

CHAPTER III

THE ESTABLISHMENT OF TRANS-PACIFIC PARTNERSHIP AGREEMENT

Trans-Pacific Partnership (TPP) is classified as a tool of Free Trade Agreement (FTA) which has the purpose to eliminate the trade barriers in the scope of Asia-Pacific Region. The agreement of TPP recently conducts 19 rounds of negotiations among 12 member countries namely; Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States and Vietnam including the two potential members of New Industrial Countries (NICs) that are South Korea and Taiwan. Basically, TPP is categorized as a high standard partnership where those countries have a huge contribution covering around 40% Gross Domestic Products (GDP) in the world and approximately 30% of global trade turnover with over 800 million people. However, the establishment of TPP is formulated to be a comprehensive trade partnership especially in the 21st century aimed to offer many opportunities for international trade and investment.

Therefore, this chapter is divided into three sub-chapters namely; The History of Trans-Pacific Partnership, The Development of Trans-Pacific Partnership and The Strategic Issues of Trans-Pacific Partnership.

A. The History of Trans-Pacific Partnership

The Agreement on Trans-Pacific Partnership (TPP) is originally derived from the evolution of Trans-Pacific Strategic Economic Partnership (TPSEP) well-known by P4 (Pacific Four), an effort of economic integration which is geographically occurred as a new pathway to trade liberalization in Asia-Pacific region. Historically, the origins of TPP cannot be separated with the Asia-Pacific Economic Cooperation (APEC) Leader Summit 2002 held in Los Cabos, Mexico (Industry, 2011). In the sides of official meeting, the huge attention of three countries from different continent such as Singapore,

Chile and New Zealand initially launched to generate the specialization of APEC's meetings through negotiations in pursuing the mutual interest especially in term of Regional Trade Agreements (RTA) following by the four rounds of negotiations on the Pacific Three Closer Economic Partnership (P3 CEP) between 2003 and 2005.

In April 2005, at the fifth rounds of negotiations held in Singapore, Brunei Darussalam officially decided to join the negotiations in full capacity with the huge intention in order to become a founding member state of the specific agreements related to a comprehensive range of trade and economic issues (Deborah Elms and C.L. Lim, 2012). However, the successful conclusion of negotiations in TPSEP was introduced at the meeting of APEC Trade Ministers in June 2005 about the evolution of trade partnership in Asia-Pacific region which is commonly well-known by P4 (Pacific Four) as the initiator of the establishment of TPP.

Furthermore, the result of TPSEP agreement concluded in 20 chapters following by two memorandums of understanding (MoU) on labor cooperation and the environment. Moreover, although the labor and environmental MoU was declared as an additional document from TPSEP, the member countries wishing to exit from one of three agreements so that they are automatically out of other two agreements. As a result, the agreements have broadly a free market access and it is comprehensively viewed as "high quality" aimed to facilitate the free trade policies that eliminate various barriers for the sake of trade activities without border, as well as to promote the small and medium enterprises (SMEs) which is more competitive into the regional and global supply chains (Yusof, 2017). However, the formation of P4 referred to the agreements of trade liberalization on all of zero tariff lines that are addressed to the member countries namely; Singapore, Chile and New Zealand, and 99 percent for Brunei (phased in over time).

According to Chapter 1 (Initial Provisions) mainly in article 1.1. about the objectives of TPSEP agreement, this agreement is officially based on mutual interest in order to specialize effectively the application of FTAs in various strategic areas related to commercial, financial, scientific and technological and cooperation fields (States, 2006). However, it can be exceeded toward other relevant areas to be collectively negotiated by the Parties aimed to boost the wider liberalization process in APEC consistent with the open-door policy in term of free trade and international investment. Therefore, the purpose of FTAs is affirmed more specifically through its principles and rules, including national treatment and transparency, namely;

- i) To encourage expansion and diversification of trade among each Party's territory;
- ii) To eliminate barriers to trade in, and facilitate the cross-border movement of, goods and services among the territories of the Parties;
- iii) To promote conditions of fair competition in the free trade area;
- iv) To substantially increase investment opportunities among each Party's territory;
- v) To provide adequate and effective protection and enforcement of intellectual property rights in each Party's territory; and
- vi) To create an effective mechanism to prevent and resolve trade disputes.

