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On Anniversary of U.S.-Korea FTA Implementation, U.S. Exports Down 9 Percent, Imports from Korea Up and Deficit With Korea Swells 30 Percent, Undermining Obama Export and Job Growth Goals

Though U.S.-Korea Free Trade Agreement Outcomes Are Abysmal, Obama Pushes for Trans-Pacific and European Agreements Based on Same Model

WASHINGTON, D.C. – The actual outcomes of the U.S.-Korea Free Trade Agreement (FTA) that took effect one year ago, March 15, have been exactly the opposite of what the Obama administration promised, Public Citizen said today. Despite [government data once again demonstrating the damage](#) caused by yet another “trade” agreement based on the model of the North American Free Trade Agreement (NAFTA), the Obama administration is trying to sell massive Trans-Pacific and European agreements based on the same model with the same false promises.

U.S. export growth to countries with pacts like the U.S.-Korea FTA [has been particularly lackluster](#); growth of U.S. exports to countries that *are not* FTA partners has exceeded U.S. export growth to countries that *are* FTA partners by 38 percent over the past decade. In contrast to the Obama administration’s promise that the U.S.-Korea FTA would mean “more exports, more jobs,” [U.S. goods exports to Korea have dropped](#) 9 percent (a \$3.2 billion decrease) since the Korea FTA took effect, in comparison to the same months in the year before FTA implementation. U.S. imports from Korea have climbed 2 percent (an \$800 million increase). The U.S. trade deficit with Korea has swelled 30 percent (a \$4 billion increase). The January data from the U.S. International Trade Commission show that the U.S. trade deficit with Korea skyrocketed 81 percent above December’s level, topping \$2.4 billion – the largest monthly U.S. trade deficit with Korea on record. The ballooning trade deficit indicates the loss of tens of thousands of U.S. jobs.

“I suspect that most Americans are likely to be angry with the politicians who got us into another one of these NAFTA-style deals, rather than surprised at the damaging outcome. Polls show that majorities of U.S. independent, Democratic and GOP voters consistently oppose these deals because they think they are bad for their families and the American economy,” said Lori Wallach, director of Public Citizen’s Global Trade Watch. “The Obama administration is inviting the public to focus on the debacle of its Korea Free Trade Agreement by using the same failed claims to push a Trans-Pacific FTA with 10 Asian and Latin American nations that is literally based on the Korea FTA text.”

The decline in U.S. exports under the Korea FTA contributed to an overall [disappointing U.S. export performance in 2012](#), placing the United States far behind Obama’s stated goal to

double U.S. exports by the end of 2014. At the sluggish 2012 export growth rate of 2 percent, the United States will not achieve the president's goal until 2032, 18 years behind schedule.

“The data show that these Obama administration-supported FTAs are undermining the national goals set by the president of boosting our exports, reviving U.S. manufacturing and creating American jobs,” said Wallach. “This kind of data makes everyone wonder just why the administration keeps pushing so-called ‘trade’ agreements like the Korea FTA, and now the Trans-Pacific Partnership, that facilitate offshoring, ban Buy American provisions and erode manufacturing jobs, utterly contradicting the president’s domestic agenda.”

Many of the sectors that the Obama administration promised would be the biggest beneficiaries of the Korea FTA have actually been some of the deal's largest losers. U.S. pork exports to Korea have declined 18 percent under the FTA relative to the same months in the year before FTA implementation, while beef exports have fallen 9 percent and poultry exports have plunged 41 percent. While U.S. auto exports to Korea have increased 7 percent under the FTA, U.S. auto imports from Korea have surged 17 percent, causing an 18 percent rise in the U.S. auto trade deficit with Korea.

[Click here for more analysis](#) of the government data on U.S. trade with Korea under the U.S.-Korea FTA.

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