Commission report shows that SMEs stand to make significant gains from the Transatlantic Trade and Investment Partnership (TTIP) between the EU and the US

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The Transatlantic Trade and Investment Partnership (TTIP) has significant potential for small and medium sized enterprises, according to a report released in Brussels today. It presents the results of a survey of small and medium-sized enterprises (SMEs) carried out in 2014 on challenges they face when exporting to the United States. It also uses newly available data to look at the scale of exports by EU SMEs to the United States.

Cecilia Malmström, European Commissioner for Trade said: "Small and medium-sized enterprises are the backbone of the European economy. These companies will channel the benefits of TTIP back to their local communities. That's why the EU and the US are working to deliver an ambitious agreement that meets their concerns. This report helps us do that, by pointing out the concrete obstacles and the problems that we have to solve. This is one of the issues to be discussed when our negotiators are meeting this week."

Elżbieta Bieńkowska, Commissioner for Internal Market, Industry, Entrepreneurship and SMEs added: “SMEs stand to benefit most when we reduce non-tariff barriers and cut red tape. We are working on that in the EU Single Market and here we can see why it is so important to do the same thing in the TTIP negotiations.”

The report finds that SMEs are already big winners from transatlantic trade. 150,000 SMEs exported to the United States in 2012, accounting for 28% of all EU exports there. SMEs in sectors linked to food, beverages & agriculture; clothing, textiles & leather; as well as chemicals had an above-average share of EU exports.

However, the survey also shows that that EU SMEs see challenges in exporting to the US market, many of which can be eased by a TTIP agreement that is ambitious and comprehensive and maintains our high standards of regulatory protection. The issues raised include:

- Complying with technical rules and regulations for all goods, which is the most frequently cited issue;
- Accessing information about what regulation applies to their product. Close to a third of the respondents were unable to identify the actual source (i.e. the US federal government of US states) of the regulatory issue they face.;
- Being legally excluded from the market, as in many parts of public procurement;
- Compliance with customs rules, which can become very costly and act as de facto trade barriers;
- Differences in regulation between US states;

In addition to these cross cutting issues, the SMEs who responded to the survey raised sector-specific matters. This was particularly the case for food, beverages and agricultural products, pharmaceuticals, textiles, machinery and electrical equipment. When it comes to services, difficulties related to the movement of people to provide services were the most highlighted issue.

The report was carried out of the Commission's ongoing sustainability impact assessment of the TTIP negotiations. It is a joint project of the European Commission's Directorate Generals for Trade and for Growth.

Many of the challenges faced by SMEs when exporting to the US market could be eased by a TTIP agreement. The regulatory part of TTIP is precisely one of the points on the agenda of the 9th round of negotiations on TTIP that starts today in New York City. EU and US negotiators will consolidate their work in all three pillars of the negotiations (market access, regulatory cooperation and rules). In parallel, stakeholder events will take place on Wednesday and on Friday, lead negotiators will hold a press conference.

The full report is available here: http://trade.ec.europa.eu/doclib/docs/2015/april/tradoc_153348.pdf
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