



The White House

Office of the Press Secretary

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Remarks by the President at the Announcement of a U.S.-Korea Free Trade Agreement

Eisenhower Executive Office Building

Room 430

12:21 P.M. EST

THE PRESIDENT: Good afternoon, everybody. Today I want to speak briefly about two issues that matter most to me and matter most to the American people -- creating jobs and economic growth on which our country's prosperity depends.

Yesterday's job report showed that despite 11 consecutive months of private sector job growth, despite creating more than 1 million private sector jobs this year, it's not enough. We have to do more to accelerate the economic recovery and create jobs for the millions of Americans who are still looking for work.

And essential to that effort is opening new markets around the world to products that are "Made in America." Because we don't simply want to be an economy that consumes other countries' goods. We want to be building and exporting the goods that create jobs here in America and that keeps the United States competitive in the 21st century.

That's why today I am very pleased that the United States and South Korea have reached agreement on a landmark trade deal between our two countries. I'm joined this morning by my outstanding U.S. Trade Representative, Ambassador Ron Kirk, as well as Michael Froman, who was one of our lead negotiators. As you'll remember, we did not finalize this agreement on my recent visit to South Korea. And I didn't agree to it then for a very simple reason: The deal wasn't good enough. It wasn't good enough for the American economy, and it wasn't good enough for American workers.

As I said in Seoul, I'm not interested in signing trade agreements for the sake of signing trade agreements. I'm interested in agreements that increase jobs and exports for the American people and that also help our partners grow their economies. So I told Ron and our team to take the time to get this right and get the best deal for America. And that is what they have done. The

agreement we're announcing today includes several important improvements and achieves what I believe trade deals must do -- it's a win-win for both our countries.

This deal is a win for American workers. For our farmers and ranchers, it will increase exports of American agricultural products. From aerospace to electronics, it will increase our manufacturing exports to Korea, which already support some 200,000 American jobs and many small businesses. In particular, manufacturers of American cars and trucks will have much more access to the Korean market, we'll encourage the development of electric cars and green technology in the United States, and we'll continue to ensure a level playing field for American automakers here at home.

In short, the tariff reductions in this agreement alone are expected to boost annual exports of American goods by up to \$11 billion. And all told, this agreement -- including the opening of the Korean services market -- will support at least 70,000 American jobs. It will contribute significantly to achieving my goal of doubling U.S. exports over the next five years. In fact, it's estimated that today's deal alone will increase American economic output by more than our last nine free trade agreements combined.

This deal is also a win for our ally and friend South Korea. They will gain greater access to our markets and make American products more affordable for Korean households and businesses -- resulting in more choices for Korean consumers and more jobs for Americans.

I would add that today is also a win for the strong alliance between the United States and South Korea, which for decades has ensured that the security that has maintained stability on the peninsula continues. And it's also allowed South Korea its extraordinary rise from poverty to prosperity. At a time in which there are increasing tensions on the Korean Peninsula, following the North's unprovoked attack on the South Korean people, today we are showing that the defense alliance and partnership of the United States and South Korea is stronger than ever.

I'm especially pleased that this agreement includes groundbreaking protections for workers' rights and for the environment. In this sense, it's an example of the kind of fair trade agreement that I will continue to work for as President, in Asia and around the world.

This agreement also shows that the United States of America is determined to lead and compete in our global economy. We're going to stand up for American companies and American workers, who are among the most productive and innovative in the world. And we're going to compete aggressively for the jobs and markets of the 21st century.

Reaching this agreement was not easy. But I want to give special thanks to my partner, South Korean President Lee, for his commitment to a successful outcome. And, again, I want to thank Ron and Mike for their outstanding work, and their entire team for their tireless efforts. They were up late a lot of nights over the last several months.

We're going to continue to work with our Korean partners to fully implement this agreement and build on our progress in other areas, such as ensuring full access for U.S. beef to the Korean market.

And I look forward to working with Congress and leaders in both parties to approve this pact. Because if there's one thing Democrats and Republicans should be able to agree on, it should be creating jobs and opportunity for our people.

Which brings me to the other issue I want to address. Earlier today, the Senate voted on two provisions to extend tax cuts for the middle class. And I'll admit, I am very disappointed that the Senate did not pass legislation that had already passed the House of Representatives to make middle-class tax cuts permanent. Those provisions should have passed. I continue to believe that it makes no sense to hold tax cuts for the middle class hostage to permanent tax cuts for the wealthiest 2 percent of Americans -- especially when those high-income tax cuts would cost an additional \$700 billion that we don't have and would add to our deficit.

But with so much at stake, today's votes cannot be the end of the discussion. It is absolutely essential -- to our hardworking middle-class families and to our economy -- to make sure that their taxes don't go up on January 1st.

I've spoken with the Democratic leadership in Congress, and I look forward to speaking with the Republican leadership as well. And my message to them is going to be the same: We need to redouble our efforts to resolve this impasse -- in the next few days -- to give the American people the peace of mind that their taxes will not go up on January 1st. It will require some compromise, but I'm confident that we can get it done. And the American people should expect no less.

As we work our way through this issue, we must not forget that last week some 2 million Americans who have lost their jobs also saw their unemployment insurance expire -- right in the middle of the holiday season. And that's not how we should do business here in America. I believe it is simply wrong to even consider giving permanent tax breaks to the wealthiest Americans while denying relief to so many Americans who desperately need it and have lost their jobs through no fault of their own.

So we are going to continue to work on this issue through the weekend, into early next week. And I'm going to be rolling up my sleeves, with the leaders of both parties in Congress. We need to get this resolved, and I'm confident we can do it.

Thank you very much, everybody.

END

12:30 P.M. EST