

UNITED STATES
SMALL BUSINESS ADMINISTRATION

The Office of International Trade

Fiscal Year 2019 Annual Report to
Congress

As required by Section 22(f) of the Small Business Act

October 2020

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Overview

Section 22(f) of the Small Business Act directs the U.S. Small Business Administration (SBA) Associate Administrator of the Office of International Trade (OIT) to submit an annual report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives. As required by the statute, this report contains the following information:

1. A description of OIT's progress in implementing the requirements of Section 22 of the Small Business Act;
2. A detailed account of the results of export growth activities of the SBA, including the activities of each district and regional office of the SBA, based on the performance measures described in Section 22(i);
3. An estimate of the total number of jobs created or retained as a result of export assistance provided by the SBA and resource partners of the SBA;
4. An account of any travel by OIT staff, including the destination of such travel and the benefits to the SBA and to small business concerns resulting from such travel; and
5. A description of the participation by OIT in trade negotiations.

Small Business Context

Today nearly 95 percent of consumers and more than two-thirds of the world's purchasing power reside outside the United States. Small businesses selling into international markets have the potential to grow revenues, diversify customer bases, and increase profits. Exporting companies are generally more financially stable, able to expand faster, and create American jobs with higher wages. In fact, exporting companies pay an average of 18 percent higher wages than firms that do not export.¹

In the United States, small businesses comprise 97 percent of U.S. exporters and account for a third of total U.S. export value². U.S. small businesses are critical to U.S. export growth and are key suppliers in global and regional supply chains. Yet, many small businesses face challenges selling in international markets and do not feel prepared to take on such challenges. The 2016 Small Business Exporting Survey found that nearly half of the non-exporting firms surveyed would be interested in exporting if their concerns are addressed.³ Top challenges and barriers include lack of export knowledge, concerns with receiving payment, and regulatory barriers and complexity. For over one-

¹ Do Jobs in Export Industries Still Pay More? And Why?" July 2010. Department of Commerce International Trade Administration.

² A Profile of U.S. Importing and Exporting Companies." 2015 – 2016. U.S. Census Bureau News – U.S. Department of Commerce.

³ www.nsba.biz/wp-content/uploads/2016/04/Export-Survey-2016-Final.pdf

third of surveyed small business exporters, finding financing for their exporting operations is more difficult than for traditional business operations.

To address these challenges, the SBA provides export training, promotes international sales opportunities, guarantees international trade loans, and helps ensure that trade agreements afford small businesses equal access to international markets. The Agency, in cooperation with the U.S. Department of Commerce and other relevant state and federal agencies, works to ensure that small businesses receive greater access to federal and state export programs and services. Together with the Office of the U.S. Trade Representative (USTR), other federal trade agencies, and the Trade Policy Staff Committee (TPSC), the SBA participates in U.S. trade policy formation and negotiations to ensure that small business interests are adequately represented in bilateral and multilateral trade negotiations.

SBA's Progress

Throughout 2019, the SBA increased small business exports and leveled the playing field for American entrepreneurs seeking to enter foreign markets through its State Trade Expansion Program (STEP), international trade finance programs, export training and counseling services, and participation in bilateral and multilateral trade negotiations. In FY 2019, the SBA supported \$989,148,159 in small business export sales by providing \$18 million in STEP grants to 41 states and territories, which helped small businesses participate in more export promotion activities, such as international trade shows and trade missions. Similarly, the SBA financed \$2.27 billion in small business export sales through its international trade finance programs. The Agency also trained 18,320 small businesses and lenders and hosted the 12th Annual SBA Export Lenders Roundtable in Washington, DC. To support export development in local communities, the SBA collaborated on the development of an international trade track (consisting of 20 workshops) to train small business counselors at the 2019 Annual Conference of America's Small Business Development Centers (ASBDC). The SBA continued to represent small business interests in bilateral and multilateral trade discussions, including TPSC preparations for and bilateral meetings on potential free trade agreements with the United Kingdom, European Union, Kenya, and Japan.

In accordance with SBA's Strategic Plan (2018-2022), four strategies guide the Office of International Trade and the progress toward each is summarized below.

