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 Dakota’s Industries

Machinery

The machinery sector accounted for 51 percent of South Dakota’s total exports to the EU between 2012 and 2014. During that same period machinery exports to the EU from South Dakota averaged $58 million annually. The EU currently has tariffs on machinery products as high as 9.7 percent. South Dakota 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 13 percent of South Dakota’s total exports to the EU between 2012 and 2014. During that same period ICT exports to the EU from South Dakota averaged $14 million annually. The EU currently has tariffs on ICT products as high as 14 percent. South Dakota 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.

Chemicals

The chemicals sector accounted for 7 percent of South Dakota’s total exports to the EU between 2012 and 2014. During that same period chemical product exports to the EU from South Dakota averaged $8 million annually. The EU currently has tariffs on chemical products as high as 6.5 percent. South Dakota companies would likely benefit from reduced tariffs in this sector as a result of the agreement.
Exports Sustain Thousands of South Dakota Businesses including SMEs

A total of 939 companies exported from South Dakota locations in 2013. Of those, 708 (75.4 percent) were small and medium-sized enterprises with fewer than 500 employees. Small and medium-sized firms generated over one-third (36.0 percent) of South Dakota’s total exports of merchandise in 2013.

South Dakota exported $114 million annually in goods to the EU (2012-2014 average). The EU’s tariff elimination as part of T-TIP would provide new market access that could benefit South Dakota’s exports.

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

The United States currently has free trade agreements in force with 20 countries, which accounted for $1.2 billion (74 percent) of South Dakota’s exports in 2014. During the past 10 years (2005-2014), exports from South Dakota to these markets grew by 110 percent, with NAFTA, Korea, Australia, Israel, and Colombia showing the largest dollar growth during this period.

In Their Own Words: T-TIP Comments

**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.”

**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-programming of company resources into more productive activities.”

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

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