



USMCA Small Business Export Resources

USMCA SMALL BUSINESS EXPORT RESOURCES

The President's trade agenda is a key part of the Biden-Harris Administration's effort to defeat COVID-19, help the economy recover, and build back better. Canada and Mexico are the top two international markets for America's small business exporters across the 50 states. In 2018 (latest data available), 89,492 U.S. SMEs exported \$61.0 billion in goods to Canada, and 53,682 U.S. SMEs exported \$85.9 billion in goods to Mexico. The United States-Mexico-Canada Agreement (USMCA) will support the broader economic recovery and inclusive growth by helping small businesses and entrepreneurs—including women, minority, and Native American-owned small businesses and small businesses in underserved communities—put Americans to work by creating and building world-class products for export to foreign markets. To help more underserved small businesses to take advantage of trade with the USMCA, this brochure provides a USMCA exporter checklist for small businesses seeking to begin or expand their sales to international customers in Canada and Mexico, and provides information on U.S. Government resources and free business counseling available to small businesses.

DO YOU WANT TO INCREASE YOUR SALES AND FIND NEW CUSTOMERS?

Mexico and Canada are major destinations for U.S. exports. Each year, hundreds of thousands of small and medium-sized U.S. companies boost their bottom line by meeting the demand for innovative, quality, made-in-the-USA products and services. If you've never exported before, or if you make infrequent international sales, now is the perfect time to create an export strategy for Canada and Mexico and take advantage of the close proximity of these markets and the benefits of the U.S.-Mexico-Canada Agreement (USMCA).

Use this checklist to guide your planning and get in touch with a local international trade specialist to help you turn your export strategy into sales. Visit www.Trade.gov/USMCA to access the checklist and important information about the USMCA.



CHECK YOUR EXPORT READINESS

Exporting is a great strategy to grow a business, but to grow smartly and purposefully, you must dedicate time and resources. An initial assessment of your exporting needs and capabilities should be your first step.

ONLINE RESOURCES

Export readiness assessment:

<https://www.trade.gov/exporter-assessments>



DEVELOP AN EXPORT PLAN

Integrate exporting into your overall business plan. Once you've completed an assessment, an export plan helps you understand the opportunities, constraints, and goals around your international effort. Use it to create specific objectives, decide on implementation schedules, and mark milestones of your success. It can also motivate your team to reach goals. Free counseling services are available to help you develop an export plan.

ONLINE RESOURCES

Develop an export plan:

<https://www.trade.gov/develop-export-plan>



CONDUCT MARKET RESEARCH AND PLAN YOUR MARKET ENTRY STRATEGY

Start by doing research on the Canadian and Mexican markets. Free market research is available through the Country Commercial Guides and Top Market Reports. To get a complete picture, look at both U.S. export statistics and Mexico and Canada's import statistics for the past few years. Researching trade flows of the products that you sell may help you assess demand.

ONLINE RESOURCES

Conducting Market Research:

<https://www.trade.gov/conducting-market-research>

Mexico Country Commercial Guide:

<https://www.trade.gov/knowledge-product/exporting-mexico-market-overview>

Canada Country Commercial Guide:

<https://www.trade.gov/knowledge-product/canada-market-overview>

Trade Data Tools:

<https://www.trade.gov/trade-stats-express>

Cluster Mapping:

<https://clustermapping.us/>



RESEARCH TAXES AND TARIFFS

All products that had zero tariffs under NAFTA will remain at zero under USMCA. To determine eligibility for reduced tariff rates, you will need to know the Harmonized System (HS) code for your product. You can look up your HS code using the Census Bureau's Schedule B Search Engine. For additional information on tariffs, including USMCA and applied tariffs, visit the FTA Tariff Tool.

ONLINE RESOURCES

Harmonized System Codes:

<https://www.trade.gov/harmonized-system-hs-codes>

Schedule B Search Engine:

<https://uscensus.prod.3ceonline.com/>

FTA Tariff Tool:

<https://beta.trade.gov/fta>



ENSURE COMPLIANCE AND EXPORT DOCUMENTATION

The USMCA requires a certification of origin containing nine data elements and a certification statement, which may be included on an invoice or any other document. A suggested template is available to facilitate compliance.

The basic Mexican import document is the Import Request (Pedimento de Importación). Mexico requires import and export documentation including a completed pedimento for all commercial crossings. This document must be accompanied by a commercial invoice (in Spanish), a bill of lading, documents demonstrating guarantee of payment of additional duties for undervalued goods, if applicable and documents demonstrating compliance with Mexican product safety and performance regulations, if applicable.

All commercial shipments imported into Canada require a properly completed Canada Customs Invoice or its equivalent. A U.S. exporter can use its own form if the required information is provided. At the border, the importer or customs broker also submits Form B3-3, the customs coding form.

If you haven't already, determine if your product needs a U.S. export license. Most products don't need one, but it is your legal responsibility to obtain one if necessary.