Strategy 1: Strengthen partnerships with state and territorial governments

Expanding the base of small business exporters and clarifying the process for exporters is crucial to increasing export sales. The SBA partners with states and territories through its **State Trade Expansion Program (STEP)** to support small business export development, including participation in trade missions and foreign market sales trips, export trade shows, international marketing efforts, and export training. In addition to administering STEP, the SBA plays an important role in networking export resources. The SBA's District International Trade Officers (DITO), Export Finance Specialists

(EFS), and local STEP administrators are key participants and drivers of local export promotion ecosystems.

The SBA administered STEP grants to support customized export development that increased the number of small business exporters and the value of small business exports in individual states and territories. The SBA also conducted a wholesale review of the administration of STEP grants and planned improvement measures effective October 1, 2019. Specifically, the improvements will reduce the reporting burden on grant recipients, ensure that small business that use the program have information and access to all SBA export programs, and increase utilization of STEP funds.

The Agency executed a competitive process to award \$18 million to 41 states and territories in FY 2019 grants. In addition, SBA maintained STEP oversight and completed various management activities for \$18 million in grant awards to 47 awardees from the FY 2018 STEP program. The average award for FY 2018 was \$382,978, and the average award for FY 2019 was \$439,024. Each year, this program benefits more than 5,000 U.S. businesses.

Strategy 2: Provide tailored training and counseling to small businesses and lenders

The SBA fills a market gap where the private sector is unwilling or unable to support certain export transactions because of greater real or perceived risk. While the 7(a) and 504 Loan programs are both used to support small business exporters, the SBA has three core 7(a) international trade finance programs that support the development of small business exporters: the **Export Express Loan Program**, the **Export Working Capital Program**, and the **International Trade Loan Program**. Without access to these international trade finance programs, many small businesses might have been unable to start exporting, compete for international buyers, fulfill export orders, or retool operations to sell into new international markets.

Through its network of Export Finance Specialist (EFS) located at U.S. Export Assistance Centers (USEACs), the SBA's DITOs, and Small Business Development Centers (SBDCs), the Agency provides training and consultation services on trade and export financing programs to both lenders and small businesses. The SBA works closely with the ASBDC to provide training and certification on international trade to SBDC counselors throughout the nationwide network so that they are better prepared to provide international trade counseling to their clients and connect them to SBA programs and services.

In FY 2019:

Export Express: 36 private sector lenders made 53 Export Express loans totaling \$14.7 million, resulting in over \$169 million in export sales. The Export Express Loan Program is a delegated authority program with a \$500,000 maximum loan amount that is especially helpful for early stage exporters that can use the funds for a wide range of export development activities. For example, small businesses use these

loans to participate in overseas trade shows and develop and enter new markets. With a 90 percent guaranty on loan amounts up to \$350,000, and a 75 percent guaranty on loan amounts over \$350,000 and up to \$500,000, the program offers lenders enhanced coverage in support of small business exporters.

Export Working Capital Program: 58 private sector lenders guaranteed 147 Export Working Capital Program loans totaling \$257 million, which led to over \$1.6 billion in export sales. The Export Working Capital Program provides the necessary financing to support exporters' transactions, from purchase orders to final payment, with a \$5 million maximum loan amount and 90 percent guaranty. The SBA continues to train new and existing lenders on this export loan product.

International Trade Loan Program: The SBA guaranteed 222 international trade loans made to small businesses from 86 private sector lenders totaling \$369 million, supporting over \$498 million in export sales. The International Trade Loan Program provides loans up to \$5 million and offers a 90 percent guaranty. These loans provide financing to allow successful export businesses to expand their production capacity, including those businesses that want to bring back overseas production, as well as companies that have been adversely impacted by imports.

Strategy 3: Support trade promotion policy through federal partnerships

The SBA advocates on behalf of small businesses in the areas of education and outreach, economic diplomacy, and trade policy engagement. Through the Trade Promotion Coordinating Committee (TPCC), the SBA supports a unifying export promotion framework with other agencies, including the U.S. Department of Commerce, U.S. International Development Finance Corporation (DFC), U.S. Trade and Development Agency, U.S. Department of Agriculture, Export-Import Bank of the United States (EXIM), and the U.S. Department of State.

