



What is a Trade Promotion Agreement (TPA)?

- TPAs are reciprocal agreements between countries that eliminate or reduce tariffs and trade barriers, including trade-distorting policies, in an effort to increase the amount of trade in goods, services, and investment between the countries. These agreements also reinforce U.S. strategic and geopolitical relationships. TPAs are sometimes called free trade agreements (FTAs).
- Without TPAs, U.S. exporters and farmers often face high tariffs and other non-tariff trade barriers in foreign markets. TPAs enable U.S. exporters to play on a level playing field with foreign companies in foreign consumer markets. In some cases, TPAs enable U.S. exporters to have a preferential status in those markets.
 - Case study: Over the past 25 years, the United States has negotiated TPAs with 17 countries around the globe. While these countries represent just 7% of global GDP, they purchased 41% of U.S. exports in 2010. The Census Bureau reports that U.S. manufacturers had a cumulative trade surplus of more than \$70 billion over the past three years and so far this year are on track for a surplus of approximately \$40 billion. The manufactured goods deficit is entirely with countries that do not have TPAs with the United States, while the United States has large global trade surpluses in services and agricultural products.
- TPAs are a tool for promoting fair competition. They commit foreign governments to adopt open and transparent rulemaking procedures that help protect U.S. exporters against unfair discrimination. TPAs also include procedures to enforce internationally accepted standards that help promote consumer safety and foster a predictable trading environment.
- According to the World Trade Organization, there are 297 TPAs in force around the globe today. The United States has just 11 covering 17 countries.
- Although some of the countries that the United States has TPAs with are small, these trade agreements can help turn small economies into big markets for U.S. exports.

When it comes to exports, jobs and U.S. competitiveness, the benefits of TPAs are clear for American workers, manufacturers and service providers and agricultural producers.