

# Incubating Small Business Exports to Sub-Saharan Africa Through the U.S. Commercial Service

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As **trade between the United States and Sub-Saharan Africa continues to grow**, particular focus should be given to **finding strategies that encourage U.S. small businesses** to pursue export opportunities for their goods in Sub-Saharan

Africa. Because of their role as key drivers of the U.S. economy, increased small business involvement in trade between the United States and Sub-Saharan Africa is likely to have multiplier effects including an increase in overall trade volumes, increased foreign direct investment, more technical and business collaborations, among others. Also, involvement in export trade is good for the small businesses themselves as well as for the entire economy since studies in the United States have shown businesses that export tend to be more resilient in times of economic upheaval compared to those that do not.



U.S. small businesses export diverse products to Africa ranging from complex industrial machinery to durable and non-durable consumer products. The Office of the U.S. Trade Representative (USTR) reports that in 2013, total U.S. exports to Sub-Saharan Africa were 1.5 percent of total goods exported in that year. As of 2011, the U.S. Small Business Administration reported that 98 percent of all U.S. exporters were small businesses, although they accounted for less than 33 percent of the value of goods exported during that period. Whereas there are no exact figures showing the proportion of exports attributable to small businesses, anecdotal evidence from numerous meetings that I have attended, conversations with business executives as well as those reported in a [USA Today article](#) and an [Export-Import Bank press release](#) suggest that U.S. small businesses have made good inroads in various countries and market segments across Sub-Saharan Africa.

The prominent internal and external impediments that small businesses face when exporting include costs associated with mitigating risks, lengthy export procedures, high information barriers and deficient market entry strategies. To help address these challenges, the U.S. Commercial Service (USCS), the trade promotion arm of the U.S. Department of Commerce's International Trade Administration, has developed strategies specific to Africa that aim to catalyze U.S. small business exports to Africa. There are USCS offices located across the United States that advise and help small businesses make necessary preparations before entering the Sub-Saharan Africa market. In addition, through its army of trade specialists located in U.S. embassies across Africa, the USCS assists small business exporters by breaking down information barriers present in target markets and acting as a trusted guide during market exploration and entry. They carry out market research and conduct on-the-ground due diligence on potential distributors or agents of a potential exporter. Also, upon request a trade specialist can set up meetings between relevant government officials, potential buyers and a small business exporter.

Thus, through a trade specialist's work, an exporter is able to understand market conditions, develop business relationships, weigh benefits and risks, learn about legal procedures and be in a position to execute a well-informed export strategy. In response to the demand for its services, the USCS recently announced plans to enhance its services by opening offices in African countries that have demonstrated great economic potential such as Angola and Tanzania. The USCS is one of the helpful resources that a small business wishing to export to Africa should make use of to refine its strategy in African markets.

## Upcoming events

The USCS has organized a conference focusing on Sub-Saharan Africa as part of its [Discover Global Markets Business Forum Series](#) that will be held in Atlanta, Georgia, Nov. 5-6, 2014. Also, the USCS will participate in the [2015 Trade Winds Conference and Mission](#) in South Africa. The conferences and trade mission will bring businesses from the United States and across Africa together for joint exhibitions and business-to-business networking.

For more information, please visit <http://www.export.gov>.

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