The SBA chaired the TPCC Small Business Working Group and cooperated with the TPCC Secretariat to ensure effective communication and to promote inter-agency collaboration on outreach that provided small businesses with information and resources to begin exporting, expand into new foreign markets, and finance their export sales. The SBA worked closely with its inter-agency counterparts to develop an inventory of programs available to small business exporters. Created as a tool to facilitate collaboration, the inventory provides information on the respective priorities and metrics of the agencies delivering the programs.

In FY 2019, the SBA monitored compliance with Section 22(i)(3) of the Small Business Act requiring a minimum number of SBDC small business counselors be certified to provide export assistance to small business concerns. In October 2019, SBA's Office of Small Business Development Centers (OSBDC) advised that 60 of 62 SBDC networks met or exceeded counselor certification requirements with a total of 420 counselors certified. The two networks that did not meet the requirements were one counselor short.

SBA OIT works closely with the ASBDC International Interest Section to provide training (including 23 international trade workshops at the ASBDC Annual Conference) and facilitates networking to support maintaining certification requirements and strengthening international counseling expertise.

In FY2019, the SBA worked closely with the State International Development Organizations (SIDO) and their members to provide timely information related to developments and requirements for STEP. The Agency participated in SIDO conferences and maintained active and open communication channels with SIDO leadership.

Strategy 4: Represent small business interests in bilateral and multilateral trade negotiations

The SBA supports the TPSC in developing interagency consensus on trade policy. The SBA helps ensure that small business interests are adequately represented in bilateral and multilateral trade agreement negotiations and commitments. Small businesses rely on trade agreement commitments in all matters of foreign customs procedures, requirements, standards, and intellectual property protection.

In FY 2019, SBA subject matter experts represented small business interests in TPSC preparations and bilateral meetings in preparation for potential free trade agreements with the United Kingdom, European Union, Kenya, and Japan.

To fulfill its statutory mandate to enhance the ability of small businesses to compete effectively and efficiently with imports, the Agency also assisted small business concerns in navigating the regulatory framework applicable to imports. The SBA counseled numerous small business manufacturers on trade finance loan guarantees, intellectual property protection, and anti-dumping trade actions.

The SBA also continued to support U.S. small businesses through the International Trade Inquiry Service, which responds to small businesses encountering customs transaction problems, trade enforcement questions, and other regulatory challenges. The SBA championed small business interests through activities to improve trade facilitation and engaged foreign government officials on methods to reduce burdens.

I. Section I. Description of OIT's Progress Implementing the Requirements of Section 22 of the Small Business Act.

This section contains an update of changes to SBA's international trade lending programs, an update on OIT's Lender Roundtables, updates on the STEP, updates on the SBDC counselor training and certification, an update on interagency cooperation, and updates on staffing requirements.

Changes to International Trade Lending Programs

There were no substantive changes to OIT's financing programs during Fiscal Year (FY) 2019. However, as required by the Section 7(a)(16)(F) of the Small Business Act, OIT has published the annual list of private sector export finance lenders on SBA's website at <https://www.sba.gov/document/report--participating-export-lenders>.

In FY 2019, the SBA published an Advanced Notice of Proposed Rulemaking (ANPRM) affecting the Export Express, Export Working Capital, and International Trade Loan Programs. In FY 2020, the SBA will use these comments to improve the products, procedures, forms, and reporting requirements to increase SBA 7(a) lender participation in these trade programs.

Lenders Roundtable

Since 2008, OIT has hosted an annual Export Lenders Roundtable. This event is planned in conjunction with the EXIM Annual Conference and occurs the preceding day. The OIT Export Lenders' Roundtable is a venue where decision-makers from private sector lenders throughout the country can learn about SBA's international trade finance programs, receive updates on the programs, meet other lenders serving small business exporters, and get their questions answered.

On Wednesday, March 28, 2019, OIT convened approximately 40 private sector export finance lenders, association leaders, and senior government officials for the 12th Annual Export Lenders' Roundtable in Washington DC. The SBA Administrator presented awards recognizing the lenders of the year: "2019 Export Lender of the Year: Large Institution" to Regions Bank, and "2019 Export Lender of the Year: Small Institution" to a division of Berkshire Bank, recognized as the national leader in Export Express loans. The program included: SBA Trade Finance Updates; a discussion of Trade Finance in the Current Small Business Lending Environment; an inter-agency panel discussion, Exporting from a Public-Private Perspective; and a questions and answers open discussion with lenders.

