



Mid-2021 State of U.S. SMEs and International Trade

The pandemic and other global issues have had a large impact on small and medium-sized enterprises (SMEs) in 2020, which continued into 2021. Some companies saw sales slumps and employee layoffs while others benefitted greatly from increased online shopping.

To gain insight into the varying ways SMEs have adjusted to doing business thus far in 2021 and their plans for the rest of the year, DHL Express conducted a survey of its U.S. SME customers. Here are the key findings, compiled from the nearly 1,000 responses:

E-commerce growth continues even as economies open back up: 47% of respondents experienced an increase in e-commerce revenue in Q1 2021 compared to Q1 2020. Of the 47% of respondents who saw a YOY increase, 21% experienced a *significant increase*. Over one-third of respondents (37%) said their e-commerce revenue remained the same in Q1 2021 as it was Q1 2020 and only 16% saw a decrease in e-commerce revenue YOY.

Asia remains a top business target: Despite COVID-19 originating in China, 39% of respondents said Asia is the top priority region for their business the rest of 2021. In last year's survey, 32% selected Asia as their top priority region and in 21% selected Asia in 2019's survey. The continued year-over-year increase in confidence in Asia is likely due to the phased tariff agreement with China. Additionally, other countries in Asia, such as Vietnam and Japan, have emerged as top trade and manufacturing partners for U.S. businesses as a result of the U.S.-China trade war.



The USMCA has made a minimal impact: An overwhelming majority (88%) of respondents said their business has not experienced any changes when trading with Canada and/or Mexico since the U.S.-Mexico-Canada-Agreement (USMCA) was entered into force in July 2020. The agreement was expected to streamline trade between the three countries and boost e-commerce, among other things. However, after a year, it has an insignificant effect on how SMEs are conducting business with Mexico and Canada; only 12% of respondents said they've experienced less delays and/or lower costs (duties/taxes) when trading with our neighbors to the north and south.

COVID-19 continues to impact supply chains. Global supply chains are still feeling the effects of countries and economies shutting down during the height of COVID-19. Over half of the respondents (54%) said supply chain delays have been their biggest business challenge so far in 2021.

Staffing is not the biggest overall business challenge. Despite the national headlines about businesses across the country experiencing record talent shortages, 50% of the respondents said staffing is *not* a challenge. 30% said finding qualified talent is their biggest staffing-specific challenge, 12% said compensation/benefits and 8% said retention.

Seamless logistics is top priority. Flawless shipping is so important to SMEs that 45% of respondents said they would even be willing to have all their texts and photos publicly leaked (hypothetically, of course) if it meant their business would never have to worry about shipping delays or issues. Note, this was a humorous question that was asked to gather data on how important flawless shipping is to SMEs.

Overall, the survey findings suggest that while SMEs are still feeling the impacts (both negative and positive) of the pandemic, they are continuing to invest in the growth of their businesses. Working with an experienced logistics partner like DHL, can help these SMEs navigate the



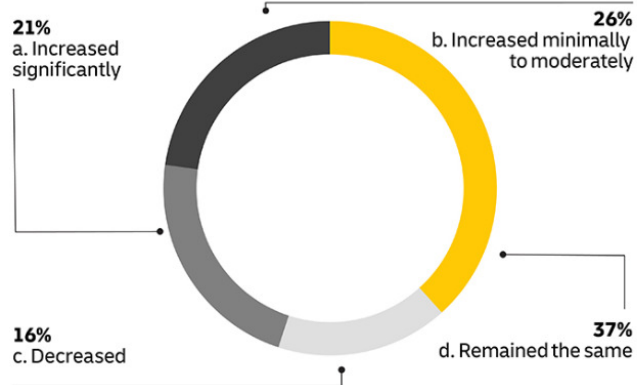
challenges outlined in the survey. DHL is dedicated to working closely with companies, and to creating custom-shipping solutions so they can begin or continue to expand their businesses beyond the U.S. borders.

See below for the full survey results. Follow @DHLUS on Twitter and Instagram for timely information and updates.

Survey Questions

CUSTOMER SURVEY

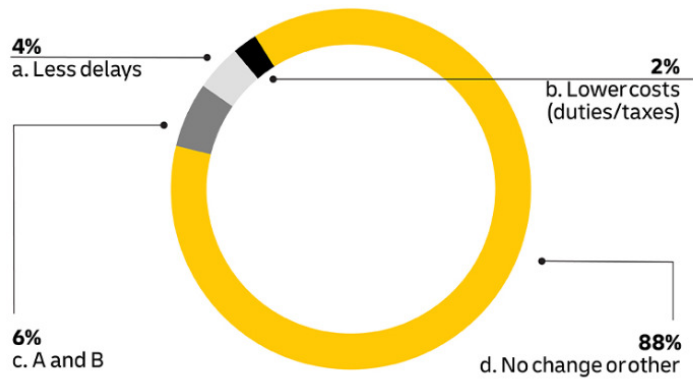
MY BUSINESS' E-COMMERCE REVENUE ___ IN Q1 2021 COMPARED TO Q1 2020.



