



215 Pennsylvania Avenue, SE • Washington, D.C. 20003 • 202/546-4996 • www.citizen.org

For Immediate Release:
Feb. 6, 2014

Contact: Alisa Simmons (202) 454-5111
Lori Wallach (202) 454-5107,
lwallach@citizen.org

Major Drop in U.S. Exports to Korea Since Obama's Free Trade Pact, Zero Growth in U.S. Goods Exports Revealed in Today's 2013 Year-End Trade Data Another Blow to Obama Push for Fast Track and TPP

Statement of Lori Wallach, Director Public Citizen's Global Trade Watch

“Today’s trade data showing zero growth for U.S. goods exports relative to last year and an ever-larger fall off in U.S. exports to Korea since that pact will only reinforce congressional opposition to NAFTA-on-steroid “trade” agreements like the TPP and the Fast Track authority to expedite passage of such deals.

The White House and the corporate lobby are trying to sell Congress the TPP and Fast Track with the same old promises about export growth and job creation, but today’s data show that under Obama’s only past major trade deal with Korea on which TPP is modeled, U.S. exports dropped dramatically, imports soared and the U.S. lost more jobs to a trade agreement.”

Background

Today’s government [release](#) of trade data highlights a stunning decline in U.S. exports to Korea, a rise in imports, and a widening of the U.S. trade deficit under the Korea Free Trade Agreement (FTA). The 2013 year-end data also show zero growth in U.S. goods exports relative to 2012. The data also provide information on the full two-decade legacy of the North American Free Trade Agreement (NAFTA), revealing an explosion of the U.S. trade deficit with Canada and Mexico under that deal.

The bad news heaps further doubt on Obama’s prospects for getting [Fast Track](#) trade authority, now publicly opposed by [most House Democrats](#), a sizeable bloc of [House Republicans](#), and Senate Majority Leader [Harry Reid](#). Obama has asked for Fast Track to push through Congress the [Trans-Pacific Partnership \(TPP\)](#), a controversial deal modeled on the Korea FTA and NAFTA.

Today’s data indicates that in 20 out of 21 months since the Korea FTA took effect, U.S. goods exports to Korea have fallen below the average level seen in the year before the deal. And in every single one of the 21 months since the FTA, the U.S. deficit with Korea has exceeded the average monthly deficit before the deal took effect. Average monthly exports to Korea since the

FTA are 11 percent lower than the pre-FTA monthly average, while monthly imports from Korea are up 4 percent. The monthly U.S. trade deficit with Korea has ballooned 48 percent compared to the pre-FTA level. These losses amount to [tens of thousands of lost U.S. jobs](#).

After twenty years of NAFTA, enacted on Jan. 1, 1994, the U.S. trade deficit with Mexico and Canada has soared to more than four times higher than the pre-NAFTA level, according to today's data, [costing hundreds of thousands of U.S. jobs](#). Forthcoming trade numbers are likely to show an even greater increase in the NAFTA deficit, as today's data include "re-exports" – goods made elsewhere that are shipped through the United States en route to a final destination. Adding re-exports to U.S.-made exports widely distorts the NAFTA record: the actual \$181 billion U.S. goods deficit with Mexico and Canada in 2012, for example, can be made to look about half as large (\$94 billion) by counting as U.S. exports the foreign-made products that simply pass through U.S. ports.

Each month the U.S. International Trade Commission produces [data](#) without the distortion of re-exports within one to two days of the Census Bureau's trade data release. Stay tuned for a forthcoming release from Public Citizen that uses the adjusted data to detail the accurate NAFTA deficit record, the lack of progress toward Obama's stated goal to double U.S. exports, and other information pertinent to Obama's increasingly unpopular bid to Fast Track through Congress the TPP.