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Eighth Anniversary of Signing of the U.S.-Korea FTA Shows Failure of Obama's 'More Exports, More Jobs' Free Trade Promises, Further Endangering Push for the Trans-Pacific Partnership

Trade Deficit With Korea Balloons 90 Percent as Exports Fall and Imports Surge Under Korea Pact, a Template for the TPP

WASHINGTON, D.C. – Today's eighth anniversary of the signing of the U.S.-Korea Free Trade Agreement (FTA), implemented by the Obama administration in March 2012, highlights the devastating impacts of the pact, which served as the U.S. template for the Trans-Pacific Partnership (TPP). Government data reveal a near-doubling of the job-displacing U.S. goods trade deficit with Korea in the FTA's first three years, casting a dark shadow over President Barack Obama's push for the already controversial TPP.

“Knowing that the U.S.-Korea FTA was the template of the Trans-Pacific Partnership causes grave concern. The Obama administration's history of record-breaking trade deficits and lost jobs tells a very different story than its promises of ‘more exports and more jobs,’” said Alisa A. Simmons, deputy director for Public Citizen's Global Trade Watch. “The American public is not willing to go on another free trade ride that fills the coffers of multinational corporations while offshoring good jobs and suppressing our wages.”

[U.S. government data](#) covering the full first three years of the U.S.-Korea FTA reveal that:

- **The U.S. goods trade deficit with Korea has swelled 90 percent, or \$13.6 billion**, in the first three years of the Korea FTA (comparing the year before the FTA took effect with the third year of implementation).
- The trade deficit increase equates to **the loss of more than 90,000 American jobs** in the first three years of the Korea FTA, counting both exports and imports, according to the trade-jobs [ratio](#) that the Obama administration used to project job *gains* from the deal.
- **U.S. goods exports to Korea have dropped 7 percent, or \$3 billion**, under the Korea FTA's first three years.
- **U.S. imports of goods from Korea have surged 18 percent, or \$10.6 billion** in the first three years of the Korea FTA.
- Record-breaking U.S. trade deficits with Korea have become the new normal under the FTA – **in 35 of the 36 months after the Korea FTA took effect, the U.S. goods trade deficit with Korea exceeded the average monthly trade deficit in the three years before the deal.** In

January 2015, the monthly U.S. goods trade deficit with Korea topped \$3 billion – the highest level on record.

- **The 90 percent surge in the U.S.-Korea goods trade deficit in the first three years of the FTA starkly contrasts with the 2 percent *decrease* in the global U.S. goods trade deficit during the same period.** And while the strengthening value of the dollar has inhibited overall U.S. exports recently, U.S. goods exports to the world have remained level (zero percent change) while U.S. exports to Korea have fallen during the FTA's first three years.
- **The U.S. manufacturing trade deficit with Korea has grown 47 percent**, or \$10.6 billion, since implementation of the Korea FTA. The increase owes to a 1 percent, or \$0.5 billion, decline in U.S. exports to Korea of manufactured goods and a 17 percent, or \$10.1 billion, increase in imports of manufactured goods from Korea.
- **U.S. exports to Korea of agricultural goods have fallen 5 percent**, or \$323 million, in the first three years of the Korea FTA. U.S. agricultural imports from Korea, meanwhile, have grown 29 percent, or \$103 million, under the FTA. As a result, the U.S. agricultural trade balance with Korea has declined 6 percent, or \$426 million, since the FTA's implementation.

The push to gain congressional approval for the TPP becomes more politically fraught as 2016 draws nearer, with presidential contenders from both parties recently adding their voices to the widespread criticism of the pact. This anniversary of the signing of the U.S.-Korea FTA – a grim reminder of the devastating impacts of the status quo trade model that the TPP would expand – will only fuel broader opposition to the TPP among members of Congress, the public and presidential candidates.

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