



# Transatlantic Trade and Investment Partnership (T-TIP)

## Opportunities for Iowa



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 Iowa's Industries

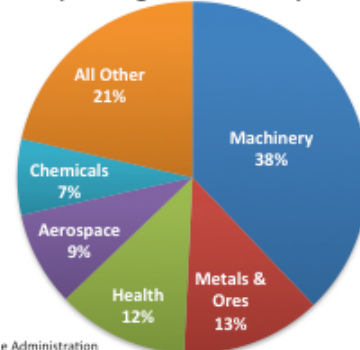
#### Machinery

The machinery sector accounted for **38 percent** of Iowa's total exports to the EU between 2012 and 2014. During that same period machinery exports to the EU from Iowa averaged **\$759 million** annually. The EU currently has tariffs on machinery products as high as 9.7 percent. Iowa companies would likely benefit from reduced tariffs in this sector as a result of the agreement.

#### Metals and Ores

The metals and ores sector accounted for **13 percent** of Iowa's total exports to the EU between 2012 and 2014. During that same period metals and ores exports to the EU from Iowa averaged **\$258 million** annually. The EU currently has tariffs on metals and ores as high as 10 percent. Iowa companies would likely benefit from reduced tariffs in this sector as a result of the agreement.

Iowa's Top Goods Exports to the EU  
(Average 2012-2014)



Source: International Trade Administration

#### Chemicals

The chemical sector accounted for **7 percent** of Iowa's total exports to the EU between 2012 and 2014. During that same period chemical exports to the EU from Iowa averaged **\$139 million** annually. The EU currently has tariffs on chemical products as high as 6.5 percent. Iowa companies would likely benefit from reduced tariffs in this sector as a result of the agreement. Chemical exports could also benefit from T-TIP provisions that will address technical regulations and standards that unnecessarily restrict trade.

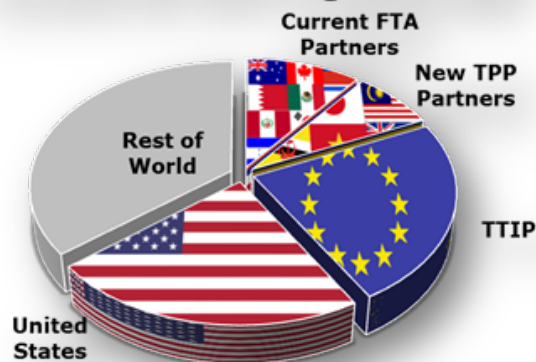
## Exports Sustain Thousands of Iowa Businesses including SMEs

A total of 3,420 companies exported from Iowa locations in 2013. Of those, 2,845 (83.2 percent) were small and medium-sized enterprises with fewer than 500 employees. Small and medium-sized firms generated nearly one-fifth (19.1 percent) of Iowa's total exports of merchandise in 2013.

Iowa exported \$2.2 billion annually in goods to the EU (2012-2014 average). During this period, 15 percent of Iowa'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 Iowa's exports. Exports from Iowa 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.

## With TTIP & TPP, the United States & its trade agreements partners will account for 64% of global GDP



## How Past FTAs Have Benefitted Iowa

The United States currently has free trade agreements in force with **20 countries**, which account for **\$8.6 billion (57 percent)** of Iowa's exports in 2014. During the past 10 years (2005-2014), exports from Iowa to these markets grew by **104 percent**, with NAFTA, Colombia, Korea, Australia, and Peru showing the largest dollar growth during this period.

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## In Their Own Words: T-TIP Comments

### The American Farm Bureau Federation

"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."

### Telecommunications Industry Association (TIA)

"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."

### National Electrical Manufacturers Association (NEMA)

"Our member companies manufacture a diverse set of products including power transmission and distribution equipment, lighting systems, factory automation and control systems, and medical diagnostic imaging systems. Saving time and money not having to pay import duties could provide for notable efficiencies and re-programming of company resources into more productive activities."

For more information, please see [www.trade.gov/fta](http://www.trade.gov/fta).

Prepared by Trade Policy and Analysis, International Trade Administration, U.S. Department of Commerce.

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.