



British American Business

Local, Specific, Tangible

How a EU-US trade and investment agreement can help businesspeople and their companies in the UK



TTIP Case Studies
Report of the
2013-14 BAB TTIP
Road Show Series

Acknowledgements

We would like to thank UPS and BT, whose commitment to this historic agreement and belief in its advantages, particularly for smaller companies, has been crucial for the success of the road show series and the report. Furthermore, the road show series would not have been possible without the support of our many partners across the United Kingdom (UK). Together, we form a coalition for transatlantic business. We look forward to continuing this important initiative in 2015. We are particularly grateful to all companies across the UK who have shared their stories with us and who continue to help us understand the importance of trade and the impact a future trade agreement between the European Union (EU) and the United States (US) could have not only for their businesses but also for businesses and local economies across the UK.



How can a EU-US trade and investment agreement help businesspeople and their companies in the UK? Sixteen businesswomen and businessmen told us their stories for this report. More stories can be found at tradeinvest.babinc.org

Road Show Supporters

British-American Business Council (BABC), BT, Department for Business, Innovation & Skills (BIS), CBI, Citi, Deloitte, dwf, The City of Edinburgh Council, Foreign Commonwealth Office (FCO), Invest Northern Ireland, Gillespie Macandrew LLP, Glasgow Chamber of Commerce, Glasgow City Council, Grant Thornton, Institute of Directors (IoD), International Festival for Business 2014, Mills & Reeve, Nabarro, Scottish Development International (SDI), Scottish Enterprise, Sheffield City Region, Squire Sanders, Scottish North American Business Council (SNABC), Tait Walker, UK Trade & Investment (UKTI), Welsh Government.

About BritishAmerican Business (BAB)

BAB is the leading transatlantic business organization, comprising and representing more than 500 of the world's leading multinational and middle-market companies across sectors and geographies: more than 100 of the world's most successful CEOs support its work through their participation in its Advisory Board. It incorporates the American Chamber of Commerce (UK) and the British-American Chamber of Commerce (USA), which merged in 2000 to create a single, pre-eminent transatlantic organization.

We are dedicated to helping companies connect and build their business on both sides of the Atlantic. We represent a pragmatic, creative and conscientious British-American business community and we are a driving force for a pro-growth transatlantic economic zone.

Foreword

After almost two years of doing roadshows on the Transatlantic Trade and Investment Partnership (TTIP) across the UK, we can proudly report that we learned a lot on the road, in our Great British cities.

We didn't have wonkish conversations about geopolitics, global trade policy or seemingly far-off negotiations in Brussels and Washington, DC. Instead, we heard from regular businesses, businesswomen and men ambitious to export, excited about US markets and often impatient for the obstacles in their way to be removed – not in the time frame of trade negotiations, but as close to yesterday as possible.

And so as we developed the programme as we went along, we found ourselves talking about 'today' experiences, practical solutions and paths to successful exporting to the US. We did this with our programme partners UPS and BT and our government supporters, particularly the UKTI Regional Directors, our friends from the US Embassy, the FCO and the TTIP team at BIS. The TTIP part of the conversation was really about framing things



Jeffries Briginshaw
Managing Director, BAB, London

for the next level of trade and opportunity that could come from a successful EU-US partnership agreement.

One political point did come up as a recurring theme, however – that TTIP is a deal available to the UK as part of the EU and would unlikely be replicable in any foreseeable negotiating context just between the UK and the US.

One final lesson was that we are starting from a good place as far as concerns trade with the US – it's the UK's biggest single export market; so lots of businesses must be doing lots of things right already. Plenty of the companies we engaged with are already very successful in trading with the US, and so we salute their endeavour and wish them even greater success with a TTIP fuelled business expansion model!

Introduction

In 2013, we embarked on a national road show to explore how businesspeople and their companies, particularly those that fall within the definition of a small and medium-sized enterprise (SME), can benefit from a EU-US trade and investment agreement.

Over the past 18 months, 580 participants from more than 300 companies and organisations joined us at 15 events in 12 different cities, from Bristol to Newcastle, from Glasgow to Birmingham, across the country.

