



United States Small Online Business Growth Report

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Introduction

For the past seven years, the eBay Public Policy Lab has collaborated with a team of economists at Sidley Austin LLP (Sidley) to research the trade and growth opportunities afforded to independent Micro, Small and Medium-sized Enterprises (MSMEs)¹ and entrepreneurs through technology and globalization.

We have studied more than 50 countries, spanning six continents, and irrespective of where we look, we have found MSMEs leveraging the online commerce platform to engage in expansive commerce, often on a global scale. This report presents new findings that lend further confirmation to the revolutionary changes that are occurring in the global trading system and powered by technology-enabled MSMEs across the United States of America.

The analysis carried out by Sidley for this report is based on a study of data covering transactions on the eBay Marketplace from 2012 to 2016. Sidley economists then looked at which sellers are registered to addresses in the United States. To ensure that the community of small online businesses on eBay was fully captured, the data was limited to transactions by sellers with \$10,000 USD or more in sales annually on the eBay Marketplace. We refer to this community as “Commercial Sellers” and “eBay-enabled MSMEs” throughout the report.

The research discussed in this report provides robust and concrete data sets demonstrating that technology is providing tremendous opportunities for independent MSMEs in every state as they are now engaging in global trade at a scale once reserved for the largest corporations. Traditionally, the costs of conducting commerce over distance were so high they effectively eliminated nearly all small and micro businesses from directly connecting with international customers. This was also true of reaching most customers in very large home-country markets. The fortunes of MSMEs were tied to the health of their local markets and were very vulnerable to downturns in the economy. This was especially true for enterprises located far from economic hubs and/or in economically distressed regions. However, the online platform model of commerce has neutralized many of the historical trade costs that impeded MSMEs from reaching foreign markets. Armed with new platform-based marketing, shipping, payment and translation tools, these enterprises are embracing the opportunity to directly engage with global customers and export at unprecedented levels. Their geographical reach has also expanded to markets on nearly every continent.

An incredible 96% of eBay Commercial Sellers in the United States export - far higher than businesses that have not embraced online tools - and they reach on average 17 different countries annually. eBay Commercial Sellers across America are effectively Small Global Traders. Thanks to technology, successful small businesses do not need to be located in a state’s most populace or prosperous counties to sell across the country and around the world.

About the eBay Public Policy Lab

The eBay Public Policy Lab seeks to address the public policy challenges that lie at the nexus of technology and commerce.

We conduct innovative research using unique data analytics methodologies and creative insights. We seek to inspire debate at the highest levels of public policy discourse about the future of commerce and how technology can be leveraged to achieve the best possible outcomes for all.

We invite you to explore our full catalogue of research at: www.ebaymainstreet.com/lab

Brian Bieron
Executive Director

Hanne Melin
Director
Global Public Policy

Alan Elias
Senior Manager
Global Public Policy

The research results presented in this report paint a picture of a much more balanced and inclusive model of commerce and exporting, with independent Internet-enabled MSMEs across all 50 states and the District of Columbia exporting at rates that far exceed traditional business models.

The report contrasts research findings from eBay Marketplace data with “traditional” trade and enterprise growth data publicly available from the U.S. Census Bureau. As in previous reports, the eBay Marketplace provides the illustration of a new model for global commerce that is emerging, one that increases the prospects for more broad-based growth.

Due to the presentation challenges related to providing accessible charts with data on all 50 states and the District of Columbia in the body of this report, one state from each of the eight regions employed by the United States Bureau of Economic Analysis² is included in the charts in the main body of the report. Charts with appropriate data for every state are included for each reported data point in the Appendix.

In addition, to compare the results of the state-level analysis in this report with all 18 countries in the eBay Small Online Business Growth Report, please visit: <https://www.ebaymainstreet.com/2017-ebayglobalreport.pdf>

Empowering Micro to Be Global

The prototypical model for global trade has involved a large and established domestic company targeting an export market, establishing overseas operations and eventually developing a multinational supply chain with vendors and consumers located around the world. Globally, this continues to be the dominant model for trade. Large firms account for less than 1% of enterprises in the United States³, but their share of total exports is reported at 67.1%.⁴

Against this backdrop, the participation in Global Value Chains (GVCs) is promoted as a promising way for MSMEs to reap the benefits of global trade. GVCs are a fundamental concept in global trade and development economics, providing insight into the interrelationship between large Multinational Enterprises (MNEs), affiliates and independent suppliers, many of which are often small and medium-sized enterprises (SMEs).⁵ For the most part, large MNEs are the main drivers of GVCs, acting as the supply chain leader, and determining the other enterprises that can participate.⁶ MSMEs participate in the GVCs by providing their goods and services to the MNEs.⁷ This is one of the principal and increasingly well-studied methods of SME participation in trade. For example, Slaughter (2013) finds that the typical US MNE buys more than \$3 billion USD in inputs from more than 6,000 US SMEs.⁸ This can expand MSME market opportunities and increase productivity,

GolfEtail.com

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Marc Ducey

SPRINGFIELD, MA

Marc Ducey started his career as a U.S. Naval Officer. After his military service, Marc transitioned to a sales career. While in a sales capacity, Marc saw an opportunity for an eCommerce business and began selling golf equipment on eBay for additional income. After three years of selling online part-time, Marc decided to take the entrepreneurial leap and dedicate himself to his business full-time. He began adding to his inventory and focused on the value and quality of his products. To this day, GolfEtail is a family owned operation and continues to grow by offering a broad product line and hiring employees from their local community. Marc is very proud to hold an eBay Top-rated seller status, as well as an overall rating of Outstanding by over 10,000 customers on BizRate. GolfEtail exports approximately 15% of its products to 20 different countries.

but, under this model, they are heavily dependent on the needs and health of larger firms. Despite the emergence and evolution of GVCs, the share of traditional businesses, in particular SMEs, that export, remains relatively small. In the United States, approximately 1% of traditional businesses export.⁹

A new model of exporting and MSME global commerce is emerging in parallel to the GVC model. It is driven by the Internet, a truly global digital network. When the Internet is combined with commercial services and efficient logistics, small businesses can connect with consumers and establish trust across national and cultural borders.¹⁰ Small businesses are able to create a storefront online and compete in global markets through e-commerce platforms with vibrant customer bases. At the same time, they are able to maintain physical presence in their local community. The World Economic Forum recently noted that platform-based e-commerce has had a strong positive impact on many small businesses, both by opening up new export avenues and facilitating access to low-cost imported inputs, and that technology-based marketplaces have made selling and sourcing internationally much easier by reducing many non-tariff barriers to trade, most importantly, access to information.¹¹ World Bank Enterprise Survey data (2009-10) provides evidence that internationalized firms also achieve higher levels of productivity than those just serving their domestic markets.¹²

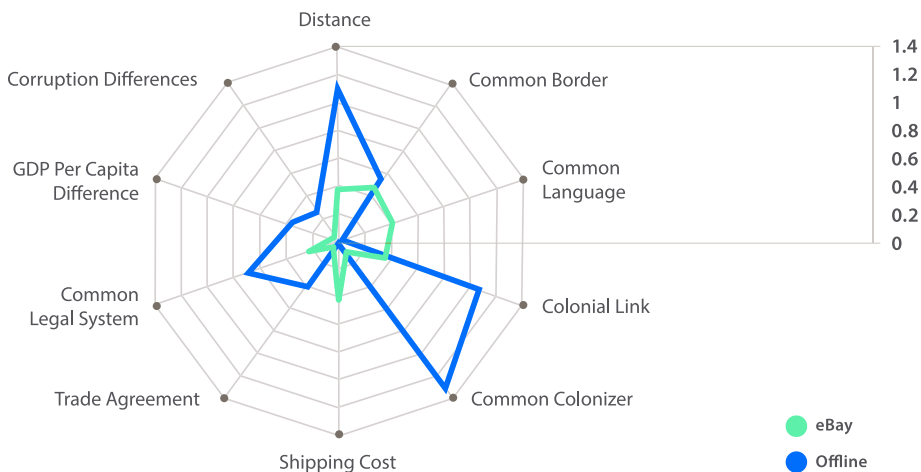


Figure 1.0
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Most Trade Costs Matter More Offline Than Online¹³

