

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

## West Virginia Goods Exports to Korea 2004 - 2008

(in millions)



Increased Trade with Korea = New Jobs for West Virginia

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

- ◆ The U.S.-Korea FTA will benefit the West Virginia economy – and create new jobs – by immediately opening new access for West Virginia goods and services in Korea’s \$1 trillion economy, and by establishing a level playing field in Korea for West Virginia workers and businesses to compete.
- ◆ Over 90% of metals and ores, and many manufactured goods produced in West Virginia, will enter Korea duty free immediately. Tariffs on the remaining metals and ores will be eliminated within 5 years.
- ◆ Korean duties on major West Virginia agricultural products – such as feed corn – will be eliminated immediately.
- ◆ Simplified and expedited customs procedures will enable West 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 23,000 West Virginia jobs are supported by goods exports (3.7% 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.

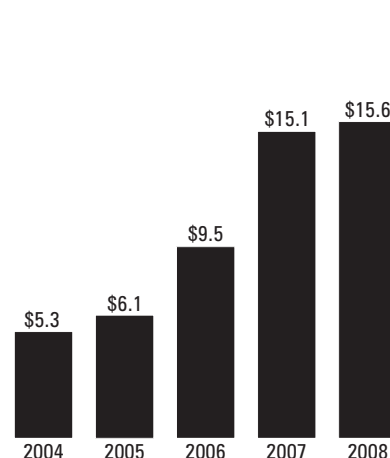
## U.S. Goods Exports to Korea, 2004 - 2008

(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



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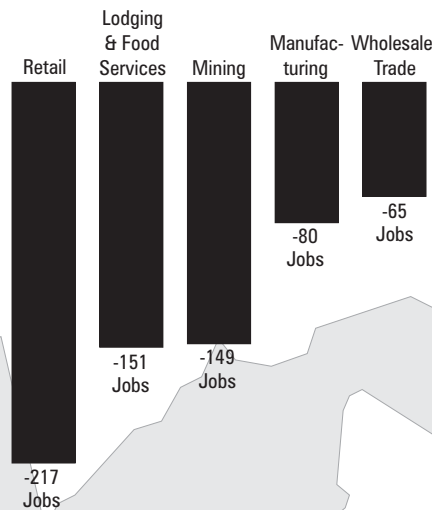
For more information on the benefits of the U.S.-Korea FTA to West Virginia, please visit [www.uskoreafta.org](http://www.uskoreafta.org).



# THE U.S.-KOREA FREE TRADE AGREEMENT COSTS OF INACTION FOR THE WEST 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 – West Virginia workers, businesses, and farmers will lose sales and opportunities in the Korean market to their global competitors.
- ◆ **This will cost West Virginia lost exports, output, and jobs.**

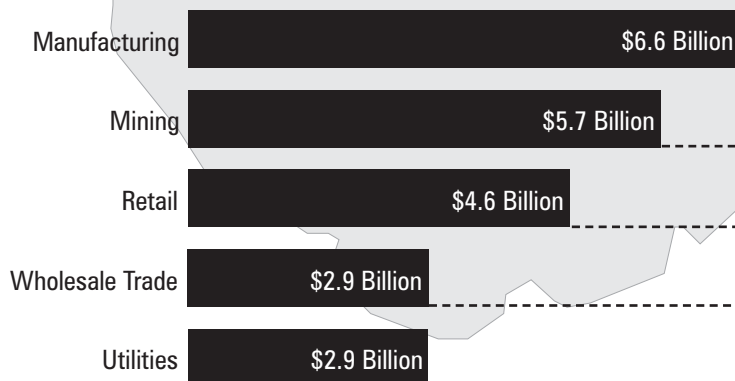
## Projected Loss of West Virginia Jobs Due to Inaction on U.S.-Korea FTA Selected Industries



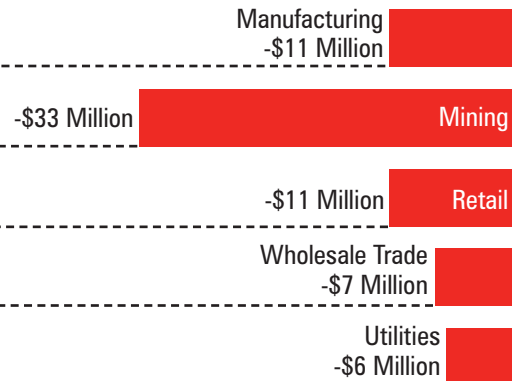
## Costs to West Virginia and the United States of Failure to Implement the U.S.-Korea FTA

	<u>West Virginia</u>	<u>United States</u>
<b>Goods Exports Loss</b>	<b>-\$50 Million</b>	<b>-\$20.3 Billion</b>
<b>Gross State/Domestic Product (output) Loss</b>	<b>-\$191 Million</b>	<b>-\$40.4 Billion</b>
<b>Employment Loss</b>	<b>-1,934 Jobs</b>	<b>-345,017 Jobs</b>

## West Virginia Gross State Product (GSP) Selected Industries 2008



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



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



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