

U.S. SMALL AND MEDIUM-SIZED ENTERPRISES: KEY EXPORTERS TO COLOMBIA

The U.S.-Colombia TPA will be of particular benefit to U.S. small and medium-sized businesses (SMEs), those enterprises with fewer than 500 employees. In 2006, U.S. SMEs exported \$2.2 billion in merchandise to Colombia. This represented 36 percent of total U.S. exports to Colombia -- well above the 29 percent SME share of U.S. exports to the world.¹ Of the 10,018 U.S. firms that exported to Colombia in 2006, 8,509, or 85 percent, were SMEs.

U.S. small and medium-sized enterprises particularly benefit from the tariff eliminating provisions of free trade agreements, and should benefit from the significant tariff cuts under the U.S.-Colombia TPA.

Eighty-five percent of U.S. businesses exporting to Colombia in 2006 were small and medium-sized businesses.

The transparency obligations, particularly those contained in the customs chapter, are also very important to U.S. SMEs, which may not have the resources to navigate customs and regulatory red tape.

Free Trade is important to U.S. SMEs

- U.S. SMEs are already taking advantage of U.S. efforts to open markets throughout the world. In 2006, ninety-four percent of all U.S. companies that exported to our NAFTA partner Canada were SMEs.
- SMEs represent a majority of U.S. exporting companies to our other free trade partners in 2006 including Mexico (ninety-three percent), Australia (ninety percent), Singapore (eighty-nine percent), Chile (eighty-four percent), and Morocco (seventy-two percent).
- U.S. SMEs also represented at least seventy-five percent of all U.S. exporters to the individual Central America-Dominican Republic Free Trade Agreement partner countries (Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua) in 2006.

¹ Exporter Data Base, Census Data. Prepared by MAS Office of Trade and Industry Information