In this case, TPSEP is a bridge for free trade agreements integrating several regions that are Asia, Pacific, and Latin America. It is geographically referred to the TPSEP member countries such as Singapore and Brunei Darussalam located in Asia, The Pacific region represented by New Zealand, and Chile classified as Latin America country. As a result, those countries are connected in the spectrum of regional cooperation in term of trade activity based on mutual interest. However, these agreements contain comprehensively a strategic partnership

related to trade activities and it covers practically extensive range in term of trade liberalization both goods and services, including primary need products for people. At the end of 2007, the real efforts of P4 in actualizing the features of TPSEP agreement can be reflected by the implementation of zero tariffs on all items, except for Brunei Darussalam in some particular products.

Institutionally, TPSEP is categorized as unique regional cooperation (Gao, 2009). Firstly, all of the countries that are interested in joining the TPSEP agreement should be enrolled in APEC member countries, but the outcome of TPSEP will cover toward the entire world. Thus, the foundation of TPSEP will indirectly generate the wide penetration linking to a strategic region located in a different geography. Secondly, the purpose of TPSEP member countries are not fixed by the incredible improvement of market access economically due to Singapore has basically implemented an access related to free-tax in all of the commodities except alcohol and tobacco. In addition, New Zealand also has imposed the free-tax referred to the total number of commodities. Thirdly, the TPSEP member countries do not have any relatively an advanced economic growth and huge population, but the enormous intention of TPSEP member countries is to establish a high standard agreement becoming a prominent example for extensive and competitive agreement in emphasizing the mutual interest. As a result, this agreement will be considered as an appropriate reference for APEC membership.

Structurally, the formation of TPSEP cannot be separated by the existence of bodies and committees that will ensure and review the implementation of the agreement called by the Main Commission. The function of Main Commission is responsible for several systematic rules regarding the agreement. This commission reserves the right to set ministerial or elite official meetings determined by the members. According to Article 17.2 of TPSEP, the Commission is tasked to supervise the work performance of other committees and working groups

established by TPSEP (States, 2006). At the signing of the TPSEP agreement, the members formed several branches of the TPSEP committee among them that are the committees of trade in goods, sanitary and phytosanitary measures and bodies that dealt with trade barriers.

Article 17.2 of TPSEP also elaborated that the main Commission is responsible for specific things associated with the implementation and examination of agreements as well as the consideration of proposal in amendments related to developing trade and investment agreements among members, identifying commercial cooperation, and considering any issues that potentially affect the implementation of the agreement. In another hand, TPSEP also sets up the body of Arbitral Tribunal as mediator aimed to finish completely various disputes among parties which cannot be resolved through the way of consultations related to other procedures involving courts, conciliation, and mediation (Lewis, 2011). In this case, the presence of TPSEP can give a positive impact toward each member countries and it is impressively classified as open agreement due to the fundamental goal of the founding countries is to promote extensively about the significance of TPSEP. Therefore, APEC member countries have a huge chance to join in this agreement.

Finally, the establishment of TPSEP followed by the performance of FTA among trans-pacific countries has successfully constructed in accommodating the attention of other countries to participate as a permanent member. Moreover, the nature of TPSEP contains expansive and cooperative behavior in its membership referred to chapter 20 of article 20.6 about regulation and participation in the scope of agreements which elaborates that this agreement is openly addressed to new members, mainly to APEC member countries with the approval of P4 as permanent members in TPSEP (Capling, 2011). As a result, the collective action of P4 decided to expand the scope of negotiation of this agreement regarding issues of financial services and investment aimed to attract the

