Trade Agreements Work for America

Since 2001, the U.S. Congress has approved free trade agreements with 12 countries. Export growth to trade partners with FTAs implemented between 2001 and 2005 is twice as fast as U.S. export growth to the world. The U.S. ran a $12 billion goods surplus with these four FTA partners in 2005, with total goods exports of $42.3 billion, compared to total imports of $30.4 billion.

Gains from Recent FTAs:

Jordan - Since the implementation of the U.S. Jordan FTA in 2001, U.S. exports to Jordan have risen by 90%. Among the biggest gainers:

- **Auto exports** have risen nearly 1700% to $89 million in 2005.
- **Rice exports** have risen nearly 1100% to $35 million, while **corn exports** have risen nearly 1600% to $23 million.
- Exports of **TV and radio transmitters** have risen nearly 450% to $25 million.

Singapore – The United States ran a $5.5 billion trade surplus with Singapore in 2005, and enjoyed a 21.4% increase in Singaporean foreign direct investment, totaling $1.8 billion in 2004 (latest figures available). Building on an already healthy trade relationship, U.S. exports to Singapore have risen by over $4 billion (24.6%) since implementation of the U.S.-Singapore FTA in 2004. The biggest dollar gains were in **established export markets**. Between 2003 and 2005:

- **Gas turbines** exports rose from $814 million to $1.3 billion.
- **Aircraft parts**, $635 million to $921 million.
- **Parts for heavy machinery**, $477 million to $760 million.
- **Video and audio cassettes**, $302 million to $476 million.

Meanwhile, significant **new market opportunities** were created, such as:

- Exports of certain **pharmaceutical products** have risen 858% since 2003 to $265 million.
- Certain **organic chemicals** (namely, carboxylic acid), up over 3400% to $176 million.

Chile - Overall, exports to Chile from the United States rose by over 90%, from $2.7 billion in 2003 just prior to implementation of the U.S.-Chile FTA, to $5.2 billion in 2005. Star performers:

- **Petroleum oils (other than crude):** Exports reached $858.7 million in 2005, a 1,508% increase or an increase of $805.3 million over exports in 2003.

- **Motor vehicles for the transport of goods:** Exports reached $276.8 million in 2005, a 388% increase or an increase of $220 million over exports in 2003.

- **Motor cars and vehicles for transporting persons:** Exports reached $116.2 million in 2005, a 121 percent increase or an increase of $63.4 million over exports in 2003.

Of note, while U.S. exports to Chile constituted 25 percent of the Chilean import market in 1995, that share consistently dropped in the years following as other trading partners including the EU, Mexico and Canada all negotiated FTAs with Chile before the United States. U.S. import share reached a low of 14.5 percent in 2003. With the implementation of the FTA, U.S. import share in Chile has begun to climb again, reaching 15.1% in 2004 and 15.8% in 2005.

Australia – The United States has significantly strengthened and diversified its export business with Australia. Imports by Australia of U.S. goods rose by $1.6 billion to $15.8 billion in the first year after implementation of the U.S.-Australia FTA, contributing to a **$8.4 billion U.S. goods trade surplus**.

- In 2004, prior to the implementation of the Agreement the U.S. had exports of $500 million or greater in two categories. One year later, in 2005, the United States had five categories weighing in at over $500 million apiece, and six new categories at $100 million or greater.

- Particularly significant gains were seen in parts for **heavy machinery** (85% increase); **gas turbines** (69%); and, **yachts and other pleasure boats** (55%).

- Total **U.S. agricultural exports** to Australia were at **a record $553 million** in 2005. Exports of pork reached a record $48.2 million and exports of fresh fruit reached a record $47.1 million.

More Gains to Come from Future FTAs

- The U.S.-Morocco FTA took effect on January 1, 2006.

- Agreements came into force with Central American neighbors El Salvador (March 2006), Honduras and Nicaragua (May 2006), and Guatemala (July 2006). The Dominican Republic and Costa Rica could shortly follow suit, pending implementation measures by those countries.

- A Congressionally-approved agreement with Middle East ally Bahrain is expected to take effect in 2006.

- Agreements with Oman and Peru have been signed and are lining up for Congressional consideration; if approved, these pacts could be implemented in 2007.

- Negotiations with Colombia have been concluded and await signature, following a legal review of the texts.

- Meanwhile, numerous other initiatives, such as those just launched with Korea and Malaysia, are in various stages of negotiation.

Together with preexisting partners Israel, Canada and Mexico, these new free trade alliances are beginning to form a critical mass for the stimulation of trade-led growth. **While these countries represent only 14% of world GDP (excluding the United States), they account for fully 52% of U.S. exports to the world.** In countries and regions throughout the world, the United States is achieving market gains for U.S. exporters, economic growth and development opportunities for our free trade partners, welfare gains for U.S. consumers, and enhanced leadership stature for the United States in the global economy.