



**Opportunities for Small-
and Medium-Sized
Enterprises in
North America**



Opportunities for Small- and Medium-Sized Businesses in North America

Each day the United States, Canada, and Mexico conduct nearly US\$1.9 billion in trade, through the North American Free Trade Agreement (NAFTA). On January 1, 1994, NAFTA entered into force, creating one of the world's largest free trade areas, which now links approximately 450 million people producing over US\$16 trillion worth of goods and services.

By lowering tariffs and trade barriers, NAFTA has bolstered trade among the three countries. From 1993 to 2009, merchandise trade among the NAFTA countries more than doubled, from US\$288 billion to US\$701 billion.

Expanding into foreign markets provides businesses, and especially small- and medium-sized businesses, significant opportunities to grow and create jobs. Given the economic integration in North America, our geographical proximity and our free trade agreement, as North American small- and medium-sized businesses begin to export, they are most likely to export to a customer in one of the NAFTA countries.

This document is designed to help small- and medium-sized businesses take advantage of the NAFTA and expand their exports. It provides answers to five frequently asked questions and lists additional resources in each country.

We hope that you find this information helpful.



Ambassador Ron Kirk
United States Trade Representative



Peter Van Loan
Minister of International Trade



Bruno Ferrari
Secretary of Economy

Exporting in North America: Frequently Asked Questions

I know that there is demand for my product in the other NAFTA countries, but I don't know where to start looking for customers. Where do I begin?

Each of the NAFTA countries has agencies or offices that help businesses develop new international markets for their products. Please see the links at the end of this document.

How do I find out whether my product is subject to a duty in one of the other NAFTA countries?

On January 1, 2008, the last scheduled duties and quotas were eliminated. However, not every good shipped from one country to another is eligible for duty-free treatment under the NAFTA. In order to receive NAFTA treatment, the product must meet the rule of origin. These rules, which are established in Chapter Four of the NAFTA, specify the production that must occur in order for a product to be eligible for NAFTA treatment. For example, a product imported into one NAFTA country from outside North America, then shipped onward to another NAFTA country may not qualify for duty-free treatment. For the most up-to-date information on tariffs and rules of origin, please see the links provided at the end of this document.

What is a Certificate of Origin?

The NAFTA Certificate of Origin is used by the United States, Canada, and Mexico to determine if imported goods are eligible to receive reduced or eliminated duty as specified by the NAFTA. For purposes of obtaining preferential tariff treatment, this document must be completed legibly and in full by the exporter and be in the possession of the importer at the time the declaration is made. This document may also be completed voluntarily by the producer for use by the exporter.

I don't manufacture goods, I provide services. How do I go about providing my services to customers in the other NAFTA countries?

The NAFTA establishes basic rules that the three governments will observe in regulating the cross-border provision of services. These rules parallel and, in many respects, complement NAFTA's rules for trade in goods. These rules remove many unnecessary barriers that service providers once faced in supplying their services to customers in the other countries, while retaining each country's right to set its own, non-discriminatory licensing standards. The NAFTA requires "national treatment," which means that a country shall accord service providers of another country no less favorable treatment than it accords its own service providers. The NAFTA uses the "negative list" approach, which means that all services are covered by the agreement unless they are specifically excluded. For business persons wishing to enter another NAFTA country, eligibility for facilitated entry

exists for business visitors, NAFTA professionals, intra-company transferees, and traders and investors on a temporary basis.

I'd like to export, but I need help with financing. What resources are available?

Each of the NAFTA countries has its own export financing programs. In some cases, you may be eligible to receive working capital, export insurance, or other assistance. Please see the links at the end of this document.

For More Information

UNITED STATES

For trade policy information: The Office of the U.S. Trade Representative
www.ustr.gov

For information on U.S. tariffs: The U.S. International Trade Commission
www.usitc.gov

For information about export assistance: The U.S. Department of Commerce
www.export.gov

CANADA

For trade policy information: Foreign Affairs and International Trade Canada
www.international.gc.ca

For information on Canadian tariffs: Canada Border Services Agency
www.cbsa.gc.ca

For information about export assistance: The Canadian Trade Commissioner Service
www.tradecommissioner.gc.ca

MEXICO

For trade policy information and Mexican tariffs: The Secretariat of Economy
www.economia.gob.mx

For information on customs procedures: Mexican Customs
www.aduanas.sat.gob.mx

For information on SME trade and export assistance
http://www.economia.gob.mx/swb/es/economia/p_Contacto_PyME

For information about export assistance: ProMexico
www.promexico.gob.mx

For information related to support for SMEs
www.fondopyme.gob.mx/2010/index_b.asp