The Trump Economic Impact on East Asia after Two Years: The Case of South Korea

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The U.S.-South Korea relationship has traditionally been characterized as a security alliance, meeting the interests of both countries for a stable Korean Peninsula. Economically, Korea was a major recipient of U.S. development assistance after the Korean War. The U.S. also provided non-reciprocal preferential trade treatment, which played an important role in Korea's economic development.[1] After Korea's unprecedented economic development, the economic relationship between the two countries progressed from mere donor-recipient relations. The U.S.-Korea economic partnership culminated in the Korea-U.S. free trade agreement (KORUS FTA), which came into effect in 2012.

During the past 70 years, the U.S. has become the second most important export destination and the third most important importer for Korea. Korea has also risen to be the sixth largest trading partner for the U.S. During these years, Korea has also benefited from common values shared with the U.S., such as democracy, rule of law, and an open and free market economy. Two years into the Trump administration, the U.S.-Korea economic relationship is facing another turning point. Trump is a game changer, trying to alter the global trading system and its relation to China. Korea has been only partially affected by his grand scheme so far. However, Trump specifically blamed the KORUS FTA as a major contributing factor to the U.S.' huge trade deficit and domestic job losses in manufacturing. As a result, the KORUS FTA was amended. Various protectionist measures, such as Section 201 tariffs on washing machines and solar panels as well as Section 232 tariffs on steel and aluminum, could have a substantial impact on Korea.[2] Rising protectionism in the U.S. is a grave concern for Korea considering the significance of the U.S. to the Korean economy.

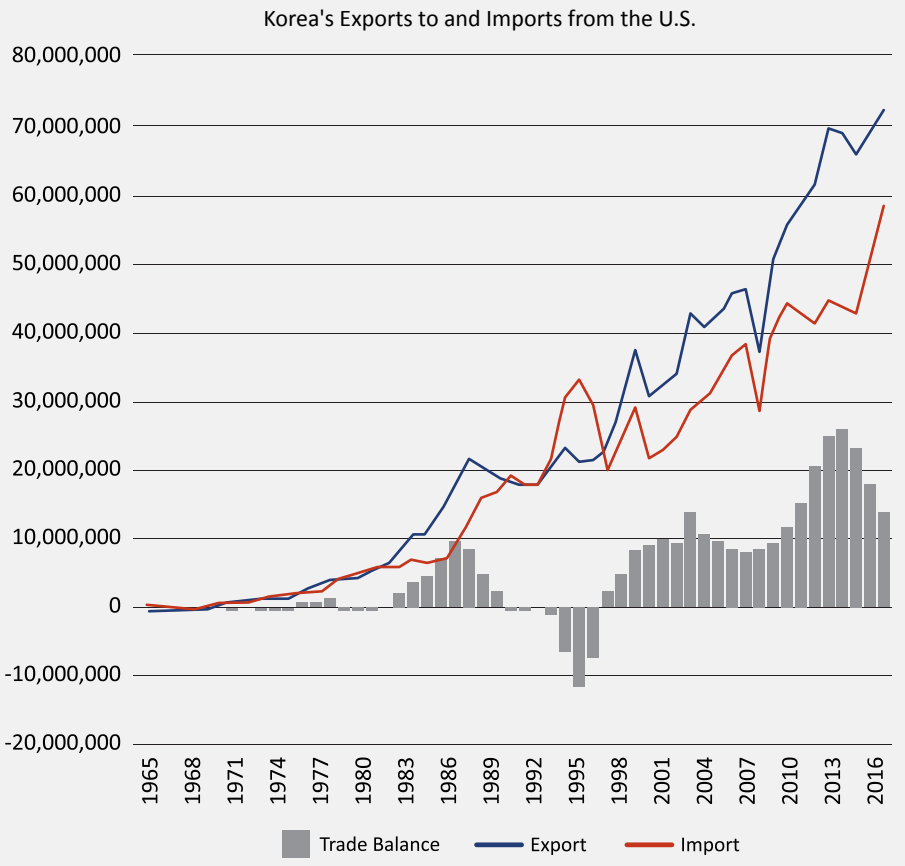
This chapter explores U.S.-Korea economic relations two years into the Trump administration—too short a time to make definitive statements such as whether the relationship has deteriorated or not. The chapter is organized as follows. Section 2 describes the economic relations between Korea and the U.S., focusing on trade and investment. Section 3 covers the KORUS FTA renegotiations, which were recently settled. It includes what was decided and the implications for the Korean economy. Section 4 summarizes the protectionist measures that the Trump administration has imposed and how these measures would impact Korea, adding a simple empirical analysis that investigates whether the U.S. trade balance with Korea improved over the two years. Section 5 concludes the chapter.

U.S.-Korea Economic Relations

Trade

The U.S. has been an essential part of Korea's export-led growth since the 1960s. Based on a non-reciprocal preferential trade scheme, Korea was able to pursue an export-led growth strategy, and the U.S. became the biggest market for its products. The first panel in Figure 1 illustrates the value of Korea's merchandise exports to and imports from the U.S. and its trade balance. We can observe that while exports and imports have been increasing exponentially, Korea has recorded a consistent trade surplus with the U.S. since the late 1990s.