Figure 1.0, which was developed by Olarreaga (2012) as part of an initial study of the trade activity of eBay Commercial Sellers, represents the various factors studied as part of a distance analysis of trade on the eBay platform. The transaction costs studied included traditional trade costs such as shipping costs and absence of a common language, as well as a range of traditional institutional differences between countries. The analysis determined that all the traditional trade costs and institutional factors, with the two exceptions of shipping costs and no common language, matters less for eBay-based trade than they do for offline trade. However, shipping costs and the lack of common language between buyer and seller are two barriers to cross border commerce impacting online businesses, especially small online businesses.

The Four Building Blocks of the Global Empowerment Network

01

Connectivity to the global Internet at low cost and without gatekeepers

02

Global platform-based marketplaces

03

Global payment services

04

Efficient, modern and “connected” package-level logistics and delivery services

We have coined the term Global Empowerment Network to describe this model. The Global Empowerment Network combines a set of services and conditions that contribute to an emerging borderless system, which enables new forms of economic activity. This system of building blocks is presenting an alternative business model to independently reach consumers on a global scale. While in no sense does MSME access to Global Empowerment Network services completely nullify the challenges of being MSMEs attempting to compete in global markets, the efficiencies created by these technology based platform services have significantly reduced the cost of MSME exporting.¹⁴ The rate of exporting by MSMEs using the platforms has consequently increased dramatically.

Micro-Multinationals in Every Community

In 2005, then University of California, Berkley economist Hal Varian wrote a groundbreaking piece in the New York Times about a new trend whereby small businesses were leveraging technology, particularly the Internet, to locate employees and access customers around the world.¹⁵

Professor Varian coined the term “micro-multinationals” to describe this new phenomenon. But, notably, Professor Varian’s article did not have much data to back it up and instead relied upon case studies, describing a future where this emerging trend would become commonplace. The data analysis contained in this report provides evidence that Professor Varian’s 2005 prediction is being realized by MSMEs using global commerce platforms to directly engage with consumers on a global scale. Micro-multinational exporters are now a widespread phenomenon.

The next section will use the findings from the eBay Marketplaces data to illustrate the level of export activity by eBay Commercial Sellers across the United States, and contrast the data with traditional business activity where available.

StereoBuyers

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Adam Wexler

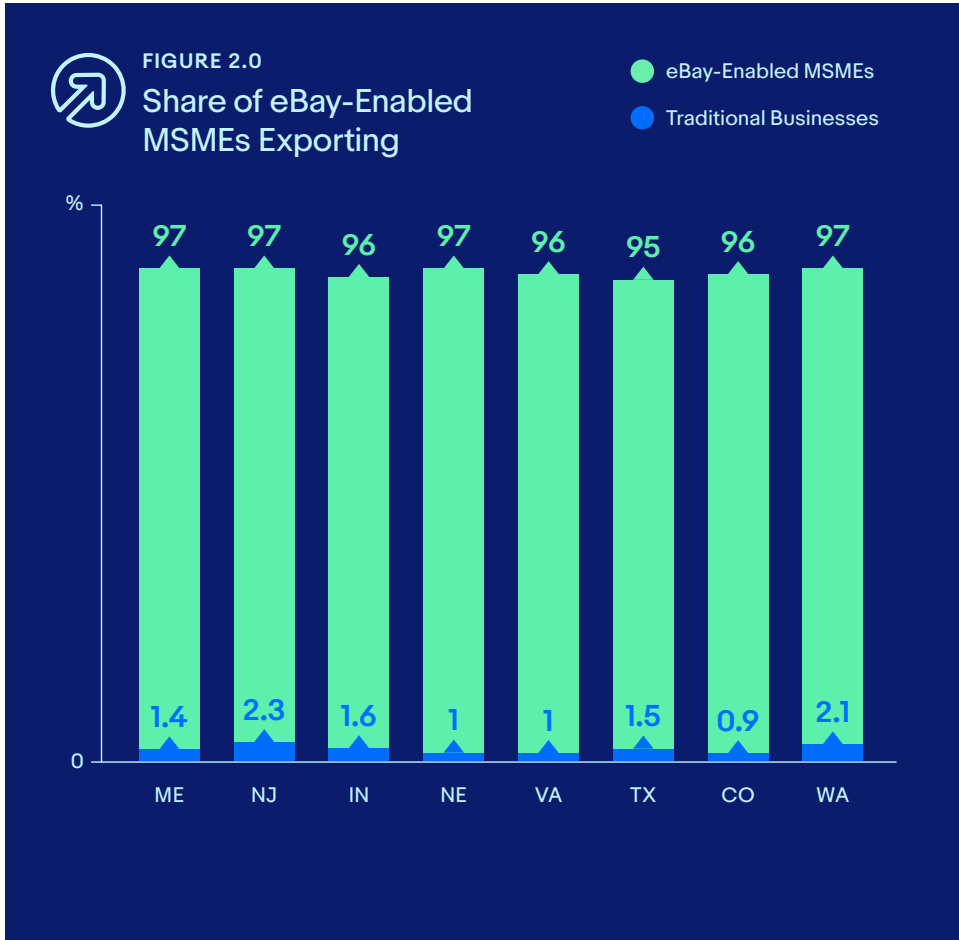
NEW YORK, NY

StereoBuyers, known to its eBay customers as High End Audio Auctions, is a locally owned, family-run business focused on buying and selling High-End pre-owned HiFi audio equipment. The seed of StereoBuyers was planted in the mid 1990s. As a college student, Adam wanted a high end stereo, but could not afford one. That’s when he got the idea to buy and sell stereo equipment that had been traded into a local HiFi shop. After graduation, Adam continued to run StereoBuyers part time until 2009, when he left his full-time job a one of Manhattan’s top high-end AV salesmen and designers to pursue the business full-time. In 2012 Hurricane Sandy completely wiped out Adam’s business and putting his warehouse and products in 7 feet of water. Luckily, through hard work and determination, Adam and the StereoBuyers team were able to build themselves back up. StereoBuyers exports about 30% of its products.

eBay Small Businesses and Entrepreneurs Across America Export to the World

Share of eBay-Enabled MSMEs Exporting

The share of eBay-enabled MSMEs that export is the clearest and most striking data point that illustrates the impact and reach of global commerce platforms in comparison to the traditional model of trade. In the United States, 96% of eBay-enabled MSMEs are exporters. At the state level, the share of eBay-enabled MSMEs that export ranges from 93% in one state to 97% in 12 states. This completely dwarfs the share of traditional businesses in the United States that serve customers in foreign markets, which census data reveals to be only 1%. At the state level, the export activity of traditional businesses ranges from a low of 0.7% to a high of 2.4%.¹⁶



