

## South Korea Free Trade Agreement: Boost To Local Exporters

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Staff Writer

**A**s the South Korean Ambassador to the United States Han Duk-soo recently visited the Port of Los Angeles, local and national business leaders championed a pact between South Korea and the United States that would grow jobs, investment and technology in both countries.

Duk-soo met with leaders of local and federal chambers of commerce and took a tour at the SA Recycling facility on Terminal Island to promote the South Korea Free Trade Agreement (FTA) and observe operations of the scrap metal-manufacturing trade partner.

About 600,000 tons, or up to 35 percent of the company's total manufactured steel materials, are sent specifically to South Korea each year, in addition to "cross trading," said David Thornburg, director of public affairs for SA Recycling. "The trade process starts right at our facility and [Duk-soo] was able to see the very scrap metal going to Korea next week," he said.

If passed by Congress, the agreement would eliminate tariffs in the next five years on more than 95 percent of industrial and consumer goods between the two countries. Since tariffs on exports to South Korea are significantly higher than those charged on goods to the U.S., the new FTA would greatly benefit domestic exporters by further opening up international trade lines.

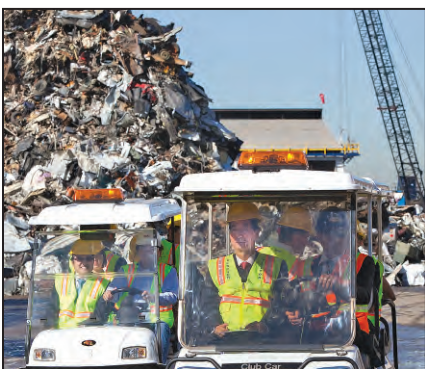
President Barack Obama, during his State of the Union Address, made reference to the treaty, urging for a quick pas-

sage in Congress and said the new agreement would create close to 70,000 new domestic jobs across the country. The South Korea FTA would be the country's largest bilateral trade agreement since passing the North American Free Trade Agreement (NAFTA) in 1994.

South Korea is the seventh largest trading partner with the United States and the eighth largest export market. In 2009, the United States exported a total of \$29 billion in goods there. For the Port of Long Beach, South Korea was its No. 2 trading partner.

Randy Gordon, president/CEO of the Long Beach Area Chamber of Commerce, said the agreement would help level out unevenness in bilateral trade deficiencies from year to year. But the biggest boost from eliminating tariffs would be added jobs, which are much needed in California. He added that the U.S. is the single largest market for South Korea, which has invested about \$12 billion domestically. "It's all about jobs, jobs, jobs," he said. "This would really help small business owners who want to do exports or imports to Korea for their business."

In California, more than 55,000 companies exported goods to South Korea in 2007 with 95 percent of them being small-to-medium-size business enterprises, Gordon said. In 2008, \$145 billion worth of exports was shipped to Korea from California, along with \$13 billion in agricultural products, he added. "This whole thing is about creating jobs, lowering the cost of trade and tariffs so smaller businesses can have cheaper cost of trade," Gordon said. ■



Above right, South Korean Ambassador to the United States Han Duk-soo speaks at a press conference during a tour of the SA Recycling facility on Terminal Island at the Port of Los Angeles. Back row, from left: Long Beach Vice Mayor Suja Lowenthal, Leslie Schweitzer, senior trade advisor for the U.S. Chamber of Commerce, George Adams, president of SA Recycling, Pancho Rojas, the facility's plant maintenance manager, and Geraldine Knatz, Port of Los Angeles executive director. At left, Han Duk-soo is shown touring the SA Recycling facility. (Photographs by the Business Journal's Thomas McConville)