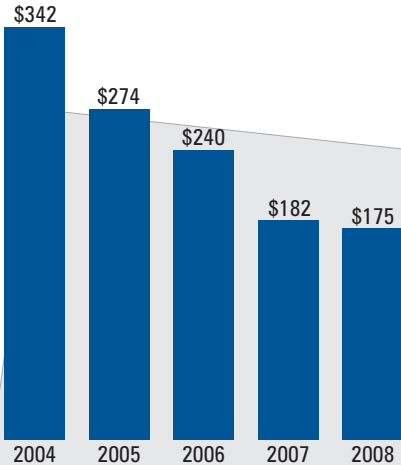


THE U.S.-KOREA FREE TRADE AGREEMENT BENEFITS FOR THE COLORADO ECONOMY

Colorado Goods Exports to Korea 2004 - 2008

(in millions)



Increased Trade with Korea = New Jobs for Colorado

U.S. goods exports to Korea would increase by \$10 - \$11 billion, according to estimates by the U.S. International Trade Commission. Nearly 71,000 Colorado jobs are supported by goods exports (3.6% of the state's private industry).

Colorado Benefits Under the U.S.-Korea FTA

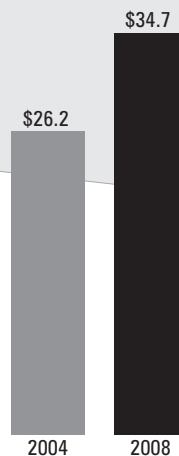
- ◆ The U.S.-Korea FTA will benefit the Colorado economy – and create new jobs – by immediately opening new access for Colorado goods and services in Korea's \$1 trillion economy, and by establishing a level playing field in Korea for Colorado workers and businesses to compete.
- ◆ One half of chemical products, and many other manufactured goods produced in Colorado, will enter Korea duty free immediately. Tariffs on the remaining chemical products will be eliminated over the next few years.
- ◆ Korean duties on major Colorado agricultural products – such as many dairy products and wheat – will be eliminated immediately. Most beef products will become duty free over a 15-year tariff phase out.
- ◆ Simplified and expedited customs procedures will enable Colorado businesses to reach Korean customers more quickly and with less red tape.

U.S.-Korea Trade and Investment

- ◆ Korea is the 7th largest U.S. trading partner and the 5th largest U.S. market for agricultural goods.
- ◆ U.S. goods exports to Korea grew to nearly \$35 billion in 2008.
- ◆ U.S. services exports to Korea grew to \$12.7 billion in 2007.
- ◆ For every \$1 billion in exports, 6,250 manufacturing jobs are created or supported, according to U.S. Department of Commerce Secretary Gary Locke.
- ◆ Increasing U.S. exports to Asia – including Korea – by 1% would create approximately 250,000 U.S. jobs, according to President Barack Obama.
- ◆ Korean majority-owned affiliates in the U.S. employed 23,900 Americans at an average wage of \$64,310 in 2007.

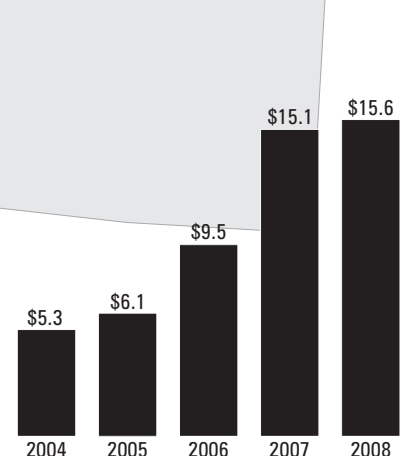
U.S. Goods Exports to Korea, 2004 - 2008

(in billions)



Korean Direct Investment in the United States, 2004 - 2008

(in billions and on a historical-cost basis)



Sources: TradeStats Express and State Export-Related Employment Project, International Trade Administration, Bureau of the Census, and the Bureau of Economic Analysis



U.S.-KOREA BUSINESS COUNCIL

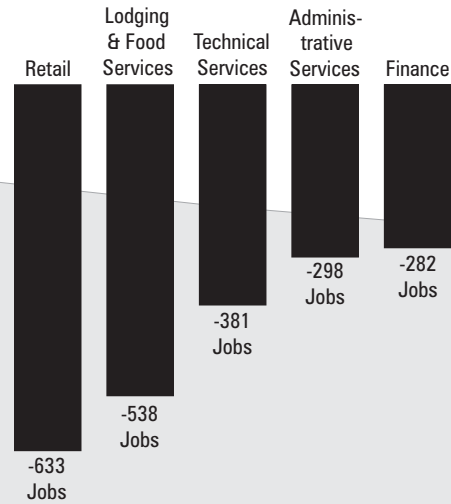
For more information on the benefits of the U.S.-Korea FTA to Colorado, please visit www.uskoreafta.org.



