

# The Indo Pacific Economic Framework

*Disclaimer: Information provided in this document reflects customs modernization initiatives up until March 2022; this is an ever changing and evolving topic that requires additional research to fully grasp it's concepts and goals.*

## Background

The Indo-Pacific region has become a global hotbed of economic activity. Our future in the United States is intimately and undoubtedly linked to the dynamic region. A future that will be more prosperous and secure if we can maintain and expand on our previous strong business presence across the Pacific. ([Chamber of Commerce, 2022](#))

In 2015 the Trans-Pacific Partnership (TPP) was enacted but shortly abandoned in 2017 by the Trump administration. Exiting the partnership and dismissing the opportunity to strengthen and join its successor agreement, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), created a vacuum of U.S. economic and strategic leadership in the Indo-Pacific. ([Chamber of Commerce, 2022](#)) However, in October 2021 the Biden-Harris Administration announced its plans for a U.S.-led Indo-Pacific Economic Framework (IPEF). ([Congress, 2022](#)) The Administration has made strides to restore American influence in the Indo-Pacific. In the last year, the United States has updated its longstanding alliances, strengthened unseasoned partnerships, and forged innovative links among them to meet modern challenges. Furthermore, it has done so with broad, bipartisan agreement in the U.S. Congress that the United States must act in the Indo-Pacific. ([White House, 2022](#)) Although there is still hope that the US will return to an agreement like TPP, and IPEF lacks the precision, and enforceability of TPP, important elements in the administration's Indo-Pacific Strategy could be achieved through the IPEF. ([Chamber of Commerce, 2022](#), [CSIS 2022](#))

## White House's Plans for IPEF

The Biden administration plans for the Indo-Pacific Economic Framework to be free, secure, connected, prosperous, and resilient. ([White House, 2022](#))

As of now, the Administration's steps toward enacting its vision have been predominantly diplomatic and military in nature; some analysts argue that security issues are likely to remain the Administration's focus in the region, including potentially through the IPEF

([Congress, 2022](#)). The announcement by the administration to plan IPEF closely followed the potential trade pact that has been speculated in that region.

Joining the present digital trade agreements in the Indo-Pacific region could help U.S. companies in competing within the international market and expand U.S. consumer access to international products that rely on digital technologies ([Congress, 2022](#)). In April 2022, Ambassador Sarah Bianchi, the Deputy U.S. Trade Representative, stated that there are important issues within the digital trade sphere to seek out when looking at IPEF: access to information, facilitation of the use of digital technology, and resilient infrastructure.

## Key Takeaways

- A Indo-Pacific region partnership with the United States is necessary for future growth and development
- Congress and the USTR need to agree on bilateral and multilateral trade agreements with ASEAN nations
- The USTR is confident that IPEF will be launched by the end of 2022
- Digital trade is an important subset of IPEF that should be taken into account
- U.S. government can bolster its chances of securing regional buy-in for the IPEF by offering incentives for joining, such as digital negotiations, and centralizing coordination through a single official ([CSIS, 2022](#))

## Discussion Questions

- How will the Biden Administration's strategy benefit the United States and other countries in the Indo-Pacific?
- Will the IPEF boost approval ratings for the Biden-Harris Administration?
- What implications could there be for the United States if IPEF is seen as a threat to other major economies in the area, such as China?
- What regional and other multilateral trade commitments would best serve U.S. economic and strategic interests in the region? ([Congress, 2022](#))
- What role should Congress play in the negotiation and consideration of an IPEF and other regional trade initiatives? ([Congress, 2022](#))