

performance requirements around the types of products a retailer can sell and the people it employs.

Removing barriers to trade for retail not only allows Walmart to compete effectively against our major global competitors, but it also helps our suppliers' secure new markets abroad. In addition, services exports support jobs here in the United States. Recently, the United States International Trade Commission reported that that services activities abroad support nearly 700,000 U.S. jobs.¹

Walmart encourages negotiators to secure liberal rules for retail and distribution rights with no limits on size, geographic location or merchandise assortment. Further, we encourage the United States to make progress in distribution to ensure that all forms of distribution are granted national and most favored nation treatment, that there are no performance requirements or requirements for foreign ownership.

Global Supply Chains

One of the areas where we see great promise in the TPP is the new, horizontal focus on supply chains. At Walmart, we have built our business by developing state-of-the-art supply chains that maximize efficiency and lower costs for our customers. In the past, though, our logistics and supply chain efforts were primarily focused on domestic operations. Although we traded billions of dollars of goods annually, we largely regarded trade barriers as an unavoidable cost of doing business. Over the last several years, however, we have realized that gaps and complications in the supply chain unnecessarily hinder our ability to deliver the right product at the right price to our customers around the world.

For these reasons, Walmart is committed to enhancing the efficiency of global supply chains. Efficient supply chains drive down cost. The World Bank has estimated that reducing transit times for goods by just one day equates to a 0.5 percent tariff cut. But, until recently, trade agreements have not looked at supply chains in a holistic way. Rather, commitments have been made sector by sector, without full consideration for how each sector, (for example, express delivery, maritime or trucking services) can impact the operation the whole supply chain from the point of production to distribution. We think a new approach that focuses on addressing choke points throughout the supply chain is warranted.

We are therefore, please that negotiators have proposed to establish a committee to review and address supply chain issues within the TPP. As we wrote in a multi-industry letter to USTR earlier this year, we believe that negotiators should work to secure ambitious commitments in this area including:

A comprehensive, inter-disciplinary approach. There should be a clear recognition of the responsibility of multiple authorities including transport, border administration, and “behind-the-border” regulatory agencies in supporting supply chains. To give legal effect to this approach, the TPP could require signatories to identify a single entity responsible for coordinating all national agencies and regulators that impact the supply chain.

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http://www.usitc.gov/publications/332/working_papers/ServicesEmploymentWorkingPaperNEWFINAL8.23.11.pdf