ATR Computers

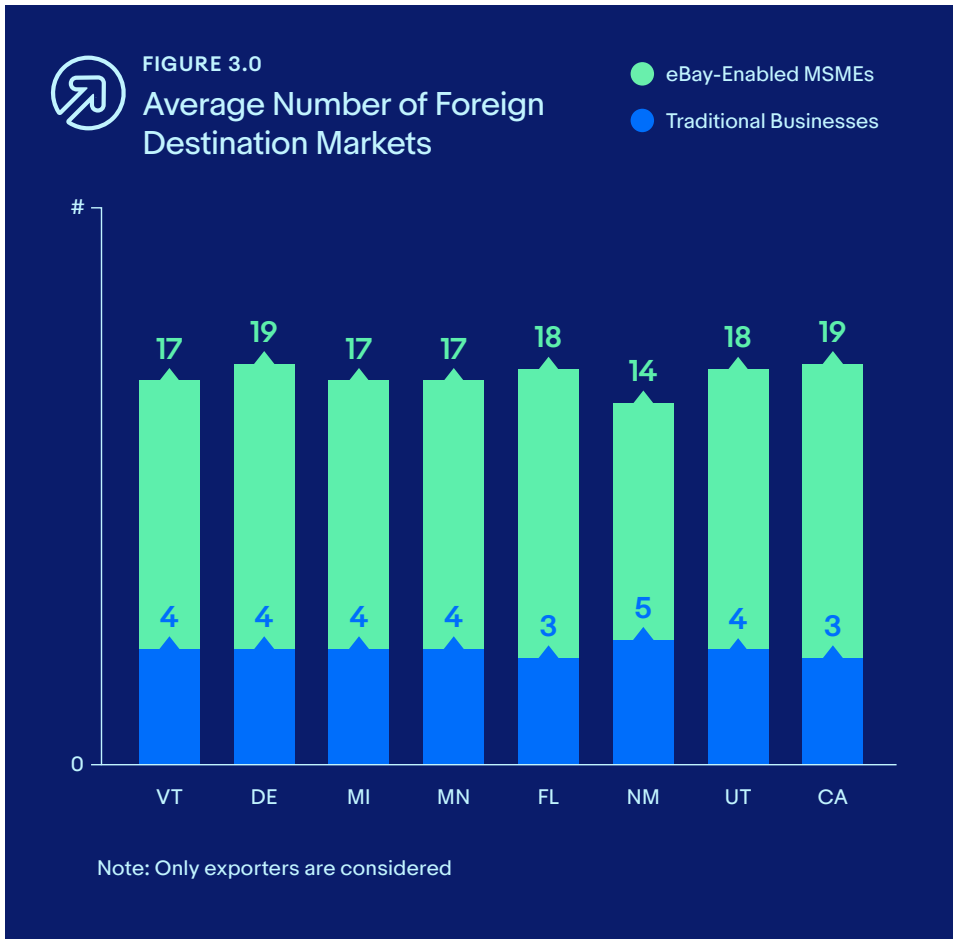
Frederick Krause

FLINT, MI

After working for General Motors for 30 years, Frederick Krause retired to start his own brick and mortar computer repair shop, ATR Computers, in 1999. Competition was fierce and it was difficult to keep the company afloat solely through brick and mortar sales, so Fred decided to sell some of his items on eBay. He now credits the move to online retail with saving his business. Since 2005, ATR Computers has experienced steady growth. Along with domestic growth, Fred has ventured into international sales. ATR Computers exports about 30% of total sales to customers as far as Trinidad, Nigeria and Saudi Arabia. Since Flint, MI was hit particularly hard by the economic downturn, Fred is glad to be able to provide steady employment for a number of people in his local community.

Average Number of Foreign Destination Markets

The average number of foreign markets reached on an annual basis provides a key measurement of export activity and market diversity. It is generally believed that businesses considering exporting to a new country market face costs of entry, and therefore expanding their business by exporting to more country markets leads to higher entry costs.¹⁷ Escalating entry costs leads to the presumption that smaller firms will tend to export to fewer countries. However, when examining the figures for eBay-enabled MSMEs we see a powerful testament to how the eBay bridges distance for small enterprises and provides access to markets that were unreachable through the traditional model of trade. The eBay-enabled MSME average across the United States is 17 different export markets and the range amongst states runs from 12 to 19. In contrast, traditional businesses across the United States reach an average of only 4 markets. The state-by-state average of export markets reached by traditional businesses is just 3 to 5 export markets.¹⁸



Gongs Unlimited

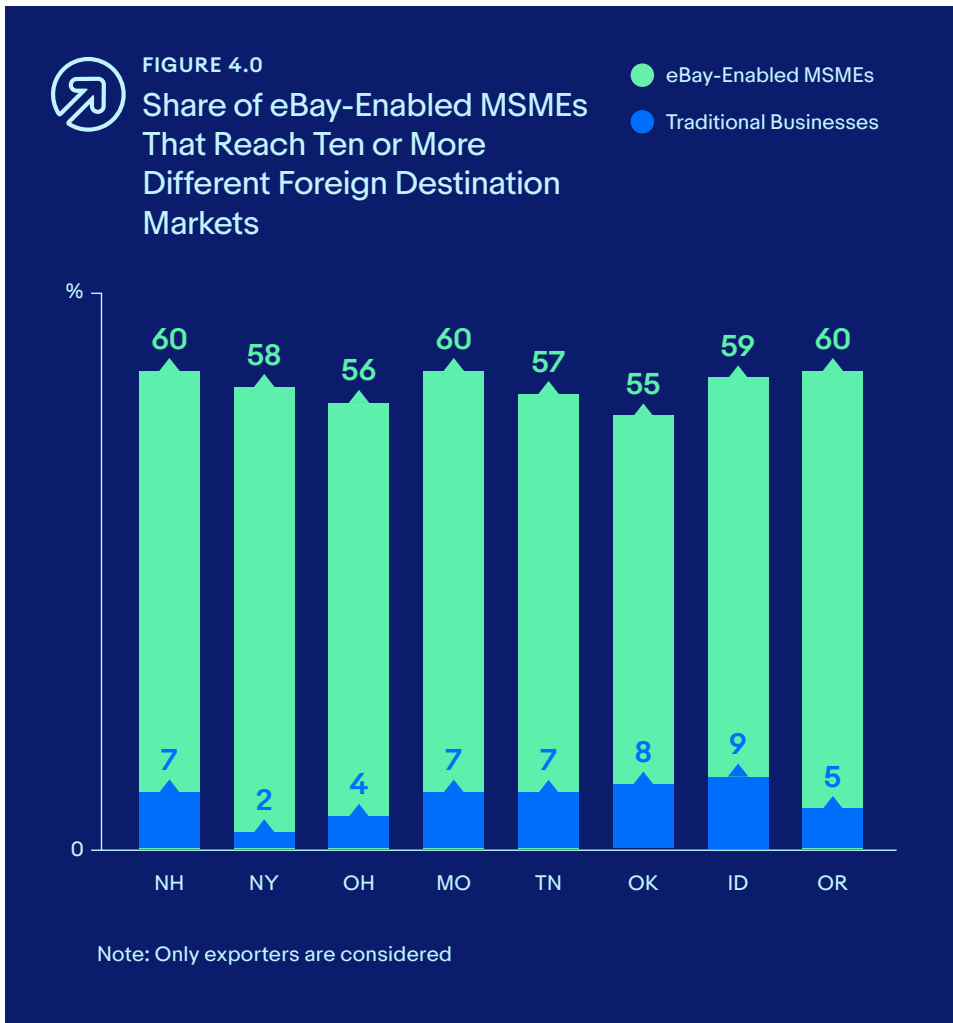
Andrew Borakove

LINCOLN, NE

Andrew Borakove, owner of Gongs Unlimited, launched his own business in 2004. At the time, he was working in Hollywood as a comedy writer, and decided to try his hand in online retail. While sitting at the beach, he came up with the idea of selling gongs. Shortly thereafter, he began selling gongs online to customers around the world. Since it would be difficult for a brick and mortar store to support such a niche product, the online marketplace has been essential to Andrew's success. Gongs Unlimited sells about 20% of its products internationally. Andrew enjoys steady growth in his business, allowing him to not only hire local members of his community, but also to enlist local tradesmen to make gong stands and other items. Andrew is very involved with his community as a member of ABLE (The Association of Business Leaders and Entrepreneurs) in Lincoln.

