Transatlantic Trade and Investment Partnership (T-TIP)

Opportunities for Michigan

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 Michigan’s Industries**

**Automotive**

The automotive products sector accounted for **36 percent** of Michigan’s total exports to the EU between 2012 and 2014. During that same period automotive product exports to the EU from Michigan averaged **$1.9 billion** annually. The EU currently has tariffs on automotive products as high as 22 percent. Michigan companies would likely benefit from reduced tariffs in this sector as a result of the agreement.

**Chemicals**

The chemicals sector accounted for **13 percent** of Michigan’s total exports to the EU between 2012 and 2014. During that same period chemical product exports to the EU from Michigan averaged **$725 million** annually. The EU currently has tariffs on chemical products as high as 6.5 percent. Michigan companies would likely benefit from reduced tariffs in this sector as a result of the agreement. Chemical product exports could also benefit from T-TIP provisions that promote regulatory efficiencies and reduce regulatory compliance costs.

**Machinery**

The machinery products sector accounted for **10 percent** of Michigan’s total exports to the EU between 2012 and 2014. During that same period machinery exports to the EU from Michigan averaged **$552 million** annually. The EU currently has tariffs on machinery products as high as 9.7 percent. Michigan companies would likely benefit from reduced tariffs in this sector as a result of the agreement.
Exports Sustain Thousands of Michigan Businesses including SMEs

A total of 14,843 companies exported from Michigan locations in 2013. Of those, 13,263 (89.4 percent) were small and medium-sized enterprises with fewer than 500 employees. Small and medium-sized firms generated over one-fifth (21.0 percent) of Michigan’s total exports of merchandise in 2013.

Michigan exported $5.5 billion annually in goods to the EU (2012-2014 average). Michigan’s goods exports to the EU increased by 4 percent from 2012 to 2014.

The EU’s tariff elimination as part of T-TIP would provide new market access that could benefit Michigan’s exports. Exports from Michigan 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 Michigan

The United States currently has free trade agreements in force with 20 countries, which account for $39.7 billion (71 percent) of Michigan’s exports in 2014. During the past 10 years (2005-2014), exports from Michigan to these markets grew by 40 percent, with NAFTA, Australia, Korea, Chile, and Colombia showing the largest dollar growth during this period.

In Their Own Words: T-TIP Comments

**American Auto Policy Council**

“Eliminating tariffs and achieving greater regulatory convergence of current and future standards through the TTIP will increase trade, lower costs, create jobs, and improve the international competitiveness of the industry, strengthening the automotive industry and its economic contribution in both economies.”

**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.”

**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](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.