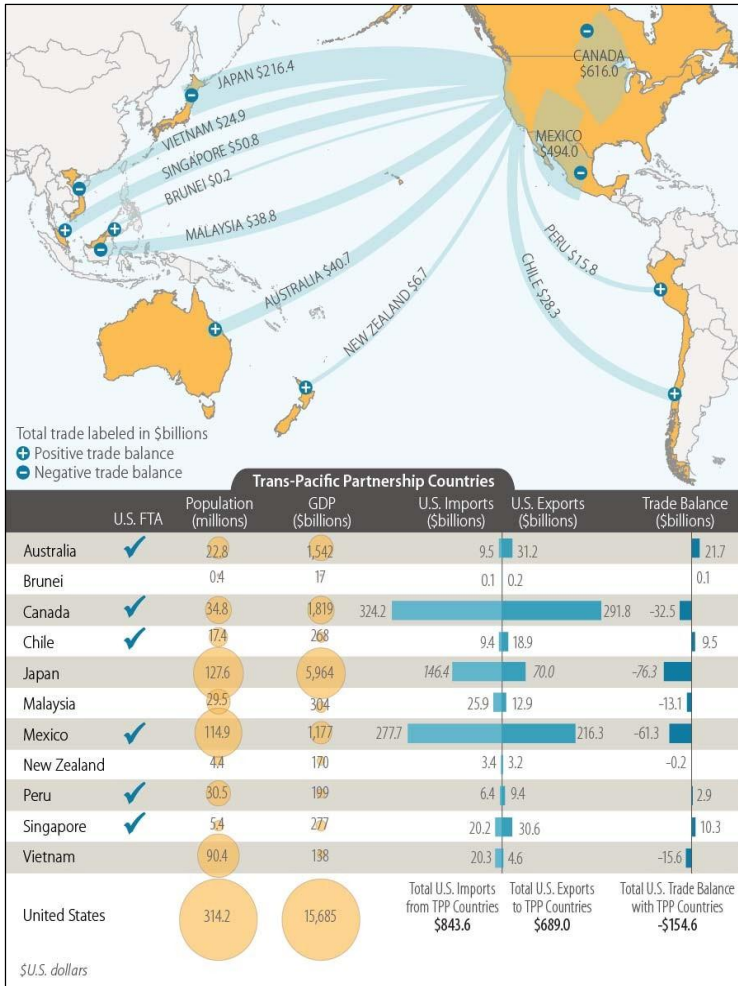
possibility of the United States being involved in extended negotiations of P4.

Basically, the United States became the first APEC member country which persuasively expressed its intention to join TPSEP. This policy is characterized by the announcement delivered on February 4, 2008, by the Office of the U.S. Trade Representative (USTR) under George W. Bush Administration. Susan Schwab as representative of USTR said that TPSEP is classified as a high-standard regional agreement which will boost the competitiveness of the countries and it also will help promote and facilitate trade and investment among them, increasing their economic growth and development. However, academicians, politicians, and decision-makers generally argue that the involvement of U.S. could be the main trigger for the Asia-Pacific countries to participate actively in TPSEP. This assumption is realized by the emerge of some other APEC countries which give a positive signal in expressing their intention to join the TPSEP agreement a few months after the U.S. enrolled as an official member (Elms, 2015). Ultimately, Australia and Peru quickly announced their intention to merge in November 2008, and Vietnam also registered itself as an observer status well-known by an associate member in the agreement. Other states, including Japan, also suggested a willingness to consider joining the talks in the future. Therefore, the P4 had transformed to the P7 with the addition of official membership namely; the United States, Australia, and Peru. While Vietnam has not decided to participate fully because of consideration in term of economics and politics.

After P7 was formed, the United States immediately planned to initiate the negotiations on the two missing chapters from the P4 on financial services and investment. Then, the first round of formal talks was originally scheduled to take place in March 2009, but the country requested the negotiation process to be postponed temporarily because of the initial transition period in the U.S. administration of President George W. Bush to Barack H. Obama who was reviewing the direction of U.S.

trade policies. Through New United States Trade Representative (USTR), Ron Kirk announced that the United States would realize the TPP talks possibly in May 2009. However, After the United States was involved in the agreement, the Trans-Pacific Strategic and Economic Partnership (TPSEP) was later renamed the Trans-Pacific Partnership (TPP) aimed to advance the negotiation process of FTA and to attract the number of new member states, especially in the Trans-Pacific Region (USTR, USTR Ron Kirk Remarks On Trans-Pacific Partnership Negotiations, 2009). During the actual negotiations, TPP was still able to accommodate the new membership. Malaysia joined in the negotiation process for three days in Brunei Darussalam on 5-8 October 2010. After Malaysia is joined Trans-Pacific Partnership, in the year of 2012 Canada and Mexico also joined TPP and in the year of 2013 Japan finally joined.

Figure 3.1: Trans-Pacific Partnership Countries



Source: Analysis by CRS. FTA data from the United States Trade Representative (USTR). Population and GDP data from IMF, World Economic Outlook, April 2013. Trade data from the U.S. International Trade Commission (ITC).

