refining of products, however, as its own reserves are starting to run out and it needs to diversify its economy. The country imports most other products from Japan, Singapore and the United States.

Brunei effectively serves as a medium sized energy supplier to the ASEAN bloc, yet it also assists with more upstream technologies in this industry, and will continue to play an important role in the provision of refined energies to the Asian and Asia-Pacific regions for some time to come. Brunei’s FTA agreements are limited to its membership of ASEAN, although this includes agreements with TPP members Australia and New Zealand, as well as trade agreements with Japan.

Japan

Japan is the second largest member in the TPP but also has a relatively closed yet expensive market, and especially so within the agricultural industry. Rice production costs eight times more than in the United States, for example. However, agriculture and especially beef and fruit represent just five percent of Japan’s total exports in a domestically saturated market. Maintaining high quality and affordable prices for an increasing consumer demand is an opportunity Japanese farmers feel they can take on.
Japan already has FTAs (known as “Economic Partnership Agreements” in Japan) with TPP members Brunei, Chile, Malaysia, Mexico, Peru, Singapore and Vietnam, as well as agreements with ASEAN, India, Indonesia, The Philippines and Thailand, suggesting the country is already well prepared. The TPP will auger well for Japanese exports.

Opening up its markets to American products may prove more of a challenge, but Japan’s major trump card is its technical innovation skills. It has not permitted China access to these and is determined to remain a major developed power in this area. Providing the U.S. and the developed economies of the TPP membership with technologies such as robotics is a key issue for Japan to maintain and develop its role in technical innovation.

Malaysia
Malaysia’s TPP interest stems in part from a failed attempt to secure a Free Trade Agreement with the United States in 2010, a situation that is considered an embarrassing failure of its trade negotiations team. Malaysia’s businesses and, to some extent, its government have tended towards protectionism in the past, and have also been slow to adapt when trade agreements such as the ASEAN FTA with China came into effect. Many Malaysian companies failed to realize the opportunities this presented to sell to China.

Malaysia also has FTAs with TPP members Australia, Chile, Japan and New Zealand, and additional bilateral agreements with the Gulf Cooperation Council, India, Pakistan, South Korea and Turkey in addition to its ASEAN agreements, which include China.

Current government modeling has indicated that TPP membership would see Malaysia’s economy grow by 2.5 percent, with exports and imports increasing by US$16.4 billion and US$16.5 billion respectively. The bulk of exports are expected to come from the manufacturing sector as Malaysia starts to take some of the manufacturing capacity away from China. Machinery (US$3.9 billion), electrical equipment (US$3 billion) and the food and beverage (US$2.4 billion) subsectors record the largest exports.

New Zealand
More than 70 percent of New Zealand’s total trade is with the Asia-Pacific, meaning that the TPP agreement is seen as a boost to the nation’s relatively small economy.

The New Zealand trade council has stated that the gain from TPP membership is estimated to be US$4.1 billion. These tangible benefits for our exporters and consumers are not the only gains that will result from TPP. New Zealand would be far closer to achieving long-term goals such as wider, regional economic integration and opportunity to shape future trade liberalization in the Asia-Pacific region. This is important because the somewhat inconvenient truth is that after 30 years of on-off economic reform the New Zealand economy is neither big enough nor of sufficient depth to provide the resources we need for the lifestyles to which we have become accustomed.

New Zealand has existing FTAs with Australia and Malaysia, and other agreements with China, the Gulf Cooperation Council, India, Singapore, South Korea and Thailand. Winners for New Zealand can be expected in the pharmaceutical and agriculture industries, and especially within beef and lamb, dairy products and wines.

Singapore
Singapore has both investments across Asia and a large services industry, making its TPP position rather different from other participating nations. The country is also no stranger to the benefits of FTAs, with an existing and highly advantageous agreement with the United States as well as close to 100 other bilateral agreements. In comparison, Hong Kong, its regional rival, has just 30. This repositioning of Singapore as an Asian regional hub will be enhanced by the TPP agreement.

The Singapore Government is pro-TPP, although to be in agreement there will have to be some changes. Issues pointed out as concerns in Singapore include:

- Tiered motorcycle licensing system and road tax adversely affecting the export of large U.S. motorcycles
- Restrictions on imports of non-medicinal chewing gum
High excise taxes on alcohol, tobacco products, and motor vehicles
No legislation making illicit cam-cording of a film in a theater a criminal offense
Limited trade secrets protection
Transshipment of IP-infringing goods through Singapore
Insufficient deterrent penalties for end-user software piracy
Ineffective enforcement against online peer-to-peer infringement and media box piracy

Singaporean investment into Malaysia and Vietnam under the existing ASEAN bloc can be expected to assist both develop and ultimately take advantage of TPP opportunities. Singaporean-Australian trade should also receive a small boost, although this is already largely covered by the ASEAN-Australia-New Zealand FTA.