Small Business Survey June 2021

CUSTOMER SURVEY

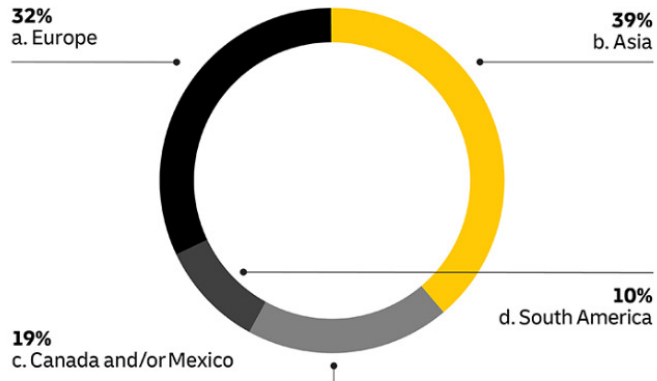
SINCE THE U.S.-MEXICO-CANADA AGREEMENT (USMCA) WAS ENTERED INTO FORCE IN JULY 2020, MY BUSINESS HAS EXPERIENCED ___ WHEN TRADING WITH CANADA AND/OR MEXICO.



Small Business Survey June 2021

CUSTOMER SURVEY

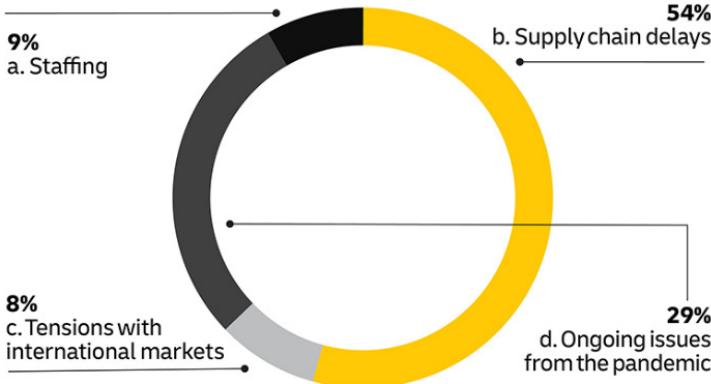
WHICH REGION OF THE WORLD IS THE TOP PRIORITY FOR YOUR BUSINESS FOR THE REST OF 2021?



Small Business Survey June 2021

CUSTOMER SURVEY

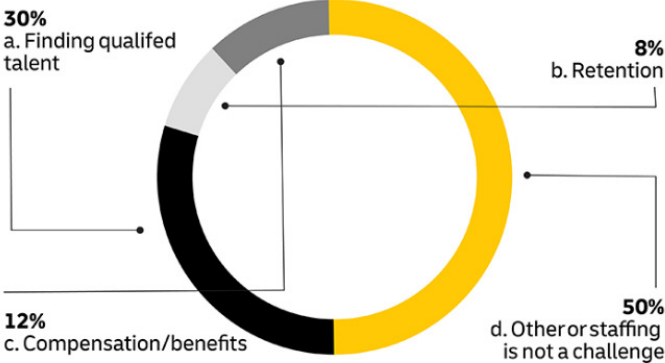
MY BIGGEST BUSINESS CHALLENGE SO FAR IN 2021 IS:



Small Business Survey June 2021

CUSTOMER SURVEY

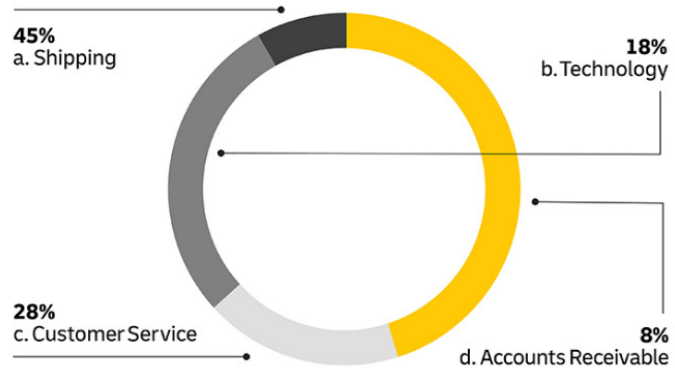
WHAT HAS BEEN THE BIGGEST STAFFING CHALLENGE FOR YOUR BUSINESS?



Small Business Survey June 2021

CUSTOMER SURVEY

I'D ALLOW ALL MY PHOTOS AND TEXTS TO BE PUBLICLY LEAKED IF IT MEANT FLAWLESS ___ FOR MY BUSINESS.



Small Business Survey June 2021