

IP Rights and the TPP

Strong IP Protection Drives Innovation

IP-intensive industries* outperform non-IP-intensive industries across economic measures.

*industries that invest more on R&D per employee than the national average



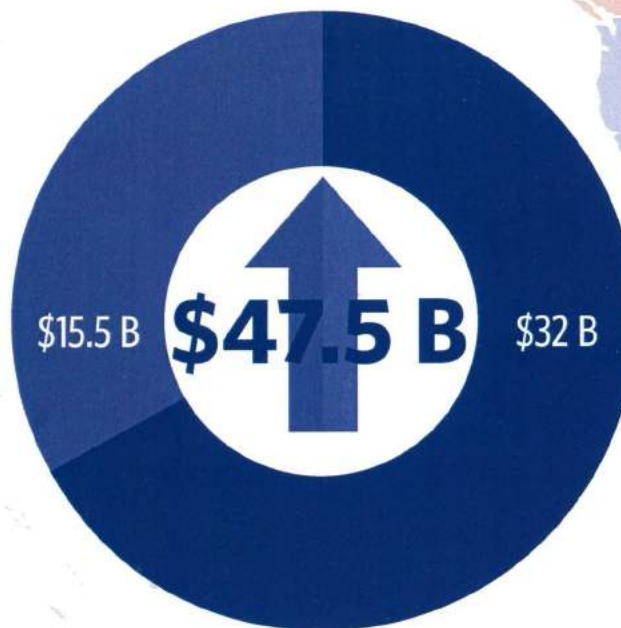
TOTAL ECONOMIC BENEFITS OF THE TPP

INCREASED GDP
\$15.4 B

INCREASED WAGES
\$4.8 B

NEW JOBS CREATED
107,051

MANUFACTURING SECTOR SALES



67%
from
IP-intensive
industries

KEY STATISTICS

TOTAL GDP
\$27.5 T

POPULATION
800 M

MERCHANDISE TRADE
\$9.5 T

ndp
analytics
research • data • innovation

The Economic Benefits of Intellectual Property Rights in the Trans-Pacific Partnership

Key Findings

Strong intellectual property (IP) protection is an essential requirement for innovation, which in turn is fundamental to economic growth. IP protections have not only enhanced economic growth, but also technology transfer, foreign direct investment, and localized innovation in countries across all levels of economic development.

This report quantifies the economic impacts of a prospective Trans-Pacific Partnership (TPP) agreement on the economies of 12 participating member countries. Our findings underscore the important role of IP and IP protection. The stronger the protection of IP rights under the TPP agreement, the greater the value of trade, leading to greater economic growth, more jobs, and higher incomes across 12 countries. The main results of the study are:

- Based on the trade impacts of ten existing U.S. FTAs with 16 countries, the formation of TPP is expected to boost U.S. manufacturing exports by \$26 billion, create 38,811 jobs, generate \$2.2 billion in wages, and add \$11 billion to the U.S. GDP.
- Nearly 40% of U.S. manufacturing exports go to foreign affiliates that create positive direct and spillover effects on local economies. The formation of TPP is expected to produce combined benefits of \$27 billion in additional sales, 68,240 additional jobs, \$2.6 billion in wages, and \$6.4 billion in additional GDP for 11 other TPP participating members.
- Altogether, the formation of the TPP is expected to produce \$47.5 billion in manufacturing sector sales, create 107,051 direct jobs, generate \$4.8 billion in wages, and add \$15.4 billion in gross domestic product for all 12 member countries. Two-thirds of these economic benefits come from IP-intensive industries.
- As market access increases and trade barriers decline across countries, foreign affiliates of U.S. companies play an ever-more important role in manufacturing and non-manufacturing sectors. Since more than three-quarters of U.S. exports to foreign affiliates are in IP-intensive industries — which rely on patents, trademarks, and trade secrets, IP protections based on current U.S. law need to be adopted to secure the long-term economic growth.