**Vietnam**

Vietnam is poised to be a major beneficiary of the TPP agreement, opening up significant markets for Vietnamese manufactured products, especially in North America, that will place it in an advantageous position over China.

Vietnam has serious concerns about the balance of trade it has with China, which is already significantly in China’s favor. Cheap Chinese products entering Vietnam via the ASEAN-China FTA have hindered Vietnamese development. Markets that China currently finds it harder to access, such as the United States, will however be at zero tariffs for Vietnamese manufactured goods. This will have the effect of increasing Vietnam’s GDP by about 15 percent, according to U.S. economists, with specific emphasis on textiles, shoes and light manufacturing. The balancing act for Vietnamese manufacturers is to ensure that they are manufacturing Vietnamese or ASEAN products and not just reassembling cheap imported components from China.

Vietnam stands to benefit as it will have to abide by stricter IP protection standards in addition to other administrative trade protocols required by the U.S. to sell to the American market. If successful, this could make Vietnam a preferred manufacturing destination for U.S. investors, over and above that of the current China emphasis. Vietnam has also taken steps to underline these advantages by lowering its corporate income tax rates, which are currently 22 percent – three percent lower than China - to 20 percent by 2020. The impact of this will be to make a ‘mini-China’ out of Vietnam’s light manufacturing industry over the next five years; a situation that will strongly impact upon China’s existing manufacturing base in Guangdong.

Vietnam and China are also impacted by the TPP’s "Yarn Forward" scheme, in which yarn sold onto U.S. markets can only be procured from TPP members. As Vietnam sources most of its raw materials in the industry from China, this means supply chains will have to move. That has implications for the textile manufacturing industry both in Vietnam as well as Malaysia. This is also likely to prove attractive to India and Indonesia, both of whom are examining the TPP agreements with a view to later joining, but is bad news for China, whose textiles industry will not only lose Vietnam as a buyer but also see their products effectively excluded from North American markets.

The Impact on Other Asian Nations

**Indonesia**

Following the signing of the TPP agreement by participating members in October 2015, the Indonesian President Joko Widodo told U.S. President Obama that Indonesia intends to join the TPP. Like Malaysia, local Indonesian business interests also suffered when the ASEAN-China FTA came into effect, with many businesses unprepared for the resulting influx of cheap Chinese goods, and ill-prepared to establish markets in China itself. That forced a re-balancing of domestic Indonesian manufacturing, forcing many inefficient factories out of business yet encouraging re-investment in the better ones. That process has now largely been absorbed. However, getting access to the North American markets will require a considerable amount of de-regulation and regulation.

Nonetheless, Indonesia has come around to the benefits of increasing its free trade ties. Apart from its membership of ASEAN, the country also has agreements with Australia, which will be sure to keep an interested eye on Indonesian TPP membership. Australia is still not as integrated as it should be with Indonesian trade or investment manufacturing – sharing the same TPP platform would be good news for both.
ASEAN

ASEAN is a trade bloc rather than a country, and is part of the RCEP proposals as a collective entity. However, Brunei, Malaysia and Singapore – with Indonesia possibly joining them – are also members of the TPP. The pertinence of the TPP to ASEAN is not without controversy, with China-friendly nations such as Cambodia accusing the TPP of ‘splitting ASEAN’. Be that as it may, the TPP’s main benefits to ASEAN are likely to be second hand but still influential. Singapore is a huge port yet will be expected to clamp down on pirated goods. If it does so, this means other ASEAN nations will have to clamp down on their own domestic pirates. Also, ASEAN nations will be looking out for the Vietnamese agreement to see what percentage of non-Vietnamese components can be sourced from their countries for eventual export to the U.S. market. If there is provision for this, the TPP may act as both a carrot and a stick to get reform and higher standards into the manufacturing processes of ASEAN nations.

China

It appears patently obvious that the Chinese economy – and the Communist Party – has reached a crossroads in terms of national and economic development. The country has long taken advantage of both its demographic dividends and huge amounts of foreign investment, yet it has not done all it can in terms of economic reform to match. Instead, the country is still embroiled in border and maritime disputes, and its overland border crossings remain undeveloped. Kunming has the potential to develop as a gateway to Southeast Asia, but will not do so unless it is granted the means to build relations with Vietnam.

