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TTIP and SMEs

[Art. 4.1(b)]

DG TRADE
European Commission

Luxembourg - GR Business Days

18 June 2015

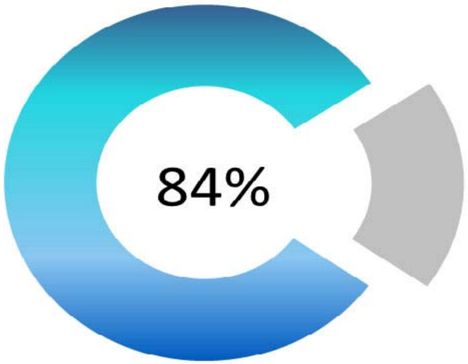
SMEs in the EU …

- over 20 million SMEs (99% of all EU companies)
- 67% of jobs
- 58% of gross value added
- created 85% of new jobs between 2002-2010

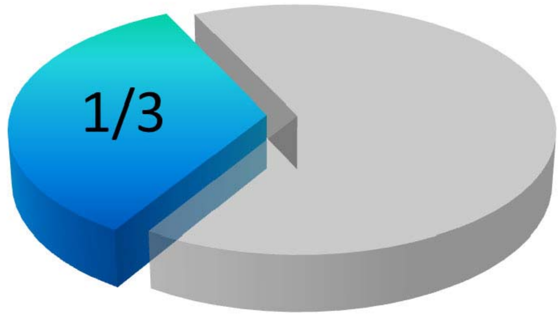
SMEs in EU exports worldwide: more important than you think

- Over **600 000 exporting SMEs**
- Over **€ 500 billion exports**
- Over **6 million jobs**

Shares of SMEs in total exporting firms



Shares of SMEs in EU total exports



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Total number and value of enterprises by size category, 2011

SMEs exporting Extra-EU

	1-9 empl. (Micro)	10-49 empl. (Small)	50-249 empl. (Medium)	250+ empl.	Unknown status	Total EU exporting firms	Share of exporting SMEs (0-249) to total exporting firms (*)
Number '000 (*)	353	187	74	23	122	760	81%
Value (billion euro) (*)	122	143	254	816	210	1,546	34%

(*) The Netherlands has been included in the 2011 totals although the latest year available was 2010.

The latest TTIP SME report

Published on 20 April 2015 on DG TRADE website

- Two parts:

  i. Trade by Enterprise Characteristics:
  EU SMEs participation in transatlantic trade, figures from EUROSTAT data

  ii. Survey of 2014 on Non-Tariff Barriers in goods and services issues raised by EU firms

EU SMEs participation in transatlantic trade

SMEs make up a significant proportion of EU goods' exports to the US:

88% of total number of EU exporting companies

28% of the total value of EU exports to US

*This means: **150 000 SMEs selling €77bn of goods to the US***

- **Italy - largest in numbers of exporting SMEs and among top 3 SME exporters to US in value terms (€11.2bn)**
- **Germany - ranked 3rd in numbers of exporting SMEs, 1st in export values to US**
- **Estonia - 65% of exports to US generated by SMEs**

