



WHY EXPORT?

- About 95 percent of the world's consumers live outside of the United States. If a U.S. business only sells domestically, it reaches just a small share of potential customers.
- Because companies that export sell to a variety of international markets, they are better able to weather changes in the domestic economy.
- Exporting is critical to helping America foster continual job growth and maintain an expanding economy. Small businesses create 70 percent of the new jobs in America. The more they export, the more products they'll need to make. The more products they make, the more likely it is they'll need more employees. It is especially important to help these firms increase their exports.
- To compete in the global marketplace, America can no longer only trade within its borders. If U.S. companies do not engage in trade, then other countries' businesses will fill the demand. In turn, those nations' communities will grow economically at a faster rate than America's communities.
- As more U.S. companies export, more trade barriers are likely to be lifted. Eliminating trade barriers, especially tariffs, levels the playing field and allows U.S. companies to be more competitive in both international and domestic markets. Tariffs are an entrance tax on products coming into a country. Without the extra levy, American products can be more competitively priced alongside other countries' products.

WHAT ARE FTA'S?

Free Trade Agreements (FTAs) have proven to be one of the best ways to open up foreign markets to U.S. exporters. These agreements are important because they make it easier for U.S. companies to conduct business abroad and compete in the global marketplace. Here are a few of the ways FTAs play a crucial role in trade:

- They encourage cooperation in promoting rights for workers and better environmental conditions.
- They encourage foreign governments to adopt clear and easy-to-understand rulemaking procedures, as well as nondiscriminatory laws and regulations to treat people equally. This makes it easier for U.S. companies to enter and conduct business in the export market as the United States already abides by these rules.
- They accelerate economic growth through greater competition by encouraging international partnerships with other countries that are already practicing fair trade.
- They eliminate or reduce tariff rates.
- They have opened up markets in Australia, Chile, Singapore, Jordan, Israel, Canada and Mexico, creating more opportunities for U.S. businesses.
- Today, the United States has FTAs with 14 countries. Of the 14 countries, six are included in the Central American Free Trade Agreement (CAFTA): Costa Rica, Honduras, Guatemala, El Salvador, Nicaragua and the Dominican Republic. Trade agreement with Colombia, Panama and Korea are pending.

Remember, Free Trade Agreements help businesses enter and compete in the global marketplace.