



Free Trade Agreements with Colombia, Panama and South Korea

The Free Trade Agreements (FTAs) with Colombia, Panama and South Korea under consideration in the Finance Committee today and on the Senate floor this week are jobs bills. These agreements will create tens of thousands of jobs here at home and provide an economic boost of billions of dollars to the U.S. economy.

In these tough economic times, these trade agreements are exactly what our economy needs to spur job creation. They will boost U.S. GDP by more than \$15 billion. The agreements will help U.S. workers, farmers, ranchers and businesses gain new customers in three lucrative and fast-growing markets and increase U.S. exports by \$13 billion dollars each year. And they will provide this major boost to our economy without adding a single dime to the budget deficit.

The U.S.-Colombia Free Trade Agreement

U.S.-Colombia Trade

- Among South American countries, Colombia is the third-largest destination for U.S. exports and the second-largest market for U.S. agricultural exports.
- The vast majority of Colombian goods typically receive duty-free treatment in the U.S. market, so the FTA will level the playing field for U.S. exporters by removing Colombia's tariffs on U.S. goods.

Creating American Jobs and Improving our Economy

- Enacting the FTA means U.S. exporters will be able to regain market share lost to other countries that have signed FTAs with Colombia, including Brazil, Argentina and Canada.
- The FTA will increase U.S. exports by more than \$1 billion each year and increase U.S. GDP by \$2.5 billion, creating thousands of new jobs here at home.
- More than 80 percent of U.S. exports will immediately gain duty-free access, and the remaining tariffs will be phased out over the next 10 years.
- In addition to boosting manufactured and agricultural exports, the FTA will also provide new access for U.S. service suppliers to Colombia's \$166 billion services market.

Labor Rights

- The FTA includes the strongest labor provisions of any trade agreement in the world, and Colombia agreed to a Labor Action Plan, which one prominent labor group described as "the most important agenda for the labor movement" since Colombia's 1991 Constitution.
- The FTA requires Colombia to adopt and maintain laws to implement five core labor standards: the right to organize; the right to bargain collectively; prohibitions on forced labor; protections for child labor; and freedom from employment discrimination.
- Colombia has met all of the Action Plan's commitments to date to increase protection of labor activists, enforce core labor rights and reduce impunity for perpetrators of violence against union members.

The U.S.-Korea Free Trade Agreement

U.S.-Korea Trade

- While the U.S. was once South Korea's largest trading partner, it is now the fourth-largest.
- The U.S.-Korea FTA will boost U.S. exports to South Korea by one-third and cut the bilateral trade deficit in half, giving American exporters the opportunity to recover lost market share.

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- Manufacturing exports will increase by nearly \$10 billion, and services exports will also see sizable gains.
- U.S. agricultural exports like beef, poultry and pork could increase by as much as \$4 billion thanks to decreased tariffs, which also contributes to job creation.

Enhanced Market Access for Autos and Beef

- The Administration has committed to improve access for U.S. beef by creating a fund to promote beef sales in Korea and committing to remove unscientific barriers.
- The U.S.-Korea FTA will help level the playing field for U.S. automakers by eliminating more non-tariff barriers on U.S. autos in Korea.

The U.S.-Panama Free Trade Agreement

U.S.-Panama Trade

- Panama has one of the highest growth rates among Latin American nations, and the U.S. is currently its largest supplier of imports.
- Most goods exported from Panama to the U.S. already receive duty-free access, and the FTA will level the playing field for U.S. exporters by removing Panama's tariffs on U.S. goods.

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- The FTA will guarantee access to Panama's \$20.6 billion services market.
- The FTA will also increase U.S. access to more than \$15 billion in infrastructure projects in Panama, providing new opportunities to infrastructure machinery and equipment manufacturers.
- More than 87 percent of U.S. consumer and industrial exports to Panama will become duty-free immediately, and the remaining tariffs will be eliminated within the next 15 years.

Tax and Labor Issues

- The FTA includes strong language to crack down on tax evasion and money laundering in Panama.
- A new Tax Information Exchange Agreement signed in April brings Panama into compliance with OECD standards that prevent countries from becoming a tax haven.
- Panama also enacted strict new reforms to protect core labor rights.