China has not progressed with SOE reforms and remains a relative copier of products rather than the innovator it needs to be. Japan has been reluctant to share technologies with China, especially in hi-tech and the next generations of communications and robotics. With an aging population accustomed to 25 years of prosperity, the Chinese have a hard task to get any semblance of meaningful growth into their economy. Membership of the TPP would provide a much needed boost and access to all of North America, yet the stark reality is that the Chinese system is not up to standard to even begin to implement and accept the relevant bilaterally binding rules.

There is some light in the tunnel, however. China is studying the implications of the Regional Comprehensive Economic Partnership (RCEP) trade deal, which includes all ten ASEAN nations of Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam, as well as the six countries that ASEAN has Free Trade Agreements with: Australia, China, India, Japan, New Zealand and South Korea.

The RCEP concept was given a mandate by APEC in 2014 for China to conduct a two year feasibility report, which should be presented to APEC in December 2016. The RCEP has the potential to do for China what the TPP is doing for the United States. If this is realized, then the combining of both into one Asia-Pacific Free Trade Area will be a step closer to reality. However, the question for China remains – can it get reforms into the SOE sector, reach agreements on border disputes, and accept internationally agreed administration procedures being positioned upon its import-export trade? In short, this means the CCP giving up some powers both over the national economy and in cross-border movements.

Unsurprisingly this has been met with some dismay in certain Chinese quarters, with accusations that the U.S. are ‘fencing China in’. Chinese politicians have gone so far as to complain that ‘China has been excluded from the very beginning’, painting an extreme picture of U.S. motives vis-à-vis China, arguing that the TPP is America’s attempt to shake free of its dependence on China’s manufacturing industry and establish an import substitution system that excludes China. In other words, through the TPP, the United States is aiming fundamentally to destroy China’s role as the world’s factory.

That is stretching matters somewhat, as it is China’s own demographic weaknesses, aligned with a far too rushed attempt to raise the income of Chinese nationals, that is having more of an impact on manufacturing capacity. A more likely scenario is that the U.S. is using the TPP in part to persuade the Chinese CCP to speed up the reform process, or to slide back into a more insular and limited global role. This is essentially a decision only the CCP can make. There exists considerable doubt if the CCP will give up such powers and agree to mutual compliance.

At such times of development, Beijing’s practice has usually been to wait and see what happens, which may well be the period we are currently
entering into as concerns China trade. If so, we can expect several years of limited growth in China, while economies such as Vietnam, and potentially Indonesia and India, take advantage of the opportunity a frozen China represents.

If China does decide to run with the U.S. and implement RCEP to the same standards as the TPP, with a view to eventually merging them, then the Asia-Pacific Free Trade Area will become a reality probably within the decade. If not, China will decline into a more insular state with limited growth, losing the global manufacturing baton to ASEAN and India, and facing the prospect of once again shuttering its doors to global trade other than that required to maintain civil order amongst its citizens. If it does so, it will have missed the chance to become the global superpower it so desperately craves. Indicators of which way the country will move include a lessening of border disputes, a willingness to finally settle these, and getting serious reforms into the SOE sector and certain areas of government. How far the CCP is prepared to go to meet these goals when faced with potential exclusion from regional trade is hard to assess.

India

India, like China, is part of the RCEP Group, and has not begun negotiations concerning the TPP. However, there is increasing alarm within Delhi that exclusion will be bad for the Indian economy, and would lead to a diverting of trade and investment away from the country. Delhi has been actively engaging with the U.S. to understand the TPP framework, and in my view is likely to enter into negotiations to join within the next 24 months.

Even if this should come to pass however, India will face serious reforms to comply with TPP standards. India's legislations are not particularly aligned with global standards and foreign investors have previously encountered retrospective tax legislations. India, like China, will find it difficult to comply to environmental standards due to its lower stage of economic development, and will also have a hard time conceding the intellectual property rights protection regime that the United States wants, as it relies on a huge generic drug manufacturing industry. At present it is difficult to see whether India can afford to participate in the abolition of tariffs that are expected under the TPP, and it will be hard to meet the labor standards required – India's labor laws are notoriously lax.

That said, India is desperate to emulate China, and is also poised to take advantage of the demographic worker dividend that China is losing. India's workforce is second only in size to China's, yet is crucially still growing in numbers and has an average age ratio of fourteen years younger. This means that India is about to become the global source for cheap manufacturing labor and can be so for the next two decades – if it gets its political act together and can both reform and agree to TPP compliance.