ONLINE RESOURCES

Certification of Origin Template:

<https://www.cbp.gov/document/guidance/certification-origin-template>

Canada Guide to Importing:

<https://www.cbsa-asfc.gc.ca/import/guide-eng.html>

Mexico Guide to Importing:

<https://www.trade.gov/knowledge-product/mexico-import-requirements-and-documentation>

Comply with U.S. and Foreign Regulations:

<https://www.trade.gov/comply-us-and-foreign-regulations>

U.S. Export License:

<https://www.trade.gov/us-export-licenses-navigating-issues-and-resources>



DETERMINE SHIPPING OPTIONS

Shop around for the best shipping rates. Different companies have different rates and available services. Research the most cost-effective way to get your goods efficiently, securely, and legally to your new international customers. Mexico is a leading global logistics center. Approximately 3,000 courier and parcel delivery companies currently operate in Mexico. They provide local, regional, and international coverage. Canada offers an easy cross-border opportunity with similar taxes, fees, and shipping safety as the United States.

Be sure to familiarize yourself with Incoterms, a set of internationally-accepted terms spelling out which party is responsible for various costs and details throughout the shipping process such as freight, insurance, duties and taxes, customs clearance and documentation.

Consider working with a freight forwarder, who can advise on freight costs, port charges, consular fees, costs of special documentation, insurance costs and the freight forwarders' own handling fees. They may recommend packing methods that will protect the merchandise during transit or can arrange to have the merchandise packed at the port or put in containers. Freight forwarders may also reserve the necessary space on a vessel, aircraft, train or truck. The cost for their services is a factor that should be included in the price charged to the customer.

ONLINE RESOURCES

Shipping and Logistics:

<https://www.trade.gov/navigate-shipping-and-logistics>

Incoterms:

<https://www.trade.gov/know-your-incoterms>



FIND FOREIGN BUYERS

There are many strategies to reach customers in Canada and Mexico.

For many companies, frequent visits to Canada and establishing a local presence are crucial to long-term market success. Joining a U.S. trade mission to Canada or participating in a Canadian trade show are effective first steps to explore the market. Trade shows are a great way to present your products and services to a wide audience, generate trade leads, and meet potential buyers or partner. Grants may be available to minimize costs.

Trade shows, advertising, social media campaigns, and sales calls all work well in Mexico. In Mexico and Canada, you can increase your brand awareness and find and establish relationships with business partners with customized services provided by the International Trade Administration, such as an Initial Market Check, an International Company Profile, a Gold Key Service, international partner search, or single company promotion.

Depending on your sales channel, the first point of contact between you and your customer will likely be online, in which case you should develop a global web presence and a digital strategy.

ONLINE RESOURCES

Customized Services:

<https://www.trade.gov/services-current-exporters>

E-Commerce and Digital Strategy:

<https://www.trade.gov/ecommerce>

Trade Shows:

<https://www.trade.gov/trade-shows>

STEP Grants:

<https://www.sba.gov/funding-programs/grants/state-trade-expansion-program-step>



GET PAID

Research methods of payment and work with your bank for financing and insurance solutions. Depending on your business and products you may be able to offer letters of credit or other payment options to your foreign buyers. Get bank references and background checks on potential foreign buyers. The International Trade Administration can help with an international partner search. As with any business transaction, due diligence is essential.

Mexican lending rates are significantly higher than in the United States. Requiring payment either by confirmed letter of credit or cash in advance can cost U.S. exporters sales opportunities. While favorable payment terms are important, U.S. companies should consider all available financing options to be as competitive as possible.

Methods of payment in Canada are like those in the United States domestic market. Normal precautions in dealing with a first-time customer should be exercised, and safeguards instituted wherever possible, until a good relationship has been established with the customer.

Financing options offered by U.S. government agencies like the Small Business Administration (SBA) or Export-Import Bank (Ex-Im) can help you offer competitive payment terms and mitigate the risk of non-payment.

ONLINE RESOURCES

Trade Financing:

<https://www.trade.gov/finance>

SBA Export Products:

<https://www.sba.gov/about-sba/sba-locations/headquarters-offices/office-international-trade/sba-export-products#section-header-0>

Ex-Im Export Solutions:

<https://www.exim.gov/what-we-do#by-need>

USDA Export Solutions:

<https://www.fas.usda.gov/programs/export-credit-guarantee-program-gsm-102>

By following this checklist, you can set your company on the path to growth by doing business in Canada and Mexico. The USMCA was designed to make it easier than ever for small businesses to go global in one of the largest and most diverse markets in the world—North America. To learn more about the benefits of exporting and to work on your export strategy, find a local SBA resource partner or export assistance center.

FIND LOCAL RESOURCES

SBA Local Assistance:

<https://www.sba.gov/local-assistance>

U.S. Export Assistance Centers:

<https://www.trade.gov/commercial-services-offices-us>

Minority Business Development Agency Export Centers:

<https://www.mbda.gov/page/mbda-specialty-centers>



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