State Trade Expansion Program

The Trade Facilitation and Trade Enforcement Act of 2015 (Public Law 114-125), signed into law on February 24, 2016, made the STEP a permanent provision of the Small Business Act to make grants to States, and the equivalent thereof, to carry out projects that help develop exports by Eligible Small Business Concerns (ESBCs).

Key Performance Measures of STEP are:

- To increase the number of ESBCs in the State that export;
- To increase the value of exports by ESBCs in the State; and
- To increase the number of ESBCs exploring significant new trade opportunities.

STEP activities are managed and provided at the local level by state government organizations. The program is managed at the national level by SBA's OIT. During the first eight years of the program, \$157,224,587 of total Federal funding was provided through STEP.

Under the statute, the 50 states, District of Columbia, Commonwealth of Puerto Rico, Virgin Islands, Guam, Commonwealth of the Northern Mariana Islands, and American Samoa, were eligible to compete for awards. By law, the ratio of Federal to state matching funds was 75% to 25%, except for high exporting states, for which the ratio was 65% to 35%, and territorial possessions of the Virgin Islands, Guam, Commonwealth of the Northern Mariana Islands, and American Samoa, for which matching funds requirements were waived. The states that are considered high exporting are the top three states by export sales based on Census data. For FY2019, the top three performing states by sales were Michigan, Missouri, New Jersey.

The total amount appropriated in FY2019 for STEP was \$18,000,000, which was awarded to 41 states and territories.

Section 22(1) of the Small Business Act requires the publication of an Annual Report on SBA's website (and notice to Congress of the publication) including the number and amounts of grants, list of states with activities, and effect of grants on small business exports by the State. The reports for FY2014 (Year 3), FY2015 (Year 4) and FY2016 (Year 5) and FY2017 (Year 6) are complete and are available at <https://www.sba.gov/document/support--state-trade-expansion-program-step-annual-report>. For FY2011 (Year 1) and 2012 (Year 2), we had no reports because there was no aggregated data to report. The annual report for FY2018 (Year 7) will be sent to Congress in early FY2021⁴ and then published on the SBA website.

⁴ STEP has a two-year performance period. The STEP Year 7 awards made in FY2018 had a performance period of FY2019-2020, ending September 30, 2020; however, the CARES Act extended the period of performance for STEP Year 7 awards through September 30, 2021.

SBDC Counselor Training and Certification

A key goal of the Small Business Jobs Act of 2010 (P.L. 111-240) was to improve the quality of international trade counseling and training received by businesses through the SBDC network. Section 22(i) of the Small Business Act calls for the certification of SBA resource partner counselors as export trade counselors.

In FY 2019, the SBA monitored compliance Section 22(i)(3) of the Small Business Act requiring a minimum number of SBDC small business counselors be certified providing export assistance to small business concerns. In October 2019 SBA's OSBDC advised that 60 of 62 SBDC networks met or exceeded counselor certification requirements with a total of 420 counselors certified. The two networks that did not meet the requirements were one counselor short. SBA OIT and OSBDC will work with those two networks to bring them in compliance.

The SBA continued training SBDC export counselors to achieve or maintain expertise and certification in international trade. SBA works closely with the ASBDC and the TPCC to provide in-person and webinar training opportunities on international trade. The SBA updated intermediate-level testing to include export resource and counseling strategy questions and to require password entry to maintain better control over test utilization.

In collaboration with ASBDC, the TPCC Secretariat, and SBA's OSBDC, OIT coordinates annual international trade training at the Annual ASBDC Conference. The 2019 international trade training program offered 23 workshops, including topics such as Cybersecurity for Exporters; Distribution Strategies in Foreign Markets; and Export Intelligence Resources Hands-on Training. The SBA OIT Associate Administrator provided keynote remarks to SBDC state directors and associate directors, encouraging increased focus on export promotion, and met with counselors at the conference to discuss avenues for collaboration and mutual support.

