



CALIFORNIA AND KOREA – A GROWING PARTNERSHIP

A Korea-United States Free Trade Agreement (KORUS FTA) has the potential to increase both trade and investment between the United States and Korea, improving on an already strong relationship. In particular, California stands to gain from increased business ties, as the KORUS FTA will create jobs at home through increased export market access for both goods and services, reduced prices for manufacturers, and an improved investment environment.

Exports

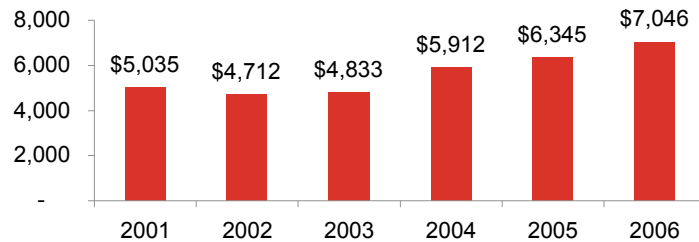
In 2006, Korea was California's 5th largest market for goods, with exports totaling \$7 billion.

The KORUS FTA will eliminate 95% of all Korean consumer and industrial products duties within 3 years, including California's leading exports to Korea: computers and electronics, machinery, and transportation equipment.

The KORUS FTA will immediately eliminate Korean tariffs on hay. Tariffs on orange juice will be eliminated immediately; tariffs on avocados and lemons will be eliminated within 2 years, and tariffs on grapefruit will be eliminated in 5 years.

The KORUS FTA decreases Korean TV content quotas for film and animation; its intellectual property rights protections are the highest of any FTA.

California Exports to Korea
(millions of dollars)



Source: U.S. Department of Commerce

Selected California Companies Currently Exporting to Korea

Bardex Corporation Goleta, CA Employees: 62	Bardex, which designs and manufactures hydraulic load handling systems, such as drilling machines, exports to Korea.
HayDay Farms Blythe, CA Employees: 50	Korea accounts for approximately 10 percent of total hay production from HayDay's 12,000 acre farm in the Palo Verde Valley.
NBTY Manufacturing Anaheim, CA Employees: 224	NBTY, which manufactures and distributes nutritional supplements, exports vitamins and food preparations.
Sunkist Growers Sherman Oaks, CA Employees: 500	Korea is a leading market for Sunkist, a 6,000-grower cooperative that exports citrus fruits, such as oranges, grapefruit, lemons and limes.

Source: The Trade Partnership from Directory of U.S. Importers and Exporters

Imports

The KORUS FTA immediately eliminates U.S. tariffs on most machinery and parts, and most auto parts imported from Korea. Many U.S. plastics tariffs are phased down over 3-5 years.

Imported raw materials help California manufacturers – who account for 22 percent of the State economy – remain competitive.

Investment

California benefits from significant inflows of capital from Korean investors.

In 2006, Korean companies had invested nearly \$4.7 billion in California enterprises.

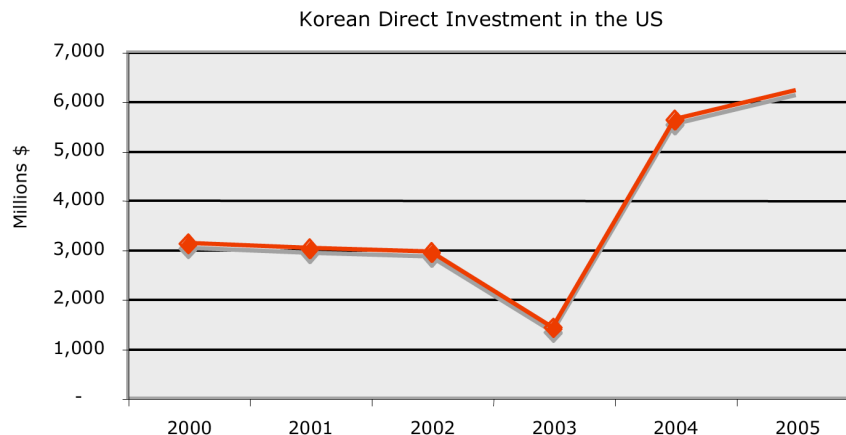
Selected California Companies Importing from Korea

Control Components, Inc. Rancho Santa Margarita, CA Employees: 242	CCI, which manufactures industrial valves, imports taps, cocks, and other machinery or appliance parts.
C R Laurence Los Angeles, CA Employees: 180	CRL, a leading source to the glass industry for supplies and equipment, imports metal parts and hardware for manufacture in California.
DNA Specialty Gardena CA Employees: 90	DNA, which manufactures automotive and motorcycles accessories, products, and specialty items, imports auto parts from Korea.
Morwear Manufacturing Los Angeles, CA Employees: 40	Morwear, a manufacturer of paint products, has imported more than \$600,000 worth of primary form plastics and polymers from Korea.
Sterling Electric Irvine, CA Employees: 58	Korea is a leading source for Sterling, which imports electric and gears for manufacture into custom AC motors as well as drive products.

Source: The Trade Partnership from Directory of U.S. Importers and Exporters

Selected Korean-Owned Companies Operating in California

- Hyundai Motors America (California City)
- SK Telecom (Los Angeles)
- LG Philips America (San Jose)
- Seah Steel (Sante Fe Springs)
- Samsung Semiconductor (San Jose)
- POSCO (Pittsburg)
- Kia Motors America (Irvine)
- Hanwha Corporation (Cypress)



Source: Commerce Department

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