

**TTIP and Small Businesses:
Advancing the Transatlantic Trade Agenda Benefits All**

Proposal: The Atlantic Council, in cooperation with FedEx, with the support of the European American Chamber of Commerce New York, is producing an 8-10 page report that will:

- Identify key barriers that American and European SMEs (small-and medium-sized enterprises) currently face in trading and investing across the Atlantic; and
- Outline what elements or measures might be included in TTIP to effectively address and minimize these obstacles.

Purpose: The report will explore how TTIP can specifically address the concerns of SMEs and the potential benefits of an eventual agreement for small businesses, both of which have received only limited attention in the TTIP discussion thus far. It will continue a series of publications produced by the Atlantic Council on the Transatlantic Trade and Investment Partnership (TTIP). The focus on the SME dimension of TTIP will help to:

- **Underline the importance of SME-specific solutions to transatlantic trade barriers** to the broader policymaking and business communities on both sides of the Atlantic;
- **Broaden support for TTIP beyond conventional business constituencies** and raise awareness among small business associations, local chambers of commerce, and SMEs themselves;
- **Strengthen educational outreach on TTIP to members of Congress and the European Parliament** who a) may traditionally be more ambiguous about international trade which they may perceive as the predominant domain of multinational corporations; and/or b) have constituencies with economies dominated by small business;
- **Preempt potential criticisms that TTIP would only benefit “big business.”**

Background and Significance: According to the US Census Bureau, small and medium-sized businesses (companies with no more than 500 employees) represent roughly 98 percent of all exporting firms and 33 percent of all US export value. There is a striking correlation between exporting and the economic success of SMEs, as demonstrated by the International Trade Commission calculation that small exporting firms averaged 37 percent revenue growth between 2005 and 2009, whereas non-exporting small firms’ revenue declined by 7 percent.

SMEs, more so than larger institutions, struggle significantly when faced with trade barriers, given their more limited ability to cover compliance costs. Despite these problems, a recent National Small Business Association (NSBA) survey of US-based SMEs showed a marked increase among non-exporters who said they would be interested in exporting their goods and/or services from 43 percent in 2010 to 63 percent today.

Format: In its **analytical section**, the report would include the following key elements:

- **An overview of the importance of small businesses to growth, jobs and innovation in the transatlantic economy.**
- **An overview of key findings in publicly available analyses of trade barriers specific to SMEs;** this would include a basic overview of the impact of previous trade agreements concluded by the US and/or the EU on SMEs, specific instances of trade barriers being lifted, and examples of SMEs that have benefitted from these prior agreements.
- **Follow-up interviews with small business representatives,** either by phone or through small roundtables hosted by partner associations. The interviews or exchanges would serve to explore sectoral issues or specific barriers and their effects in greater details.
- **Case studies of specific small and medium businesses from both sides of the Atlantic** that would span different sectors and countries showcasing both success stories and companies held back by existing

obstacles to transatlantic SME trade. The case studies will thus complement the more general points discussed in the overview section, helping to **make SME challenges tangible for policymakers**.

The report would close with a **“recommendations” section** that would outline specific policies that should be included in TTIP, which would expressly address existing barriers affecting SMEs.

Partnerships: Partnering with business and/or SME associations as well as US and EU government agencies focused on SME policies would greatly enhance the project, not least with a view to the effectiveness of the case studies, identifying businesses for case studies, and maximizing the distribution of the report’s findings. Partners will be recognized through an “acknowledgements” section at the outset of the report and will be recognized on the Atlantic Council’s webpage. Partner organizations are also invited to help share and distribute the report once finished.

Roll-Out Event: The impact and reach of the report would be maximized by a roll-out event that will combine the following elements:

- **Part I – Public report launch** with member(s) of Congress from one of the relevant Committees (Small Business, Ways and Means Trade Subcommittee), and representatives from FedEx and the Atlantic Council, including a presentation on the key findings of the report.
- **Part II – Discussion/Roundtable** with participation from representatives of small business, associations, the US government (via USTR, Commerce, or SBA), and FedEx on the findings of the report and progress in TTIP negotiations on SME-related issues, aggregating additional commentary and input which would be published online.

Distribution and Outreach:

- **Congressional Outreach** – the Atlantic Council would schedule short briefing sessions on the report with staff on key committees and interested Member offices.
- **Congressional distribution** – hard copies of the report would be provided to the offices of all members of Congress on relevant committees (Ways and Means, Small Business, Energy and Commerce). A “Dear Colleague” letter could be circulated for general distribution on Capitol Hill.
- **Permanent Atlantic Council TTIP platform** – the report would form an integral part of the Atlantic Council’s growing portfolio of TTIP resources and analysis which is increasingly being used by policymakers on both sides of the Atlantic and regularly prompts requests for briefings, off-the-record background conversations, and group presentations from government and private sector counterparts, thus continuously raising the profile of the report among a wider community of TTIP stakeholders.
- **Online distribution** – The report would further be referenced in the TTIP Action newsletter reaching over 12,000 recipients on both sides of the Atlantic, and on the TTIP Action website.
- **Media outreach** – either in combination with the above-mentioned roll-out of the report or as follow-up to generate media coverage in local and regional print media beyond the beltway.