

The implementation of the U.S.-Korea Free Trade Agreement (KORUS FTA) has created exciting new opportunities for Wisconsin businesses and communities. Removing tariffs on goods and restrictions on services has strengthened the U.S.-Korea economic partnership by spurring business growth, creating jobs, opening new markets and providing access to a larger pool of consumers.



Opportunities for Wisconsin

Wisconsin's Top Beneficiary Trade Items

Nicknamed "The Badger State," Wisconsin is home to a wide range of businesses, from agriculture to communications. These organizations are capitalizing on expanded opportunities created by the reduction of tariffs, elimination of trade barriers, and the free flow of products, services and ideas between Wisconsin and Korea. Below are a few of the products that benefit from the KORUS FTA.

Exports

Food and agriculture

- **Sweet corn (not frozen)**
15% tariff eliminated over 5 years
- **Whole hides and skins**
2% tariff eliminated immediately or over 10 years

Machinery/Chemicals

- **Mufflers and exhaust pipes for motor vehicles**
8% tariff eliminated immediately
- **Articles of plastic**
8% tariff eliminated immediately or over 5 years
- **Purifying apparatus for gases**
8% tariff eliminated immediately or over 3 years

Imports

Machinery/Electrical

- **Drying machines with capacity over 10 kg**
2.6% tariff eliminated over 10 years
- **Lead-acid batteries**
3.5% tariff eliminated immediately
- **Parts of pumps for liquids**
2.5% tariff eliminated over 10 years

Manufacturing

- **Plates of polyethylene terephthalate**
4.2% tariff eliminated over 10 years
- **Floor, wall and ceiling coverings of vinyl chloride**
4.2~6.5% tariff eliminated over 10 years

Wisconsin's Top Trade Items with Korea (2015)

Exports

- **Meat products**
\$69.8 million
- **Computer equipment**
\$45.9 million
- **Navigational and measuring instruments**
\$28.8 million
- **Commercial and service industry machinery**
\$23.9 million
- **Fruits and vegetable preserves**
\$23.6 million
- **Basic chemicals**
\$22.8 million
- **Motor vehicle parts**
\$20.9 million

Imports

- **Plastic products**
\$48.8 million
- **Motor vehicle parts**
\$24.9 million
- **Electrical equipment and components**
\$22.4 million
- **General purpose machinery**
\$21.5 million
- **Engines and power transmission equipment**
\$20.6 million
- **Navigational and measuring instruments**
\$20.5 million
- **Electrical equipment**
\$18.7 million

Trade

- In 2015, Wisconsin exported \$506.7 million in goods to Korea.
- In 2015, Wisconsin imported \$332 million in goods from Korea.

Growth

- The KORUS FTA more closely connects Wisconsin businesses with Korea, a \$1.4 trillion market with more than 50 million consumers.

Jobs

- The KORUS FTA is a significant and important catalyst for job creation in Wisconsin.



Interesting Facts About Trade with Korea

- Exports of **meat** from Wisconsin to Korea nearly doubled between 2010 and 2015, from \$23.3 million to \$42.6 million.
- Wisconsin exported \$9.8 million in **protein concentrates** to Korea in 2015, more than tripling from 2011 when it exported \$2.8 million.
- Known for its cheese, Wisconsin exported \$6.6 million of **cheese and curd** to Korea reached in 2015, more than doubling its total from \$3.1 million in 2010.
- In 2015, Wisconsin exported \$7.7 million in **plastics** to Korea, a 56 percent increase from its 2011 total of \$4.9 million.



Support From Around Wisconsin



U.S. And Korea Reach Organic Food Trade Agreement

July 3, 2014

“Organic Trade Association CEO and executive director Laura Batcha says U.S. organic exports to South Korea were valued at \$35 million last year and sales are expected to double in five years.”



Wisconsin: Expanding Exports and Supporting Jobs Through Trade Agreements

March 7, 2014

The U.S. has free trade agreements in force with 20 countries, which account for \$12.7 billion of Wisconsin's exports in 2013. During the past 10 years, exports from Wisconsin to these markets grew by 79 percent, with Korea [among others] showing the largest dollar growth during this period.