Figure 1. Korea's Trade with the U.S., Unit: thousand U.S. dollars



Source: Korea International Trade Association

The second panel of Figure 1 shows the U.S. share of Korea's exports and imports. In the early 1970s, about half of exports went to the U.S. The U.S. share in Korea's trade began to decrease from the late 1980s as China opened up. But the share starts to increase again, albeit gradually, around 2012 when the KORUS FTA went into effect.

In 2018, the U.S. was the second largest export destination for Korea next to China (Table 1). It was also the second largest import source for Korea.

Table 1. Korea's Main Trading Partners in 2018 (Unit: million U.S. dollar)

Rank	Exports			Imports		
	Country	Export value	Share	Country	Import value	Share
1	China	162,125	26.8%	China	106,489	19.9%
2	**U.S.**	**72,720**	**12.0%**	**U.S.**	**58,868**	**11.0%**
3	Vietnam	48,622	8.0%	Japan	54,604	10.2%
4	Hong Kong	45,996	7.6%	Saudi Arabia	26,336	4.9%
5	Japan	30,529	5.0%	Germany	20,854	3.9%
6	Taiwan	20,784	3.4%	Australia	20,719	3.9%
7	India	15,606	2.6%	Vietnam	19,643	3.7%
8	Philippines	12,037	2.0%	Russia	17,504	3.3%
9	Singapore	11,782	1.0%	Taiwan	16,738	3.1%
10	Mexico	11,458	1.0%	Qatar	16,294	3.0%

Source: Korea International Trade Association

For the U.S., Korea is the 7th and 6th most important export market and import source country, respectively (Table 2).

Table 2. U.S.' Main Trading Partners in 2018 (Unit: million U.S. dollar)

Rank	Exports			Imports		
	Country	Export value	Share	Country	Import value	Share
1	Canada	276,383	18.1%	China	493,490	21.1%
2	Mexico	245,571	16.1%	Mexico	319,381	13.7%
3	China	111,158	7.3%	Canada	294,734	12.6%
4	Japan	68,249	4.5%	Japan	130,228	5.6%
5	U.K.	60,695	4.0%	Germany	115,618	5.0%
6	Germany	53,314	3.5%	**Korea**	**67,828**	**2.9%**
7	**Korea**	**50,739**	**3.3%**	U.K.	55,484	2.4%
8	Netherland	45,167	3.0%	Ireland	52,891	2.3%
9	Brazil	36,267	2.4%	India	50,452	2.2%
10	Hong Kong	34,717	2.3%	Italy	49,791	2.1%

Source: Korea International Trade Association
Note: It does not include December.

Table 3. Korean Trade with the U.S. by Product Type (Unit: million U.S. dollar)						
Rank	Exports			Imports		
	Product	Export value	Share	Product	Import value	Share
1	Automobiles	13,635	18.8%	Machinery for making semiconductors	4,825	8.2%
2	Semiconductors	6,436	8.9%	Crude oil	4,496	7.6%
3	Auto parts	5,967	8.2%	Semiconductors	3,731	6.3%
4	Wireless communication devices	5,811	8.0%	Airplanes and parts	3,115	5.3%
5	Petroleum products	3,603	5.0%	LPG	2,860	4.9%
6	Computers	2,366	3.3%	Meat	2,318	3.9%
7	Motors and pumps	1,680	2.3%	Natural gas	2,250	3.8%
8	Rubber products	1,521	2.1%	Vegetable products	2,194	3.7%
9	Plastic products	1,410	1.9%	Automobiles	1,834	3.1%
10	Machinery for construction and mining	1,392	1.9%	Grain	1,713	2.9%

Source: Korea International Trade Association
Note: Products are classified based on Korean classification system of MTI.

