



INTERNATIONAL
T R A D E
ADMINISTRATION

U.S. EXPORT FACT SHEET

July 2008 Export Statistics Released September 11, 2008

EXPORT OVERVIEW:

- In July 2008, U.S. exports of goods and services grew by 18.3% year-to-date to \$1.1 trillion, while imports increased 12.9% to \$1.5 trillion.
- The largest export markets for U.S. goods year-to-date through July 2008 (with X% increase over the same months of 2007) were Canada (\$158.7 billion, up 12.8%), Mexico (\$87.8 billion, up 12.7%), China (\$43.1 billion, up 22.0%) and Japan (\$39.7 billion, up 9.1%).
- Exports comprised 13.5% of U.S. GDP in the second quarter of 2008. To put in historical terms, exports were 9.3% of U.S. GDP five years earlier (Q2 2003), and 5.2% 40 years ago (Q2 1968).

TRADE SPOTLIGHT: KOREA

- Korea was the 7th largest market for U.S. goods in 2007. America's combined two-way trade with Korea reached \$82.2 billion in 2007.
- U.S. goods exports to Korea in the year-to-date through July 2008 amount to \$21.6 billion, up 8.7% from the same period of 2007.
- An FTA with Korea would open market opportunities between the United States and over 48 million potential consumers with a GDP in 2007 of \$957 billion (at current prices).
- The United States is already a leading source of Korea's goods imports, with a 10 percent market share in 2007.
- The U.S.-South Korea FTA will be of particular benefit to U.S. small and medium sized enterprises (businesses with fewer than 500 employees). In 2006, U.S. SMEs exported \$9.5 billion in merchandise to South Korea, representing thirty-two percent of total U.S. exports to South Korea -- above the twenty-nine percent SME share of U.S. exports to the world. (2006 is the latest data available.)
- Eighty-nine percent of the U.S. businesses exporting to Korea are small and medium sized enterprises. U.S. small and medium-sized enterprises particularly benefit from the tariff eliminating provisions of free trade agreements, and should benefit from the significant tariff cuts under the U.S.-South Korea FTA.
- Leading U.S. goods exports to Korea in 2007 included electrical machinery (\$6.0 billion); machinery (\$5.5 billion); aircraft and spacecraft (\$3.3 billion); medical instruments (\$3.0 billion); and organic chemicals (\$2.3 billion).
- U.S. industrial and consumer goods exports to Korea face tariffs that range from zero to 50%, with much higher tariffs on many agricultural products. However, more than 94% of U.S. exports of these goods will be duty-free within three years of implementing the U.S.-Korea FTA.
- In 2007, agricultural commodities accounted for \$3.5 billion of U.S. exports to Korea, making Korea the fifth largest export market for U.S. farm products. Under the FTA, the average agricultural tariff for U.S. goods will fall from the current 52 percent to 4 percent in 15 years, helping the U.S. compete with other major agricultural producers like Australia and China.