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Contact: Steve Knievel (202) 454-5122

As President’s Export Council Meets, No Chance to Meet Obama’s Export Doubling Goal; Exports Fall Under Free Trade Agreements

Obama’s Quest for Fast Track Authority and for Support for Trans-Pacific Partnership Pact Undermined by FTA Outcomes; U.S. Exports Have Declined in Each of 16 Months Since Korea FTA Implementation

WASHINGTON, D.C. – As President Barack Obama’s Export Council convenes today to discuss his request for Fast Track authority and the status of the increasingly controversial Trans-Pacific Partnership (TPP), recent government data show it will be virtually impossible to meet Obama’s stated goal of doubling exports by the end of 2014. The same data shows that in 16 out of 16 months since the Korea “free trade” agreement (FTA) took effect last year, U.S. goods exports to Korea have *fallen* below the average export level in the year before the deal. At last year’s sluggish overall two percent U.S. export growth rate, the United States will not achieve Obama’s export-doubling goal until 2032, 18 years behind schedule.

The actual dismal outcomes of the current free trade agreement model are having a significant impact in Congress, where skepticism is growing about both Obama’s request for the rarely used Fast Track trade authority and the TPP.

“Given the dismal data on U.S. export growth, it would be very revealing if the Export Council just calls for more of the same policies and procedures that have gotten us these bad results,” said Lori Wallach, director of Public Citizen’s Global Trade Watch. “But whatever the Export Council says, many members of Congress are well aware that the Korea pact has been a loser and that this Trans-Pacific deal would just expand that model to more countries, which seems to be fueling opposition to the president’s request that Congress delegate its constitutional authority over trade to him via the Fast Track process.”

The overall U.S. export record under FTAs has not been helping Obama make his case for Fast Track or the TPP. Growth of U.S. exports to countries that *are not* FTA partners has actually exceeded U.S. export growth to countries that are FTA partners by 38 percent over the past decade.

The export record of the Korea FTA is even worse. In the first year of the deal, U.S. exports to Korea fell 10 percent (a \$4.2 billion decrease), imports from Korea rose 2 percent (a \$1.3 billion increase), and the U.S. trade deficit with Korea swelled 37 percent (a \$5.5 billion increase), compared to the prior year. Approximately 40,000 net U.S. jobs were lost under the deal’s first year, according to an economic study.

“If the president is serious about growing exports, he would do well to ditch these NAFTA-style so-called ‘trade’ pacts that export U.S. investment dollars and American jobs and look for a new model,” said Wallach. “As long as the administration keeps pushing more of the same instead of acknowledging the damaging record of the past trade deals, of course members of Congress must maintain their constitutional authority over trade so they can make sure we do not end up with yet another damaging pact.”

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