

## **Is TPP Good for the PI&A Industry?**

In what arguably may be the most polarizing presidential election in U.S. history, the two parties hold vastly differing views on virtually everything. Yet large numbers of both Republicans and Democrats are united in their opposition to the Trans Pacific Partnership trade agreement, commonly known as TPP. Further complicating the issue is that President Obama strongly supports the agreement.

In simplest terms, TPP is a large free trade deal between the United States and eleven other countries in the Asian-Pacific region (with China being notably absent). TPP's primary objectives are to eliminate tariffs on goods and services, remove trade barriers, and streamline regulations among the parties to the agreement.

Trade deals are often controversial, but TPP has drawn particular ire. Environmental groups feel its protections regarding the environment are insufficient. Labor groups blame trade deals for moving plants and manufacturing jobs overseas.

Meanwhile, the pro-business U.S. Chamber of Commerce echoes the Obama administration in pushing for ratification of the agreement. The Chamber's website states, "U.S. economic growth and job creation depend on our ability to sell American goods and services to the 95% of the world's customers living outside our borders — particularly in the Asia-Pacific region. Yet other countries' high tariffs and other trade barriers increasingly bar the door to made-in-USA goods and services. The solution is the Trans-Pacific Partnership."

With process controls manufacturers, representatives, and distributors increasingly looking to the Asian marketplace for new customers, MCAA reached out to some of our members and economic experts regarding their take on trade agreements and TPP.

"I think trade agreements are healthy, " said Bill Hendrick, Vice President of Global Strategy for Magnetrol. "Growth for our industry over the next couple decades is going to be driven by Asia, particularly China and India. We need to be able to compete with global suppliers on as even a playing field as possible. In my opinion, rules that limit international competition are not good for anyone in the long term."

ITR Economics believes manufacturing will continue to be a major part of the U.S. economy in an increasingly interconnected world. Their analysts conclude that as long as American manufacturers continue to innovate, move capital where it is most needed, and monitor environmental and labor issues, the TPP can benefit all parties.