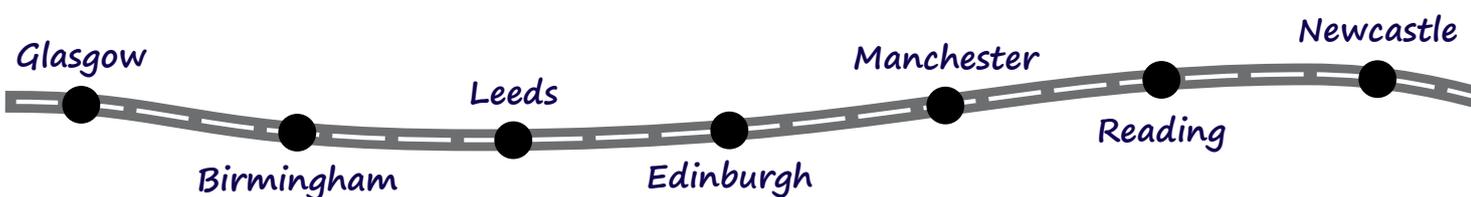
We think it is time to share the wealth of knowledge we have obtained about the daily realities, best practices and barriers to trade between the UK and the US. There are a lot of success stories out there. But there could be more. SMEs especially have much to gain from TTIP as it will address many of the barriers they face, and their experiences make a case for why business and local economies stand to benefit from a trade agreement.



Participants have engaged with us in 12 different cities

This report tells their stories in a special selection of 16 case studies, representing a range of sectors. The stories provide us with a unique and tangible insight into what the UK-US economic relationship means to the companies, what barriers they face when trading with the US, and the potential benefit they see in a trade agreement between the EU and the US. Our case studies range from very small companies with less than four employees to companies with 200 or little more. We focus on trade barriers that fall into the scope of TTIP. But we also want to show examples of barriers that go beyond the reach of a potential agreement to emphasise the importance of working towards a transatlantic marketplace.

SMEs are the backbone of the UK economy, constituting 99 percent of all private sector businesses¹. Almost 15 million people work for



SMEs across the country². With a growth rate of 14 percent since 2008³, SMEs are a driver of innovation and economic growth.

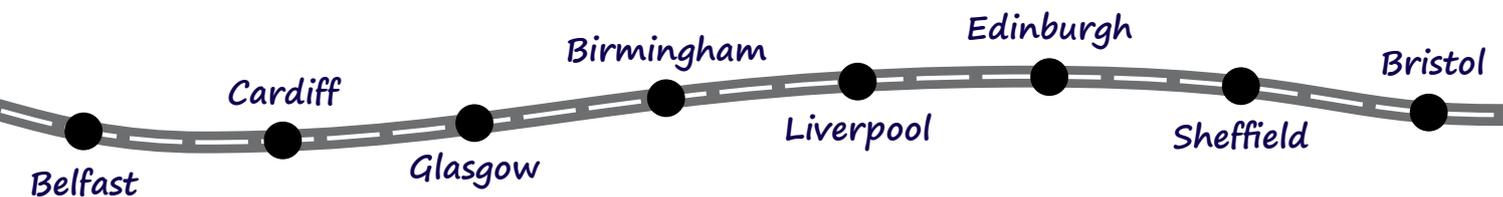
An important part of the success of many UK SMEs comes from their capacity to export their services and products. Around 25 percent of UK SMEs currently export, demonstrating that there is a high demand for British products and services around the world⁴.

The US is the top export destination for UK SMEs. 55 percent of all exporting UK SMEs are doing business with the US⁵. Many jobs are directly related to UK-US SME exports. SMEs help to make the UK-US economic relationship one of the largest and most important in the world.

More importantly, trade between UK SMEs and the US could be bigger. The case studies in the following pages will demonstrate how barriers to trade between the EU and the US, such as tariffs or different standards and regulations, can make it difficult for companies to expand their businesses across the Atlantic. Additional costs caused by these barriers are burdensome for even the largest companies, but they can be critical to a smaller company's decision to export or not.

1 Small Business Statistics, FSB, 2014
2 Businesses Population Estimates for the UK and Regions, BIS, 2013
3 BIS Analysis Paper Number 2: SMEs: The Key Enablers of Business Success and the Economic Rationale for Government Intervention, BIS, 2013
4 FSB Voice of Small Business Index, Quarter 4, 2014
5 US Tops Export Destination List for UK, Barclays Business, 2014

We think it is time to share the wealth of knowledge we have obtained about the daily realities, best practices and barriers to trade between the UK and the US.



Lesley Moody, CEO, AES Digital Solutions Ltd



www.aes.co.uk

Industry: Technology & Innovation

Region: North East

Main obstacle:

- Regulatory compliance

Based in Teesside in North East England, AES Digital Solutions develops internet-based enterprise software used to improve business efficiency. The company has customers in the UK and around the world, particularly in the US, which is the location for many of our customers in the food, beverage and ingredient industries.

Designing and developing systems that are used by our global customers can have its challenges, not so much in relation to developing code, but in making sure systems work with the differing government standards and requirements our customers need to meet on each side of the 'pond' and in other global locations. These include not only standards related to weights, and temperature, but also in regards to the use of ingredients and nutritional labelling.

