



LOOK SOUTH INITIATIVE FACT SHEET

U.S. Secretary of Commerce Penny Pritzker has unveiled Look South, a new coordinated federal government effort led by the U.S. Department of Commerce to help more American companies “Look South” to do business with Mexico and the United States’ 10 other Free Trade Agreement (FTA) partners in Latin America. The Look South Initiative will help businesses across the country explore these markets, learn about emerging opportunities, and tap into federal programs that can help companies get deals done. The Look South effort is part of Commerce’s [“Open for Business Agenda”](#) and supports the President’s National Export Initiative by encouraging more U.S. businesses to export to more markets and ensuring that trade and investment become a bigger part of the DNA of our economy.

With 58 percent of U.S. companies exporting to only one market, usually Canada or Mexico, Look South will help companies understand why expanding to more markets will improve their bottom line. While the typical business that sells to just one market generates roughly \$375,000 in export sales, companies with two to four export markets have average export sales of \$1 million; and those who export to five to nine markets average \$3 million in export sales.

Why Look South?

More than half of all America’s FTA partners are in Latin America. These 11 economies – Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, and Peru – have a rapidly growing base of middle-class consumers and diversifying industries. The United States’ FTA partners in Latin America offer a unique combination of similar language and business cultures. In addition to low or zero tariff rates on merchandise, FTAs increase transparency, improve the business environment for services and government procurement, and reduce market access barriers in areas such as intellectual property rights, standards, and customs procedures. These countries also have made clear commitments to opening their markets and integrating supply chains with the United States through the Trans-Pacific Partnership, Pacific Alliance, and the U.S.-Mexico High Level Economic Dialogue.

The International Monetary Fund forecasts that for 2014, Mexico should return to 3 percent economic growth. Among our six CAFTA-DR partner country markets, average economic growth per country of more than 3 percent is forecasted. For the remaining target markets, economic growth projections range from 4 (Colombia) to 7 (Panama) percent. Longer term projections are even more attractive for the Look South markets. In addition, more than 40 percent of U.S. exports go to the Americas, and those exports are growing faster than our trade with the rest of the world. Mexico is our third-largest trading partner and the second most important export destination for American small business exporters. In 2012, United States goods exports to Mexico reached a record \$215.9 billion, and 2013 data show that the United States is on track to surpass this record. Looking south, we have already seen double-digit percentage growth in exports to Colombia and Panama since our new trade agreements went into effect.

International Trade Administration

The International Trade Administration (ITA) is the premier resource for American companies competing in the global marketplace. ITA has 2,100 employees assisting U.S. exporters in more than 100 U.S. cities and 70 countries worldwide. For more information on ITA visit www.trade.gov.

Partnerships Drive Look South

Look South will ensure that U.S. companies are aware of emerging trade opportunities in Latin America and understand the federal resources available to help them penetrate these markets.

Federal agencies will work to encourage U.S. companies – with a focus on small and medium-sized businesses – to export to the region by:

- Promoting and enhancing the International Trade Administration, [U.S. Commercial Service](#) resources throughout the region, and events and programs that connect U.S. companies with vetted foreign buyers and partners to facilitate deals, including: a Secretary-led trade mission to Mexico in February; [Trade Winds – The Americas](#) a Commerce-led trade mission in May for hundreds of U.S. businesses with stops in multiple countries; and [International Buyer Programs](#) (trade show guide in [Spanish](#)).
- Establishing a dedicated online business portal – www.export.gov/looksouth – directing businesses to the federal resources they need to succeed in Look South markets. The site includes market research on emerging export opportunities in growth sectors such as medical equipment, information technology, safety and security equipment, environmental technologies, and franchising.
- Increasing the availability and awareness of trade financing and investment tools for the region from agencies including the [Export-Import Bank \(Ex-Im Bank\)](#), [Small Business Administration \(SBA\)](#), and [the Overseas Private Investment Corporation](#), and the [U.S. Department of Agriculture](#). [Mexico](#) and [Colombia](#) are already top markets for Ex-Im Bank, which is also active in Chile and Peru. The U.S. Department of Agriculture facilitates the financing of \$5.5 billion in agricultural trade through its [GSM-102 program](#) with [Mexico, Colombia, Chile, and Peru](#) as target markets.
- Training and educating government procurement officials in the region through U.S. Trade and Development Agency’s new [Global Procurement Initiative](#), so that they have a more fulsome understanding of U.S. quality, innovation, and service (as opposed to just price) when deciding on tenders for infrastructure projects.
- Connecting more firms to concrete business opportunities in the region through State Department [Direct Line](#) teleconferences with U.S. Ambassadors in Look South countries.
- Expanding the [Small Business Network of the Americas](#), a network of small business support centers in the U.S. and Latin America, to link more U.S. small businesses to potential business partners and buyers in Look South markets.
- Partnering with targeted public and private-sector stakeholders – including UPS, FedEx, the U.S. Chamber of Commerce, the Association of American Chambers of Commerce in Latin America, the U.S. Hispanic Chamber of Commerce, Council of the Americas, Mayors, Governors, and Latino Diaspora-owned businesses – to help promote trade with Look South markets in a number of ways.

For more information on Look South or to find out how to partner with this initiative, visit www.export.gov/looksouth or e-mail looksouth@trade.gov.