COMMENTARY

Editorials, letters, columns and other opinions

Trade Pact Could Deliver Jobs and Growth

COMMENTARY

Matt Blunt

Earlier this month, some of America's most important Pacific trading partners converged in San Diego for further discussions to negotiate expanded trade in the Pacific region. The Trans-Pacific Partnership, TPP, trade pact presents strong growth opportunities for American workers and the overall economy. As one of the largest employers and most important U.S. industries, our auto industry, and by extension the U.S. economy, stands to benefit from this pact.

The trade pact and the opportunities it will bring to the American automotive industry will have a substantial impact on San Diego. As one of the most important ports on the Pacific Rim, San Diego already handles tens of billions of dollars in U.S. trade, including billions of dollars' worth of automobiles and automotive parts, including over 272,000 vehicles in 2011. If ratified, the Trans-Pacific Partnership would boost business and overall volume for the Port of San Diego, boosting local economic growth and creating jobs.

The Participants

The TPP is a pan-Pacific regional trade agreement being negotiated among the United States and ten other Pacific-rim countries: Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

The negotiating members have worked together to design an international agreement with the goal of liberalizing economies and commerce throughout the pan-Pacific region. TPP is intended to increase the exchange of goods and services among countries committed to open markets. If successful, this would be a win-win for each nation — including creating much needed jobs here at home.

The United States and the other nations currently involved in the TPP should take advantage of future negotiations to commit to liberalizing their markets, lowering trade barriers and creating a business environment within the partnership that is conducive to economic growth and job creation.

As the nation's top exporter, the American auto industry supports a trade agreement that results in equitable market access among each of the member countries. All member nations and any aspiring to join the TPP should have the same goals in terms of market openness and recognize the need to decrease non-tariff barriers to international trade and growth.

American Automotive Policy Council, AAPC, welcomed the news of the inclusion of Canada and Mexico into the TPP recently, given their history of open and mutually beneficial trade practices, and specifically their history of open auto trade.

The Japan Issue

Like Canada and Mexico, Japan has voiced an interest in joining the negotiations. However, it would be a mistake to include Japan now.

American businesses and workers would benefit from first finalizing TPP negotiations with the current countries. Inclusion of Japan would create a significant delay at this stage in the negotiations, risk derailing the talks, and forestalling the investment and job creation that would result.

AAPC remains opposed to including Japan in the TPP. Mexico and Canada long ago have opened their auto market to imports just as we have here in the United States, but Japan remains the most closed auto market in the developed world.

Japan's government has long used non-tariff barriers to protect its domestic industry — including manipulating its currency to artificially boost its exports — in what some consider violations of its existing international commitments. It would be naïve to think Japan's decades-long history of currency intervention and active protectionism will change by inking another standard agreement. That is why it is critical for the TPP agreement to include, as a leading priority, disciplines against the use of currency manipulation to gain an unfair competitive advantage.

Including Japan risks either derailing these talks, or locking in damaging one-way trade. Both outcomes will hurt U.S. manufacturing at a time we can least afford it and undermine the contribution this agreement can make to America's economic recovery.

Matt Blunt is the President of the American Automotive Policy Council and the former governor of Missouri.

SAN DIEGO BUSINESS JOURNAL
4909 Murphy Canyon Road, Suite 200
San Diego, CA 92123
858-277-6359 • Fax 858-277-6398
Email: sdbj@sdbj.com • Website: www.sdbj.com

PRESIDENT & PUBLISHER
Randy C. Frisch rfrisch@sdbj.com • 858-277-6795

VICE PRESIDENT, ASSOCIATE PUBLISHER
Bob Baranski bbaranski@sdbj.com • 858-277-0722

VICE PRESIDENT, CORPORATE DIGITAL MEDIA
EDITOR-IN-CHIEF
Reo Carr rcarr@sdbj.com • 858-277-1740

EDITORIAL

Special Projects Editor
Stephanie R. Glidden sglidden@sdbj.com • 858-634-4636

Copy Editor
Steve J. Adamek sadamek@sdbj.com • 858-277-6591

Contributing Editor
Tom York tyork@sdbj.com

Senior Reporter
Mike Allen mallen@sdbj.com • 858-277-6971

Reporters
Julie Gallant jgallant@sdbj.com • 858-634-4626
Brad Graves bradg@sdbj.com • 858-277-6586
Lou Hirsh lhirsh@sdbj.com • 858-277-8904

Kudos/Giving Columnist
Joyce Glazer jglazer@sdbj.com

Photographers
Melissa Jacobs • mj@sandiegophoto.com
Stephen Whalen • peak15@roadrunner.com

RESEARCH

Research Editor
Emily Pippin epippin@sdbj.com • 858-277-6359

ADVERTISING

Sales Manager
Dale Ganzow dganzow@sdbj.com • 858-277-4832

Account Executives
Rick Bushree rbushree@sdbj.com • 858-277-6692
BJ Ghiglione bghiglione@sdbj.com • 858-277-6594