Share of eBay-Enabled MSMEs That Reach Ten or More Different Foreign Destination Markets

As another measurement of the scale of eBay-enabled MSME exporting activity, we calculated the share that exported to 10 or more country markets in 2016. As with the previous data point, our findings show that eBay-enabled MSMEs defy the concept that entry costs are a barrier to exporting to additional countries. U.S. Census Bureau data indicates that 8% of all U.S. exporters¹⁹, not just small businesses, reach ten or markets per year. This share is significantly lower than the 58% of eBay-enabled MSMEs in the United States reaching ten or more markets. The rates at the state level range from a low of 47% to a high of 62% for eBay-enabled MSMEs in 2016, far exceeding the range of 1% to 14% in the traditional economy.²⁰ Traditional commerce is shaped by a small percentage of large firms exporting to a few markets. eBay’s global platform empowers a multitude of MSMEs to reach a large number of markets.



Better Deals 123

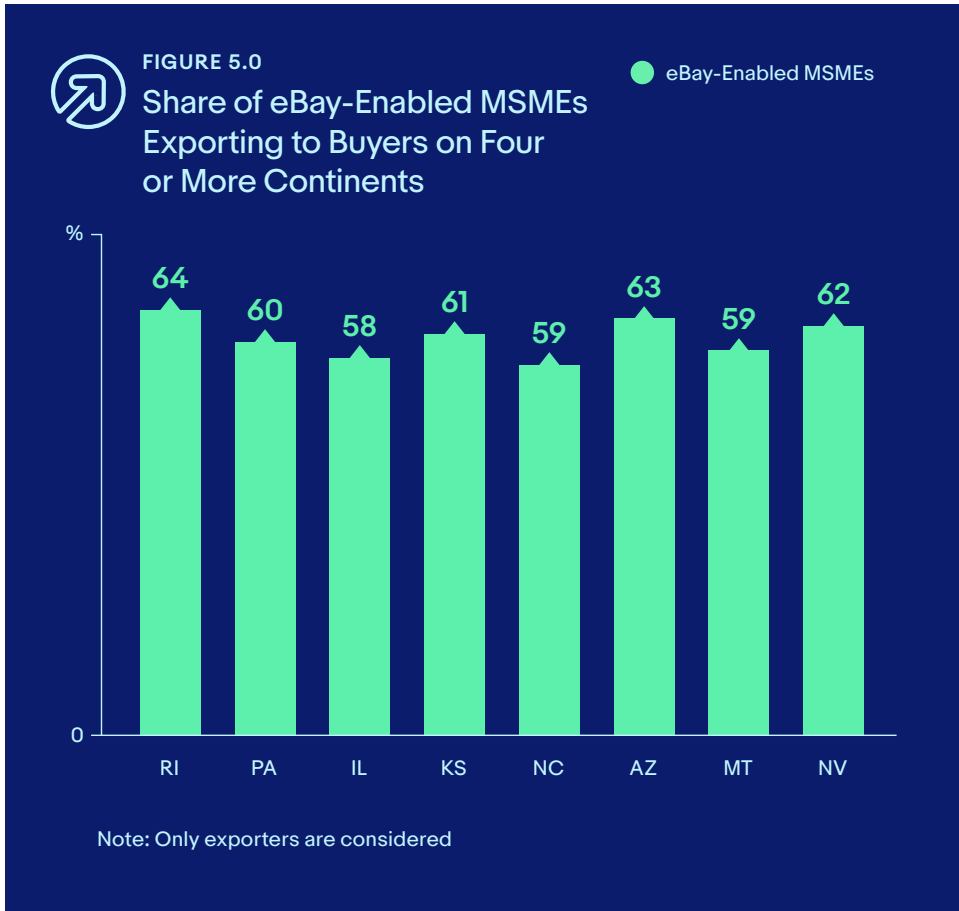
Bob Adams

WAKE FOREST, NC

In 2006, Bob Adams decided to fulfill his entrepreneurial dream and start his own business selling refurbished cell phones and accessories. At first, Bob’s family and friends were skeptical, however, in the past 8 years his business has experienced continual growth. His family and friends’ skepticism has quickly turned into acceptance and curiosity, as well as a desire to delve into the world of selling online themselves. Bob enjoys sharing his knowledge of the online sales market and has helped friends find similar success. The eBay platform has enabled Bob’s business to reach millions of potential customers around the world. Bob also works from home, creating his own schedule, and spending more time with his family. Today, Better Deals 123 is still a family-owned and operated business that prides itself on providing exceptional customer service. Better Deals 123 exports 15% of items to various countries around the world.

Share of eBay-Enabled MSMEs Exporting to Buyers on Four or More Continents

We have already established that nearly every eBay-enabled MSME is an exporter, these sellers have a customer base in an average of 17 foreign markets and the majority of these sellers reach ten or more foreign markets with their goods. In an effort to demonstrate that sellers are exporting beyond their region to a truly global set of customers, we have calculated the continental reach of these enterprises. Though a non-traditional measurement, it provides another example of the revolutionary scale and scope of exporting activity through a global commerce platform. For the purposes of this analysis, sales were designated to buyers on one of six continents: North America, South America, Europe, Asia, Africa, and Australia. When an eBay-enabled MSME exported to a buyer in a country on a continent, they were credited with an export to that continent. Additionally, when an export is made to a country on the same continent as the seller, that sale is counted as an export to that continent. (e.g. A sale from an eBay-enabled MSME in the United States to a buyer in Canada is an export to North America.) The report considers an eBay-enabled MSME with sales to four or more continents in a year to be a “Global Seller”. The national average of eBay-enabled MSMEs in the United States in 2016 that were Global Sellers was 61%. The range achieving Global Seller designation among the states was from 48% to 65%. The data makes clear that nearly the entire world comes within reach of technology-enabled firms.



G-Brats Guitars

Monique and Scott Robbins MIDLOTHIAN, TX

Before starting G-Brats Guitars, Scott and his wife worked in the corporate world for three decades building other peoples’ dreams. In 2003 Scott began the pursuit of his own dream and started selling some guitars on eBay as a side gig and thus G-Brats Guitars was born. With the hopes of one day growing this into a full-time business venture, he continually reinvested all profits back into the business. Finally in 2005, compelled by his success and an unexpected layoff from his job, Scott decided to turn his hobby into a real business. Today Scott and Monique, Scott’s wife, run the business together. Scott, who is a guitar artist himself, holds a Bachelor’s in classical guitar from Hartt College and went on to study at the Guitar Institute of Technology and Monique is also a performance artist. Their business success is fueled by the personal connection and extensive knowledge of their products. Their background and personal dedication makes G-Brats Guitars a trusted name on the Internet and in their local community. From time to time they are able to hire local students who are strapped for cash and need to earn some money to get through their school year. G-Brats Guitars services people locally through its boutique brick and mortar store, but thanks to the Internet, is also able to reach customers nationwide and even worldwide. In fact, about 40% of sales are international. Whether it’s locally or globally Scott and Monique love sharing their passion for music and guitars with their customers and hope to continue to grow the business in the future.

