

# Six Reasons KORUS Boosts Our Economy

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Below are six insights we've gathered about the benefits of trade with South Korea, America's seventh largest export market, including those enjoyed under the United States-Korea Free Trade Agreement (KORUS). To expand on those benefits, we continue to urge the U.S. and Korean governments to address implementation issues under KORUS and market access issues that U.S. companies face.

Trade generally is responsible for many of the economic benefits the United States enjoys, from higher wages to lower prices at the check-out line. Trade also plays an integral role in ensuring American businesses and workers have access to global markets, thereby helping to facilitate economic activity, grow investment and support thousands of jobs.

Trade with Korea contributes to these gains. Implemented in 2012, KORUS has provided significant economic, foreign policy and national security benefits to both countries and the region. Specifically:

## 1 **EXPORTS TO KOREA SUPPORTED ABOUT 360,000 AMERICAN JOBS IN 2015**

The number of American jobs supported by exports to Korea has increased by 17,000 since KORUS went into effect in 2012. ([Source](#)) What's more, Americans working in export-intensive industries earn about 16 percent more than workers in non-export intensive industries.

## 2 **GOODS AND SERVICES TRADE BETWEEN THE U.S. AND KOREA EXCEEDED \$145 BILLION IN 2016**

Driven by increased exports of automobile, medical and drug products, as well as beef and other agricultural items, American products have increased their market share in Korea. KORUS is essential to ensuring American companies and workers who rely on exports to Korea can succeed. ([Source](#))

### 3 **KORUS INCREASES AMERICAN BUSINESSES' AND WORKERS' ACCESS TO KOREAN MARKETS**

The American share of Korean imports [increased](#) 33 percent from 2012 to the first half of 2017. With over [\\$63 billion](#) of American exports last year, Korea remains the [seventh](#) largest export market for American companies. American companies and workers are better able to compete in the Korean market because KORUS is significantly reducing tariffs on U.S. exports.

### 4 **KORUS CREATES A FAIR TRADE ENVIRONMENT IN KOREA**

Reducing non-tariff barriers, strengthening Korean intellectual property laws and increasing investor protections level the playing for American companies in Korea. For example, more effective intellectual property protection has helped American companies that rely on strong intellectual property protection to increase their exports from \$4.5 billion in 2011 (pre-KORUS) to \$5.8 billion in 2016—a growth of almost 30 percent.

### 5 **JOB-CREATING INVESTMENT IN THE U.S. FROM KOREA HAS DOUBLED UNDER KORUS**

Overall Korean investment in the United States climbed from \$19.9 billion in 2011 to \$40.1 billion in 2015. This investment means increased opportunities for American businesses and workers. ([Source](#)) U.S. subsidiaries of Korean firms also employ more than 50,000 American workers – a nearly 50 percent increase since KORUS took effect –and contributed more than \$14.2 billion to global U.S. exports.

### 6 **KORUS IS A GEOSTRATEGIC IMPERATIVE FOR THE U.S.**

KORUS ensures that America retains a significant market presence in Korea and prevents other countries from using their FTAs with Korea to displace U.S. exports. Since the U.S. withdrew from the Trans-Pacific Partnership (TPP), 11 TPP countries have pursued 27 separate trade agreements without the U.S. This makes existing trade agreements like KORUS critical so that the U.S. can continue competing in the global economy. ([Source](#))

KORUS is also critical to American strategic interests in the Asia –Pacific region and worldwide.