

# U.S.-Korea Free Trade Agreement Market Access Results

## Building Products

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### **Trade and Tariffs**

The building products sector includes various building and construction products in HS chapters 25, 68 to 70, and 94.

Building products accounted for less than one percent of average U.S. industrial exports to Korea in 2005-2007, totaling \$231 million. The top U.S. exports in this sector include prefabricated buildings, friction material including articles of glass and asphalt. Korean tariffs range between zero and 8 percent, with an average of 7.8 percent.

Korean exports to the United States in this sector averaged \$330 million in 2005-2007, or less than one percent of total Korean industrial exports to the United States. Top Korean exports in this sector include cement and sanding materials. The United States maintains tariffs between zero and 13.5 percent, with an average of 2.7 percent on building products.

### **Tariff Elimination**

Industrial tariffs will be phased out according to seven tariff elimination categories: immediate elimination; linear cuts over three, five, or ten years; or nonlinear cuts over ten, twelve, or fifteen years. Tariff elimination under the nonlinear ten-year staging category will proceed with a 5 percent cut in the tariff in years one and two, a 7 percent cut in years three through five, a 10 percent cut in years six and seven, a 12 percent cut in year eight, a 17 percent cut in year nine, and a 20 percent cut in year ten. Tariff elimination under the nonlinear twelve-year staging category will proceed with 25 percent cuts in years nine through twelve. Tariff elimination under the nonlinear fifteen-year staging category will proceed with 20 percent cuts in years eleven through fifteen.

For building products, 49.2 percent of U.S. exports by value will receive duty-free treatment immediately upon implementation of the Agreement. Tariffs on an additional 38.5 percent of exports will be eliminated over three years, and tariffs on 8.5 percent will be eliminated over five years. Duties on the remaining 3.8 percent of U.S. building products will be eliminated in linear cuts over ten years. Tariffs on high-trade U.S. products such as friction material, articles of glass and asphalt, and prefabricated buildings will be eliminated within 3 years of implementation of the Agreement.

For U.S. imports, 95.2 percent of U.S. imports from Korea will receive duty-free treatment immediately upon implementation of the Agreement. Tariffs on 3.7 percent of imports will be eliminated over five years, and duties on the remaining 1.1 percent of U.S. imports in building products will be eliminated in ten years using nonlinear staging. Products subject to nonlinear staging include certain ceramic tiles.