



MEDIA RELEASE

MINERALS COUNCIL OF AUSTRALIA

New modelling confirms boost to Australian jobs, wages from TPP-11 trade deal

Statement from Tania Constable, Chief Executive Officer

Australian workers, jobs and business will benefit significantly from the Trans-Pacific Partnership (TPP-11) trade agreement, with increased national income, exports, investment and wages confirmed by new modelling released today.

[Modelling](#) conducted for Australian industry associations by Professor Peter Petri and Professor Michael Plummer examines the impact of improved market access for goods, services and investment under the TPP-11 trade deal between Australia and 10 Asia-Pacific economies.

The modelling finds that by 2030 the TPP-11 would:

- Increase Australia's national income by \$15.6 billion
- Boost Australia's exports by \$29.9 billion
- Generate additional direct investment into Australia of \$7.8 billion and additional overseas investment by Australian businesses of \$26 billion
- Lift real wages with higher wage gains for lower-skilled workers.

Professors Petri and Plummer point out that these gains represent a sustained boost to Australia's economy – the TPP-11 would not only increase incomes by \$15.6 billion by 2030 but would also add a similar percentage increase every year into the future.

Parliament should pass the TPP-11 enabling legislation so the benefits can start flowing to Australians as soon as possible.

The modelling's sectoral analysis finds that farming, mining, manufacturing and services will all be better off under the TPP-11, with more open regional markets leading to higher exports and higher domestic output.

For mining, the TPP-11 will boost exports by \$1.3 billion in real terms – or 0.5 per cent – by 2030.

Under TPP-11, services exports are expected to rise significantly; Australia's exports of business services will rise by 9.8 per cent by 2030, communications by 8.5 per cent and financial services by 4.1 per cent.

Agriculture, food processing, metals and machinery manufacturing and chemicals will also record large increases in exports and output.

The modelling shows that the TPP-11's positive impacts on the economy translate to higher output for non-traded sectors, such as construction and utilities, and trade-related sectors such as transport and wholesale and retail trade.

This research confirms that trade agreements like the TPP-11 boost Australian living standards by increasing growth, supporting jobs, reducing prices and driving more competitive local industries.

The study uses computable general equilibrium modelling to project the impact of the TPP-11's provisions on goods tariffs, services, trade facilitation and investment on Australia.

The study also models the original TPP-12 with the United States, an expanded TPP-16 and the Regional Comprehensive Economic Partnership Australia is currently negotiating with 15 other Asian economies, finding that that these scenarios would also boost the Australian economy.

Professor Petri from Brandeis University and Professor Plummer, from Johns Hopkins University, are two internationally-recognised trade modellers and have held positions at the OECD, the World Bank and the Asian Development Bank Institute.

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