To monitor compliance with Section 22 of the Small Business Act and facilitate networking between the SBDCs and SBA EFS, SBA compiled a listing of international trade counselors throughout the SBA network that have attained the intermediate-level credential or passed the National Association of Small Business International Trade Educators' (NASBITE) Certified Global Business Professional Exam for advanced certification.

OIT worked with OSBDC to include "qualified referrals to SBA OIT" in the 2020 SBDC Program Announcement's Statutorily Required Services section.

Interagency Cooperation

SBA, through OIT, chairs the TPCC Small Business Working Group (SBWG). The Interagency TPCC SBWG, which includes representatives from 15 agencies with international

trade responsibilities, coordinates to share information and plan joint activities for small business export promotion. The group was launched in November 2009.

The Goals of the TPCC SBWG are to:

- Increase the number of small business exporters;
- Expand the markets of current small business exporters; and
- Link, leverage, and align Federal, state, and local government and resource partner trade promotion programs and services.

In FY2019, SBA coordinated input for an Interagency Inventory of Programs and Priorities to inform future collaboration and support discussion on small business export strategy. SBA co-chaired a task force within the TPCC SBWG on Digital Client Engagement that conducted a World Trade Month 2019 webinar series on “Going Global.” Four webinars: “Find New Buyers, Finance Deals, and Get Paid;” “Manage Challenges in the Global Marketplace;” “Online Tools for Finding New Markets;” and “Opportunities in International Development” averaged approximately 300 participants per webinar.

SBA OIT initiated referral protocol dialogue with ASBDC and with U.S. Commercial Service (USCS) to better connect our respective clients to partner services. A pilot Collaboration and Referral Initiative was launched between the Southwest Texas Border SBDC network and SBA’s EFS based in Houston that has resulted in multiple referrals in both directions. As part of the follow-up to USCS talks, SBA OIT participated for the first time in a USCS All-hands meeting and the partner began drafting a joint field communicate identifying concrete steps for advancing cooperation.

OIT also coordinated listening sessions with successful small business exporters at the National Small Business Exporter Summit in Savannah, GA and the Mid-America Small Trade Summit in Columbia, MO. SBA invited the Commerce Department, EXIM, and State trade promotion agencies to these sessions to gather insight on challenges these companies face in expanding their exports and their use of Federal and state resources. SBA coordinated planning and moderated a workshop on Federal, State, and Local Cooperation on Export Promotion at the NASBITE Annual Training Conference held in conjunction with the National Small Business Exporter Summit.

Export Finance Specialist (EFS) Staffing Requirements

Under Section 22(k) of the Small Business Act, SBA is mandated to ensure there are no fewer than three EFSs in each of the ten SBA regions. As of the end of FY2019, SBA had 19 EFSs and six vacancies. Since the passage of the Small Business Jobs Act, improvements and efficiencies have been accomplished within existing resources. As part of SBA’s emphasis on providing direct support for small businesses, OIT relocated existing positions between headquarters and the field to increase EFS positions from 21 to 25. This includes the creation of several new GS-13 level field positions.

Additionally, in FY2019, the SBA continued to implement the Field Alignment Project. One of the purposes of this alignment was to re-orient certain field staff in SBA’s district

offices to increase their outreach efforts and promote exports as required by Section 22 of the Small Business Act. These clearly defined roles and responsibilities and the directive to leverage other agency export assistance resources are new measurable outputs assigned to SBA staff. As a result, SBA is enhancing the ability of small business exporters to succeed in global markets through loans, training, and export promotion in line with Section 22 of the Small Business Act.

Section II. Detailed account of results of export growth activities.

This section provides a detailed account of the results of export growth activities of SBA, including the activities of each district and regional office, based on the performance measures required by Section 22(j) of the Small Business Act. This report presents all information available.