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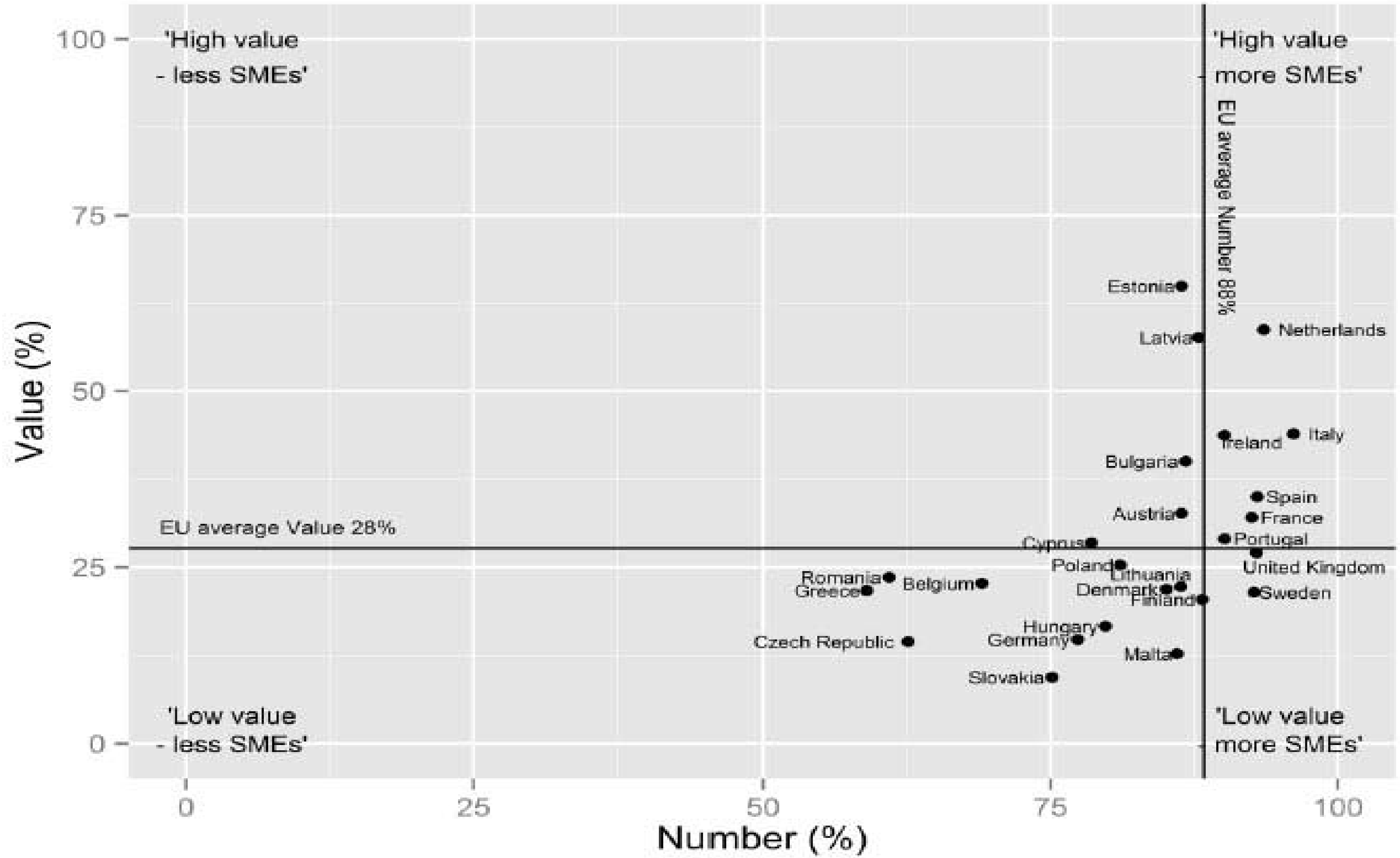
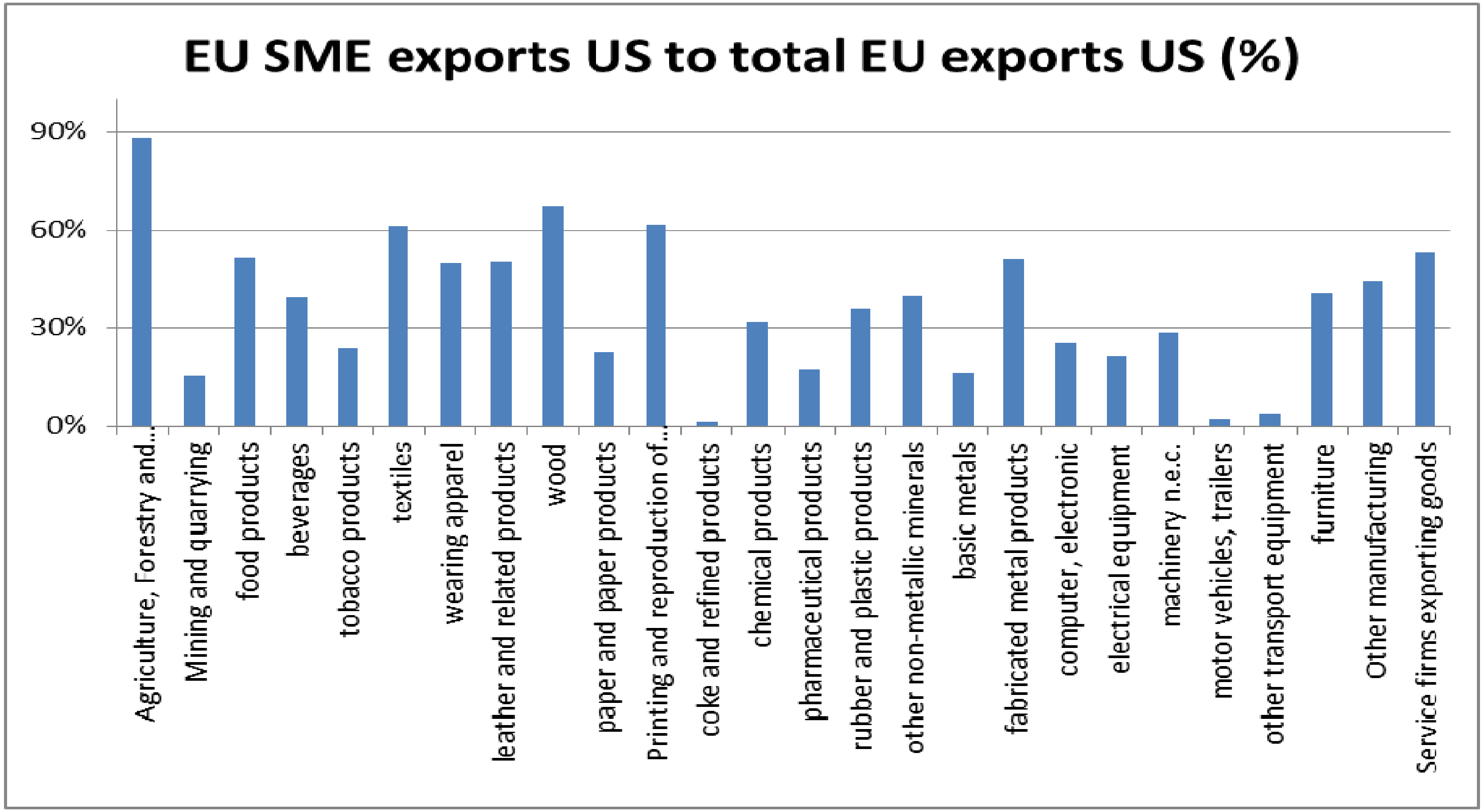
SME export performance: how many, how much?