B. The Development of Trans-Pacific Partnership

The development of Trans-Pacific Partnership (TPP) is theoretically a form of government efforts referred to the TPP member countries aimed to abolish various trade barriers both goods and services across national boundaries especially in Asia-Pacific region. Practically, the TPP member countries initiated comprehensively the negotiation process to perfect and to develop the concept of Free Trade Agreement (FTA) based on mutual interest among parties. According to The United States Trade Representative (USTR), the TPP negotiations were conducted as many as 19 rounds over 3 year period from 2010 to 2013 namely;

- a. Round 1: the negotiation for the TPP agreement held in Melbourne, Victoria, Australia on March 15-19th, 2010. The TPP member countries produced a new institutional approach in discussing the future of TPP and it is supported by the joint statement of member states which emphasized their commitment to developing a high quality and broad-based regional agreement. In addition, they also shared ideas and perspectives on how to use the negotiations effectively to embody a new paradigm on trade and strengthen our strategic partnerships in the Asia Pacific region (USTR, The Office of the U.S. Trade Representative, 2010). However, the negotiating groups that met included rules of origin, agriculture, technical barriers to trade, intellectual property rights, and legal and institutional issues.
- b. Round 2: the negotiation for the TPP agreement held in San Francisco, California, the United States on June 14-18th, 2010. The TPP member countries concluded on four significant key goals namely; determining the architecture for market access negotiations, deciding the relationship among the TPP member countries and facilitating FTAs among the negotiating partners which focused on “horizontal” issues such as small business priorities, regulatory coherence and other issues related to the way of

businesses operation as well as workers interaction in the 21st century (USTR, The Office of the U.S. Trade Representative, 2010).

- c. Round 3: the negotiation for the TPP agreement held in Brunei Darussalam on October 5-8th, 2010. The TPP member countries concerned on agriculture, services, investment, government procurement, competition, environment, and labor. In this case, the groups stressed on the vital objectives referred to their stipulation for this round that is the preparation of consolidated text and proposals for cooperation (USTR, The Office of the U.S. Trade Representative, 2010). However, the TPP delegations consist of the government officials and business representatives discussed their respective approaches to incorporating labor provisions in trade agreements, the importance of respecting fundamental labor rights and ways to ensure the effective enforcement of labor law.
- d. Round 4: the negotiation for the TPP agreement held in Auckland, New Zealand on December 6-10th, 2010. The TPP member countries deliberated in responding the cross-cutting issues that are to ensure the small and medium-sized enterprises in obtaining the profit in TPP agreement, to promote greater connectivity through the involvement of U.S. firms in Asia-Pacific supply chains and to improve the coherence of regulatory systems addressed to the TPP member countries for the sake of trade activities across the region which is more effective and efficient (USTR, The Office of the U.S. Trade Representative, 2010). In addition, TPP officials have bound approximately 100 stakeholders aimed to give directly some recommendations addressed to the negotiators on a wide range of issues.
- e. Round 5: the negotiation for the TPP agreement held in Santiago, Chile on February 14-18th, 2011. The TPP member countries consistently deliberated their negotiation related to goods market access, trade remedies, technical barriers to

trade (TBT), environment and intellectual property. In other hand, TPP negotiators also took part in a full day of presentations by civil society and industry stakeholders (USTR, The Office of the U.S. Trade Representative, 2011). However, the broad stakeholder outreach has been an important feature of the TPP negotiations since they began and constructive input from the business community and civil society groups remains the valuable resource for TPP negotiators.

- f. Round 6: the negotiation for the TPP agreement held in Singapore on March 24th – April 1st, 2011. The TPP member countries conducted substantial headway toward a key goal of developing the legal texts of the agreement, which include commitments covering all aspects of their trade and investment relationship. Emphasizing the priority of this negotiation as well as the challenge of negotiating a regional agreement with nine countries, each country began showing the type of flexibility that will be needed to successfully conclude the negotiation (USTR, The Office of the U.S. Trade Representative, 2011). As a result, the teams were able to narrow the gaps in their positions on a wide range of issues across the more than 25 chapters of the agreement.

- g. Round 7: the negotiation for the TPP agreement held in Ho Chi Minh, Vietnam on June 15-24th, 2011. The negotiators of TPP membership continued accelerating their talks on the rules of origin and technical barriers to trade, government procurement, competition, goods market access, e-commerce, and labor (USTR, The Office of the U.S. Trade Representative, 2011). During this round, the Vietnamese government represented by the Vietnamese Labor Ministry, unions, and industry discussed current labor law and efforts to reform the labor code and trade union law. They placed particular focus on efforts to include in the reforms feedback from the International Labor Organization concerning on international standards.

