

# SMEs across UK voice support for easier transatlantic trade

Opportunities to help small businesses across the UK overcome barriers to transatlantic trade and growth have been outlined in a new report produced by leading US-UK trade association BritishAmerican Business (BAB).

BAB, in partnership with the Department for International Trade, hosted four virtual roundtables bringing together leaders from over 60 small and medium enterprises (SMEs) across London and the South of England, the Midlands, the North of England and Scotland, to hear their success stories and help address the challenges they face.

The resulting report, entitled 'Making a Difference', today reveals three priority areas where the government can work with SMEs to encourage greater transatlantic trade and investment as part of its ongoing work to support SMEs across the UK:

- Lower barriers to trade and investment by aligning standards and regulations.
- Resolve trade disputes and enable easier business travel across the Atlantic.
- Boost on-the-ground, practical support to businesses, such as sourcing trusted suppliers or navigating complex tax requirements.

Making up 99% of all businesses in the UK, generating £2.2 trillion of income and employing 16.6 million people, SMEs are the backbone of the UK economy. As the report shows, however, they are often hit the hardest by red tape and high operating costs.

For example, Stoke-on-Trent-based ceramics manufacturer Steelite International currently faces 25.5% tariffs on its US exports, despite facing little domestic competition in the US. TradingHub, a data analytics firm in London, revealed completing tax registration was excessively complex, time-consuming and expensive, especially when operating in more than one US state.

The UK government is committed to creating more opportunities for SMEs to trade with partners around the world as it moves forward with its independent trade policy agenda, and negotiations are already underway with the US, Australia and New Zealand. In addition to ongoing trade negotiations, DIT has a system of support ready to help SMEs access the advice they need:

- A network of around 300 International Trade Advisors supports UK businesses to export and grow their business internationally.
- In December 2020 DIT set up a £38m Internationalisation Fund for SMEs in England to help 7,600 businesses grow their overseas trading.
- UK Export Finance also has a network across the UK who provide specialist support on trade and export finance, particularly SMEs.

Negotiations on a trade deal with the US are ongoing, and both sides have now reached broad agreement on a small and medium-sized enterprise (SME) chapter. A UK-US SME chapter will provide additional support by boosting transparency and making it easier for SMEs to trade, for example by establishing new measures on information sharing.

SMEs could also benefit from measures across the rest of a UK-US FTA, on customs and trade facilitation, business mobility, and digital trade, for example, and we are now focusing on SME-friendly provisions throughout the agreement.

**Minister of State for Trade Policy Greg Hands said:**

Small businesses are at the heart of the government's trade agenda as it moves forward as an independent trading nation. We've already made good progress on a UK-US trade deal, – the dedicated SME chapter will make it easier for them to sell goods to the US and make the most of transatlantic opportunities.

From Stoke-on-Trent Ceramics, through world leading medical treatment technology from Huddersfield, to Isle of Wight lifejackets – we are committed to a deal that works for UK producers and consumers, and ensuring it works to the advantage of SMEs long into the future.

After a challenging 2020 I want to thank the SMEs who took part in this research and gave us such valuable insight into how we can use our independent trade policy to ensure we build back better from the economic impact of Coronavirus.

**BritishAmerican Business Chief Executive Duncan Edwards said:**

BAB is proud to be working closely in partnership with Minister Hands and our colleagues at the Department for International Trade to deliver this roadshow and the Making a Difference report. The feedback we received from small businesses across the UK on what they would like to see from a future UK-U.S. Free Trade Agreement reflects the opportunities the transatlantic economic corridor offers, and the deep rooted strength of UK-US relations.

**BritishAmerican Business Project Lead Emanuel Adam said:**

This initiative represents a continuation of yearlong efforts made by BAB and policy makers to place the needs and interests of growing businesses at the heart of trade policy. The report not only showcases how government can put this into action; it also reflects that the UK Government has already embraced the 'triangle of action and support' that the report recommends. We congratulate

the UK Government in its approach and look forward to doing our part so that more businesses can turn their transatlantic ambitions into reality.

### **Notes to editors:**

- You can view the full report here: [Making a Difference](#)
- The UK and US have concluded five rounds of negotiations, having agreed a significant proportion of the legal text across multiple chapters of the trade agreement.
- While 230,000 SMEs export goods and services globally, only 13% currently export to the US.