Transatlantic Trade and Investment Partnership (T-TIP)

Opportunities for California

T-TIP stands to be an ambitious, comprehensive, and high-standard trade and investment agreement that offers significant benefits for U.S. companies and workers through eliminating existing trade barriers and better enabling U.S. companies and workers to compete. **T-TIP will provide significant new opportunities for U.S. industry, as approximately one-fifth of all U.S. goods and services exports go to the European Union (EU).** In 2013, every billion dollars of U.S. exports supported 5,590 jobs. In that same year, U.S. goods and services exports to the EU supported an estimated 2.5 million U.S. jobs.

**Key Opportunities for California’s Industries**

**Information and Communication Technologies (ICT)**

The ICT sector accounted for 21 percent of California’s total exports to the EU between 2012 and 2014. During that same period ICT exports to the EU from California averaged $5 billion annually. The EU currently has tariffs on ICT products as high as 14 percent. California companies would likely benefit from reduced tariffs in this sector as a result of the agreement.

**High-tech Instruments**

The high-tech instruments sector accounted for 8 percent of California’s total exports to the EU between 2012 and 2014. During that same period high-tech instruments exports to the EU from California averaged $1.9 billion annually. The EU currently has tariffs on high-tech instruments as high as 6.7 percent. California companies would likely benefit from reduced tariffs in this sector as a result of the agreement.

**Consumer Goods**

The consumer goods sector accounted for 7 percent of California’s total exports to the EU between 2012 and 2014. During that same period consumer goods exports to the EU from California averaged $1.7 billion annually. The EU currently has tariffs on consumer goods products as high as 15 percent. California companies would likely benefit from reduced tariffs in this sector as a result of the agreement.
## Exports Sustain Thousands of California Businesses including SMEs

A total of 75,175 companies exported from California locations in 2013. Of those, 72,032 (95.8 percent) were small and medium-sized enterprises with fewer than 500 employees. Small and medium-sized firms generated over two-fifths (44.6 percent) of California’s total exports of merchandise in 2013.

California exported $27.9 billion annually in goods to the EU (2012-2014 average). California’s goods exports to the EU increased by 15 percent from 2012 to 2014. During this period, 17 percent of California’s total goods exports went to the EU.

The EU’s tariff elimination as part of T-TIP would provide new market access that could benefit California’s exports. Exports from California could also benefit from efforts in T-TIP to achieve new market access commitments in services and investment, improve the regulatory environment, and establish global best practices.

### How Past FTAs Have Benefitted California

The United States currently has free trade agreements in force with 20 countries, which account for $70.4 billion (40 percent) of California’s exports in 2014. During the past 10 years (2005-2014), exports from California to these markets grew by 50 percent, with NAFTA, Korea, Chile, CAFTA-DR, and Australia showing the largest dollar growth during this period.

### In Their Own Words: T-TIP Comments

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<tr>
<th><strong>The American Farm Bureau Federation</strong></th>
<th><strong>Telecommunications Industry Association (TIA)</strong></th>
<th><strong>The Consumer Electronics Association</strong></th>
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<td>“The American Farm Bureau Federation, a U.S. general farm organization, supports efforts to increase agricultural trade flows and remove several major impediments to this flow that currently exist between the United States and the European Union.”</td>
<td>“We see significant potential for a TTIP to increase transatlantic trade of telecommunications goods and services. As the two largest telecommunications markets in the world, the benefits of a comprehensive agreement will likely have a significant commercial benefit to the United States and Europe.”</td>
<td>“The TTIP has the potential to significantly promote and enhance trade in the important consumer electronics industry sector to the benefit of businesses and consumers in the United States and Europe.”</td>
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For more information, please see [www.trade.gov/fta](http://www.trade.gov/fta).
Sources include resources from the U.S. Department of Commerce’s International Trade Administration, Bureau of the Census, and Bureau of Economic Analysis, as well as the International Monetary Fund’s World Economic Outlook.