



# The Trade Stimulus

**Trade is an engine of economic growth—Approval of the Colombia, Panama, and South Korea Free Trade Agreements (FTAs) would help stimulate further growth.**

## U.S.-Colombia FTA

1. U.S. exports are expected to increase by \$1.1 billion under the FTA.
2. 10,000 U.S. companies export to Colombia; 8,500 of these are small- and medium-sized firms (SMEs).
3. U.S. GDP is expected to increase by approximately \$2.5 billion, according to the USITC.

## U.S.-Panama FTA

1. The Panama Canal expansion, valued at \$5.25 billion, is an historic opportunity for U.S. companies. The FTA will level the playing field for U.S. firms eager to compete for Canal projects.
2. 6,400 U.S. companies export to Panama, of which 5,200 are SMEs.
3. American SMEs would directly benefit from the FTA as 39 percent of total U.S. merchandise exports to Panama are shipped by SMEs.

## U.S.-Korea FTA

1. U.S. exports are expected to increase by \$10.3 billion.
2. Korea is a \$1 trillion economy. Within the first 3 years of the FTA, 95 percent of U.S. exports of consumer and industrial goods will enter this huge market duty-free.
3. U.S. GDP is expected to increase as much as \$20 billion, according to studies.

## Free Trade Works – Trade Stimulates the American Economy

- ✓ From January to August 2008, U.S. exports totaled \$850.5 billion<sup>1</sup> -- a huge economic stimulus that kept America growing despite the effects of the domestic housing market.
- ✓ Net exports contributed 2.9 percentage points to total GDP growth in the 2<sup>nd</sup> quarter of 2008, and are the **MAIN** reason that America's economy had positive growth in the first half of the year.
- ✓ Exports of goods and services grew by 18 percent to \$1.3 trillion in the first eight months of 2008.
- ✓ 706 days have passed since the U.S.-Colombia FTA was signed. In that time, U.S. exports to Colombia have faced tariffs over \$1.3 billion, which the FTA would eliminate. U.S. exporters face more unnecessary tariffs as they wait for approval of the Panama and South Korea FTAs.
- ✓ The United States has a \$10.3 billion trade **SURPLUS** with its 14 FTA partners. FTAs work.
- ✓ The U.S. manufactured goods trade balance improved 158 percent with our 14 FTA partners, but only 7 percent with non-FTA partners in the first eight months of 2008.
- ✓ About 59 percent of the U.S. trade deficit<sup>2</sup> is due to petroleum imports.

<sup>1</sup> Exports of non-petroleum goods

<sup>2</sup> Trade deficit of goods and services