Policy Recommendations

The Internet has opened up a world of opportunity for businesses of all sizes across America and around the globe. eBay is committed to providing small businesses with the means and opportunities to grow their operations and create wealth in their own communities. The below policy recommendations will work to drive even greater economic growth among small American businesses that use the Internet to export:

Increase Low Calue Customs “De Minimis” Thresholds Across the Globe

eBay supports U.S. Government efforts to build off of the successes achieved in the Trade Facilitation and Trade Enforcement Act, which increased the U.S customs de Minimis threshold from \$200 to \$800, and work with trading partner nations to increase their low value customs de Minimis thresholds. Expanding de Minimis thresholds promotes trade and economic opportunities for MSMEs by reducing the time, cost, and uncertainty of moving the packages of technology-enabled MSMEs across borders.

Modernize Postal Systems to Support Small Business Digital Trade

Postal services have largely been developed for domestic letter transmission; however, today’s postal networks are a critical piece of the logistics chain for small Internet-enabled exporters and increasingly valuable as an economic and trade facilitator for MSME traders. The U.S. Government should work collaboratively with trading partners to update global postal systems. Simplification, modernization, and international harmonization of national postal services, as well as more robust cooperation with private shippers, will promote greater and more broad-based MSME commerce opportunities.

Promote the U.S. Standard of Intellectual Property Law in Trade Agreements

The principle that Internet service providers are not held liable for the unlawful actions of their users if they do not have knowledge of the offenses has been engrained in U.S. law. Unfortunately, not all foreign legal regimes have these important protections. Trade agreements can be used to harmonize liability regimes in a manner that encourages countries to adopt policies that support MSME e-commerce and opportunity. Additionally, regulators must prevent protectionist bans on sales via online marketplaces and search restrictions forced upon retailers seeking to sell legitimate products on the Internet.

Ensure a Free and Open Internet

The open Internet is integral to the continued ability of small businesses to gain from the global opportunities that the Internet offers. Policymakers should support the continued expansion of access to the open, global Internet, as well as global commerce platforms and intermediaries that connect entrepreneurs and technology-enabled MSMEs with international markets. Clear rules must be implemented globally to ensure open cross-border data flows and access to foreign markets.

Explore Flexible International Regulatory Cooperation Solutions

The emergence of micro and small businesses as global traders is a highly inclusive and growth-positive economic development that should not be undermined by outdated national regulatory models. Policymakers should explore non-national legal instruments to promote consumer protection in a manner that welcomes MSME traders into the global commerce regime side-by-side with established global companies.

Provide Coordinated Export Promotion Assistance to Internet-Enabled MSMEs

Establish public-private initiatives to increase information and export resources for small businesses (e.g. incorporate curriculum/training into existing MSME development programs), better coordinate federal, state and local export programs, and partner with companies like eBay to support smaller existing or potential exporters, including veteran, minority and women-owned small businesses.

ebay

Appendix

Figure 2.0

Share of eBay-Enabled MSMEs Exporting

The eBay data reflects the share of 2016 eBay-enabled MSMEs (those with \$10,000 USD or more in sales annually on the eBay Marketplace) in each state, who exported in that year.

Traditional Business Source

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Source for total number of exporters: State 2015 Data: Special query prepared by and purchased from US Census. US 2015 Data: US Census - Profile of U.S. Importing and Exporting Companies, 2014-2015 - Exhibit 4a, General - <https://www.census.gov/foreign-trade/Press-Release/edb/2015/index.html>, Specific - <https://www.census.gov/foreign-trade/Press-Release/edb/2015/exh4a.pdf>

Source for total number of companies that have at least one employee in addition to the owner (2015): US Census, 2015 SUSB Annual Data Tables by Establishment Industry - https://www2.census.gov/programs-surveys/susb/tables/2015/us_state_totals_2015.xlsx

State/US data: https://www2.census.gov/programssurveys/susb/tables/2015/us_state_totals_2015.xlsx

Source for total number of companies that have no employees (2015): US Census, Nonemployer Statistics: 2015 - <https://www.census.gov/data/datasets/2015/econ/nonemployer-statistics/2015-ns.html>

Share = (total number of exporters) / ((number of employing companies) + (number of non-employing companies))

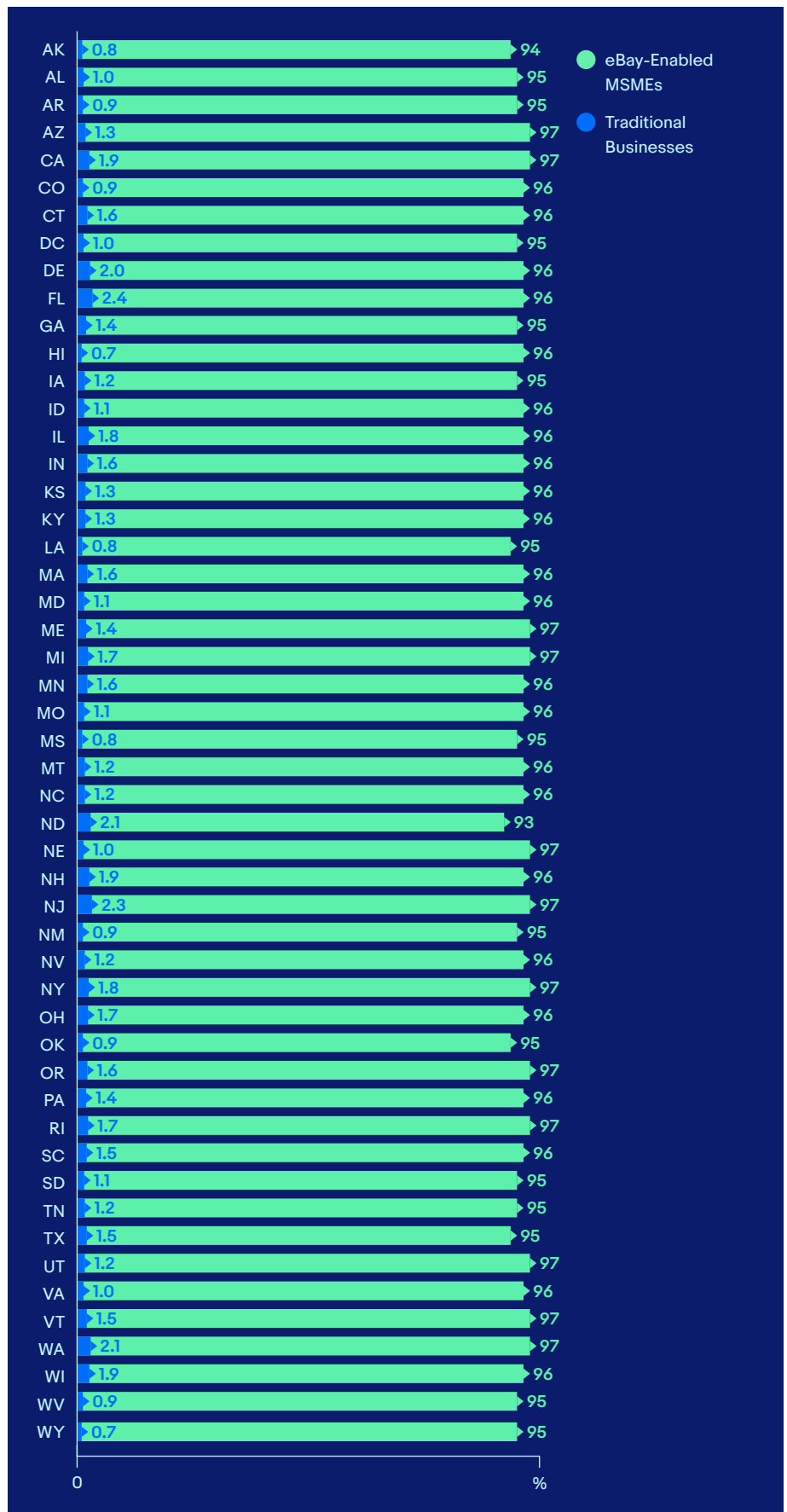


Figure 3.0

Average Number of Foreign Destination Markets

The eBay data reflects the average number of different foreign markets reached by 2016 eBay-enabled MSMEs (those with \$10,000 USD or more in sales annually on the eBay Marketplace) in each state who exported in that year.

