

TRADE POLICY IN THE WESTERN HEMISPHERE: A STATEMENT OF PRINCIPLES

Engagement is Necessary

- The U.S. is facing fundamental decisions about the way we engage with the world. Some question the benefits to the United States of globalization.
- As 95% of global consumers live outside the United States, trading with the world is critical and withdrawing would only hurt ourselves. The Western Hemisphere takes over 45% of total U.S. exports, more than any other region—and active engagement with the Americas builds on our economic strength.

Trade Supports Jobs

- Trade supports millions of good American jobs and represents about 28% of U.S. GDP. One in three manufacturing jobs in our country depends on trade—jobs that pay 18% more than the average wage.
- Trade is often an easy target during times of economic uncertainty, even though disruptions are more frequently the result of technological innovations, changing consumer preferences, and more efficient supply chains. Nonetheless, to take full advantage of changing circumstances, we should more adequately support workers so they can develop adaptable skills for the 21st-century economy.

Rules and Values Matter

- Economic engagement, however, is about more than just job creation. It is also about building a framework within which American workers can compete effectively and thrive in a rules-based global economy that reinforces U.S. economic advantage and supports American and other appropriate standards.
- Trade agreements are powerful tools to ensure this level playing field. They codify and expand our values of transparency, labor and human rights, the rule of law, and environmental protection.

The Hemisphere is Integrating

- Countries in the hemisphere that are ready for further economic integration with the U.S. and each other are anxious to move forward—and they will, with or without us. Chile, Colombia, Mexico, and Peru have created a "Pacific Alliance" to eliminate tariffs and integrate their economies. New governments in Argentina and Brazil are engaging with the world again after more than a decade of looking inward. Real people are seeing real benefits. Shifting political currents have created an opportunity for the U.S. to increase economic ties.
- This presents a choice: either the U.S. can watch hemispheric integration from the sidelines, or we can actively shape the conversation in the region consistent with our strategic economic interests and values.

TPP is Strategic

- TPP is the best vehicle for expanding this active partnership. More than just a trade agreement that helps U.S. workers sell goods and services overseas, it lowers 18,000 taxes and other trade barriers on U.S. products.
- Above all, in the Western Hemisphere, home to five of the 12 parties to the deal and perhaps more to come, TPP is a strategic opportunity for the United States to demonstrate leadership and set the agenda for economic growth. Ultimately, if we turn our back on the agreement, we turn our back on countries in the region most committed to a partnership with the United States. And we also undercut ourselves.

The Council of the Americas Trade Advisory Group comprises representatives from members of the Council of the Americas and invited experts who each educate and advocate for open markets and trade facilitation in the Western Hemisphere. Members share international trade experience and a common commitment to trade policy as an instrument for economic development throughout the Americas.