



U.S. Trade and Development Agency

Connecting U.S. companies with export opportunities overseas

USTDA's Relationship with Small Businesses

Small businesses are the foundation of the U.S. economy. Over the last decade, the estimated 25.8 million small firms in the United States generated 50 percent of private, nonfarm gross domestic product (GDP), created 60 to 80 percent of net new jobs annually, and employed 50 percent of the country's private sector workforce.

According to the U.S. Small Business Administration (SBA), small businesses represent approximately 97 percent of all U.S. exporters, and despite the recent economic slow-down, U.S. exports of goods and services jumped 12.2 percent last year. Hence, small businesses are at the forefront of the U.S. economy and play a critical role in the global marketplace. USTDA, through its unique foreign assistance program, is proud to support U.S. small businesses by helping them expand into emerging economies.

In carrying out its mission, USTDA relies upon the technical expertise of small consulting and engineering firms to perform definitional missions (DM) and desk studies (DS), which are activities that help define projects, provide sector specific guidance, complete necessary due diligence, and conduct technical and economic evaluations for every project USTDA considers for funding. In fact, all DM and DS contracts are reserved for small businesses.¹

In addition to DM and DS contract opportunities; small businesses successfully compete for larger USTDA-funded projects such as feasibility studies (FS), training and technical assistance (TA) activities.² In fact, small businesses are awarded 50%, on average, of these larger international contracts that range from \$100,000 to \$1 million. Small businesses also receive the vast majority of work for trade capacity building activities such as in-country training and reverse trade missions or "orientation visits" and sector development activities such as conferences and technical symposia. Based on the demonstrated strength and breadth of experience of small businesses, their participation in USTDA-funded activities is increasing both in terms of dollar value and number of contracts won.

USTDA Small Business Facts:

- In 2010, over 91% of contracts awarded by USTDA are performed by small businesses.
- 44% of grants awarded to overseas project sponsors directly lead to contracts with U.S. small businesses in 2010.
- USTDA consistently surpasses the federal requirement of 23% for small business contracts.
- The success rate in terms of U.S. export generation for USTDA projects completed by small businesses versus medium and large size businesses is nearly equal.

One of the key benefits of working with USTDA from the viewpoint of a small business is gaining access to international markets that are difficult and often cumbersome to navigate. As a result, many small businesses have been able to grow via the international contacts they have made while working with USTDA.

¹ Definitional mission and desk study activities are USTDA contracts that require a technical expert to evaluate a potential USTDA

² The selection of the entity to perform the activities is made by the host country grantee.

