



Opportunities for the U.S. Building Products Sector



The Building Products Sector includes products such as electrical circuitry equipment and parts, lumber, pumps and compressors, HVAC equipment, and fiberglass insulation

Key Market Access Benefits

Japan will eliminate import taxes on **99.7%** of U.S. building products exports **immediately**

Malaysia will eliminate import taxes on **86.6%** of U.S. building products exports within **4** years

New Zealand will eliminate import taxes on **92.1%** of U.S. building products exports **immediately**

Vietnam will eliminate import taxes on **98.2%** of U.S. building products exports within **4** years

U.S. Building Products Exporters Currently Face Barriers in New TPP Markets**

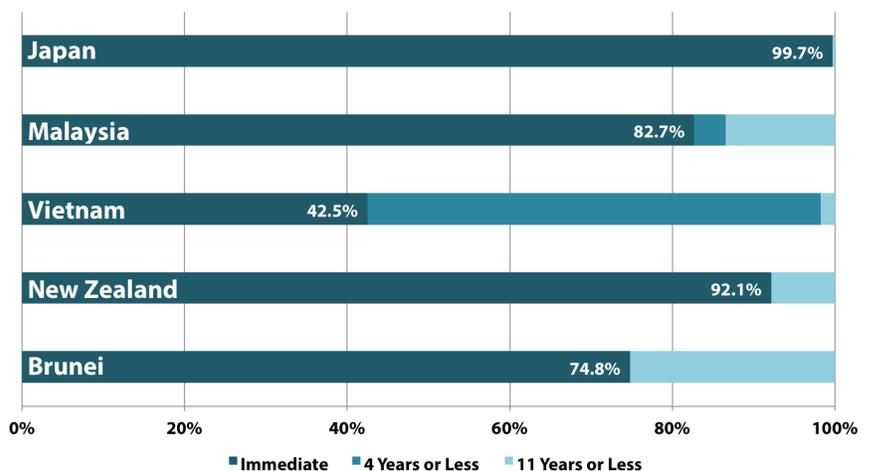
\$1.7 Billion in U.S. Building Products Exports to New TPP Markets in 2015

U.S. Building Products Exports Face Tariffs in New TPP Markets Up to **60%**

An Estimated **\$78 Million** in Duties are Levied on U.S. Exports of Building Products in New TPP Markets Every Year

92.0% of U.S. Building Products Exports to New TPP Markets will Enjoy Duty-Free Access Immediately

Share of Exports by Tariff Elimination Basket



* **TPP Countries:** Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam

** **New TPP Countries:** Countries with which the United States currently does not have preferential market access – Brunei, Japan, Malaysia, New Zealand, and Vietnam

Importance of the U.S. Building Products Sector

758,000 U.S. Building Products Workers in 2015

\$269.2 Billion in U.S. Production in 2014

\$43.4 Billion in U.S. Building Products Exports to the World in 2015

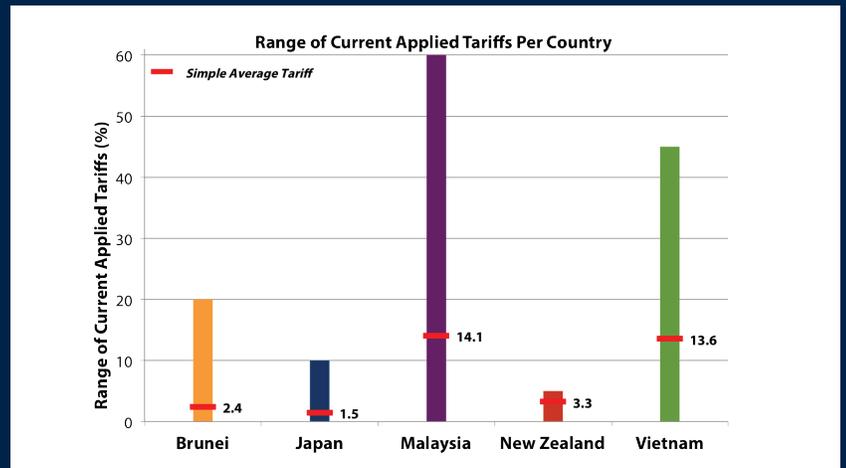
U.S. Building Products Exports to the World Grew by **42%** between 2009 – 2015

61% of Total U.S. Building Products Exports to the World in 2015 Went to the TPP Region

New TPP Partners are Significant Markets for U.S. Building Products Exports

Japan	\$1.2 Billion
Malaysia	\$304 Million
Vietnam	\$79 Million
New Zealand	\$64 Million
Brunei	\$8 Million

U.S. Building Products Exports Currently Face High Barriers in New TPP Markets . . .