I suspect that it will. Pointers are negotiations commencing with the TPP members, and the incumbent Modi government managing to get reforms into the Indian commercial sector. As a democracy, and with government largely out of commerce, India may in fact stand a better chance of joining the TPP than China, where vested family interests in the CCP tend to stymie reforms. If that happens, India will be the Asian dragon for the next two decades and emerge as the world's manufacturing hub.

The Impact on EU Manufacturers

The European Parliament's Director-General for External Policies released a report on the likely impact that the TPP agreement will have on EU trade. It summarized that "the impact of the TPP on the EU is likely to be negative, making the EU's efforts to conclude free trade agreements with various Asian economies more urgent than ever." This follows the collapse of the proposed EU-ASEAN FTA, which failed due to EU objections over emerging ASEAN economies such as Myanmar having access to EU markets without being able to offer much in return. That has prompted the EU to follow a bilateral approach instead, although progress has been slow.

To counterbalance the TPP impact, EU manufacturers may wish to consider the option and legal position of establishing manufacturing operations in TPP member countries such as Vietnam to gain access to the wealthy Japanese and North American markets. Ownership of domestic companies is not an issue within the TPP. Establishing a wholly foreign owned enterprise in Vietnam to take advantage of TPP benefits is a valid option for European or any other foreign investors looking to access North America, duty free.

A
Using the TPP To Access the China, ASEAN & India Markets

By Chris Devonshire-Ellis

The TPP agreement offers a ‘back door’ for American companies in particular to enter the ASEAN, China and Indian consumer markets at vastly reduced import tariffs. This route also specifically applies to fellow TPP members Canada, Japan, and Mexico.

The TPP agreement offers these benefits via a route that doesn't impact upon Australian companies or those from Chile, New Zealand and Peru, as these countries already possess their own Free Trade Agreements with China. The TPP ASEAN members of Brunei, Malaysia, Singapore and Vietnam are also covered in this regard via the ASEAN-China FTA.

The TPP allows for member countries to conduct trade with very specific items. Much of the benefits of this are to be found in the agricultural, automotive, pharmaceutical, oil & gas and textiles industries, as well as machinery manufacturing. An important part of this new trade dynamic is the impact upon U.S. trade with Vietnam. Examples of this can be seen in the U.S. automotive and textiles industries, which are covered in the TPP deal and will be able to export their raw products to a country such as Vietnam to add value.

The reason for this is the imbalance caused by the ASEAN-China FTA which has priced American, Canadian and Mexican products out of the Asian production market. As the United States Trade Representative (USTR) has noted in comments about that agreement: “This has meant that as an example, Vietnamese auto parts buyers pay a 27 percent tariff if they choose American parts, but only five percent or no tariff at all on similar Chinese- or Thai-made auto parts under the China-ASEAN FTA.”

However, that same ASEAN-China FTA can now work to the advantage of American, Canadian or Mexican companies willing to invest in TPP manufacturing or processing facilities in the Asian TPP members of Brunei, Malaysia, Singapore and Vietnam. Attention to detail needs to be paid here, as each of these markets offer different opportunities. However, in investing in a wholly owned or joint venture company in any of these countries, foreign companies will also be covered under the ASEAN-China (and ASEAN-India) FTA.

The caveat – and beauty of the TPP agreement – is that doing so will require a condition that the TPP agreement has insisted upon: that production be sourced locally. This is specifically catered for in the TPP “Yarn Forward” scheme.

This is actually more stringent than ASEAN’s own FTA provisions on locally sourced products, commonly known as “Rules of Origin.” ASEAN’s Rules of Origin have a relatively simple and transparent structure: many take the form of a 40 percent regional value content rule or the change-of-tariff-heading approach. Often, businesses have the flexibility to use either approach to demonstrate that their exports qualify for lower tariffs under the terms of ASEAN’s FTAs. Because of the inclusion of a Rules of Origin clause in the ASEAN-China FTA, and the same, even more rigid structure appearing in the TPP agreement, it appears highly likely that American, Canadian and Mexican businesses investing under the TPP agreement into Malaysia or Vietnam will easily pass the ASEAN FTA criteria.

Of course, these are huge markets and research needs to be conducted on the feasibility and industrial sectors that stand most to benefit. But the TPP agreement – and especially those local production / Rules of Origin sections – appears tailor made for American companies to gain access to ASEAN through Malaysia, Singapore or Vietnam. Such companies can take those Rules of Origin criteria and apply them to the ASEAN bloc itself, as well as the ASEAN-China and ASEAN-India FTA.
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