- The section responds to the request for “the number of small business concerns that—(i) receive assistance from the Administration; (ii) had not exported goods or services before receiving the assistance described in clause (i); and (iii) export goods or services[.]” During FY2019, through the SBDC network, the Office of Entrepreneurial Development assisted 101 firms that met this criterion. During FY2019, STEP grants recipients engaged in 3,043 different activities that supported exports of ESBCs that met these criteria.
- This section responds to “the number of small business concerns that receive assistance from the Administration that export goods or services to a market outside the United States into which the small business concerns did not export before receiving assistance.” During FY2019, through STEP grants, 3,956 ESBCs received STEP assistance.
- This section responds to the request for “export revenues by small business concerns assisted by programs of the Administration[.]” During FY2019, the export revenues self-reported by small business concerns assisted by SBA’s financial assistance programs was \$2.9 billion. Export revenues self-reported by small business concerns supported by the SBA’s entrepreneurial development programs was \$ 3,463,848,429. For grants completed in FY2019, the export revenues self-reported by small business concerns assisted by STEP grants was \$974 million.
- This section responds to the request for “the number of small business concerns referred to the Department of Commerce, the Department of Agriculture, the Department of State, the Export-Import Bank of the United States, the Overseas Private Investment Corporation, or the United States Trade and Development Agency by the staff of the Office, an Export Assistance Center, or a small business development center.” During FY2019, there were 502 small business concerns referred to the other agencies by SBA.
- This section provides additional data reporting for FY2019.
 - The number of export loans made under the International Trade Loan program established under section 7(a)(16) of the Small Business Act was 222.
 - The number of export loans made under the Export Working Capital Program established under section 7(a)(14) of the Small Business Act was 147.

- Of the 147 Export Working Capital Program loans, the number of export loans made under the Preferred Lenders Program, as defined in section 7(a)(2)(C)(ii) of the Small Business Act, was 70.
- The number of export loans made under the Export Express program established under section 7(a)(34) of the Small Business Act was 53.
- The SBA provided consultation services to 3,554 small business owners and trained 7,264 entrepreneurs on export finance.
- The SBA provided consultation services to 3,200 lenders and trained 4,302 lenders on SBA export loan guaranty programs.

Section III. Estimate of the total number of jobs created or retained as a result of export assistance.

This section responds to the request for “an estimate of the total number of jobs created or retained as a result of export assistance provided by the Administration and resource partners of the Administration.” There were 13,372 jobs created or retained as a result of export assistance provided by SBA’s financial assistance and resource partners for FY2019. Job created numbers are self-reported by the borrower and appear in the SBA loan application form. A filter was applied to reduce outliers and jobs associated with cancelled loans. This information was obtained from SBA’s Office of Performance Management, which is in the Office of the Chief Financial Officer.

Section IV. Travel report for OIT staff for FY2019.

The following international travel was completed by OIT staff members during FY2019.

Destination		Event/Purpose	Benefit to Administration	Benefit to Small Businesses
Manama, Bahrain		2019 Global Entrepreneurship Congress	OIT official led the U.S. delegation to the Global Entrepreneurial Congress (GEC) and the Start-Up Nations Ministerial. SBA's bilateral discussions and panel presentation highlighted American policies supporting small business trade.	Advanced implementation of SBA's memorandum of understanding (MOU) with Bahrain by promoting trade with U.S. small business under the bilateral free trade agreement.
Singapore, Singapore		U.S. Department of Commerce's Commercial Law Development Program's SME Consultation with Bahrain	OIT subject matter expert lectured on regulatory flexibility, transparency, trade agreement design for small businesses, and small business support including intellectual property protection and access to finance.	Served as expert in program that concluded with a session to recommend key provisions for the new SME law of Bahrain.
Taipei, Taiwan		APEC Small and Medium-sized Enterprise Online-to-Offline Summit on the Digital Economy	SBA subject matter expert presented to the APEC Small and Medium-sized Enterprise Online-to-Offline Summit on the Digital Economy and a U.S.-Taiwan inter-ministerial roundtable on U.S. small business policy best practices.	Educated on the benefits of notice and comment procedures which also address key issues raised to ensure small business concerns are considered in regulations.

Section V. Description of participation by OIT in bilateral and multilateral trade negotiations.

OIT has participated in the USG interagency Trade Policy Staff Committee (TPSC), led by the Office of the U.S. Trade Representative (USTR), which is responsible for developing interagency consensus on U.S. trade and investment policy and relies on approximately 90 subcommittees responsible for work in specialized functional topics, regions, and international organizations. Pursuant to Section 2(b)(1)(F) of the Small Business Act, OIT helps to ensure that small business interests are adequately represented in bilateral and multilateral trade agreement negotiations.