. . . Which Will be Eliminated Under TPP

Opportunities for Select U.S. Building Products Exports



Japan - Wooden Building Materials

Japan's wooden housing market is the largest in the world outside the United States, and accounts for an estimated 85% of wood use in Japan. In Japan, tariffs on wood products increase with the level of value added or processing inherent in the product's manufacture. As such, tariffs on wooden building products range as high as 10% in Japan. Under TPP, those tariffs will be eliminated.



Malaysia - Heating, Cooling, Plumbing

Top U.S. building product exports to Malaysia include electrical switches and wiring; plate glass; nails, screws, bolts and other fasteners; and heating, cooling, and plumbing systems. Some of these products face tariffs as high as 30% into Malaysia. Under TPP, all of these products will become duty free, with most tariffs being eliminated immediately.

TPP Commitments Will Make it Easier to Sell More Made-in-America Products

► Saves Time



- **Customs Procedures:** TPP provides for transparent and predictable customs regulations to facilitate the quick release of goods and promote regional supply chains. This includes special features to support small business exporters, including extra facilitations to speed express delivery.
- **Rules of Origin:** TPP provides common rules of origin to ensure that TPP benefits go to the United States and other TPP countries, not China or other non-members.
- **Digital Economy:** TPP features the most ambitious and advanced digital trade provisions of any trade agreement the United States has ever concluded. TPP establishes requirements that support a single, global Internet, including ensuring a free flow of data across borders. TPP also provides for non-discriminatory treatment of digital products transmitted electronically, and commits TPP countries not to impose customs duties on digital products.

► Reduces Costs



- **Investment:** TPP ensures that U.S. investors have the same kinds of protections in TPP markets that the United States already provides investors here at home, such as due process, non-discrimination, and just compensation in the event of expropriation.
- **Technical Barriers to Trade (TBT):** TPP enhances transparency, reduces unnecessary testing and certification costs, and promotes greater openness as standards are developed. This will enable U.S. exporters to ship more specialized, high-value manufactured goods to the region.

► Promotes Fairness



- **Government Procurement:** TPP guarantees new market access to government procurement markets in TPP countries and ensures fair, transparent, and non-discriminatory rules for covered procurement.
- **Enforcement:** TPP establishes a fair and transparent dispute settlement mechanism that applies to all chapters and procedures to settle disputes in a timely manner.
- **Labor:** TPP establishes strong and enforceable obligations, including adherence to fundamental labor rights as recognized by the International Labor Organization. TPP will require countries to protect the freedom to form unions and bargain collectively, eliminate exploitative child labor and forced labor, and set acceptable conditions of work.
- **Regulatory Coherence:** TPP establishes principles to guide government processes for planning, implementing, and reviewing regulations. Partner countries have also agreed to a set of good regulatory practices, including the use of regulatory impact assessments and regulators' assessments of the economic costs and benefits of the regulation.



Want to learn about the tariff for your specific product in the TPP? Visit the FTA Tariff Tool at <http://www.export.gov/fta/ftatarifftool/>

TPP Implementation Offers New Opportunities for U.S. Exporters

Market Opportunity Spotlight

Japan

The Japanese construction market is large, highly stable, and reflects trends that will continue to drive demand for the advanced building products U.S. exporters offer. Japan's population has high disposable income, a commitment to energy and other resource conservation, and a strong interest in new technologies to achieve greater environmental friendliness in construction. Since 2012, the Japanese Government has embarked on a focused roadmap for a series of building energy efficiency policies. The Japanese market holds solid prospects for innovative U.S. lighting products, in both retrofits and new construction, and U.S.-sourced insulation products make up 21.8% of Japan's import market.



Market Opportunity Spotlight

New Zealand

In 2011, earthquakes destroyed approximately 1,000 commercial buildings and 10,000 residences in the southern city of Christchurch. The city's massive rebuild is anticipated to continue over the next 15 years creating strong demand for building supplies. In particular, non-wood building supplies are anticipated to be in high demand.



Building Products Companies Across the United States Export to the TPP Region

