

Expanding Economic Opportunities Through Free And Fair Trade

Expanding Markets Is Good For American Workers And Helps Keep Businesses Growing

Today, President Bush highlighted the importance of trade in promoting prosperity and freedom in the United States and around the world. At the White House, the President discussed a display of products from businesses that would benefit from trade liberalization, and urged Congress to approve our free trade agreements with Colombia, Panama, and South Korea. The companies represented at the White House have created jobs, increased prosperity, and proven that they can compete in the global market. In order for these and other U.S. businesses to continue growing, the government needs to keep working to reduce foreign trade barriers, enabling companies to compete on a level playing field.

Approval and implementation of the U.S.-Colombia free trade agreement would eliminate tariffs on goods produced by several of the companies attending today's event, including:

- Case New Holland, a world leader in the manufacturing of agricultural and construction equipment, whose Fargo, North Dakota, plant exported about 48 percent of its production in 2007. The Case IH tractor faces a \$15,500 tariff from Colombia.
- Cannondale Bicycle Corporation's bicycles face a 20 percent tariff.
- Harley Davidson's union-made Ultra Classic Electra Glide motorcycle, which faces a 20 percent tariff.
- Mack Truck's Mack Granite Cement Mixer, which faces a tariff of 15 percent.
- John Deere's Iowa-manufactured round baler, which faces a 10 percent tariff.

Failure To Approve The U.S.-Colombia Free Trade Agreement Would Be Bad For American Workers, Farmers, Ranchers, And Business Owners

Earlier this year, President Bush sent Congress a bill to implement the U.S.-Colombia free trade agreement. Unfortunately, rather than hold the up or down vote that Congress committed to, House Speaker Nancy Pelosi chose to block it. If this decision stands, it will kill the agreement and hurt American small business owners and workers.

Approving the U.S.-Colombia free trade agreement would strengthen America's economy and level the playing field for U.S. businesses and workers. Today, over 90 percent of Colombia's exports to the United States enter duty-free, but American businesses that export to Colombia – including nearly 8,000 small and mid-sized firms – face tariffs of up to 35 percent on industrial and consumer products and much higher tariffs on many agricultural goods. If Congress approves the Colombia free trade agreement, upon entry into force, it would immediately eliminate tariffs on more than 80 percent of American exports of industrial and consumer goods, on more than half of U.S. agricultural exports, and, over time, on 100 percent of American goods exports.

Congress Should Also Help Sustain Economic Growth By Approving Our Pending Free Trade Agreements With Panama And South Korea

Last year, exports made up more than 40 percent of America's total economic growth. It is estimated that more than 5.5 million American jobs are related to manufacturing exports. At a time when our economy is facing challenges, our commitment to trade is more important than ever.

The free trade agreement with Panama will increase U.S. access to one of the fastest-growing economies in Central America and support a key democratic partner. In 2007, Panama and the United States exchanged more than \$4 billion worth of goods – nearly twice as much as just four years ago. The U.S.-Panama free trade agreement will build on this vibrant trade relationship by immediately eliminating tariffs on 88 percent of U.S. industrial and consumer goods exported to Panama and on more than 60 percent of U.S. agricultural exports.

The free trade agreement with South Korea (KORUS FTA) has the potential to boost annual U.S. exports by more than \$10 billion while cementing ties with a vital ally. The U.S. International Trade Commission estimates the reduction of Korean tariffs and tariff-rate quota provisions on goods market access alone would add \$10-12 billion to annual U.S. GDP.

- **South Korea is our seventh-largest trading partner and the KORUS FTA is the most economically significant FTA that the United States has signed in 15 years.** The KORUS FTA will further open a growing market of 49 million consumers to the full range of U.S. goods and services. South Korea has a vibrant and rapidly growing economy and is located at the crossroads of world's most dynamic economic region.
- **The KORUS FTA will eliminate tariffs on 94 percent of trade in industrial goods within three years, and nearly two-thirds of U.S. agriculture exports to Korea will become duty free immediately.** The free trade agreement will also address a range of non-tariff barriers, increase transparency in Korea's regulatory processes, and provide strong, enforceable protections for U.S. investors. The agreement will strengthen Korea's economic reforms that have helped it become a prosperous economy and vibrant democracy as well as sustain the growth of trade and investment opportunities for the mutual benefit of both countries.
- **The KORUS FTA will energize the U.S.-Korean alliance that was forged in war more than a half century ago by further integrating our economies and creating opportunity for the people in both our countries.**