Summary

Meeting Etsy with Nele Eichhorn, Cabinet

Date: 15 October 2015
Place: Berlaymont building
Participants: Althea Erickson (Etsy, US), Nele Eichhorn (Cabinet), (DG TRADE)

Ms Erickson, Policy Director presented Etsy, an online platform for handmade and vintage goods. Etsy was founded in New York in 2005. The CEO of Etsy is a member of USTR's Industry Trade Advisory Committee on Small and Minority Business (ITAC11).

1.5 million sellers world-wide (1 million in the US) use the platform. In 2014 US$ 1.93 bn of goods were sold. Etsy charges for its services 20 cents per product and 3.5% of the transaction cost. The US is the largest market while the EU is the fastest growing one. Etsy regards the TTIP negotiations as crucial for establishing easier rules for a fast growing transatlantic e-commerce that in particular can benefit from new business opportunities.

US sellers are facing the following main challenges on the EU market:

- **VAT procedures and cost:** Thresholds should be harmonised. The thresholds will be raised in the US from US$ 200 to US$ 800, but the EU thresholds remain low.
- **Customs procedures and cost of import duties:** Sometimes clients receive an unclear note that they owe certain amounts to pick up a delivery, which can cause business relation problems.
- **Tracking of deliveries:** Sometimes no information is available for a product after it was handed over from the first to the next postal service.
- **Information about import formalities and consumer rights in the EU:** 32 million products are sold on the platform, but there is no product specific information available.

The discussion clarified that sellers save costs by using postal services which don't include the handling of customs and VAT. There are postal services which offer that for a fee, but this additional cost may make the product not competitive on the market (e.g. shipping costs of US$ 30 for a product of a similar amount). Etsy was informed that the negotiation of the TTIP SME chapter includes the provision of a website with information about import formalities etc., but the US side is hesitating to provide such comprehensive information on a single website. Etsy was encouraged to participate in the ongoing EU consultation on small package deliveries.

Etsy stands ready to gather testimonies or participate in seminars to demonstrate how TTIP could be useful in reducing red tape for micro-entrepreneurs.

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