Transatlantic differences in these areas and differing legislative requirements make system development and implementation complex and can give rise to issues which make developing functionality to facilitate activities such as formula-recipe transfer more difficult. Greater compatibility of standards between the EU and US would therefore make system development more streamlined and improve productivity for our customers.

Such issues are crucial to our customers and so impact the design and development of our systems. We hope that if TTIP can provide opportunities to work towards some degree of consensus related to regulatory and standards issues between the US, UK and Europe, businesses like ours will benefit.

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Lesley Moody



Headquarters of AES Digital Solutions in Billingham

Fran Corrie, CEO, AET Flood Defence Ltd

AET Flood Defence is a Sheffield-based manufacturer which supplies local government, commerce and the domestic market with innovative flood defence products. Our main product is a self-inflating sandbag which requires no sand. Called Aqua-Sac®, it is simply submerged in water and in five minutes an inflated sandbag is created. The fully allocated costs of Aqua-Sac® provide an 80 percent saving opposed to traditional methods of flood defence.

Even though we have distributors worldwide, we have tried and failed on a few occasions to bring our products to the American market. Our efforts to secure partners in the US have always come up against legislation and bureaucracy. Although our product is patented in the UK, it is produced

in China. Because of this, country of origin laws become an issue, which have impacted directly on our duty rates, something which our partners found cost-prohibitive.

In addition to that, we are worried about potential copyright infringement should the product be licensed for production in the States. We are also concerned about the compatibility of non-disclosure agreements signed in the UK with American intellectual property laws.

The problems we face in regards to these issues have simply not justified the time and effort involved to potentially resolve them. The TTIP initiative looks very interesting. We hope TTIP will create a platform that will build bridges and provide a slick, efficient way of doing business. We will watch with interest!



www.flood-defence.co.uk

Industry: Manufacturing

Region: Yorkshire and the Humber

Main obstacles:

- Country of origin issues
- Copyright infringement
- Compatibility of non-disclosure agreements



AET Flood Defence's main product, Aqua-Sac®, at work

"We hope TTIP will create a platform that will build bridges and provide a slick, efficient way of doing business. We will watch with interest!"

Fran Corrie

Keith Nielson, CEO, Craneware plc



www.craneware.com

Industry: Technology & Innovation

Region: Scotland

Main obstacle:

- Non-alignment of IP rights

Craneware is recognised as the leading provider of revenue integrity solutions that improve financial performance in the US hospital and health system markets.

Founded in May 1999 by CEO Keith Nielson and CTO Gordon Craig, Craneware launched its first product in October 1999 after signing its first customer contract the previous month. By the end of 2000 more than 20 customers were signed, establishing the strong growth pattern that continues today. In September 2007, Craneware was listed on the AIM market of the London Stock Exchange.

Today, Craneware is headquartered in Edinburgh, Scotland, with US offices in Georgia, Tennessee, Massachusetts and Arizona. Employing over 200 staff, Craneware serves more than one quarter of all registered US hospitals and is respected as a healthcare business partner known to deliver value, quality, and outstanding customer service.

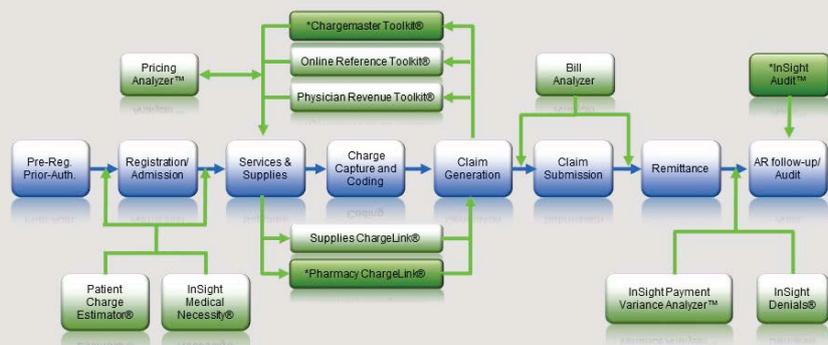
As Craneware has grown its customer-base and staff, we have also developed our solution set to aid US healthcare organizations in improving their financial performance across added areas in the revenue cycle.

In 2011, Craneware received The Queen's Award for Enterprise in the international trade category. The Queen's Awards recognize business acumen and success. In 2014, Craneware was the Large Scottish Digital Technology Company of the Year as awarded by ScotlandIS.