SME sectoral participation in transatlantic trade



SME survey on Non-Tariff Barriers

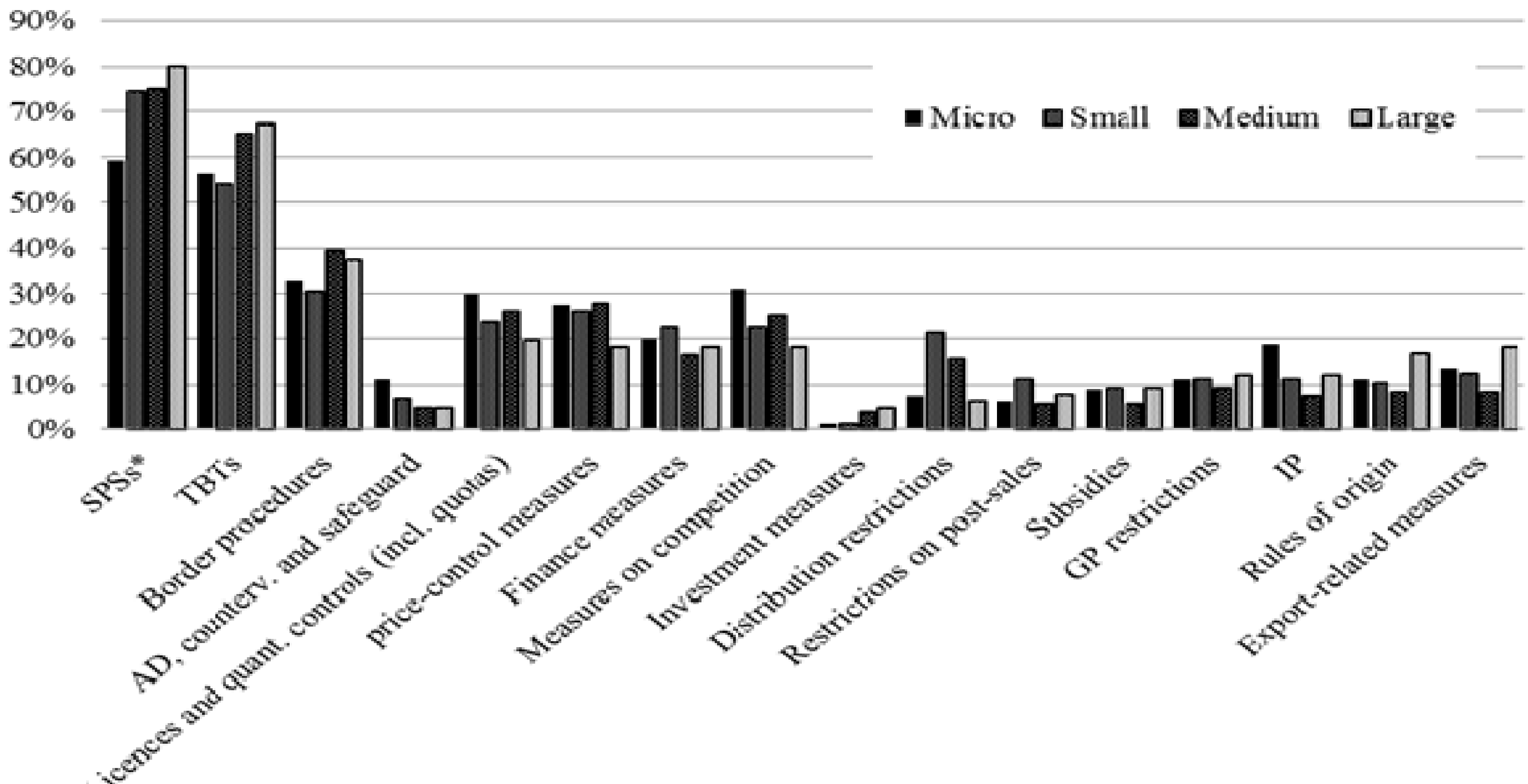
In the context of the TTIP Sustainability Impact Assessment 2014/2015