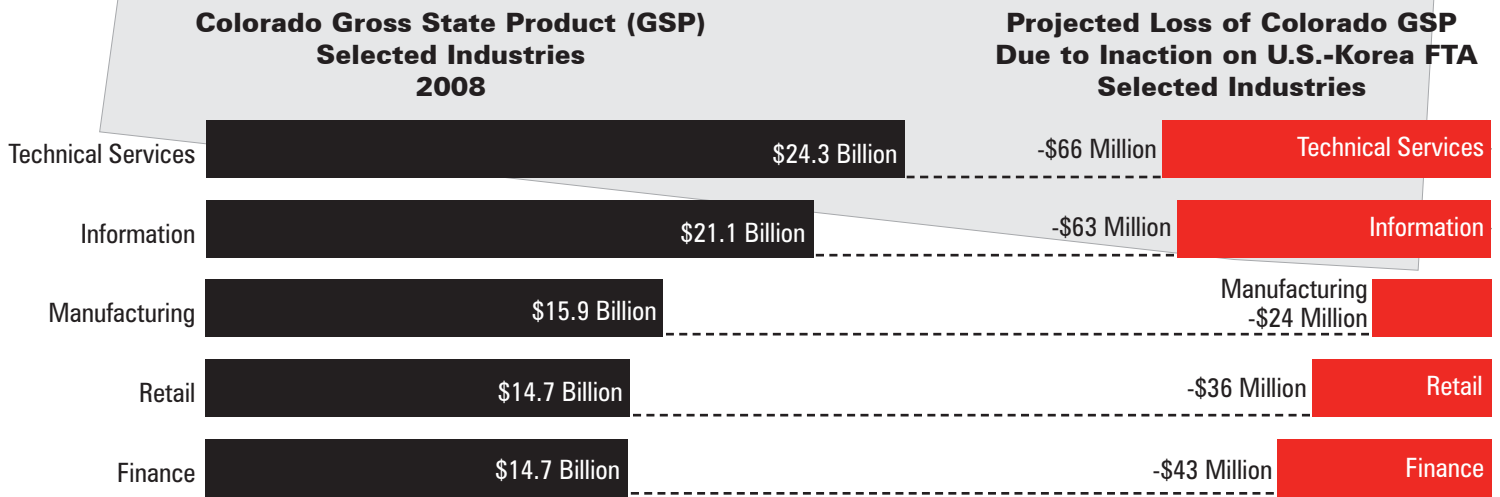
THE U.S.-KOREA FREE TRADE AGREEMENT COSTS OF INACTION FOR THE COLORADO ECONOMY

- ◆ The U.S.-Korea FTA was signed on June 30, 2007, but it has not yet been approved by the U.S. Congress. Since that time, Korea has successfully concluded a free trade agreement with the European Union that is expected to be implemented in 2010. Korea's FTA negotiations with Canada are also in the advanced stages.
- ◆ If the U.S.-Korea FTA is not implemented – but these other trade agreements are – Colorado workers, businesses, and farmers will lose sales and opportunities in the Korean market to their global competitors.
- ◆ **This will cost Colorado lost exports, output, and jobs.**

Projected Loss of Colorado Jobs Due to Inaction on U.S.-Korea FTA Selected Industries



Costs to Colorado and the United States of Failure to Implement the U.S.-Korea FTA		
	<u>Colorado</u>	<u>United States</u>
Goods Exports Loss	-\$152 Million	-\$20.3 Billion
Gross State/Domestic Product (output) Loss	-\$740 Million	-\$40.4 Billion
Employment Loss	-6,200 Jobs	-345,017 Jobs



Source: "Failure to Implement the U.S.-Korea Free Trade Agreement: The Cost for American Workers and Companies, Details by State," prepared by Laura M. Baughman and Joseph Francois, Trade Partnership Worldwide, LLC, October 2009