OIT participation in bilateral and multilateral trade negotiations in FY 2019 included: 1) formal U.S. trade negotiations; 2) international advocacy; 3) trade remedies (import relief) actions, and 4) reform of the World Trade Organization (WTO). American small business exporters rely on trade agreement commitments to obtain reasonable certainty in all matters of foreign customs procedures, requirements, standards, and intellectual property protection.

In FY 2019, the SBA also continued to support U.S. small businesses through the International Trade Inquiry Service, which responds to small businesses encountering customs transaction problems, trade enforcement questions, and other regulatory challenges. The SBA championed small business interests through activities to improve trade facilitation and engaged foreign government officials on methods to reduce burdens. The SBA also worked with U.S. Customs and Border Protection to increase small business opportunities to provide feedback on the 21st Century Customs Modernization project.

U.S. Trade Negotiations:

SBA subject matter experts represented small business interests in TPSC preparations and bilateral meetings in preparation for potential free trade agreements with the United Kingdom, European Union, and Japan. In particular:

- **United Kingdom.** The SBA's negotiation team participated in public comment hearings, studies, and the fifth and sixth U.S.-UK Trade and Investment Working Group meetings.
- **European Union.** The SBA represented small business concerns in preparatory consultations for the U.S.-EU Trade Agreement discussions and participated in public comment hearings and studies to ensure small business concerns were adequately represented.
- **Japan.** The SBA participated in public comment hearings and studies to ensure small business concerns were adequately represented in U.S.-Japan Trade Agreement and U.S.-Japan Digital Trade Agreement negotiations.

International Advocacy:

OIT seeks to pre-empt trade barriers before they arise through international advocacy for U.S. small business concerns.

First, SBA's International Trade Inquiry Point has been made available at +1 (855) 722-4877 and international@sba.gov to connect small businesses to international trade-related answers, counseling, and resources at SBA and other U.S. Federal agencies.

Second, SBA leverages innovative bilateral consultations and international arrangements to help "shape" the international marketplace, so that U.S. small business exporters may capture new middle-class consumer consumption in strategic, high growth emerging markets and "bring home" new international sales. In FY 2019, the SBA exchanged small business best practices with foreign trading partners on a wide range of small business policies.

- **Bahrain.** The SBA continued to implement the SBA's MOU signed in FY 2018 with the Kingdom of Bahrain ("Promoting Cooperation on Small and Medium-sized Enterprise (SME) Ecosystems"). The SBA participated in a "Start-Up Nations Ministerial" in Bahrain and highlighted American policies supporting small businesses in panels and business meetings at the Global Entrepreneurship Congress. In a follow-up, the SBA provided four days of training to Bahrain ministry and parliamentary leaders on small business best practices in cooperation with the U.S. Department of Commerce's Commercial Law Development Program in Singapore.
- **Asia Regional.** The Agency led presentations on small business policy best practices at the Asia-Pacific Economic Cooperation (APEC) SME Online-to-Offline Summit on the Digital Economy in Taipei, Taiwan at the request of the APEC Secretariat.
- **Taiwan.** The SBA also continued its bilateral cooperation with Taiwan's Small and Medium-size Enterprise Agency by holding a U.S.-Taiwan Inter-Ministerial Regulatory Roundtable focused on greater transparency and regulatory coherence.

Trade Actions and Assistance for American Small Business:

OIT similarly fulfilled its statutory mandate (Section 2(b)(1)(C) of the Small Business Act) to aid and assist small businesses by "enhancing their ability to compete effectively and efficiently against imports," by participating in several Administration-led trade actions. SBA trade specialists served on several Section 301 investigation panels of United States Trade Representation (USTR)-led public hearings in order to understand, articulate, and address small business concerns regarding changes in trade conditions related to forced technology transfer and other unfair trade practices by China and large civil aircraft subsidies by the European Union. The SBA counseled numerous small

business manufacturers on trade finance loan guarantees, intellectual property protection, and anti-dumping trade actions.