Questions on firm's characteristics and NTBs faced in both goods and services

Quantitative and qualitative replies

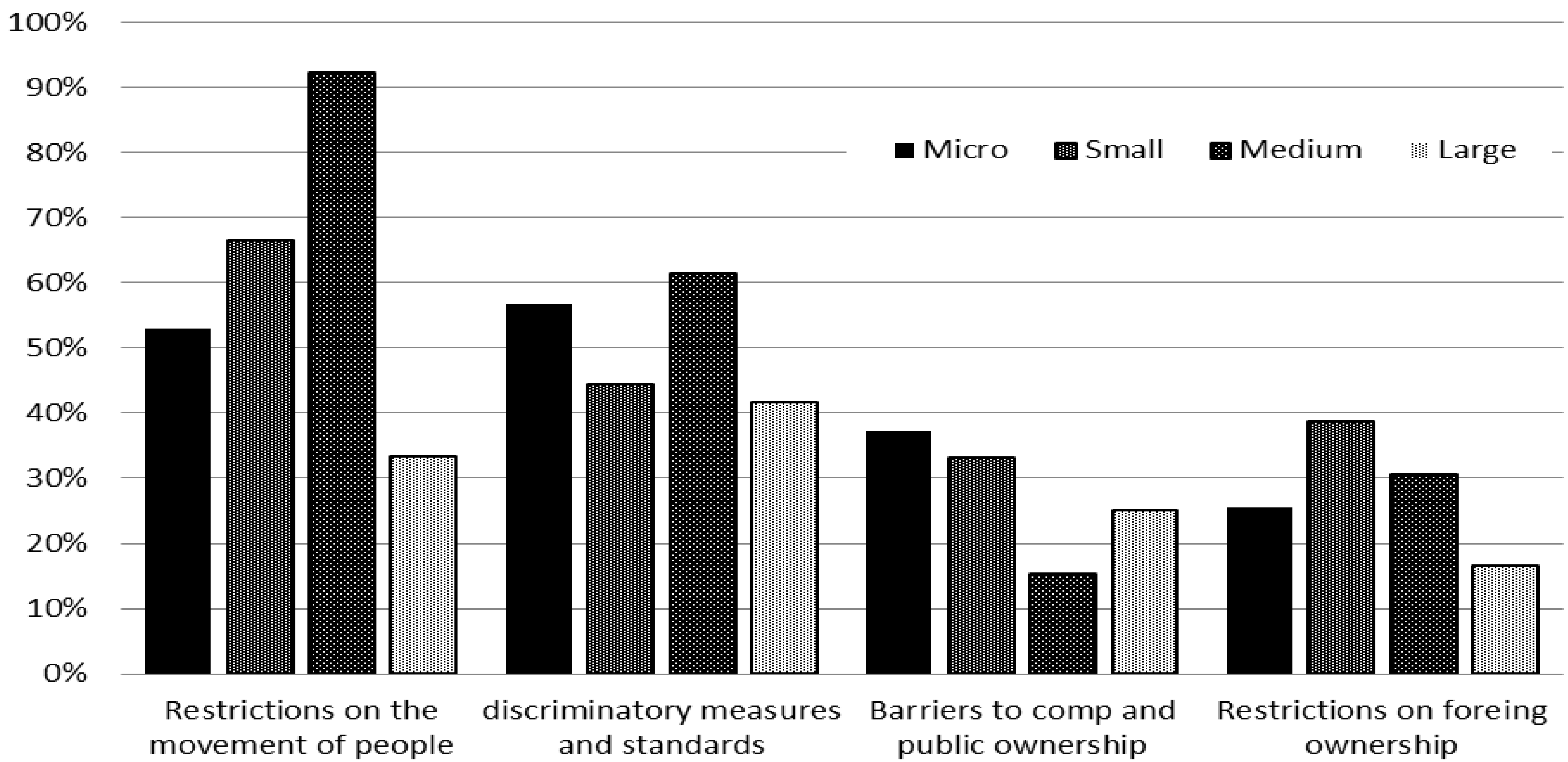
- Good response rate (on-line survey): sectors and countries
- 869 firms: exporters and non-exporters, SMEs and large firms