As a Scottish-based business with almost its entire market in the US, international trade legislation is something that greatly affects us. We have built a very successful export business and developed strong relationships with our US customers. The trade agreement TTIP currently being negotiated between the EU and the US, if successful, could mean we are able to trade with the US more efficiently, helping to strengthen and align intellectual property rights for the transatlantic market.

"The trade agreement TTIP, currently being negotiated between the EU and the US, if successful, could mean that we are able to trade with the US more efficiently and could help to strengthen and align intellectual property rights for the transatlantic market".

Keith Nielson



Craneware's solutions (green) in the US hospital business (blue)

David Brimelow, Managing Director, Duo UK

Duo UK has been a supplier to the UK e-commerce market for over 12 years and over this time has developed a range of products and services to meet the specific demands of this 'new' industry. Duo UK is now working with some of its current customers to establish fulfilment centres to distribute products within countries where their brand is particularly successful. These include America, Germany, Belgium and Holland.

Duo UK, which was established in 1988, manufactures and supplies bespoke packaging products with all aspects of the polythene manufacturing process carried out in-house at its two UK sites (Manchester and Derby). Duo UK specialises in e-retail, retail, mail order and industrial packaging with high profile clients which include ASOS, Tesco, Nespresso, Miss Guided and JD Williams.

Duo UK's products have already proven to be successful in the US. However, the improvement of delivery processes to provide customers with guaranteed delivery dates and flexibility would encourage confidence in using a UK supplier. For example, the export documentation to the US is currently rather time consuming to process and can take days to clear once the product arrives at customs. Time is of the essence for e-commerce businesses. Achieving the right stock and packaging levels to fulfil customer orders on time is integral. Also, the simplification of customs procedures would help to improve the customer's cash flow as the need to hold large stock for 'just in case' scenarios would be reduced.



DUO.

www.duo-uk.co.uk

Industry: Manufacturing

Region: North West

Main obstacle:

- Customs procedures



Inside the Duo UK manufacturing plant

"Improving delivery processes to provide customers with guaranteed delivery dates and flexibility would encourage confidence in using a UK supplier".

David Brimelow

Charles Turner, CEO, Durham-Duplex Razor Company Inc



SHEFFIELD • ENGLAND
Razor sharp since 1910

www.durham-duplex.co.uk

Industry: Manufacturing

Region: Yorkshire and the Humber

Main obstacle:

- Customs procedures

Durham-Duplex was founded in the US in 1875 and set up manufacturing in Mystic, New Jersey, to make the revolutionary Durham-Duplex safety razor system. This innovative product was considered to be a major advancement in shaving, especially in comparison to the traditional cut-throat razor.

Durham-Duplex was registered in the UK on 11 May 1910 and the European manufacturing plant was set up in Sheffield where it has been ever since. Initially set up to serve just the British and French markets, the plant established its quality quickly – largely due the skilled work-force in Sheffield – that soon our products were being exported to the US and Canada.

The company has been UK-owned and operated since 1960 and is still based in Sheffield, exporting machine knives and industrial blades around the world.

We are very proud to be 'Made in Sheffield'.

In addition to duty rates, which are part of exporting, something that makes our exporting to the US particularly difficult are increasingly the delays caused by American customs procedures. This means that a swift dispatch of a blade manufactured in the UK factory can languish in US customs for no apparent reason; something that reduces our competitiveness against US based stock holders delivering for more \$ but quicker. We would like TTIP to be completed before the US/ASEAN trade deal is agreed to get competitive advantage for UK/EU companies and allow us to import our UK manufactured knives to USA without time and duty restrictions.

"A swift dispatch of a blade manufactured in the UK factory can languish in US customs for no apparent reason; something that reduces our competitiveness against US based stock holders delivering for more \$ but quicker".

Charles Turner



Toothed and circular machine knives 'Made in Sheffield' by Durham-Duplex

Alicia McNaught, Founder, GoldCrush Hair

GoldCrush is a London-based start-up that specialises in the development and sale of customised treatments geared towards holistic well-being. Our main products are GoldCrush Hair Vitamins that are specially formulated to help boost the amount of nutrients in the body to feed the follicles, which in turn contribute to the maintenance of healthy hair.

E-commerce has led to massive growth of our company, with about 40 percent of the company's new enquiries coming from the US alone.

However, existing trade barriers have made it impossible for us to enter the US market so far. It is frustrating that I have managed to get my product to market within the UK but am now turning down orders from the US because of compliance issues and

customs procedures. There is so much information to sift through, it's hard to know where to start.

For example, the US and the EU have different labelling regulations; the US guidelines are as specific as stipulating the minimum font sizes that have to be used on packaging. Another barrier for me is the US prior notice. This regulation means I have to pay 10 dollars on every shipment to the States; whether the value of the goods shipped is \$40 or \$400. It doesn't seem to make much sense.

