

# DELAWARE-KOREA CONNECT

Benefitting Delaware Businesses, Communities and People

Delaware is home to a wide range of industries including manufactured commodities, navigational instruments and soaps. "Diamond 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.



## DELAWARE'S TRADE IN GOODS WITH KOREA

### 2016 TOP EXPORTS

**\$17.7 million**  
Manufactured  
Commodities

**\$9.2 million**  
Navigational and  
Measuring Instruments

**\$5.8 million**  
Soaps and Cleaning  
Compounds

**\$4.9 million**  
Basic Chemicals

**\$4.3 million**  
Resins and  
Synthetic Rubbers

**\$3.9 million**  
Plastics

### 2016 TOP IMPORTS

**\$6.4 million**  
Electrical Equipment

**\$5.7 million**  
Basic Chemicals

**\$3 million**  
Spring and Wire Products

**\$1.9 million**  
Resins and  
Synthetic Rubbers

**\$1.6 million**  
Plastic Products

**\$941,263**  
Magnetic and Optical Media

### EXPORT TARIFF REDUCTIONS

#### Plastics

- **Articles of Plastic**  
8 percent tariff eliminated immediately or over 5 years

#### Chemicals

- **Fluoropolymers in Primary Forms**  
6.5 percent tariff eliminated immediately

### IMPORT TARIFF REDUCTIONS

#### Organic Chemicals

- **Esters of Acrylic Acid**  
3.7 or 6.5 percent tariff eliminated over 5 years

#### Basic Chemicals

- **Titanium Oxides**  
5.5 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. companies have expanded their Korean presence in the 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 DELAWARE



- In 2015, Delaware had 640 jobs related to trade with Korea.
- In 2015, there were 1,983 Korean-Americans living in Delaware.



- Allen Harim, a Korean chicken producer and export company, invested \$30 million to renovate its poultry processing facility in Harbeson, Delaware in 2016.



- In 2017, Global Delaware coordinated an international trade mission to Korea.

## EXPORT SPOTLIGHT



### Delaware Diamond Knives, Inc.

**Industry:** Manufacturing

**Location:** Wilmington, Delaware

**Trade:** Has been trading with Korea for almost 10 years

Delaware Diamond Knives (DDK) is a 21 employee, family-owned business in Wilmington, Delaware, which uses diamonds to manufacture industrial products. In 2008, DDK only had one customer in Korea who purchased products once or twice a year. Since the KORUS FTA went into effect, DDK has received orders from many more Korean distributors, raising the company's international profile.

The use of diamonds as a structural base is much more attractive in the Korean market than the use of sapphires, a common substitution in competitor's cutting products. DDK has since shifted away from its typical customer-supplier relationship in Korea and adopted a distributor-supplier model.

## BUSINESS SUCCESS STORIES

### Analtech, Inc.

**Industry:** Manufacturing

Analtech, Inc., located in Newark, Delaware, is the United States' only manufacturer of thin layer chromatography plates. It began exporting to Korea in 2005. Analtech Inc. works closely with its distributors, ML Science and LK Lab Korea, to connect with labs throughout the region and increase the company's market share in the chromatography field. The company has seen a 20 to 25 percent sales increase in Korea since the implementation of the KORUS FTA.



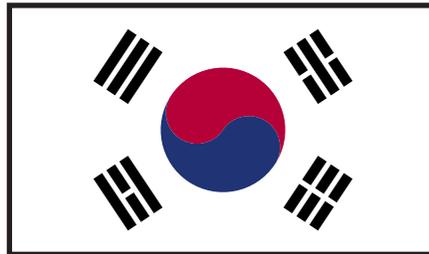
# NATIONAL SNAPSHOT

## TRADE

- The U.S. exported \$43.5 billion in goods to Korea and imported \$71.8 billion in goods from Korea 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 KORUS FTA 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., 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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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, World Trade Organization, Bank of Korea and the International Monetary Fund.

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