Wisconsin jobs agency plans South Korea trade trip

March 18, 2016

“Gov. Scott Walker’s job-creation agency is inviting Wisconsin exporters on a May trade mission to South Korea. According to WEDC, South Korea ranks among Wisconsin’s top 10 export destinations.”

Connections Beyond Trade

- In 2014, it was estimated that there were approximately 8,270 Koreans and Korean Americans living in Wisconsin.
- There were more than 1,000 students from Korea studying at colleges and universities in Wisconsin during the 2014/2015 academic year.
- In 2013, Wisconsin’s Department of Veterans Affairs and Military Affairs delivered 162-page commemorative hard-cover coffee-table books to the state’s Korean War veterans as gifts of the Korean government and Korean businesses.



The Korean Government and Korean businesses teamed up in 2013 to deliver copies of the memorial book 'Korea Reborn: A Grateful Nation Honors War Veterans for 60 Years of Growth' to Korean Veterans in Wisconsin.



National Snapshot

The U.S.-Korea Free Trade Agreement (KORUS FTA) is an international partnership that connects the United States with the dynamic and growing Korean and Asia-Pacific markets.

About Korea

- Population: 51.5 million (January 2016)
- GDP per capita (nominal): \$28,338 (2015)*
- GDP (PPP-based): \$1.9 trillion, ranking Korea the world's 13th largest economy (2015)*
- GDP (nominal): \$1.4 trillion (2015)*
- Real GDP growth rate: 2.6% (2015)*
- In 2014, Korea was ranked 7th and 9th, respectively, among leading exporters and importers in world merchandise trade.

*Projected figure



KORUS FTA at a Glance

- Before the KORUS FTA, U.S. exports to Korea faced an average applied tariff of 12.1%, while the average U.S. tariff on Korean exports was 3.5%.
- More than 95% of U.S. exports will become duty free within 5 years, and almost all tariffs will be eliminated within 10 years.
- The KORUS FTA contains strong provisions regarding transparency, intellectual property rights and competition, particularly in the services sector.
- The free trade agreement makes U.S. businesses more competitive in Korea and provides a model for future trade agreements.

Korea-U.S. Connections

TRADE RELATIONS

- The United States exported \$43.5 billion worth of goods to Korea and imported \$71.8 billion worth of goods in 2015.
- Korea is the United States' 6th largest trading partner, while the United States was Korea's 2nd largest.

INVESTMENT**

- U.S. foreign direct investment (FDI) in Korea was \$5.5 billion in 2015.
- Korea's FDI in the United States was \$10.4 billion in 2015.

**All investment figures are on a notification basis as reported.

Benefits of the KORUS FTA

ECONOMIC GROWTH: By expanding trade ties with Korea's dynamic, growing, high-income economy, the agreement will increase U.S. economic growth by up to \$11.9 billion at no cost to U.S. taxpayers.

JOBS: The implementation of the KORUS FTA supports the creation of jobs in the United States.

SHARED VALUES: Korea is a vibrant democracy, a staunch ally of the United States and a major commercial center in East Asia that provides America with a strong partner in an increasingly important region.

Get Connected

U.S. Korea Connect's [LinkedIn](#), [Facebook](#) and [Twitter](#) profiles help businesses connect with one another and learn more about taking advantage of the KORUS FTA. As a member of our online community, you'll have exclusive access to data, research, events and information that can help give you a competitive advantage. Visit www.USKoreaConnect.org/Business-Connect to connect, collaborate and succeed.

Contact Us

Please visit our website at www.USKoreaConnect.org for information on how to contact local business groups and the Embassy of the Republic of Korea.

All figures in U.S. dollars. Information based on data from the U.S. International Trade Commission, U.S. Dept. of Agriculture, U.S. Census Bureau, Ministry of Trade, Industry and Energy of Korea, Export-Import Bank of Korea, Korea International Trade Association, Bureau of Economic Analysis, the Institute of International Education, the International Monetary Fund, the World Trade Organization, and the U.S. Dept. of Commerce.

Last updated: March 2016