Traditional Business Source

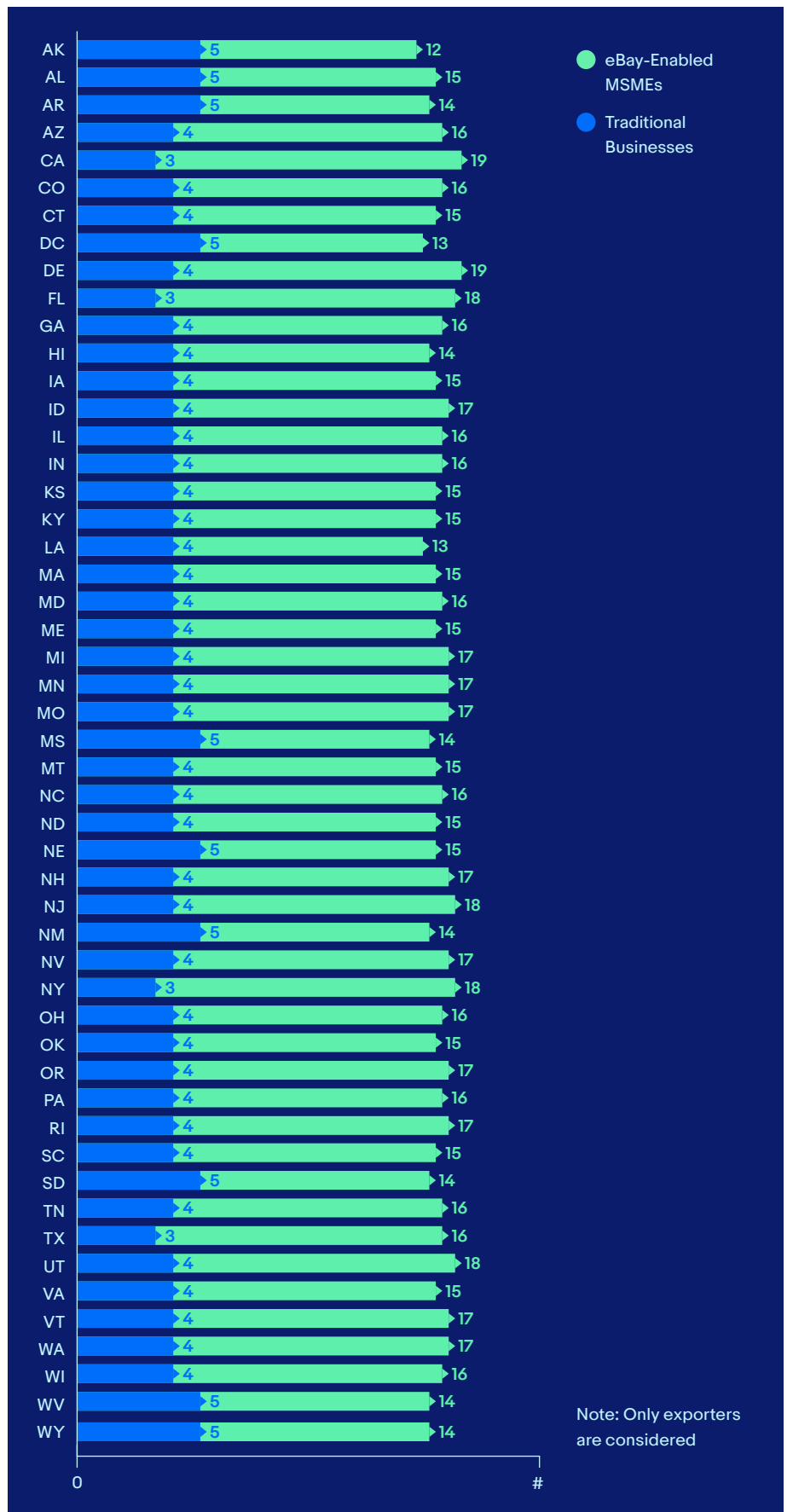
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Source for (i) Number of firms that trade with 1 to 5 countries; (ii) Number of firms that trade with 6 to 9 countries; (iii) Number of firms that trade with 10+ countries: State 2015 Data: Purchased US Census Data. US 2015 data: Profile of U.S. Importing and Exporting Companies, 2014-2015, Exhibit 4a:

<https://www.census.gov/foreign-trade/Press-Release/edb/2015/index.html>

<https://www.census.gov/foreign-trade/Press-Release/edb/2015/exh4a.pdf>

Average number = ((number of firms that trade with 1 to 5 countries)*3 + (number of firms that trade with 6 to 9 countries)*7.5 + (number of firms that trade with 10+ countries)*15) / ((number of firms that trade with 1 to 5 countries) + (number of firms that trade with 6 to 9 countries) + (number of firms that trade with 10+ countries))



Note: Only exporters are considered

Figure 4.0

Share of eBay-Enabled MSMEs That Reach Ten or More Different Foreign Destination Markets

The eBay data reflects the share of exporting 2016 eBay-enabled MSMEs (those with \$10,000 USD or more in sales annually on the eBay Marketplace) in each state, who exported to 10 or more different foreign markets in that year.

Traditional Business Source

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Source for Number of firms that trade with 10+ countries: State/County 2015 Data: Purchased US Census Data. US 2015 data: Profile of U.S. Importing and Exporting Companies, 2014-2015 - Exhibit 4a, <https://www.census.gov/foreign-trade/Press-Release/edb/2015/index.html>

