Transatlantic Trade and Investment Partnership (T-TIP)

Opportunities for South Carolina

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 South Carolina’s Industries**

**Automotive Products**

The automotive products sector accounted for **59 percent** of South Carolina’s total exports to the EU between 2012 and 2014. During that same period automotive exports to the EU from South Carolina averaged **$4.4 billion** annually. The EU currently has tariffs on automotive products as high as 22 percent. South Carolina companies would likely benefit from reduced tariffs in this sector as a result of the agreement. Automotive exports could also benefit from T-TIP provisions that promote regulatory efficiencies and reduce regulatory compliance costs.

**Chemicals**

The chemicals sector accounted for **8 percent** of South Carolina’s total exports to the EU between 2012 and 2014. During that same period chemical product exports to the EU from South Carolina averaged **$612 million** annually. The EU currently has tariffs on chemical products as high as 6.5 percent. South Carolina companies would likely benefit from reduced tariffs in this sector as a result of the agreement.

**Machinery**

The machinery sector accounted for **7 percent** of South Carolina’s total exports to the EU between 2012 and 2014. During that same period machinery product exports to the EU from South Carolina averaged **$515 million** annually. The EU currently has tariffs on machinery products as high as 9.7 percent. South Carolina companies would likely benefit from reduced tariffs in this sector as a result of the agreement.
Exports Sustain Thousands of South Carolina Businesses including SMEs

A total of 5,832 companies exported from South Carolina locations in 2013. Of those, 4,948 (84.8 percent) were small and medium-sized enterprises with fewer than 500 employees. Small and medium-sized firms generated one-seventh (14.1 percent) of South Carolina’s total exports of merchandise in 2013.

South Carolina exported $7.6 billion annually in goods to the EU (2012-2014 average). South Carolina’s goods exports to the EU increased by 16 percent from 2012 to 2014. During this period, 28 percent of South Carolina’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 South Carolina’s exports. Exports from South Carolina 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 South Carolina

The United States currently has free trade agreements in force with 20 countries, which accounted for $9.2 billion (31 percent) of South Carolina’s exports in 2014. During the past 10 years (2005-2014), exports from South Carolina to these markets grew by 63 percent, with NAFTA, Australia, Korea, Chile, and CAFTA-DR 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)

“BIO applauds the U.S. and EU governments for their courage and ambition in launching an initiative that holds tremendous promise for the long-term competitiveness of the transatlantic economy, and which can contribute specifically to shared U.S. and EU leadership with regard to innovative technologies.”

For more information, please see www.trade.gov/fta.
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