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**MEDIA RELEASE**

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## **US TPP report predicting tiny economic benefits will increase US opposition**

The official U.S. International Trade Commission [report](#) released today on the impact of the Trans-Pacific Partnership (TPP) Agreement on the US economy has predicted that impact would be “small as a percentage of the overall size of the U.S. economy”, with GDP increasing by only 0.15 percent after 15 years.

The report is required before the US Congress vote on the TPP implementing legislation. The TPP will not come into force until the US, Japan and at least four other TPP countries have passed such legislation. The [Australian Parliamentary Inquiry](#) into the TPP has been interrupted by the early election.

“This report is likely to increase the strong US [bipartisan](#) Congressional opposition to the TPP and make it even less likely that the [implementing legislation](#) will be considered by Congress before the US election in November. All presidential candidates oppose the TPP, with [Hillary Clinton](#) recently vowing to oppose it if a vote is attempted either before or after the US elections,” Dr Patricia Ranald, Convener of the Australian Fair Trade and Investment Network said today.

“The report’s tiny positive result emerged despite the use of economic modelling that exaggerates the positives and understates the negatives of agreements. One key assumption is that increased imports will not increase unemployment, because all displaced workers will automatically find new jobs. This does not happen in the real world. Some US [economic commentators](#) argue that the tiny positive result using such favourable assumptions shows that the actual impact is likely to be negative,” said Dr Ranald.

Other US commentators have noted that the report predicts an overall US [trade deficit](#) and mentions possible costs arising from both medicine monopolies and increase rights for foreign investors to sue governments for billions of dollars over changes to health and [environmental legislation](#), but does not include such costs in its study.”

“The [Australian Productivity Commission](#) has concluded that studies based on such unrealistic assumptions regularly overstate the benefits and understate the costs of trade agreements, including [increased medicine monopolies](#), and recommended an [independent study](#) of all of the actual costs and benefits of the TPP.

But the Australian government has refused to commission such a study relying instead on a World Bank study which, despite the usual favourable assumptions, also showed [hardly any benefits](#) to the Australian economy after 15 years. The refusal to conduct an independent study, is perhaps the result of fear that such a study would have negative results.

The US study result increases the likelihood that the TPP will languish for want of US Congressional approval. It would be foolish for the Australian Parliament to rush to approve it in these circumstances,” said Dr Ranald.

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