

MISSOURI-KOREA CONNECT

Benefitting Missouri Businesses, Communities and People

The state of Missouri is home to a wide range of businesses, large and small, in a variety of industries including machinery, chemicals, aerospace, and transportation. "Show-Me State" businesses are taking advantage of the opportunities presented by the U.S.-Korea Free Trade Agreement (KORUS FTA) and the strong bilateral relationship between the United States and Korea.

The KORUS FTA has enabled the United States and Korea to cultivate a successful bilateral economic partnership that includes trade in goods, services and foreign direct investment.



MISSOURI'S TRADE IN GOODS WITH KOREA

2016 TOP EXPORTS

\$82.6 million Aerospace Products	\$41.3 million Non-electrical Machinery
\$38.4 million Chemicals	\$33.7 million Food Products
\$19 million Leather and Hide Tanning	\$12.8 million Electronic Products

2016 TOP IMPORTS

\$27 million Non-electrical Machinery	\$26.2 million Plastic and Rubber Products
\$25.7 million Electronic Products	\$19.1 million Motor Vehicle Parts
\$13.3 million Metalworking Machinery	\$13 million Plastics Products

EXPORT TARIFF REDUCTIONS

- Electrical**
- **Fans**
8 percent tariff eliminated immediately or over 3 years
- Metals**
- **Aluminum Tubes and Pipes**
8 percent tariff eliminated immediately or incrementally over 10 years

IMPORT TARIFF REDUCTIONS

- Machinery/Electrical**
- **Motor Vehicle Parts**
2.5 percent tariff eliminated immediately
- Fishing**
- **Fishing Rods and Accessories**
6 percent tariff eliminated immediately

TRADE IN SERVICES WITH KOREA

The services industry is vital to the U.S. economy, comprising 77.6 percent of U.S. GDP in 2015. Since the implementation of the KORUS FTA, U.S. services have expanded their Korean presence and impacted legal, financial, professional and intellectual property service sectors.



\$14.1 BILLION

Total surplus of trade in U.S. services to Korea.



STRONG LICENSING

Develops mutually acceptable standards for licensing and certification of professional services.



29% INCREASE

Total increase of U.S. services exports to Korea from 2011 to 2015.



KOREAN PRESENCE IN MISSOURI



- DAE-IL USA Inc., Hyrobotics, and Hyundai Merchant Marine Co. are the largest Korean-owned companies in Missouri.



- In 2016, Missouri exported \$324 million and imported \$186 million in goods from Korea.
- The state of Missouri has a trade and investment office located in Seoul, Korea.



- There are 7,249 Missourians who are native-born Koreans.

AUTOS TRADE SPOTLIGHT

Boeing Defense, Space and Security (Boeing)

Boeing Defense, Space & Security (Boeing) is one of the two main business units of the world's leading aerospace company. Boeing specializes in innovative, capabilities-driven solutions across platforms, services and support, as well as information technologies. Boeing is a \$31 billion business with approximately 53,000 employees worldwide. Boeing and Korea have worked together for more than 60 years. In recent years, Boeing has expanded its presence in the Korean commercial aircraft and defense markets, supporting the growth of the country's aerospace industry.

All of Korea's major airlines use Boeing-built aircraft. Korean Airlines operates 87 Boeing passenger aircraft and 27 freighters. Asiana Airlines, Korea's second largest carrier, operates 34 Boeing aircrafts and Jeju Air operates 20 leased Boeing 737-800s. In the defense sector, Boeing continues to support the Korean Air Force's F-15K Slam Eagle fleet through a Performance-Based Logistics program. Today, Korea represents one of the 10 largest markets for Boeing's commercial and defense business units. Boeing employs more than 200 people across seven cities and works closely with customers.



BOEING

- Industry:** Manufacturing
- Location:** St. Louis, Missouri
- Trade:** 60+ years partnering with Korea

MISSOURI BUSINESS SUCCESS STORIES

Populous Architects

Industry: Services

Populous Architects, located in Kansas City, Missouri, is a global specialist architecture practice that has designed more than \$130 billion worth of major public venues around the world. Populous has been working in Korea for more than a decade. The firm took part in the design competition for the Incheon Asiad Main Stadium for the 2014 Asian Games and in 2009 after winning the competition, began design work in collaboration with a local firm, Heerim Architects and Planners.

Volpi Foods, Inc.

Industry: Agriculture

Volpi Foods, Inc., located in St. Louis, Missouri, is a family-owned, global food corporation that manufactures handcrafted, authentic Italian meat products. Volpi began exporting to Korea almost 10 years ago after being approached by a Korean distributor during a trade show. The company now exports a wide variety of its products to Korea, including pre-sliced meats and prosciutto. Over the last few years, Volpi's business in Korea has grown by about 15 percent.



NATIONAL SNAPSHOT

TRADE

- The U.S. exported \$43.5 billion to Korea and imported \$71.8 billion of goods in 2016.
- Korea is the United States' 6th largest trading partner, while the U.S. is Korea's 2nd largest.
- Before the KORUS FTA, U.S. exports to Korea faced an average applied tariff of 12.1 percent, while the average U.S. tariff on Korean exports was 3.5 percent.

SERVICES

- The KORUS FTA contains strong provisions regarding transparency, intellectual property rights and competition, particularly in the services sector.
- The services industry is vital to the U.S. economy. Services generate 77.6 percent of U.S. GDP and provide 80 percent of private sector jobs.



INVESTMENT & JOBS

- By expanding trade ties with Korea, the agreement will increase U.S. economic growth by up to \$11.9 billion at no cost to U.S. taxpayers.
- The KORUS FTA supports the creation of jobs in the U.S. and makes U.S. businesses more competitive in Korea and provides a model for future trade agreements.
- U.S. FDI in Korea was \$5.5 billion in 2015.
- Korea's FDI in the U.S. was \$10.4 billion in 2015.

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 percent (2015)*
- In 2014, Korea was ranked 7th and 9th, respectively, among leading exporters and importers in world merchandise trade.



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U.S. Korea Business Connect

All figures in U.S. dollars. Information based on data from the U.S. International Trade Commission, U.S. Department 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, and the International Monetary Fund.

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