



Small Business and 18,606 Great Reasons to Support the U.S.-Colombia and U.S.-Panama TPAs

More than 21,600 U.S. companies export their products to Colombia and Panama, which are among Latin America's most dynamic growth markets. Of this total, 18,606, or 86%, are small and medium-sized enterprises. These so-called SMEs exported \$5.4 billion worth of merchandise to Colombia and Panama in 2008. This represented 35% of all U.S. exports to these countries, well above the 30.2% share of U.S. exports that our smaller companies contribute globally.

Market	No. of U.S. Exporters	No. of U.S. SME Exporters	SME Exporters as % of Total	SME Exports in US\$ millions	SME Exports as % of Total
Colombia	13,007	11,331	87	3,765	35
Panama	8,608	7,275	85	1,650	36
TOTAL	21,615	18,606	86	5,415	35

Note: Some double counting may exist for companies that export to both markets.

Source: U.S. Department of Commerce, 2008 data

The trade agreements with Colombia and Panama will open the door to new opportunities for smaller U.S. firms by eliminating tariffs and in ways that go far beyond cutting tariffs:

- **Non-Tariff Barriers:** NTBs are especially harmful to smaller companies because they add to the fixed costs of doing business. A \$10,000 permit is a nuisance for a big firm; it can be a show-stopper for a smaller one.
- **Intellectual Property:** Trade agreements protect the innovation and creative content captured in so many U.S. exports; in fact, Colombia and Panama will give protections for intellectual property similar to those in U.S. law.
- **Services:** These agreements will also open up service sector sales by American companies, expanding the opportunities for a part of our economy that's humming with efficient and innovative smaller companies.
- **Government Procurement:** These agreements will give American small business expanded access to government procurement contracts. Those contracts for roads, schools, clinics, and the like are often too small for major American companies to perform profitably. But they are just the kinds of contracts that our smaller construction companies, distance learning companies, and medical equipment companies (to mention just a few) can fulfill beautifully.