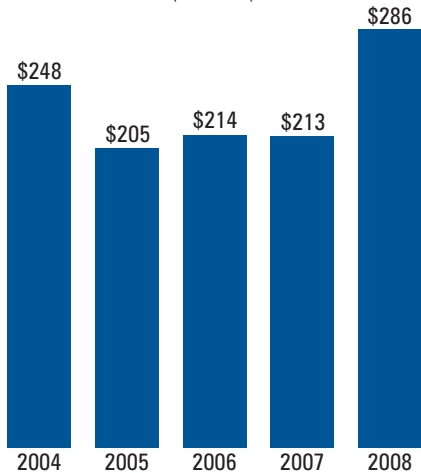


# THE U.S.-KOREA FREE TRADE AGREEMENT BENEFITS FOR THE VIRGINIA ECONOMY

## Virginia Goods Exports to Korea 2004 - 2008

(in millions)



*Increased Trade with Korea = New Jobs for Virginia*

## Virginia Benefits Under the U.S.-Korea FTA

- ◆ The U.S.-Korea FTA will benefit the Virginia economy – and create new jobs – by immediately opening new access for Virginia goods and services in Korea’s \$1 trillion economy, and by establishing a level playing field in Korea for Virginia workers and businesses to compete.
- ◆ Over 90% of aircraft and related equipment, and many other manufactured goods produced in Virginia, will enter Korea duty free immediately.
- ◆ Korean duties on major Virginia agricultural products – such as soybeans, wine, and many dairy products – will be eliminated immediately.
- ◆ Simplified and expedited customs procedures will enable Virginia businesses to reach Korean customers more quickly and with less red tape.

**U.S. goods exports to Korea would increase by \$10 - \$11 billion, according to estimates by the U.S. International Trade Commission. Over 99,000 Virginia jobs are supported by goods exports (3.2% of the state’s private industry).**

## 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.

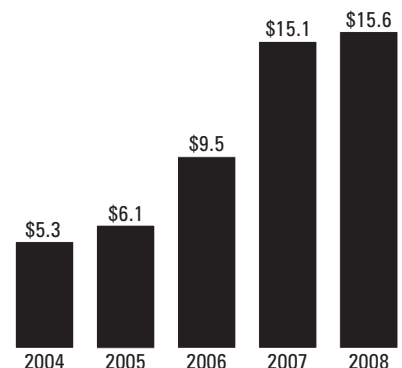
## U.S. Goods Exports to Korea, 2004 - 2008

(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

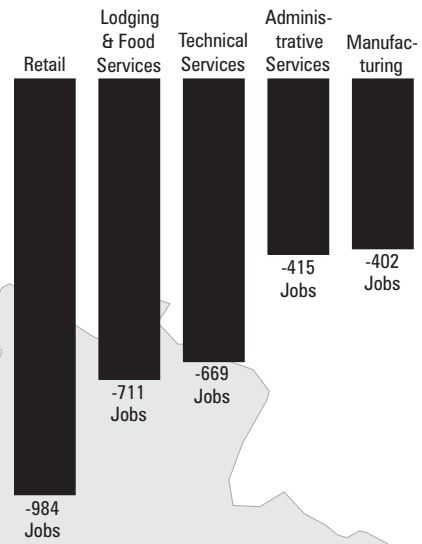
For more information on the benefits of the U.S.-Korea FTA to Virginia, please visit [www.uskoreafta.org](http://www.uskoreafta.org).



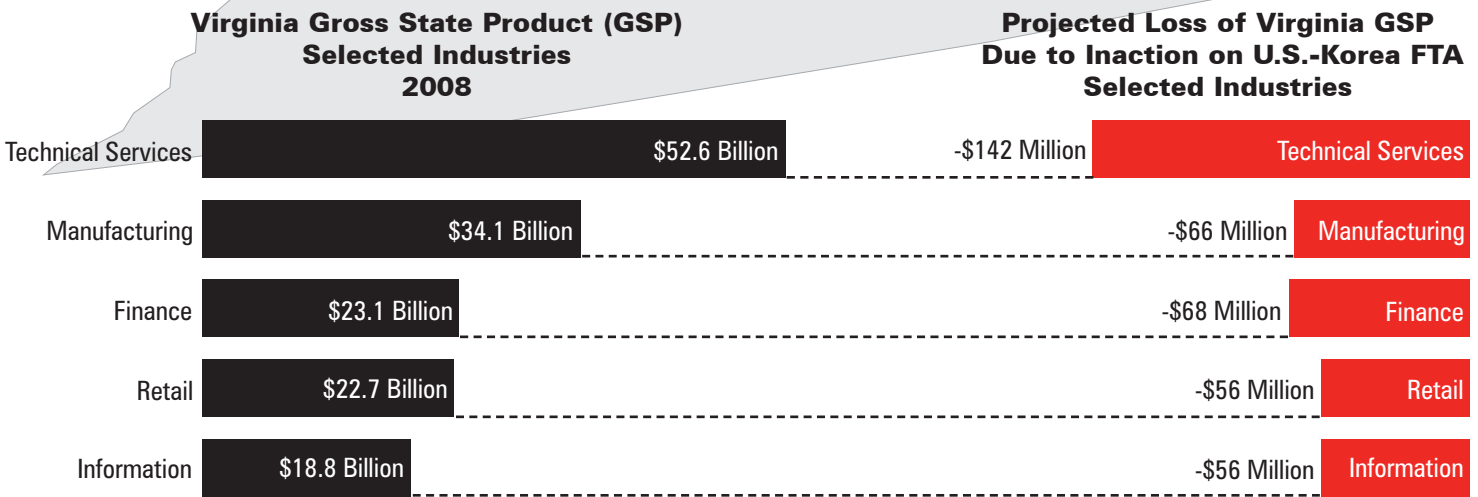
# THE U.S.-KOREA FREE TRADE AGREEMENT COSTS OF INACTION FOR THE VIRGINIA ECONOMY

- ◆ 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 – Virginia workers, businesses, and farmers will lose sales and opportunities in the Korean market to their global competitors.
- ◆ **This will cost Virginia lost exports, output, and jobs.**

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



Costs to Virginia and the United States of Failure to Implement the U.S.-Korea FTA		
	<u>Virginia</u>	<u>United States</u>
<b>Goods Exports Loss</b>	<b>-\$303 Million</b>	<b>-\$20.3 Billion</b>
<b>Gross State/Domestic Product (output) Loss</b>	<b>-\$1.1 Billion</b>	<b>-\$40.4 Billion</b>
<b>Employment Loss</b>	<b>-9,346 Jobs</b>	<b>-345,017 Jobs</b>



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