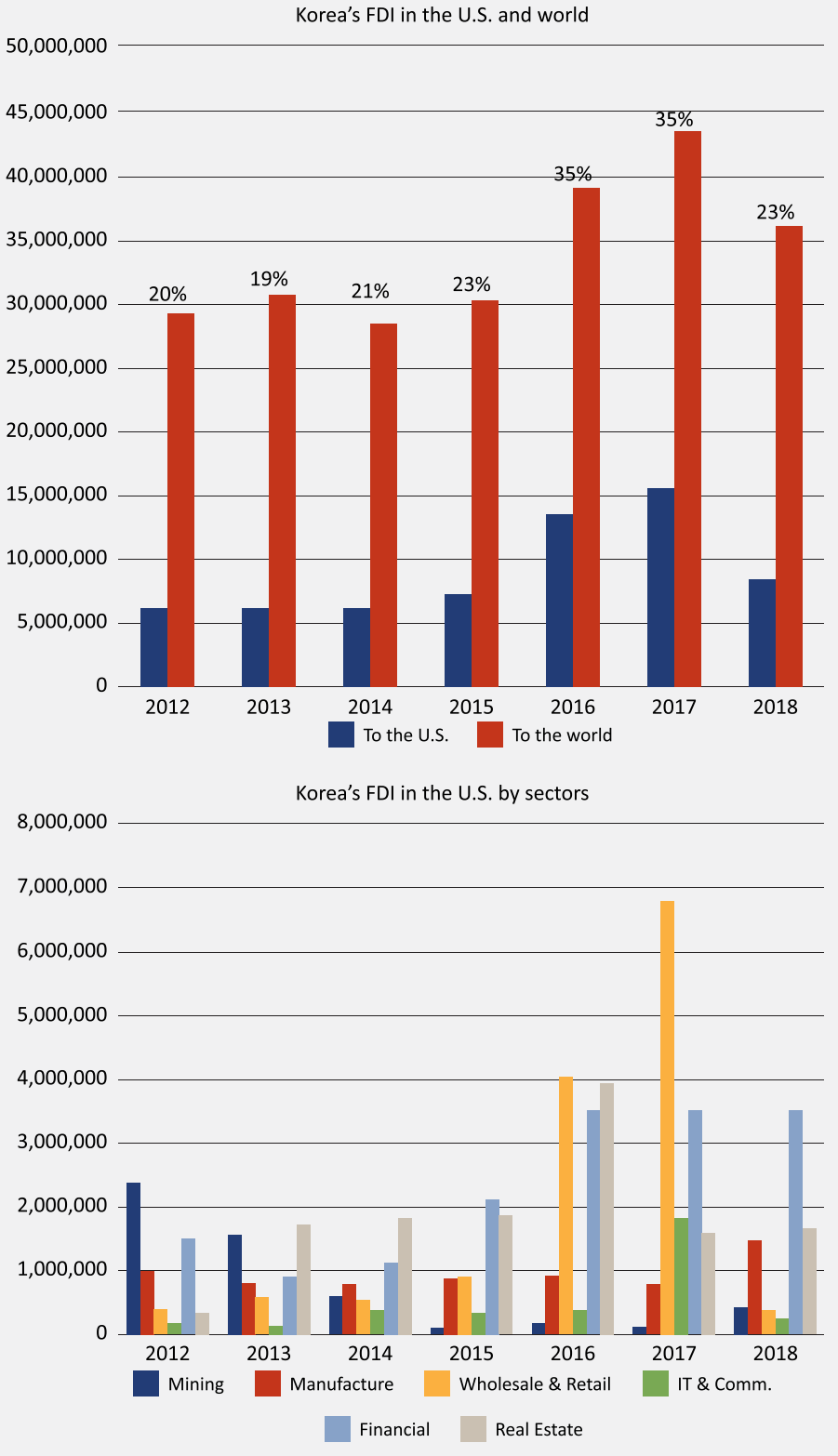
Table 3 shows the major products that Korea buys and sells to the U.S. Not surprisingly, automobiles and parts and semiconductors top the export list. Other major exports are manufacturing products. In contrast, the composition of imports is a mixture of manufacturing products and natural resources.

Even though it is not shown in Table 3, Korea's crude oil imports increased by 520% from 2017 to 2018, following a 474.2% increase from 2016 to 2017. Imports of natural gas are even more dramatic. In 2016, Korea imported only $11 million of natural gas but in 2018 it imported $2.250 billion, a growth rate of 22,809%. These huge increases may be due to the shale boom in the U.S. and Korea's efforts to reduce its trade surplus in response to the pressure from the Trump administration. Indeed, SK Energy pledged to buy $1.8-3.5 billion of LNG and LPG from the U.S. each year beginning in 2020. GS Caltex also decided to import $220 million of shale gas every year for the next 20 years. SK Energy and GS Caltex are the largest energy companies in Korea, and therefore, it should be expected that they will continue to underpin South Korea's growing demand for energy imports from the U.S.

Investment

The U.S. is one of the most important destinations for Korean investors. Korea's FDI in the U.S. sharply increased in 2011, just before the KORUS FTA went into effect. As we can see in Figure 2, since 2012 Korea's FDI to the U.S. gradually increased and peaked in 2017. Right after the KORUS FTA went into effect in 2012, the mining sector received major Korean FDI, but it dwindled thereafter while real estate, financial, and wholesale & retail sectors increased.

Figure 2. Korea's FDI in the U.S.



Source: Korea EXIM Bank

Note: Numbers in the first panel denotes the U.S. share of Korea's total FDI.

In June of 2017, when President Moon Jae-in visited President Trump, Korean businessmen accompanied him to the U.S. During their visit they pledged to make investments worth $12.8 billion in the U.S. The investors include conglomerates such as Samsung, Hyundai, LG, and SK (Table 4). Such large-scale investment must have been, in part, due to the Trump administration's protectionism. But there is an intention also of promoting U.S. market access for Korean products and investing in cutting-edge technologies. Small and medium-sized Korean companies also plan to invest in the U.S., especially in advanced technologies

Table 4. Korea's Major FDI in the U.S. During the Trump Administration[2]

Company	Investment Area	Amount
Samsung Electronics	• Washing machine factory in South Carolina • Semiconductor plant in Texas	$1.88 billion
Hyundai Motor	• R&D investment in eco-friendly and autonomous cars	$3.1 billion
SK	• Shale energy and LNG • Lithium ion-batter cells for electric cars in Georgia	$6.07 billion
LG Electronics	• Washing machine factory in Tennessee • North America HQ in New Jersey	$0.55 billion
Lotte Chemical	• Chemical complex in Louisiana	$3.1 billion
Doosan	• Factory expansion (Doosan Bobcat and Doosan Purecell America) • R&D investment in fuel cells	$0.79 billion
CJ	• Food processing, bio-chemicals, and entertainment industry	$1.05 billion
LS cable	• New factories for auto-parts and cables	$0.32 billion

Source: Summarized by the author based on various news articles.

These investments are to be made over many years hence the numbers are yet to be shown in the official government statistics. Moreover, with the 4th industrial revolution looming and the hostile trade policy of the U.S., not to mention the renegotiation of KORUS FTA now being settled, it is sensible to expect that Korea's investment in the U.S. will increase.

