



The U.S.-Korea Free Trade Agreement

On June 30, 2007, the U.S. and Korean governments signed the U.S.-Korea Free Trade Agreement (FTA). Here are just some of the reasons why this landmark agreement will benefit the U.S. economy and U.S. workers, make a strong bilateral relationship even stronger, and promote U.S. competitiveness in Asia and globally.

Expand a Robust Trade Partnership

- Korea is the U.S.' 7th largest trading partner, 7th largest export market, and 6th largest market for agricultural goods. In 2006, U.S. exports to Korea reached \$32.5 billion—an increase of seventeen percent from 2005. U.S. cross-border services exports to Korea totaled \$10.2 billion in 2005.
- Korea is a significant market for U.S. small and medium-size enterprises, which made up over 88 percent of U.S. businesses exporting to Korea in 2004.
- Trade and investment with Korea supports thousands of American jobs across the agricultural, manufacturing, and services sectors.

Benefit the U.S. Economy and U.S. Workers

- The U.S.-Korea FTA will level the playing field and create new opportunities for U.S. businesses and workers in the Korean market. U.S. exports to Korea currently face tariffs far higher than the U.S. imposes and a wide range of non-tariff barriers.
- Under the FTA, almost 95 percent of all bilateral goods trade will become duty-free within three years, and virtually all remaining tariffs on goods will be eliminated in ten years. More than half of current U.S. agricultural exports to Korea—with a value of \$1.9 billion—will become duty-free immediately.
- The FTA will eliminate significant non-tariff market access barriers in Korea to U.S. goods, services, and investment.

Strengthen a Critical Relationship

- Korea is a longstanding and close U.S. ally, and a strong partner in advancing regional and global security.
- The U.S.-Korea FTA will reinforce this critical economic and political partnership by deepening the links between our two countries as we work together to protect peace and prosperity in Northeast Asia.

Promote U.S. Competitiveness

- The U.S.-Korea FTA will give U.S. exporters and investors a preferential position in the world's 11th largest economy—enhancing our ability to compete in Northeast Asia's dynamic regional economy.
- The U.S.-Korea FTA includes strong provisions on transparency, intellectual property rights, competition, investment, and other rules, particularly in the area of services, that will promote U.S. interests and raise the bar for future FTAs and in multilateral trade negotiations.