

## **SMMs Benefit from FTAs**

America's small and medium manufacturers (SMMs) can compete in the global economy if the playing field is fair and level, and that's why free trade agreements (FTAs) are so important.

A common misconception is that America's small companies can't sell in world markets, and only large multinationals can.

Yet, in 2001, the latest year for which data is available, 97 percent of all U.S. exporters were small and medium-sized firms, accounting for nearly one in every three dollars of U.S. exports.

Since 2001, Congress has approved FTAs with 15 countries. Export growth to partners where FTAs were implemented between 2001 and 2005 was twice as fast as U.S. export growth to the world.

The United States ran a \$12 billion goods surplus with these FTA partners in 2005, with total goods exports of \$42.3 billion. Here are gains from recent FTAs:

**Singapore:** U.S. exports to Singapore have risen by more than \$4 billion (24.6 percent) since implementation of the U.S.-Singapore FTA in 2004. *Gas turbines exports rose from \$814 to \$1.3 billion; aircraft parts, \$634 to \$921 million; and, parts for heavy machinery, \$477 million to \$760 million.*

**Chile:** U.S. exports to Chile rose by more than 90 percent from \$2.7 billion in 2003 to just prior to the implementation of the U.S.-Chile FTA, to \$5.2 billion in 2005.

*Motor vehicles for the transport of goods:* Exports reached \$276.8 million in 2005, a 388 percent increase or an increase of \$220 million over exports in 2003. *Motor cars and vehicles transporting persons:* Exports reached \$116.2 million in 2005, a 121 percent increase.

**Australia:** U.S. goods exports rose by \$1.6 billion to \$15.8 billion in the first year after implementation of the U.S.-Australia FTA in 2005.