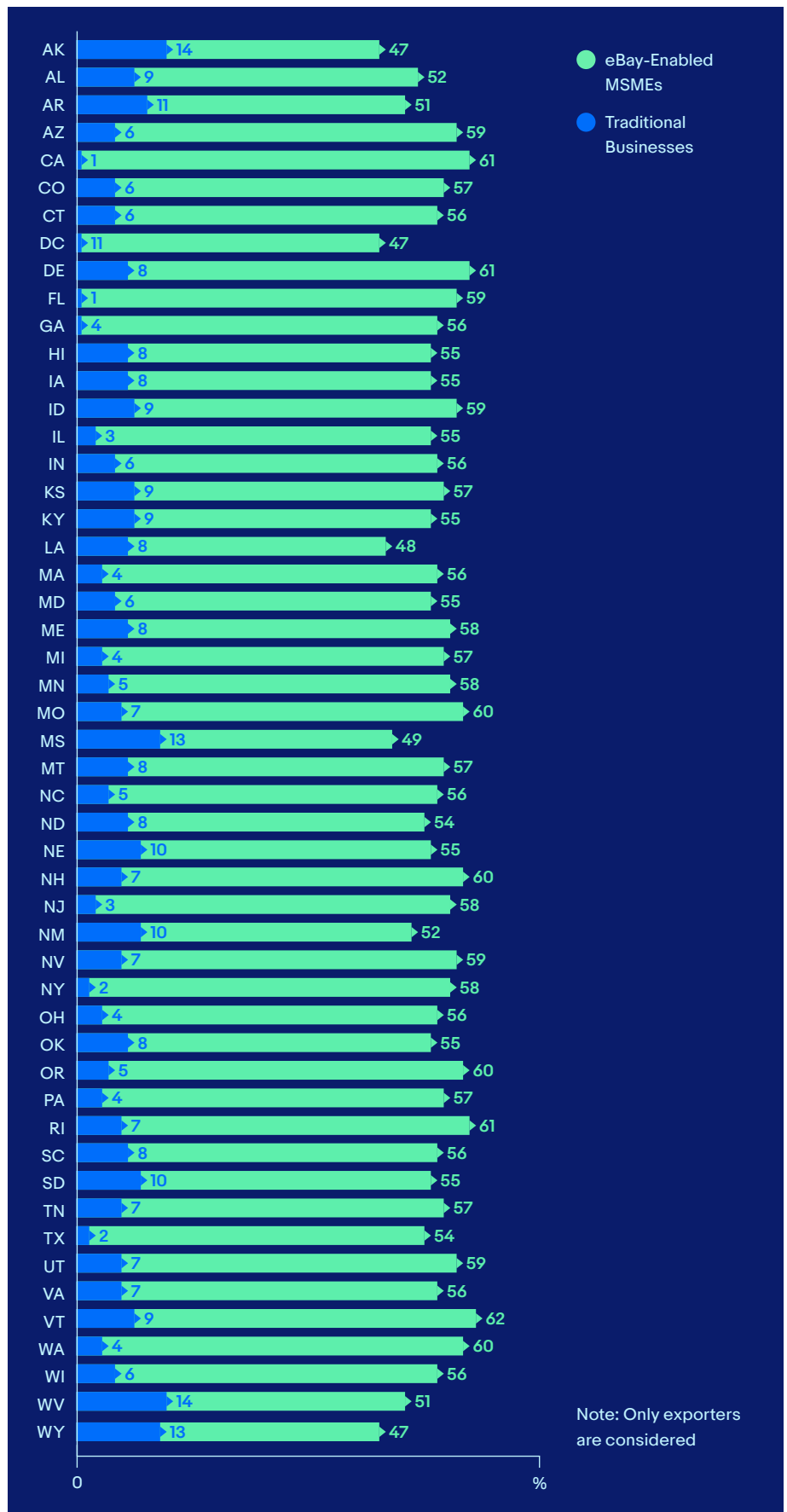
<https://www.census.gov/foreign-trade/Press-Release/edb/2015/exh4a.pdf>

Source for total number of companies that have at least one employee in addition to the owner (2015): US Census, 2015 SUSB Annual Data Tables by Establishment Industry - <https://www.census.gov/data/tables/2015/econ/susb/2015-susb-annual.html>

State/US data: https://www2.census.gov/programs-surveys/susb/tables/2015/us_state_totals_2015.xlsx

Source for total number of companies that have no employees (2015): US Census, Nonemployer Statistics: 2015 - <https://www.census.gov/data/datasets/2015/econ/nonemployer-statistics/2015-ns.html>

Share = (number of firms that trade with 10+ countries) / ((number of employing companies) + (number of non-employing companies))

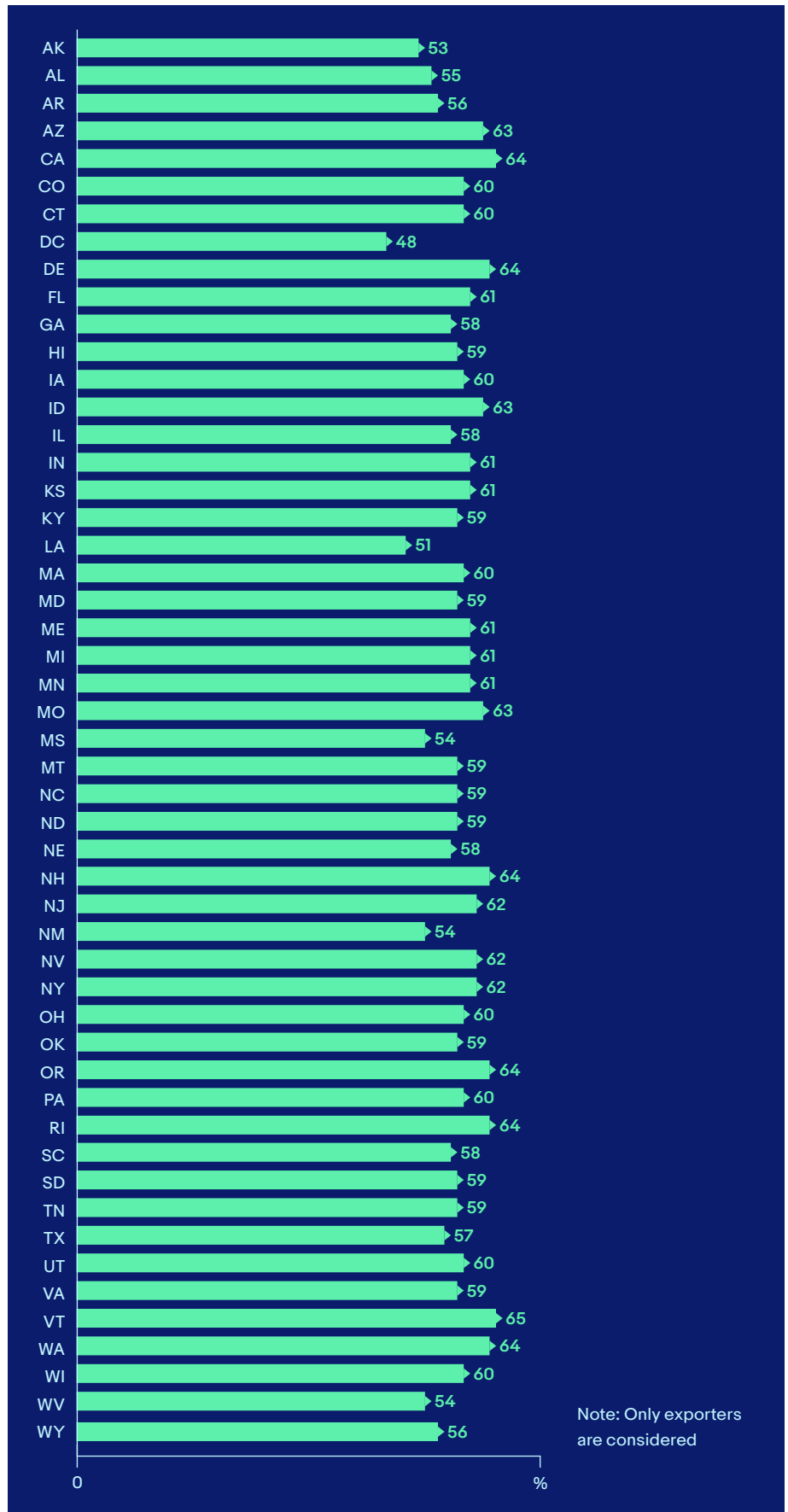


Note: Only exporters are considered

Figure 5.0

Share of eBay-Enabled MSMEs Exporting to Buyers on Four or More Continents

The eBay data reflects the share of exporting 2016 eBay-enabled MSMEs (those with \$10,000 USD or more in sales annually on the eBay Marketplace) in each state, who exported to four or more continents in that year.