- h. Round 8: the negotiation for the TPP agreement held in Chicago, Illinois, the United States on September 6-15th, 2011. In this meeting, the negotiators of TPP membership strived to pursue target on the packages for access to industrial, agricultural, and textile and apparel products as well as to government procurement markets (USTR, The Office of the U.S. Trade Representative, 2011). As a result, these detailed negotiations require agreement by each country on trade on some 11,000 tariff lines, as well as the rules of origin associated with them; trade and investment in all service sectors, from telecommunications and financial services to energy, professional and distribution services; and reciprocal access to each other government procurement markets.

- i. Round 9: the negotiation for the TPP agreement held in Lima, Peru on October 22-29th, 2011. During this round, the negotiators of TPP membership improved upon progress made in previous rounds and emphasized forward toward the goal of reaching the broad outlines of an ambitious, jobs-focused agreement by the Asia-Pacific Economic Cooperation Leaders' meeting in Honolulu. In addition, they conducted progressively considerable progress on the legal texts of the agreement, as well as on the cross-cutting issues of small and medium-sized enterprises, regulatory coherence, competitiveness, and development (USTR, The Office of the U.S. Trade Representative, 2011). With further domestic consultation on outstanding issues, the TPP member countries will move toward closure of a number of chapters.

- j. Round 10: the negotiation for the TPP agreement held in Kuala Lumpur, Malaysia on December 5-9th, 2011. The leader of TPP member countries initiated to facilitate a new approach of agreement that focuses on conventional trade, to deal with cross-cutting issues not previously addressed in trade agreements and to tackle emerging trade challenges (USTR, The Office of the U.S. Trade Representative, 2011).

However, they featured optimistically the magnificent progress for the broad outlines of a 21st-century agreement that will advance trade and investment among the TPP member countries, promote innovation, economic growth, and development, and support the creation and retention of jobs.

- k. Round 11: the negotiation for the TPP agreement held in Melbourne, Victoria, Australia on March 1-9th, 2012. In this meeting, the TPP member countries talked to focus on financial services, investment, temporary entry, and trade remedies. They also addressed to discuss regulatory cooperation and trade capacity building (USTR, The Office of the U.S. Trade Representative, 2012). However, TPP chief negotiators from each economy joined in a stakeholder briefing aimed to discuss the status of negotiations. In addition, the formal forum hosted by Australia provided approximately 250 stakeholders an on-site opportunity aimed to discuss issues of interest in the negotiations. The chief negotiators noted that good progress is being made across the negotiating groups.
- l. Round 12: the negotiation for the TPP agreement held in Dallas, Texas, the United States on May 8-18th, 2012. The TPP member countries represented by negotiating groups deliberated on labor, competition, investment, technical barriers to trade, e-commerce, and trade capacity building. In addition, the Chief negotiators also held meetings, and TPP countries met bilaterally to discuss market access issues (USTR, The Office of the U.S. Trade Representative, 2012). However, negotiators and stakeholders interacted face to face openly about issues of interest and concern, and participants from both groups responded positively to the format and the opportunity for substantive dialogue.
- m. Round 13: the negotiation for the TPP agreement held in San Diego, California, the United States on July 2-10th, 2012. In

this meeting, the Chief negotiators from the TPP countries absorbed the stakeholder aspirations on issues ranging from transparency and investments. Approximately 64 individuals participated actively in the briefing, representing organizations which consist of Public Citizen, the Center for American Progress, the International Association of Machinists and Knowledge Ecology International. Some attended as individual concerned citizens (USTR, The Office of the U.S. Trade Representative, 2012). Additionally, the points were raised on Mexico and Canada's recent invitations to join the TPP, and comments were given on Japan's ambition to join.

- n. Round 14: the negotiation for the TPP agreement held in Leesburg, Virginia, the United States on September 6-15th, 2012. The negotiators of TPP membership discussed technical barriers to trade, rules of origin, labor, cross-border trade in services, e-commerce, competition, intellectual property rights issues, and legal issues (USTR, The Office of the U.S. Trade Representative, 2012). However, they engaged stakeholders who have accepted the invitation of the U.S. government and more than 450 stakeholders representing nearly 250 organizations have registered; this represents significant growth since the United States began inviting stakeholders to be on-site at the talks.
- o. Round 15: the negotiation for the TPP agreement held in Auckland, New Zealand on December 3-12th, 2012. In this meeting, the TPP member delegations strived to boost their performance to develop the tariff packages on industrial goods, agriculture, and textiles, as well as on rules of origin promoting the development of supply chains that include companies based in the United States and the other TPP countries. In addition, they discussed their respective market-opening commitments on services and investment, and government procurement (USTR, The Office of the U.S. Trade Representative, 2012). However, The TPP delegations recognize that further work is needed to meet the

Leaders' goals for a high-standard result in the market access negotiations.