The Amendment of KORUS FTA

The Korea-U.S. FTA was fiercely criticized by Donald Trump during his presidential campaign. He described it as a "horrible deal" and a "job killer" that needed to be renegotiated.[3] Not surprisingly, soon after Trump took office, the U.S. demanded a special joint committee meeting to discuss amendments to the KORUS agreement. The KORUS renegotiations officially began in January 2018 and an agreement was reached in March 2018. The new agreement, to the relief of Koreans, contained only minor amendments. The original KORUS states that truck imports from Korea are subject to a 25% tariff to be phased out by January 2021. In the new agreement this has been extended by an additional 20 years to 2041. However, Korea's truck exports to the U.S. are almost non-existent. From January to November 2018, the U.S. imported only about $1.4 million worth of trucks from Korea while its total imports of trucks amounted to almost $22 billion.[4] Also considering that Korea's overall exports of automobiles and parts to the U.S. are much more than $20 billion every year, the revision on minuscule truck exports would have a limited impact. KORUS revisions also include an agreement to increase the number of U.S. vehicles exported to Korea that only meet U.S. safety standards, not Korean standards. Originally, only 25,000 of such vehicles were allowed into Korea annually, but this limit has been raised to 50,000.

The KORUS amendment also deals with the investor-state dispute settlement (ISDS), which allows foreign investors to sue a partner country when the country's laws or regulations harm their investment there. Its intention is to protect foreign investors' rights and properties. But, at the same time, many regard it as an infringement of sovereignty. Inclusion of ISDS was strongly opposed in Korea when it was originally negotiated for KORUS in 2007.[5] In the KORUS amendment investors cannot challenge states under KORUS if investors initiated ISDS under other investment treaties such as a Bilateral Investment Treaty (BIT). Investors are also responsible for providing proof for their claims. It also devises a mechanism to discourage frivolous claims by investors. Overall, the KORUS amendments regarding ISDS put more limitations on investors than the original version, reflecting demands from the Korean side. Other revisions include improving a burdensome origin verification process imposed by the Korea Customs Service, and Korea's discriminatory pricing policy for new drugs.

Other major issues were left untouched in the KORUS amendments. Korea was concerned that renegotiations would touch on sensitive areas—mainly in rules of origin for automobile products, liberalization of agricultural products, especially rice, and currency—but these were not addressed. Given the pressure that Trump exerted regarding the trade deficit and alleged unfair trade practices, the outcome of the KORUS amendment is certainly positive for Korea. What made Trump accept the deal with minor changes is unclear. It may have something to do with factors outside of the economy, such as the security alliance. But if the U.S. decides to impose Section 232 tariffs based on auto imports from Korea, it would have a substantial impact on the Korean economy.

The Trump Administration's Trade Policy and Korea

Trade policy

During the presidential campaign in 2016, candidate Trump vehemently criticized other countries' "unfair" trade practices. He attributed the massive U.S. trade deficit and domestic manufacturing job losses to unfair trade. His targets to remedy this malady were wide-ranging, from China to the WTO. Korea was not an exception. He blamed the KORUS FTA and insisted that he would renegotiate the agreement if elected. He was a man of his word. As soon as he took office in January of 2017, he withdrew from the Trans-Pacific Partnership (TPP) with 11 other countries that the U.S. had signed but had not ratified. This was a reflection of his animosity toward multilateralism. Renegotiations officially began for the North America Free Trade Agreement (NAFTA) in May 2017 and for the KORUS FTA in January of 2018.

Apart from the renegotiations of NAFTA and KORUS, the Trump administration initiated investigations of various products based on Section 201, 232, and 301 of U.S. trade acts (Table 5). All led to positive rulings, and trade restriction measures, such as tariffs and quotas, were imposed. Of these measures listed in Table 5, restrictions on steel imports have the most significant impact on Korea, the fourth largest source country for U.S. steel imports in 2017.[6] Even though Korea was exempted along with Argentina, Australia, and Brazil from the 25% tariff, it is still subject to a quota—70% of the annual average from 2015 to 2017.

Table 5. U.S. Tariffs on Korea					
	Product	**Country**	**Measure**	**Effective as of**	**Quotas**
Section 201	Solar panels	World	Tariff Rate Quota (TRQ)	7/2/18	
	Washing machines	World excluding Canada	TRQ	7/2/18	
Section 232	Steel	World excluding Korea, Argentina, Brazil, Australia	25% tariff	9/3/18	KOR,ARG, BRA subject to quota
	Aluminum	World excluding Argentina, Australia	10% tariff	9/3/18	ARG subject to quota
	Automobiles	Under negotiation			
Section 301	Phase1: 818 products ($32.6 billion)		25% tariff	6/7/18	
	Phase2: 279 products ($13.6 billion)		25% tariff	23/8/18	
	Phase2: 5,745 products ($190.5 billion)		10% tariff	24/9/18	
			25% tariff	withheld	

Note: Number in parentheses are corresponding products' import value from China in 2017.

