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## **As President's Export Council Meets, No Chance to Meet Obama's Export Doubling Goal; Export Growth Falls Under Free Trade Agreements**

### ***Even as He Calls for More of the Same, Obama's Quest for Fast Track and Trans-Pacific Partnership Pact Are Undermined by Past Trade Pacts' Outcomes***

WASHINGTON, D.C. – At Thursday's biannual Export Council meeting, President Barack Obama is expected to call for help to overcome congressional opposition to Fast Track authority for the beleaguered Trans-Pacific Partnership (TPP) even as recent government data show U.S. export growth with U.S. Free Trade Agreement (FTA) partners lags behind the rate with non-FTA nations. Obama's efforts to push more-of-the-same trade policies has been sidelined by the dismal outcomes of his 2011 U.S.-Korea FTA, with the U.S. goods trade deficit with Korea up 50 percent and U.S. exports to Korea down 5 percent in the first two years of the pact.

"Given the dismal outcomes of our past trade deals, why would President Obama be pushing for more of the same?" asked Lori Wallach, director of Public Citizen's Global Trade Watch. "Maybe the corporate interests that dominate the Export Council want more of the same, but the American public and many members of Congress have had it, and that is why opposition to Obama's Trans-Pacific deal and Fast Track trade authority is so strong."

The 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.

- It is virtually impossible to meet Obama's 2010-stated goal of doubling exports by the end of 2014. At the paltry 1 percent annual export growth rate seen over the past two years, the export-doubling goal would not be reached until 2054, 40 years behind schedule.
- The U.S. export record under past FTAs is undermining Obama's efforts to push Fast Track and the TPP. Past U.S. FTAs have resulted in an export growth penalty: Growth of U.S. exports to nations that *are not* FTA partners has actually exceeded U.S. export growth to countries that *are* FTA partners by 30 percent over the past decade.
- The United States has a trade deficit of \$180 billion with the 20 countries with which it has FTAs. This is dominated by a \$177 billion deficit with North American Free Trade Agreement (NAFTA) countries, the \$23 billion and growing deficit with Korea and the \$3 billion deficit with Central America Free Trade Agreement (CAFTA) countries.

- For members of Congress not in office during the 1993 NAFTA fights, the Korea FTA is the basis of their experience of presidential promises regarding trade pacts. In contrast to the administration's promise that the Korea FTA would mean "more exports, more jobs," the export record of the Korea FTA is even worse than NAFTA. U.S. goods exports to Korea dropped 5 percent during the Korea FTA's first two years (a decline of \$2.3 billion per year), compared to the two years before FTA implementation, while imports into the United States from Korea climbed 8 percent (an increase of \$4.7 billion per year). From the year before the FTA took effect to its second year of implementation, the U.S. goods trade deficit with Korea rose 50 percent (a \$7.6 billion increase). The trade deficit increase indicates the loss of more than 50,000 U.S. jobs under the deal's first two years, according to the trade-jobs ratio that the Obama administration used to project gains from the deal.

In the face of this damaging record, the Office of the U.S. Trade Representative (USTR) has begun to provide Congress with distorted data that misrepresent the actual U.S. trade balance with FTA countries by counting foreign-made products that pass through the United States without alteration before being "re-exported" abroad as "U.S. exports." This has led to a series of increasingly upset exchanges from Congress. A July 10 [letter from 14 members](#) calling on USTR Michael Froman to stop using the distorted data and provide Congress with the accurate numbers has received no reply in the past 10 weeks. For more on the data-cooking techniques being employed by the USTR, please see <http://www.citizen.org/documents/Korea-FTA-USTR-data-debunk.pdf>.

"If the president is serious about growing U.S. exports, he would do well to ditch these NAFTA-style 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, the president's trade agenda will remain sidelined by public and congressional opposition."

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