



## International trade a key for local businesses, chamber speaker says

[RICH LADEN](#)

2010-05-18 18:48:43

International trade isn't just for Fortune 500 companies, Dan Griswold says.

Griswold, director of the Center for Trade Policy Studies at the Cato Institute in Washington, D.C., and former editorial page editor of The Gazette, authored the 2009 book, "Mad About Trade: Why Main Street America Should Embrace Globalization." On Friday, he'll speak to area businesses about trade opportunities during a breakfast sponsored by the Greater Colorado Springs Chamber of Commerce.

The Gazette caught up with Griswold in advance of his talk:

**Question:** Can you explain why Main Street America, small businesses and mom-and-pop stores should care about globalization?

**Answer:** American families save hundreds of billions of dollars a year through the lower prices and variety that global competition delivers. The less we spend on basics such as food, clothing and shoes, the more we can spend in the local economy buying goods and services from small businesses. Foreign investment keeps interest rates down, which lowers borrowing costs for homeowners and small businesses alike. Globalization allows companies to buy raw materials, parts, and machinery at globally competitive prices. Like technology, trade can disrupt the status quo, but it also creates new opportunities and raises overall incomes.

**Q:** Why don't more small businesses embrace international trade?

**A:** The United States remains by far the world's largest internal market, so most businesses can survive by just selling domestically. But the real news is the growth of smaller companies selling in global markets. nationwide, according to the U.S. Department of Commerce, almost a quarter of a million small and medium-sized U.S. companies export to other countries, double the number (from) 20 years ago. In Colorado alone, 4,500 companies now export. Small business can now more easily get into the export game because of the global reach of the Internet and shippers such as FedEx and UPS.

**Q:** Are opportunities for international trade better, worse or no different in the ongoing economic downturn we're in?

**A:** The downturn would have been even worse if U.S. companies had not been able to sell into foreign markets. More than three-quarters of the world's spending power is now outside the United States. The typical S&P 500 company earns 47 percent of its revenue abroad. When American consumers stopped spending during the recession, U.S. firms could still export to China, Brazil and other emerging markets. Like smart investors who don't put all their eggs in one basket, Colorado companies can diversify their customer base by plugging into the global economy. Those opportunities will only grow as the world recovers from the downturn.

**Q:** Are there some immediate steps to take for small businesses that want to explore international trade?

**A:** It's not my job to advise individual companies, but I would say an internationally appealing website is a must. There's a whole cottage industry of international business consultants out there, and global shipping

companies can provide logistical services and advice. Companies that think they're ready to sell abroad could start in Canada and Mexico, where we have long-established commercial ties. China's a tougher nut, but it's grown to be the third largest market for exports from Colorado. Meanwhile, business owners in Colorado should urge their representatives in Washington to get rid of our own remaining barriers to international trade and investment, and to enact agreements with other nations to lower barriers abroad.

**Q:** Beyond your book, where do Main Street businesses go for more advice and information about international trade?

**A:** My book is a great place to start for anybody who wants to better understand the global forces shaping our economy and our daily lives. For the latest policy research, they can visit the web site of the Cato Institute's Center for Trade Policy Studies at [www.cato.org/trade-immigration](http://www.cato.org/trade-immigration). For more on the nuts and bolts of selling in foreign markets, they can find valuable support from area District Export Councils, World Trade Centers, and the Colorado Springs Chamber's new International Development Office.

Questions and answers were edited for space.

—

Contact the writer at 636-0228

## IF YOU GO

Dan Griswold, director of the Center for Trade Policy Studies at the Cato Institute in Washington, D.C., will discuss international trade opportunities during a Greater Colorado Springs Chamber of Commerce breakfast 7 to 9 a.m. Friday at the Crowne Plaza Colorado Springs, 2886 S. Circle Drive. The cost is \$25 for chamber members and \$35 for nonmembers. More information or to register: 635-1551 or [www.coloradospringschamber.org](http://www.coloradospringschamber.org).