Korea is also an important exporter of washing machines and solar panels to the U.S. Their importance may not be as significant as steel,[7] but Korea's share of imports in washing machines under the restriction was 15.8% and that for the solar panels was 20.7% in 2017.[8] Section 201 measures on washing machines are clearly targeting Korean companies like Samsung and LG.[9]

Figure 3 plots the value of U.S. imports in washing machines, solar panels, steel, and aluminum products from Korea and the world.[10] It is clear that the value of imports sharply dropped for all four products.[11] In other words, the Trump administration's measures to curb imports seems to be working. For washing machines, Korea's market share dropped from 15.8% in 2017 to 12.6% in 2018 (up to November). The drop in solar panel imports from Korea was from 20.7% in 2017 to 19.5% in 2018. Observing the large increase in imports of washing machines and solar panels around 2014, one could see the threat that U.S. producers could have felt from the flood of imports.

However, steel and aluminum paint a different picture. Steel imports have actually declined substantially since 2014 with a relatively small increase in 2017. Aluminum imports have been only gradually increasing. The effect of tariffs on these commodities is not as dramatic as the case of washing machines and solar panels. It is also interesting to note that aluminum imports from Korea have actually increased by almost 100% from 2017 to 2018 (up to November). But given their small import share (0.6%), they do not have great significance.

At the moment there is a heated debate regarding the Section 232 measure on steel.[12] As shown in Table 5, Korea accepted a quota instead of a 25% tariff. Some experts contend this was the wrong choice because from 2017 to 2018 (January to November in both years)

Figure 2. Korea's FDI in the U.S.

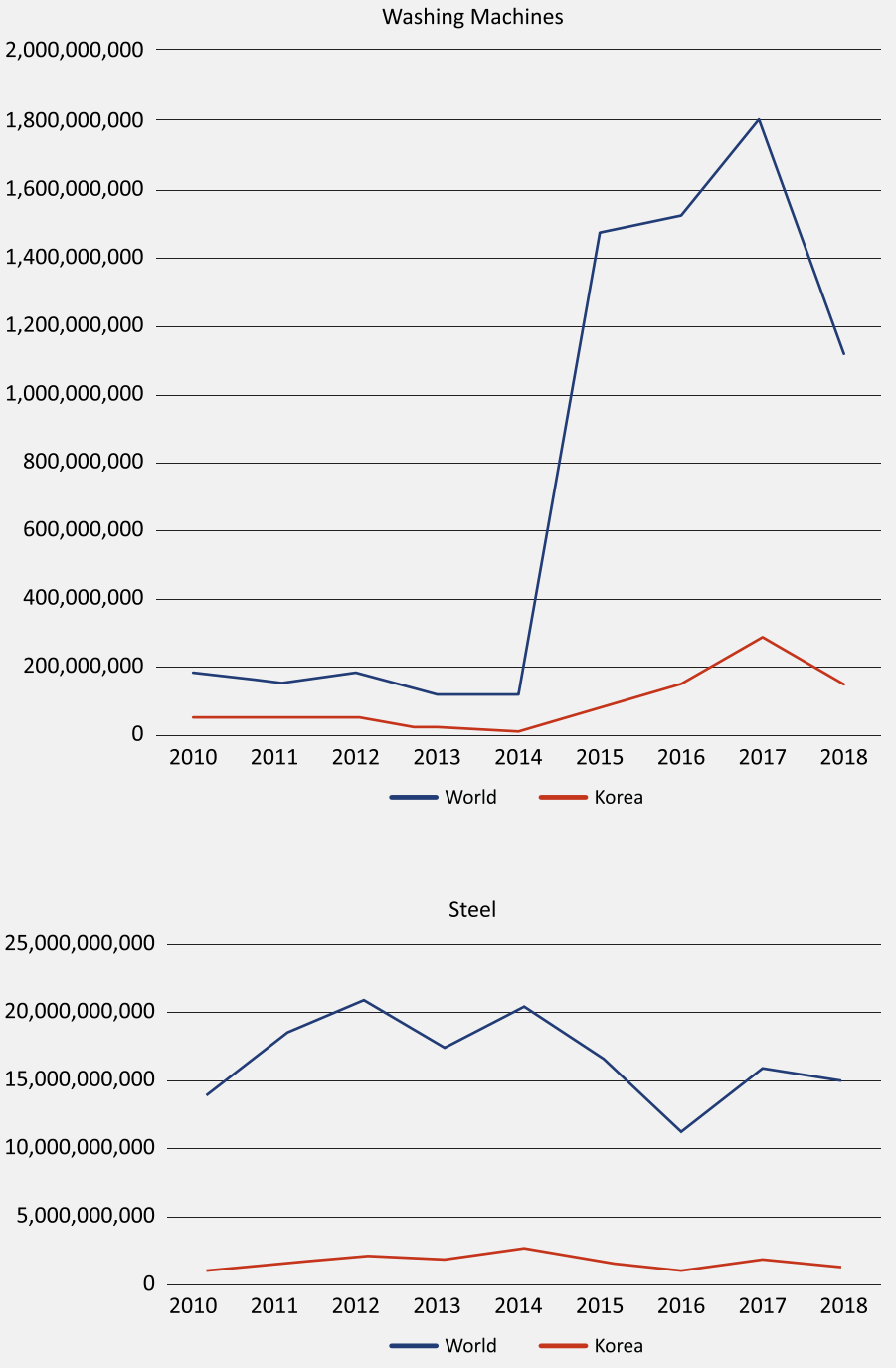
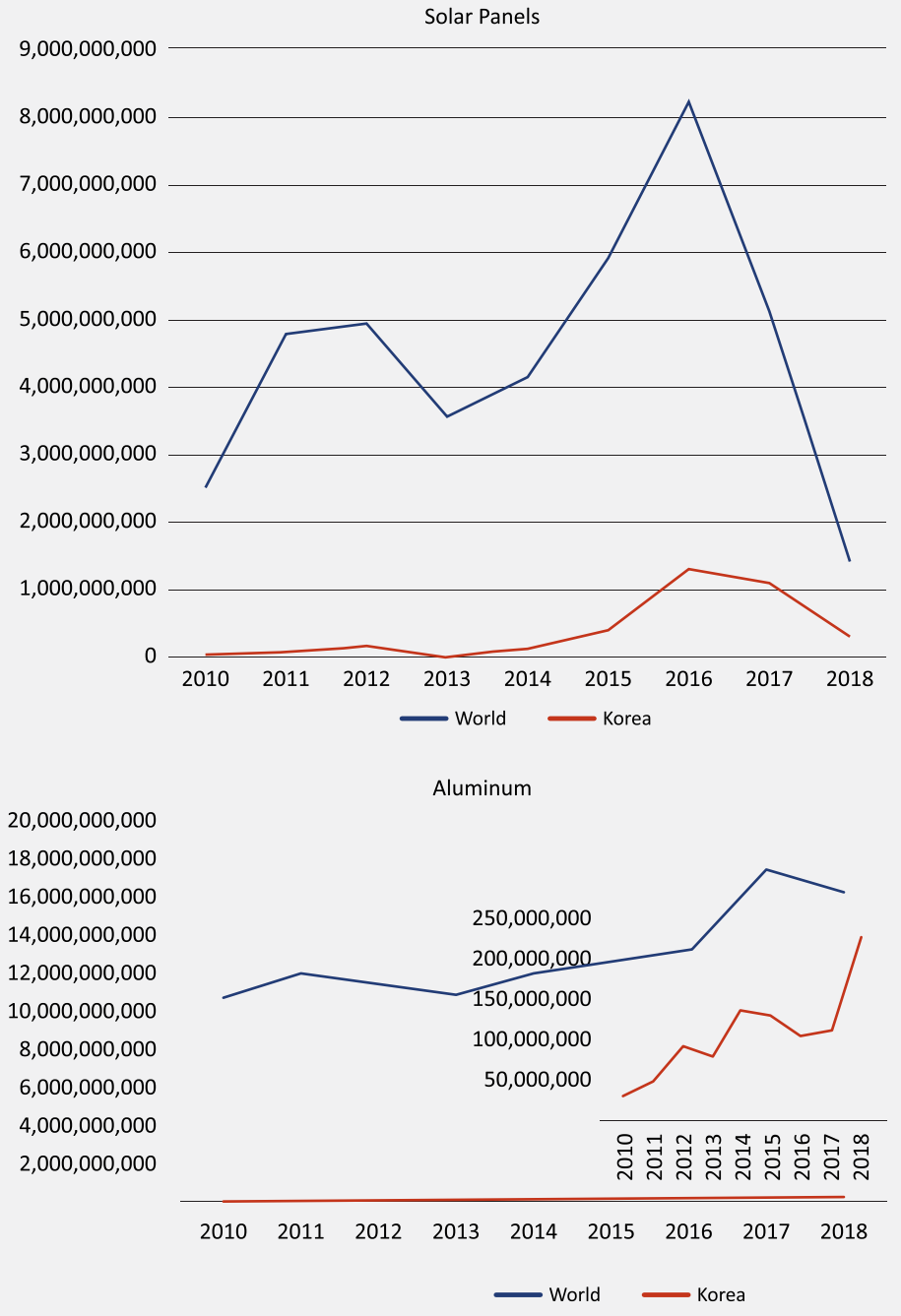


