

United States, Korea Set Date for Entry Into Force of U.S.-Korea Trade Agreement

Bilateral Pact, Expected to Support Tens of Thousands of U.S. Jobs, to Take Effect March 15

Washington, D.C. – United States Trade Representative Ron Kirk announced today that the U.S.-Korea trade agreement will enter into force – that is, take effect – on March 15, 2012. This announcement follows the completion over the President's Day weekend of work by the United States and Korea to review each other's laws and regulations related to the implementation of the agreement. The United States has exchanged diplomatic notes with Korea in which each side confirmed that they had completed their applicable legal requirements and procedures for the agreement's entry into force.

"In a few short weeks, the promise of the U.S.-Korea trade agreement – including tens of thousands of export-supported jobs with better wages – will start to come home for American businesses and working families," said Ambassador Kirk. **"President Obama insisted that we get this agreement right by forging a better deal that led to strong bipartisan support in both houses of Congress. Entry into force of this agreement will open up Korea's \$1 trillion economy for America's workers, businesses, farmers, and ranchers while also strengthening our economic partnership with a key Asia-Pacific ally."**

On March 15, almost 80 percent of U.S. exports of industrial products to Korea will become duty-free, including aerospace equipment, agricultural equipment, auto parts, building products, chemicals, consumer goods, electrical equipment, environmental goods, all footwear and travel goods, paper products, scientific equipment and shipping and transportation equipment.

Also on March 15, almost two-thirds of U.S. exports of agricultural products to Korea will become duty-free, including wheat, corn, soybeans for crushing, whey for feed use, hides and skins, cotton, cherries, pistachios, almonds, orange juice, grape juice, and wine.

The agreement also includes a number of significant commitments related to non-tariff measures that will also come into force on March 15, including obligations related to motor vehicle safety and environmental standards, enhanced regulatory transparency, standard-setting, technology neutrality, and customs administration. Strengthened protections for intellectual property rights benefiting American creators and innovators will also come into force on that day. Finally, commitments opening up Korea's \$580 billion services market will also be in effect beginning March 15.

These commitments are backed by the agreement's strong enforcement provisions, which will enable the United States to hold Korea to its promises under the pact.

BACKGROUND

The U.S. - Korea trade agreement is an integral part of the President's efforts to increase opportunities for U.S. businesses, farmers, ranchers, and workers through improved access for their products and services in foreign markets, and supports the President's National Export Initiative goal of doubling of U.S. exports in 5 years. The agreement will promote the further integration of the U.S. and Korean economies and enhance the competitiveness of U.S. businesses in the world's 12th largest economy.

In December 2010, President Obama announced the successful resolution of outstanding issues with the U.S.-Korea trade agreement, setting the stage for the ratification of an agreement estimated to support 70,000 American jobs from increased goods exports alone, with additional jobs potential from the further opening of Korea's large services market to American

firms, and other measures.

The U.S.-Korea trade agreement's implementing bill, approved by Congress in October 2011, authorizes the President to exchange notes with Korea providing for the entry into force at such time as the President determines that Korea has taken measures necessary to comply with provisions of the agreement that are to take effect on the date of the entry into force.