Resources

- ¹ Although there is no single standard, small businesses are generally considered to be firms of less than 500 employees, although a standard of 250 employees is not uncommon. A subcategory of micro enterprises is also commonly used, often representing firms with fewer than 10 employees, although again ranges vary but generally fall below 20 employees.
- ² The Bureau of Economic Analysis, housed within the US Department of Commerce, divides the country into eight regions for the purposes of collecting and analyzing data, available at: <http://www.bea.gov/regional/definitions/> Search “Regions”. The regions are based on similarities that exist across the states with regard to a number of socioeconomic characteristics. The list of the states in each region is available at: <https://www.bea.gov/regional/docs/regions.cfm>
- ³ What Companies Want from the World Trading System, SMEs in International Trade: The View from Developing Countries. http://www3.weforum.org/docs/WEF_GAC_Trade_II_2015.pdf
- ⁴ US Census Bureau, 2017, A Profile of U.S. Importing and Exporting Companies, 2014–2015. Available at <https://www.census.gov/foreign-trade/Press-Release/edb/2015/edbrel.pdf>
- ⁵ Gereffi, Gary, John Humphrey, and Timothy Sturgeon. 2005. “The Governance of Global Value Chains.” Review of International Political Economy 12 (1): 78–104. Available at http://www.fao.org/fileadmin/user_upload/fisheries/docs/GVC_Governance.pdf
- ⁶ See René A. Hernández, Jorge Mario Martínez and Nanno Mulder, Global value chains and world trade: Prospects and challenges for Latin America. ECLAC Books, No. 127 (LC/G.2617-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2014; and Kahn, Theodore, Antoni Esteveadeordal & Mauricio Mesquita Moreira. Bringing Down the Barriers: A Review of IDB Research on Trade Costs in Latin America and the Caribbean. Inter-American Development Bank. 2015. Available at: <https://publications.iadb.org/handle/11319/6974>
- ⁷ OECD, WTO, and World Bank Group (2014) Global Value Chains: Challenges, Opportunities, and Implications for Policy. Available at: https://www.oecd.org/tad/gvc_report_g20_july_2014.pdf
- ⁸ Slaughter, Matthew J. 2013. “American Companies and Global Supply Networks - Driving U.S. Economic Growth and Jobs by Connecting with the World.” Available at <http://businessroundtable.org/sites/default/files/BRT-SlaughterPaper-singles-Dec21.pdf>
- ⁹ Source for total number of exporters: State 2015 Data: Special query prepared by and purchased from US Census. US 2015 Data: US Census - Profile of U.S. Importing and Exporting Companies, 2014-2015 - Exhibit 4a, General - <https://www.census.gov/foreign-trade/Press-Release/edb/2015/index.html>, Specific - <https://www.census.gov/foreign-trade/Press-Release/edb/2015/exh4a.pdf>
- Source for total number of companies that have at least one employee in addition to the owner (2015): US Census, 2015 SUSB Annual Data Tables by Establishment Industry - <https://www.census.gov/data/tables/2015/econ/susb/2015-susb-annual.html>
- State/US data: https://www2.census.gov/programs-surveys/susb/tables/2015/us_state_totals_2015.xlsx
- Source for total number of companies that have no employees (2015): US Census, Nonemployer Statistics: 2015 - <https://www.census.gov/data/datasets/2015/econ/nonemployer-statistics/2015-ns.html>
- Share = (total number of exporters) / ((number of employing companies) + (number of non-employing companies))
- ¹⁰ Meltzer, Joshua. Supporting the Internet as a Platform for International Trade. The Brookings Institute. 2014. Available at: http://www.brookings.edu/-/media/Research/Files/Papers/2014/02/internet-international-trade-meltzer/02-international-trade-version-2_REVISIED.pdf?la=en
- ¹¹ World Economic Forum (2015) What Companies Want From the World Trading System. Available at http://www3.weforum.org/docs/WEF_GAC_Trade_II_2015.pdf
- ¹² OECD/ECLAC (2012) Latin American Economic Outlook 2013: SME Policies for Structural Change. OECD Publishing. Available at: http://repositorio.cepal.org/bitstream/handle/11362/14641/S2012085_es.pdf
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- ¹⁵ Varian, Hal. Technology Levels the Business Playing Field. The New York Times. August 25, 2005. Available at: http://www.nytimes.com/2005/08/25/business/technology-levels-the-business-playing-field.html?_r=0

¹⁶ Source for total number of exporters: State 2015 Data: Special query prepared by and purchased from US Census. US 2015 Data: US Census - Profile of U.S. Importing and Exporting Companies, 2014-2015 - Exhibit 4a, General - <https://www.census.gov/foreign-trade/Press-Release/edb/2015/index.html>, Specific - <https://www.census.gov/foreign-trade/Press-Release/edb/2015/exh4a.pdf>

Source for total number of companies that have at least one employee in addition to the owner (2015): US Census, 2015 SUSB Annual Data Tables by Establishment Industry - <https://www.census.gov/data/tables/2015/econ/susb/2015-susb-annual.html>

State/US data: https://www2.census.gov/programs-surveys/susb/tables/2015/us_state_totals_2015.xlsx

Source for total number of companies that have no employees (2015): US Census, Nonemployer Statistics: 2015 - <https://www.census.gov/data/datasets/2015/econ/nonemployer-statistics/2015-ns.html>

Share = (total number of exporters) / ((number of employing companies) + (number of non-employing companies))

¹⁷ For example, see Roberts, Mark J. and James R. Tybout. Directions in Development: What Makes Exports Boom? (Washington, D.C.: The World Bank, 1997a); Bernard, Andrew and Joachim Wagner. Export entry and exit by German firms. Review of World Economics (Weltwirtschaftliches Archiv), 137 (2001), 105-123.; Bernard, Andrew and J. Bradford Jensen. Entry, Expansion, and Intensity in the U.S. Export Boom, 1987-1992. Review of International Economics, 12 (2004b), 662-675.

¹⁸ Source for (i) Number of firms that trade with 1 to 5 countries; (ii) Number of firms that trade with 6 to 9 countries; (iii) Number of firms that trade with 10+ countries: State 2015 Data: Purchased US Census Data. US 2015 data: Profile of U.S. Importing and Exporting Companies, 2014-2015, Exhibit 4a: <https://www.census.gov/foreign-trade/Press-Release/edb/2015/index.html> <https://www.census.gov/foreign-trade/Press-Release/edb/2015/exh4a.pdf>

¹⁹ US Census Bureau, 2017, A Profile of U.S. Importing and Exporting Companies, 2014-2015, Exhibit 4a. Available at: <https://www.census.gov/foreign-trade/Press-Release/edb/2015/edbrel.pdf>

²⁰ Source for Number of firms that trade with 10+ countries: State/County 2015 Data: Purchased US Census Data. US 2015 data: Profile of U.S. Importing and Exporting Companies, 2014-2015 - Exhibit 4a, <https://www.census.gov/foreign-trade/Press-Release/edb/2015/index.html> <https://www.census.gov/foreign-trade/Press-Release/edb/2015/exh4a.pdf>

Source for total number of companies that have at least one employee in addition to the owner (2015): US Census, 2015 SUSB Annual Data Tables by Establishment Industry - <https://www.census.gov/data/tables/2015/econ/susb/2015-susb-annual.html>

State/US data: https://www2.census.gov/programs-surveys/susb/tables/2015/us_state_totals_2015.xlsx

Source for total number of companies that have no employees (2015): US Census, Nonemployer Statistics: 2015 - <https://www.census.gov/data/datasets/2015/econ/nonemployer-statistics/2015-ns.html>

Share = (number of firms that trade with 10+ countries) / ((number of employing companies) + (number of non-employing companies))

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