Figure 2. Korea's FDI in the U.S. (cont.)



Source: U.S. Census, USA Trade Online

Note: 2018 figures do not include December. The small graph in the lower right panel depicts aluminum imports from Korea, as it is not clearly discernible in the whole graph.

U.S. imports of steel from countries like Canada and Mexico, which are subject to the tariff, increased both in value and quantity, while the imports from Korea decreased substantially, both in value and quantity. The U.S. also experienced a drop in imports from China and Japan, but the magnitude of the decreases was much smaller than in Korea. Comparing imports of the affected steel products in 2017 and 2018 (January to November in both years), imports from the world actually increased from $14.5 billion in 2017 to $15.1 billion in 2018, or by 3.9%, while the imports from Korea decreased from $1.8 billion to $1.3 billion, by 29.8%.[13] It is, however, too early to tell whether accepting the quota was the wrong choice for Korea. The U.S. began to impose tariffs on Canada and Mexico in June of 2018 while the date for other countries was earlier in March of 2018.

In response to the Section 201 measure on washing machines, Korean producers Samsung and LG built new plants in the U.S. and began to supply their products to U.S. customers directly, free from the TRQ. In January of 2018, Samsung began producing U.S.-made washing machines in its newly built facility in South Carolina, and LG began to operate its new plant in Tennessee starting in December 2018.

