



TTIP
is it good
for SMEs?

***The breakfast event
“TTIP: is it good for SMEs?”
was hosted on January 22nd
at the European Parliament by
Bernd Lange, Chairman of the
INTA Committee,
and organised by BUSINESSEUROPE***

Five entrepreneurs from across Europe, leading small companies active in different manufacturing and services sectors spanning from machinery to textiles, reported on their experiences and gave concrete examples as to why TTIP will improve the business environment, strengthening SME competitiveness and ultimately promoting better paid jobs if the right deal is achieved.



Markus Beyrer
Director General,
BUSINESSEUROPE

We trust the concrete examples presented by the SMEs entrepreneurs we invited will help dispel the myth TTIP will serve the interests of big corporations only. Micro, small and medium-sized companies are the ones that will benefit the most from the agreement.



Christian Diemer
CEO & General Partner,
Heitkamp & Thumann Group
(Dusseldorf, Germany)

The Heitkamp & Thumann Group is a leading global partner for the supply of world class precision formed components in both metal and plastic. Founded 1978, the Group today comprises more than twenty medium-sized companies located in 10 different countries. An ambitious and comprehensive transatlantic trade and investment agreement would not only have positive effects on our exports to the US but also strengthen the competitiveness of our global value chain. TTIP must include binding commitments to facilitate the entry of our employees to work on temporary assignments and collaborate with colleagues. Our innovation and economic growth depends heavily on the ability to move talented individuals to collaborate effectively across the Atlantic: it is now a huge problem to get work permits for technicians, tool makers and all specialists that provide the necessary support when establishing new businesses or launching a new production line.



Leonardo Levoni
Vice President of Elios
Ceramica SPA

We are a small company with 90 employees producing ceramic tiles. TTIP is important for many of the European ceramic companies, 80% of which are SMEs. Although my company has been on the US market since 1980, we have not been able to exploit the full export potential to the US due to various trade obstacles. For example, we face import duties between 8.5% and 10% on ceramic tiles. But we are not alone: peak tariffs for the ceramic and porcelain tableware sector can reach 28%. The company faces various non-tariffs barriers, like pest inspections at US ports, the obligation to present a sanitary certificate for wooden packing, and importer security filing and additional carrier requirements (which call for the submission of online data on the cargo and personnel involved in the shipment). Different standards and compliance testing present yet another challenge, as the US customs do not recognise ISO test methods for ceramic tiles. We sincerely hope TTIP will improve the current situation. Last but not least, energy costs represent 30% of production costs for a ceramic company. Many EU ceramic SMEs, including my company, would therefore welcome the access to the US gas market, as the prices are three times cheaper than in the EU.



BUSINESSEUROPE is the leading advocate for growth and competitiveness at European level, standing up for companies across the continent and campaigning on the issues that most influence their performance.

A recognised social partner, we speak for all-sized enterprises in 33 European countries whose national business federations are our direct members.



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Liselotte Berth Riis
CEO of Termonova A/S

We are a Danish manufacturer of handling equipment: our products are used in combination with food crates and boxes, and are used across most sectors within the food industry, such as meat packaging and restaurants. We tried to learn which products amongst the 200 we have, would be most interesting for the US market. We quickly learned that we could not use the EU certifications that we had already obtained for our products, but would need certain US industry-agreed certifications in order to sell to the US food industry. The problem was, however, that we didn't know which of our products should be certified, and no companies would speak to us before we had obtained the US certifications. After a while we contacted a US certification agency and learned that it was not only time consuming, but also very costly to have the products tested according to the standard required. The specific tests required for our products meant not only testing of the products themselves, but also an initial as well as a yearly inspection of our production and assembly facilities – all paid for by our company.



Norbert Blanc
Policy Advisor to the CEO of DMC

TTIP is of paramount importance for the textile sector. The US is a tremendous market with a huge potential. Unfortunately we are facing major challenges, like high tariffs, heavy and costly customs procedures, different test methods that require us to test twice our products. Similarly, labelling requirements are not the same so that specific labels have to be made on purpose for the US market - for example, what in Europe is called "elastan", in the US is known as "spandex". Exporting to the US is nearly impossible for small companies and an agreement would open the market to many of them.



Magnus Larsson
Managing Director/Cofounder of Expander Business Consulting AB

Mr Larsson quoted a few examples of successful Swedish SMEs that manufacture superior products inside their market niches and encounter huge obstacles when trying to enter or expand in the US market. He reported that nearly 700 small companies were interviewed in Sweden. Of these, 3 out of 10 pointed out that rules, regulations and tariffs are the main barriers for doing business with the US, barriers they all consider worse than competition! And when asked what would happen if these barriers disappeared, 60% said they would increase their turnover by over 20 % and 40% claimed that they would hire more staff.

Maud Spencer is the Managing Director for Svalson, a company that manufactures sliding counters made of glass and electrically manoeuvred. She exports all over the world but in the US, due to different electrical safety standards.

Adam Brånby, with his company Woolpower, makes thermal underwear for the outdoor market as well as flame protected underwear for safety markets like fire brigades. They face high tariffs between 7 and 15% and had to refrain so far from entering the particular market segment for flame retardant clothes due to different testing and certification processes in the US.

Mats Elfsberg from Sepson manufactures winches for the truck market, both military and civilian. Not yet in the US market (they tried once years ago but failed) because of different technical standards and difficult public procurement procedures. If a trade agreement were concluded, they would be eager to invest again.

Raymond Fernström from Tebex makes cables and pipes for electrical and fiber cabling. They see a great potential in the US market and have started to sell through Bombardier to the New York Subway system but they reported that bureaucracy is preventing a faster expansion in the US.