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Sent: 03 March 2015 21:46
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Subject: Round table on TTIP and SMEs in Rome with IT deputy minister Calenda

Today I represented COM at a round table on TTIP and its benefits for Italian SMEs, organised in Rome by the national committee for artisans and SMEs (CNA) for their members.

Deputy Minister Calenda spoke for the government, the US was represented by the deputy ambassador to Italy and the CNA by its president. The debate was moderated by a journalist who steered discussions around key questions.

A lot of interest from the association, who did a survey of SMEs on export to US and is thinking about creating a small team in BXL to generate economic data to underline trade policy for SMEs. Calenda re-stoking early harvest Art. 4.3 and bashing Germany on ISDS. US on standard lines.

Details:

Is 2015 a credible deadline?

Calenda: I pushed for landing zones and early harvest, I was right. Package of tariffs, regco on 6 sectors where industry has joint proposals, procurement at federal level, energy and GIs. Leave out Jones Act and GMOs. Italian-sounding: a lot of fuss about it in Italy but it is not about everything with an italian name: just if an Asiago is made in the US it should say so clearly. CETA very good result on GIs. Problem is that US is privileging the TPP, and in EU FR and DE don't push for TTIP. DE is on a Art. 4.3 position on ISDS, it's about two standard limited clauses to protect against expropriation without compensation but since Vattenfall this is a big mess, and DE wants ISDS out of TTIP on grounds of right to regulate, but also wants to keep all its BITs that instead are much worse in this respect.

US: both TPP and TTIP are priorities, difficult to negotiate with 28 MS plus COM (?!), TTIP more challenging for us than TPP. Not in favour of early harvest, won't pass Congress. Hope to conclude soon, who knows, with two rounds in April and July we can make progress

COM: want to make progress but substance over time. 3 pillars to TTIP etc, need of balance. EU not divided, e.g. EUCO all leaders unanimously supported TTIP.

CNA: we like TTIP but want to see what's in it for us. Want to feed our contribution to Brussels

What's in TTIP for SMEs? Transparency?

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US: we want this agreement, good for SMEs, Atlantic Council shows that EU SMEs export more to US than the other way round. TTIP very transparent, we do stakeholder events. EU and US should lead globalisation.

COM: and we are. EU has ambitious trade agenda that will cover 2/3 of trade, active in Americas, Africa, Asia...FTAs bring partners to our level of openness and create level playing field. True that key issue is BRICS, they need to contribute to intl economy based on their new economic position, which is not the one of other DCs anymore.

TTIP is a way of leading globalisation e.g. in the rules area, including SMEs. EU very transparent, nearly all EU proposals online.

CNA: we did survey, SMEs care about tariffs, NTBs, but most of all need information, already hard to find out regulatory requirements for export to EU, let alone US. But there is desire to export.

How to increase SME exports? Quid made in?

Calenda: we want to have 20,000 company that export regularly, 70,000 occasionally. I took the export promotion people out of their offices and we bring them to road shows in every province, and give SMEs their own internationalisation coach. Export 2% last year, can go to 5%. International demand will double over the next years, great opportunities. Happy with COM doing all these agreements, could do do faster but it's good. Problem are other MS like DE. I need help of association like yours.

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US we have 5% growth, unemployment under 6%, and that's also thanks to export opportunities from trade.

COM trade is opportunity for growth especially when internal demand is slow. Future 90% demand outside EU. But trade is not only about export, GVCs, you need to import, contribution of services and innovation to keep strong manufacturing base and value added in Europe. Trade policy at EU level creates opportunities, but then needs MS and associations to help SMEs seize them.

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