While producers already under restrictions are busy trying to evaluate their impact and find ways to resolve the issue, Section 232 tariffs on autos and auto parts loom, as the Trump administration is considering imposing 25% tariffs on these products. In 2017, Korea was the fifth largest exporter of new passenger vehicles and light trucks with a 10% share of U.S. auto imports.[14] Korea's exports of automobiles and parts make up about 1.6% of its Gross Domestic Product (GDP).[15] Therefore, if the U.S. decided to impose the 232 measure, it would have a huge negative consequence for the Korean economy. A report from Korea International Trade Association (KITA) indicates that the number of Korean cars exported to the U.S. would decrease by 22.7% if the 25% tariff were imposed.[16]

The Trade Balance Between the U.S. and Korea

Has the Trump presidency had any impact on mitigating the chronic trade deficit with Korea? Using an empirical analysis, I capture this effect through an equation using product-month panel data of U.S. imports from and exports to Korea.

$$y_{it} = c + \beta_t Trump_t + \gamma_t exchange_t + \delta_{it} import\ price_{it} + \theta_{it} export\ price_{it} + product_i + \varepsilon_{it} \quad (1)$$

Subscripts i and t denote product and month, respectively. I classify products into 15 categories.[17] The time span is from January 2012 to October 2018. $Trump_t$ is a time dummy variable that takes value 1 if Donald Trump is president and 0 otherwise. Parameter β_t captures the Trump effect and is the variable of our main interest. I also control for other factors that could have affected Korea-U.S. trade relations. $exchange_t$ is the Korean won to U.S dollar exchange rate at t. $import\ price_{it}$ and $export\ price_{it}$ are the import and export price index of product i at time t, respectively. $product_i$ captures the product fixed effects. The exchange rate data are taken from FRED (Federal Reserve Economic Data) and import and export price index data are obtained from the Bureau of Economic Analysis.

Table 6. Estimation Results: U.S. Trade Balance with Korea				
Controls	**Dependent Variables**			
	Export-Import (1)	**Export/Import (2)**	**Log (Import) (3)**	**Log (Export) (4)**
Trump Dummy	1.88e+07* (1.05e+07)	0.498* (0.273)	0.085*** (0.019)	0.133*** (0.021)
Won-dollar exchange rate	-145976.5 (91565.1)	-0.006 (0.004)	-0.0004* (0.0002	-0.001*** (0.000)
Export price index	1035739*** (394776.3)	0.087** (0.036)	-0.006*** (0.001)	0.003*** (0.001)
Import price index	-1212705*** (323682.3)	-0.62** (0.026)	0.005*** (0.001)	-0.002** (0.001)
Observations	1230	1230	1230	1230
R-squared	0.909	0.788	0.969	0.940

Note: Robust standard errors are in parentheses. ***, ** and * refer to statistical significance at the 1%, 5% and 10% level, respectively.

I analyze how these factors are associated with U.S. imports from Korea, U.S. exports to Korea, and the U.S. trade balance with Korea, which is represented by two variables—U.S. exports to Korea minus U.S. imports from Korea and the ratio of U.S. exports to Korea to U.S. imports from Korea. These will be the dependent variables (y_{it}) in the regression. I obtain import and export data from the U.S. Census. Table 6 presents the estimation results.

The results suggest that the U.S. trade balance with Korea improved after Trump took office. On average, under the Trump administration the trade balance improved by $18.8 million (column (1)), a seemingly small number. This is, however, a monthly average for each product group, hence the yearly and the total product effect is more substantial. Back-of-the-envelope calculations yield a total yearly effect of about $3.4 billion dollars, which is 14.7% of the U.S. goods trade deficit with Korea in 2017 ($23.1 billion). We also observe that both U.S. imports from Korea and exports to Korea (columns (3) and (4)) increase under the Trump administration, but the proportionate increase is larger for the exports (13.3%) than the imports (8.5%). Based on the results in Table 6, it can be concluded that Trump's various trade policies or pressures reduced the U.S. trade deficit with Korea, for example, by inducing Korean firms to purchase more from the

Next, I analyze whether the Trump presidency had any impact in reducing the U.S. trade deficit with the world. The econometric specification is the same as used above, except that I use U.S. imports from the world and exports to the world for the dependent variables and the dollar index instead of won to dollar exchange rate.

The results in Table 7 suggest that the Trump presidency may have helped reduce the trade deficit (positive signs of *Trump Dummy* in (1) and (2)), but it is not statistically significant. Instead, what has more significantly dictated the movement in the trade balance was a strong dollar. It significantly contributed to worsening the trade balance (negative signs of *Dollar Index* in (1) and (2)). The recent trend towards a strong dollar could be an unwanted result of the Trump administration's protectionism. It is, however, also due to the recent monetary policy that raised interest rates and the strong economy.

Table 7. Estimation Results: U.S. Trade Balance with World				
Controls	**Dependent Variables**			
	Export-Import (1)	**Export/Import (2)**	**Log (Import) (3)**	**Log (Export) (4)**
Trump Dummy	1.50e+08 (1.39e+08)	0.004 (0.010)	0.043*** (0.007)	0.064*** (0.007)
Dollar Index	-7.72e+07*** (6329915)	-0.004*** (0.000)	0.005*** (0.000)	-0.001*** (0.000)
Export price index	-8809480 (6004563)	0.002** (0.001)	0.001*** (0.000)	0.002*** (0.001)
Import price index	-7.88e+07*** (5729515)	-0.003*** (0.001)	0.004*** (0.000)	0.000 (0.000)
Observations	1230	1230	1230	1230
R-squared	0.930	0.861	0.991	0.988

Note: Robust standard errors are in parentheses. ***, ** and * refer to statistical significance at the 1%, 5% and 10% level, respectively.