- p. Round 16: the negotiation for the TPP agreement held in Singapore on March 4-13th, 2013. The consensus of TPP countries have already reached on the vital strategic issues under negotiation and the 11 delegations intensified their work to find mutually-acceptable paths forward on the remaining issues in the legal texts of the agreement (USTR, The Office of the U.S. Trade Representative, 2013). As a result, the TPP member delegations succeeded in finding solutions to many issues in a wide range of areas such as customs, telecommunications, investment, services, technical barriers to trade, sanitary and phytosanitary measures, intellectual property, regulatory coherence, development, and other issues.
- q. Round 17: the negotiation for the TPP agreement held in Lima, Peru on March 15-24th, 2013. In this meeting, the negotiators of TPP member Countries paused talks to meet with more than 300 global stakeholders at an engagement event hosted by the Government of Peru (USTR, The Office of the U.S. Trade Representative, 2013). However, representatives from academia, labor unions, the private sector, and non-governmental organizations from around the world spoke with and heard from negotiating teams about priorities for and progress on the pending trade agreement.
- r. Round 18: the negotiation for the TPP agreement held in Kota Kinabalu, Malaysia on July 15-24th, 2013. In this meeting, the leaders of TPP Leaders concluded a high-standard and comprehensive agreement while welcoming Japan's entry into the negotiations. In this case, the efforts of negotiators moved ahead to construct the ambitious packages that will provide access to their respective markets for industrial, agricultural and textile and apparel products, services and investment, and government procurement (USTR, The Office of the U.S. Trade Representative, 2013).

However, they agreed on next steps and an overall plan for achieving these market access outcomes in the timeframe agreed by Leaders.

- s. Round 19: the negotiation for the TPP agreement held in Seri Begawan, Brunei Darussalam on August 23-30th, 2013. In this meeting, the leaders of TPP Leaders have explored how to develop a mutually-acceptable package, including possible landing zones on remaining sensitive and challenging issues and sequencing of issues in the final talks (USTR, The Office of the U.S. Trade Representative, 2013). However, particular areas of focus have included matters related to market access for goods, services and investment, financial services, and government procurement as well as the texts covering intellectual property, competition, and environmental issues. They also discussed the remaining outstanding issues on labor, dispute settlement, and other areas.

C. The Strategic Issue of Trans-Pacific Partnership

After conducting protracted negotiations and sustained meetings since 2010, Ministers of the 12 Trans-Pacific Partnership (TPP) countries that are Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam announced the conclusion of their negotiations in October 2015. In this case, the result of TPP agreements is classified as a high-standard and comprehensive cooperation related to trade activities in Asia-Pacific region, so that it will stimulate the economic growth for the TPP member countries which is signed by several potential indicators in economic development that are to support the creation and retention of jobs, to advance innovation in ensuring productivity and competitiveness, to raise living standards in reducing the poverty, to promote transparency in creating the good governance, and to enhance labor and environmental protections. However, the fundamental purpose of TPP agreements is to eliminate various trade barriers across national boundaries and to perfect several significant rules that had been written under the World Trade Organization (WTO) and the several free trade agreements (FTAs) signed by the Asia-Pacific nations.

Regarding to the foundation and conclusion of TPP agreements, it will become a new path and high standards in regional trade agreements (RTAs), mainly related to trade and investment in the Asia Pacific, so that it is mentioned as an important step toward the TPP member countries which emphasize the ultimate goal of open trade and regional integration across the region. In this case, there five key features which define to make the TPP as a landmark 21st-century agreement, setting a new standard for global trade while taking up next-generation issues (USTR, Summary of the Trans-Pacific Partnership Agreement, 2015). These features include:

1. Comprehensive Market Access

The fundamental objective of TPP is to eliminate and to reduce tariff and non-tariff barriers completely across national boundaries in the exchange of commodities, services, and capital. In addition, the TPP also covers the framework of free trade and the procedure of foreign investment, so that it will potentially generate new opportunities and benefits for businessmen, workers, and consumers in Asia-Pacific region, especially for TPP member countries.

