Transatlantic Trade and Investment Partnership (T-TIP)

Opportunities for Massachusetts

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 Massachusetts’s Industries

**Metals and Ores**

The metals and ores sector accounted for 15 percent of Massachusetts’s total exports to the EU between 2012 and 2014. During that same period metals and ores exports to the EU from Massachusetts averaged $1.3 billion annually. The EU currently has tariffs on metals and ores as high as 10 percent. Massachusetts companies would likely benefit from reduced tariffs in this sector as a result of the agreement.

**Information and Communication Technologies (ICT)**

The ICT sector accounted for 12 percent of Massachusetts’s total exports to the EU between 2012 and 2014. During that same period ICT product exports to the EU from Massachusetts averaged $1.0 billion annually. The EU currently has tariffs on ICT products as high as 14 percent. Massachusetts companies would likely benefit from reduced tariffs in this sector as a result of the agreement. ICT exports could also benefit from T-TIP provisions that will address technical regulations and standards that unnecessarily restrict trade.

**High-tech Instruments**

The high-tech instruments sector accounted for 8 percent of Massachusetts’s total exports to the EU between 2012 and 2014. During that same period high-tech instrument exports to the EU from Massachusetts averaged $708 million annually. The EU currently has tariffs on high-tech instruments as high as 6.7 percent. Massachusetts companies would likely benefit from reduced tariffs in this sector as a result of the agreement.
Exports Sustain Thousands of Massachusetts Businesses including SMEs

A total of 10,709 companies exported from Massachusetts locations in 2013. Of those, 9,568 (89.3 percent) were small and medium-sized enterprises with fewer than 500 employees. Small and medium-sized firms generated nearly two-fifths (38.9 percent) of Massachusetts’s total exports of merchandise in 2013.

Massachusetts exported $8.6 billion annually in goods to the EU (2012-2014 average). Massachusetts' goods exports to the EU increased by 5 percent from 2012 to 2014. During this period, 32 percent of Massachusetts’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 Massachusetts’s exports. Exports from Massachusetts 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 Massachusetts

The United States currently has free trade agreements in force with 20 countries, which account for $8.6 billion (31 percent) of Massachusetts’s exports in 2014. During the past 10 years (2005-2014), exports from Massachusetts to these markets grew by 51 percent, with NAFTA, Korea, CAFTA-DR, Australia and Israel showing the largest dollar growth during this period.

In Their Own Words: T-TIP Comments

Consumer Specialty Products Association (CSPA)

“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-programing of company resources into more productive activities.”

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-programing of company resources into more productive activities.”

For more information, please see 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.