The empirical analyses suggest that Trump has had a positive impact in reducing the bilateral trade deficit with Korea while having no significant impact on reducing the overall trade deficit. The efforts of Korean businesses to buy American products and invest in the U.S. in response to Trump's aggressive protectionism, together with Trump's tariff policies, have probably played important roles in producing this result.

Conclusion

This chapter discussed Korea-U.S. economic relations two years into Trump administration. Trade and investment have been covered, but I have paid particular attention to the trade relationship as Trump's main priority was reducing the bilateral trade deficit. Korean firms and the government responded to the strong protectionist pressure from the U.S. by promising to buy more American products and invest more in the U.S. Consequently, the outcome in the renegotiation of KORUS FTA was satisfactory for Korea. Korea was also exempt from the Section 232 steel tariff.

So far Korea has quite successfully fended off the protectionist pressure without a deteriorating relationship with the U.S. Decisions on Section 232 tariffs on automobile and parts are still pending, but there is a possibility that Korea would be not be subject to these tariffs.[18] At this point, the more worrisome prospect is the trade dispute between the two largest trading partners for Korea, China and the U.S. Its spill-over effects can have substantial impact on Korea, whose economy depends heavily on these two countries.

Endnotes

[1] Axel Marx and Jadir Soares, "South Korea's Transition from Recipient to DAC Donor: Assessing Korea's Development Cooperation Policy," *International Development Policy* 4, no. 2 (2013).

[2] Section 201 and 232 are global measures that apply to all countries with a few exceptions.

[3] Philip Rucker, "Trump: 'We may terminate U.S.-South Korea Trade Agreement,'" *Washington Post*, April 28, 2017,https://www.washingtonpost.com/politics/trump-we-

may-terminate-us-south-korea-trade-agreement/2017/04/27/75ad1218-2bad-11e7-a616-d7c8a68c1a66_story.html?utm_term=.fc231277b94b.

[4] Trucks in the amendment include HS87042100, 87042250, 87042300, 87043100, 87043200 and 87049000 products. See Jeffrey Schott and Euijin Jung, "KORUS Amendments: Minor Adjustments Fixed What Trump Called 'Horrible Trade Deal,'" Peterson Institute for International Economics, Policy Brief, November 2018, https://piie.com/publications/policy-briefs/korus-amendments-minor-adjustments-fixed-what-trump-called-horrible-trade.

[5] Kim Yeong-gui, Kim Hyeok-hwan, Eom Jun-hyeon, Kim Do-hee, "한미 FTA 3년의 이행 현황과 쟁점," Korea Institute for International Economic Policy, *World Economy Today* 15, No. 8 (2015).

[6] "Steel Imports Report: United States," Global Steel Trade Monitor, U.S. Department of Commerce, March 2019, https://www.trade.gov/steel/countries/pdfs/imports-us.pdf.

[7] The value of the U.S. imports for the affected steel products was about $1.3 billion in 2017, whereas that for washing machines was about $287 million in the same year. See Korea International Trade Association, K-statistics, http://www.kita.org/kStat/byCom_SpeCom.do/.

[8] The U.S. Census, USA Trade Online.

[9] "U.S. Commission Recommends tariffs to curb Samsung, LG washing machine imports," *CNBC*, November 22, 2017, https://www.cnbc.com/2017/11/22/us-commission-recommends-tariffs-to-curb-samsung-lg-washer-imports.html.

[10] Washing machines include HS8450200040, HS8450200080, HS8450110010, HS8450110080, HS8450902000 and HS8450906000. Solar panels include HS5841406020 and HS8541406030. Steel includes HS726010, HS 721699 to HS730110, HS730210, HS730240 to HS730290 and HS730410 to HS730690. Aluminum includes HS7601, HS7604 to HS7609, HS7616995160 and HS7616995170.

[11] Note that it is the value excluding the tariffs.

[12] Shin Eun-jin and Ahn Jun-ho, "잘못된 협상이었나, 대미철강수출 중일보다 피해 더 커," *Chosun Biz*, February 20, 2019, http://biz.chosun.com/site/data/html_dir/2019/02/19/2019021903024.html?utm_source=naver&utm_medium=original&utm_campaign=biz.

[13] U.S. Census, USA Trade Online.

[14] The four countries ahead of Korea are Mexico, Canada, Japan, and Germany, see: United States Department of Commerce, International Trade Administration, https://www.trade.gov/td/otm/autostats.asp.

[15] Korea International Trade Association, K-Statistics, http://www.kita.org/kStat/byCom_SpeCom.do/.

[16] Moon byeong-gi, Yu Seo-gyeong, Ahn So-yeon, "미 자동차 고관세 부과의 주요국 영향," Korea International Trade Association, *Trade Focus*, October 2018.

[17] Live animals and animal products (HS01-05), vegetable products (HS06-14), prepared foodstuffs (HS16-24), mineral products (HS25-27), chemical products (HS28-28), plastics and rubbers (HS39-40), pulp and paper (HS47-49), textiles (HS50-63), stone and cement (HS68-70), precious stone (HS71), base metals (HS72-83), machinery (HS84-85), transport equipment (HS86-89), optical, photographic and medical instruments (HS90-92), miscellaneous manufactured articles (HS94-96).

[18] "Adjusting Imports of Automobiles and Automobile Parts Into the United States," The White House, May 17, 2019, https://www.whitehouse.gov/presidential-actions/adjusting-imports-automobiles-automobile-parts-united-states/.