

Korean Free Trade Agreement

Background

The U.S.-Korean FTA was finalized on June 30, 2007 under fast-track Trade Promotion Authority. In 2010, an additional agreement was approved to increase access to the Korean auto market.

Once approved, the agreement would grant immediate duty-free access for two-thirds of U.S. agricultural exports.

The U.S. International Trade Commission estimates that the reduction in tariffs on all goods could add up to \$12 billion to the U.S. economy.

Highlights of the Agreement

- Phased out tariffs and import quotas on most other products within 10 years
- By 2016, more than 90% of U.S. pork will be imported duty-free
- The 40% tariff on U.S. beef will be eliminated within 15 years, which would total \$90 million in savings annually for U.S. beef producers at current sales levels
- Tariffs on U.S. corn will be locked in at zero
- **American agriculture stands to gain an additional \$1.9 billion in new market access—a 30 percent increase from 2008**



Did you Know?

- Korea is the 5th largest market for American farm products, with sales of \$5 billion
- Our top exports to Korea are corn, soybeans, wheat, beef, and pork
- Korea currently has average tariffs on agricultural products of 54%
- The FTA increases our access to Korea's \$1 trillion economy and 49 million consumers

Vote YES

The U.S. Chamber of Commerce estimates that failure to pass this FTA would cost us \$35 billion in exports and 345,000 American jobs.

If we don't pass this agreement, America's farmers and ranchers will lose opportunities to foreign competitors who are gaining market access at our expense.

Korea's FTA with the European Union took effect in July. According to the Korea Times, trade between Korea and the EU jumped 10% after the agreement was implemented.

The U.S. must pass the FTA to remain competitive in Korea's markets.

What They're Saying

Passage of the U.S.-Korea (KORUS) FTA would mean \$15 million in tariff benefits for beef in the first year of the agreement alone, with about \$325 million in tariff reductions annually once fully implemented.

- National Cattlemen's Beef Association

This agreement will create thousands of new jobs, advance our national goal of doubling exports in five years, and demonstrate that America is once again ready to lead on trade.

- U.S. Chamber of Commerce

America's biotechnology industry benefits from trade agreements such as the KORUS FTA, which contains strong intellectual property provisions and sections which level the playing field in Korea for American companies that are developing new treatments and cures for disease as well as other innovative biotechnology products.

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