



Los Angeles Area
Chamber of Commerce



Recently Approved FTAs Open Up New Business Opportunities

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There is an old adage that “good things come to those who wait, better things come to those who are patient.”

After several years of domestic political wrangling, the FTAs with Korea, Colombia and Panama were finally ratified by the U.S. Congress and signed by President Obama last month. The KORUS FTA in particular, will be the largest FTA for the United States since NAFTA, but each of these agreements will open up markets for U.S. firms, increase trade and exports, and support additional jobs for American workers.

U.S. FTAs have a proven track record - before the economic downturn, every FTA has resulted in significant increases in U.S. exports to the FTA partner countries. Southern California manufacturers, IP-related companies, service providers as well as small- and medium-sized businesses are well-positioned to take advantage of and reap the benefits from the expanded market access and new business opportunities in Korea, Colombia and Panama.

Next Steps

The length of time to implement these FTAs will vary, but all should enter into force by mid-2012 or beforehand. The Korea’s National Assembly is now considering the U.S.-Korea trade agreement and is expected to do so shortly. The legislatures of Colombia and Panama have already ratified their respective agreements. Over the next few months, the U.S. and FTA partners will make the necessary changes to their respective domestic laws, regulations and tariff-rates so that they are in compliance with the market-opening measures of the FTAs on day one that the agreements enter into force.

Now is the time for companies and businesses to identify and prepare to take advantage of the new markets and business opportunities created by these FTAs so that they are also ready on day one that these agreements become effective. The U.S. Commercial Service provides several excellent programs and services to help U.S. companies identify and take advantage of opportunities provided by these and all U.S. FTAs. You can find out more about the U.S. Commercial Service and other export/international trade-related educational programs on our Global Initiatives Committee website or, by contacting us directly.

Support Needed for New Trade Initiatives

California companies and businesses have reaped numerous benefits from trade and export initiatives, and these three new FTAs are a significant step towards further expanding export opportunities. In an increasingly competitive globalized economy however, we need to continue to support on-going and new trade-expanding initiatives such as the Trans Pacific Partnership. The TPP negotiations among the United States, Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam will create a free trade agreement among these

countries as well as address cross-cutting issues for small- and medium-sized enterprises and regulatory coherence.

The Global Initiatives Committee and L.A. Chamber of Commerce look forward to continuing to work with our membership in supporting these and other new trade initiatives in the coming months to provide a more level playing field in the global marketplace and provide expanded business opportunities and benefits for our businesses here in California.