2. Regional Approach to Commitments

The formation of TPP is classified as facilitator in ensuring the development of production and supply chains, the transparency of seamless trade as well as the enhancement of efficiency in order to support the mission of TPP followed by the aspiration of TPP member countries that is to create job opportunities, to raise the living standards, to advance conservation efforts, and to accommodate the cross-border integration associated with the openness of domestic markets.

3. Addressing New Trade Challenges

The negotiation of TPP agreements as defined as a comprehensive free trade which will promote in advancing the innovation, productivity, and competitiveness and it is seriously focused on new issues, including the development of the digital economy, and the role of state-owned enterprises in the global economy. As a result, the TPP member countries need to prioritize the featured commodities and services to be offered toward regional economic integration in Asia-Pacific.

4. Inclusive Trade

The nature of TPP agreement contains several vital elements that seek to affirm about the capacity of economies at all levels of developments and businesses sector from all sizes can obtain the advantages of free trade. In this occasion, it is

consistently covered by a huge commitment among parties to empower small and medium-sized businesses in understanding the mutual agreement which potentially takes a profit of its opportunities as well as bring their unique challenges to the government's attention in the dynamic of TPP agreement. In addition, it also refers to the specific commitment on development and trade capacity building in order to guarantee that all of the parties can fulfill collectively the commitment in utilizing and maximizing the TPP agreement.

5. Platform for regional integration.

The pattern of TPP agreement is intended to stimulate and to attract all countries across the Asia-Pacific region in creating a platform for regional economic cooperation and integration. In addition, it is designed to include and to insert several strategic and additional economies addressed to the TPP member countries.

In essence, the TPP is established as a new pathway in the comprehensive agreement which includes 30 chapters consisting of trade and trade-related issues. In this case, the implementation of TPP is started with the concept of free trade in goods and services continuing through customs and trade facilitation, the projection of sanitary and phytosanitary, the reduction of technical trade barriers, the evaluation and improvement of trade remedies, the promotion of foreign direct investment, the distribution of services, the advancement of electronic commerce, the efficiency of government procurement and the guarantee of intellectual property.

In another hand, TPP not only updates the development of traditional issues to respond several economic affairs covered in the previous free trade agreements (FTAs) but also combines new and emerging trade issues supported by the cross-cutting issues. As a result, TPP focuses on several strategic issues related to the contribution of the internet and the digital economy, the participation of state-owned enterprises in international trade and investment, the potential capability of

small businesses to obtain a profit from trade agreements and other relevant topics.

Finally, TPP integrates a diverse group of countries located in Asia-Pacific Region according to geography, language, history and even the levels of development. In this case, All of TPP member countries realize that the fact of diversity is classified as a unique and potential asset followed by increasing the framework of close cooperation continuously, prioritizing the projection of capacity-building especially for the less-developed TPP countries, and in some cases, there is the special transitional periods and mechanisms which offer some TPP member countries in conducting the additional time based on mutual agreement. However, it is relatively needed, so it will force several new obligations aimed to develop the economic power and capacity in Asia-Pacific region.

Table 3.1.: The number of 30 Chapters in Trans-Pacific Partnership Deals

Chapter 1	Introduction and Definition	Chapter 19	Labor
Chapter 2-4	Merchandise Trade, Including Textiles	Chapter 20	Environment
Chapter 5-8	Trade Facilitation, Including Non-Tariff Measures	Chapter 21	Capacity Building
Chapter 9	Investment	Chapter 22	Business Facilitation
Chapter 10-11	Service Trade	Chapter 23	Development
Chapter 12	Movement of Business Persons (Mode 4)	Chapter 24	Small and Medium Scale Enterprise (SMEs)
Chapter 13	Telecom	Chapter 25	Regulatory Coherence
Chapter 14	E-Commerce	Chapter 26	Ant-Corruption
Chapter 15	Government Procurement	Chapter 27	Institutional Provision
Chapter 16	Competition Policy	Chapter 28	Dispute Settlement Mechanism
Chapter 17	State Owned Enterprise (SOE)	Chapter 29-30	Exceptions and Final Provisions
Chapter 18	Intellectual Property Rights (IPR)		

Source: USTR website (<https://ustr.gov/tpp/#>)