Results: distribution of NTB incidence



notes: * only for for exporters of Food, drink, animal feed and products that come into contact with food (e.g. packaging, cooking

Services NTBs



Sectoral issues: some examples

Food and beverages: SPSs but also issues with import licences, labelling and distribution (three tier system for wine)

Chemical, pharmaceutical and rubber products: conformity assessment, certification and inspections

Textile and leather: different systems of flammability requirements, tariffs etc.

Machinery, electrical, electronic and other transport equipment: standards and conformity assessment procedures (e.g. references to the private testing laboratories that carry out testing and set the standards for the same tests)

Services: movement of people (legal limits for staff to travel and on the duration of the stays in the US). This is very SME specific as most often they cannot rely on locally hired personnel.

Cross-cutting issues

Regulatory compliance - 30% of the issues raised, reason for not exporting for 27% of non-exporters.

Issues with differences in regulations across US states: "*do not know*" if the regulation is applied by the federal government or by US states (goods 33.8%, services: 45.8%).

Access to information (see high shares of "*do not know*")

Measures linked to crossing the border: inspections, delays, administrative burden (also to comply with RoO)

Rules affecting competition in the US market and financing of transactions (including insurance)

Intellectual property - GI and differences in patent systems

Public procurement - SMEs were actively responding

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Conclusions

- SMEs are more important than you think!
- Report confirms that Non-Tariff barrier act as an impediment to trade (provided more evidence)
- Harmonisation of rules and regulations could contribute to facilitating SMEs access to US market
- Survey outcomes will feed into the EU market access strategy

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According to latest data around 31.1 million jobs in the EU were supported by exports to the rest of the world, of which:

DE	7.060m jobs
UK	3.970m jobs
IT	3.134m jobs
FR	2.583m jobs
PL	1.970m jobs
ES	1.597m jobs

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Highest shares of jobs supported by exports

LU	30.6%
IE	26.1%
MT	21.4%
HU	21.2%
SE	19.0%
BG	18.6%

...and 60% were in services...



BG	21.2%	CZ	47.7%	LU	91.0%
RO	16.8%	IT	47.2%	CY	79.8%
PT	12.3%	SI	44.9%	NL	78.2%
PL	11.4%	DE	42.2%	MT	75.2%

1995 – 8.4% 2011 – 5.1%	1995 – 44.9% 2011 – 35.1%	1995 – 46.7% 2011 – 59.8%

… almost 1 in 4 were high skilled…

BG	74.7%	SK	82.9%	IE	42.3%
RO	74.1%	CZ	80.6%	LU	38.0%
PT	70.2%	PL	73.7%	FI	34.9%
MT	63.2%	HU	69.8%	ES	33.5%
EU	1995 - 37.5% 2011 - 25.4%	EU	1995 – 48.0% 2011 – 50.8%	EU	1995 – 14.4% 2011 – 23.8%

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…15% were supported by sales of goods and services to the US…

US		China		Russia	
IE	23.9%	FI	18.5%	EE	21.8%
ES	21.1%	NL	15.7%	SK	20.1%
UK	20.7%	DE	14.1%	LT	19.3%
NL	19.2%	AT	12.6%	PL	16.7%
EU	1995 – 20.5% 2011 – 14.6%	EU	1995 – 2.9% 2011 – 10.1%	EU	1995 – 7.0% 2011 – 6.2%

Thank you!