4 Reasons U.S. Chemical Manufacturers Support Renewing TPA

Opening market opportunities for business through multilateral, regional, and bilateral agreements is critical to boosting the competitiveness of U.S. chemical manufacturers and chemistry-dependent sectors. U.S. chemical exports surpassed $190 billion in 2014 and are expected to expand nearly eight percent per year through 2019, to $282 billion.

Trade Promotion Authority (TPA) will help unleash the massive growth potential for U.S. chemical exports, enable chemical manufacturers to drive extraordinary job growth in the broader manufacturing sector, eliminate costly barriers to chemicals trade, and resolve 21st-century trade issues limiting manufacturing growth in the U.S. and around the world.

ONE

Unleash Massive Growth Potential for U.S. Chemical Exports

Thanks to our country’s abundant shale gas supply, chemical manufacturers have announced 220 investment projects valued at $137 billion (as of January 2015). Much of that investment is geared toward export markets for chemistry and plastics products, which can help improve the U.S. trade deficit.

Gross exports of chemical products linked to plentiful, affordable natural gas are expected to double, from $60 billion in 2014 to $123 billion by 2030.

TPA is a necessary tool to facilitate high-standard and market-opening trade agreements that help drive export growth and job creation across the country.

TWO

Enable Chemical Manufacturers to Drive Extraordinary Job Growth

The products of chemistry are present in some form in nearly every facet of the American economy. Over 96 percent of all manufactured goods are directly touched by chemistry. The chemical industry employs 788,000 Americans, and more than 200,000 of these jobs are supported by exports.

By 2020, the new chemical manufacturing projects can lead to 46,000 new chemical industry jobs, another 264,000 jobs in supplier industries, and 226,000 “payroll induced” jobs in communities where workers spend their wages.

Nearly 1.2 million additional, temporary jobs can be created between 2010 and 2020, during the capital investment phase.

THREE

Eliminate Costly Tariff Barriers to Chemicals Trade

Eliminating protective tariffs as part of a Trans-Atlantic Trade and Investment Partnership (TTIP) and Trans-Pacific Partnership (TPP) will enable the U.S. chemical industry to share its products with the world while cutting down on costs.

Eliminating the few remaining tariff barriers on trans-Atlantic trade in chemicals would save $2 billion per year for chemical manufacturers, including more than $600 million per year for intra-company trade.

TPA can help ensure free trade agreements eliminate trade barriers and expand access to overseas markets. Failure to pass TPP and TTIP will put the U.S. at a disadvantage in shaping global economic standards and activity.

FOUR

Resolve 21st-Century Trade Issues Limiting Economic Growth

In addition to tariff liberalization, a more integrated and efficient regulatory environment can enhance the competitiveness of U.S. manufacturing industries.

Regulatory cooperation can help eliminate unnecessary burdens on regional cross-border trade, reduce costs, promote investment, and provide more certainty for businesses and the public, while maintaining high levels of protection for human health and the environment.

Anticipated savings from enhanced regulatory cooperation under TTIP would generate upwards of $15 billion in additional economic output for chemical manufacturers on both sides of the Atlantic.

TPA can help ensure the U.S. and EU negotiate a comprehensive, ambitious trade and investment agreement that makes cooperative regulatory activity more transparent, facilitates greater stakeholder input, improves data and information sharing, and explores other opportunities for promoting enhanced coherence in chemical prioritization and assessment.