A removal of these tariffs and a simpler regulatory framework would be very advantageous, particularly for businesses like ours, as smaller companies do not have the resources to adequately research which requirements must be met to make a product 'export ready'.



www.goldcrushhair.com

Industry: Cosmetics

Region: London

Main obstacles:

- Customs procedures
- Regulatory compliance



"It is frustrating that I have managed to get my product to market within the UK, but am now turning down orders from the US because of compliance issues and customs procedures".

Alicia McNaught

GoldCrush Hair products

Paul Crossley, Managing Director, Just Trays Ltd



www.just-trays.com

Industry: Manufacturing

Region: Yorkshire and the Humber

Main obstacles:

- Regulatory differences and long approval processes

Founded in 1978 and based in Leeds, Just Trays (JT) is the UK's leading shower tray manufacturer. JT supplies many of the industry's leading shower enclosure manufacturers, merchants and distributors with its high quality range of trays. The firm exports its unique range of products across Europe, the Middle East and the US.

Despite being a well-established exporter, we face trading barriers, particularly when it comes to the introduction of new products to the US. For example, we currently have IAPMO (International Association of Plumbing and Mechanical Officials) accreditation for our Ultracast and Merlin range of products, which took almost 12 months to achieve. We would like to sell our number one-selling Fusion product in the US, which is a low level shower tray. However, it will not pass through IAPMO as it is deemed too low with an internal threshold of 2 inches.

After challenging the standards-level and the testing procedures, we were told that the standard had been in place for 20 years and there was a lack of understanding as to why it was there. It appears the US sector has not maintained or updated its standards with the changing worldwide design trends, while also not having the ability to adapt or change its standards without a major undertaking. Should we wish to gain approval for Fusion, which has sold over 250,000 units in Europe, the process with IAPMO mean it could take an additional 18 months to reach the US market.

We are obviously very keen to introduce more ranges as it's potentially a vast market for us, particularly as we feel our products are technically and aesthetically more modern than the shower bases currently being supplied and fitted in the US.

"The approval process for our most successful product, which has sold over 250,000 units in Europe, could take as long as up to 18 months before it can reach the US market".

Paul Crossley



Just Trays plant in Leeds

Chris Powell, Founder/Managing Director, Local Wine School

Local Wine School is the world's only wine education franchise model. There are currently 21 franchised wine schools around the UK in most major cities. The three major business streams are: consumer tastings and wine courses from beginner to enthusiast; professional WSET wine training and education for the food and drink industry; and specialist corporate wine events.

We have just recently been granted permission to operate our business model by the New York State Liquor Authority, which was a long and difficult process. The main barriers we faced were not only related to differences between the UK and US accounting and legal procedures, but also to differences between US Federal and State-level franchise law and regulation.

The US represents a fantastic opportunity but it is important not to underestimate the time and commitment it will require to

understand the market, including industry-relevant Federal and State regulations. These barriers have had a severe impact in terms of investment in time and financial resources required to start building a franchise network in the US. If franchising networks could satisfy a jointly-agreed selection criteria, it would greatly help businesses like mine to start trading in the US more easily and efficiently.



www.localwineschool.com

Industry: Education

Region: North East

Main obstacles:

- Country of origin issues
- Regulatory compliance



Evening wine tasting

"The US represents a fantastic opportunity, but don't underestimate the time and commitment it will require to understand the market, including industry-relevant Federal and State regulations".

Chris Powell

Richard Paxman, CEO, Paxman Coolers Ltd



www.paxman-coolers.com

Industry: Manufacturing

Region: Yorkshire and the Humber

Main obstacle:

- Regulatory compliance

Paxman Coolers is an innovative British-based family business that, since 1997, has been helping improve the lives of cancer patients who are undergoing chemotherapy throughout the world.

We produce a scalp cooling device that helps prevent hair loss – a distressing side effect of chemotherapy. The Paxman family’s experience in cooling technology for the drinks industry, combined with a family member’s diagnosis with cancer and subsequent traumatic hair loss during chemotherapy, were the inspiration for the development of the product.

Our major barrier to the US is the regulatory pathway. We are an innovative SME with a European approved class IIa medical device and

we are required to carry out a full Premarket Approval (PMA) for Food and Drug Administration (FDA) approval. This suggests our device is a high-risk device; however, it has been approved on the European market in excess of 10 years with over 2000 installations. We have had to invest in a multi-centre randomised study with five years post surveillance. This is a huge and costly barrier for an SME like us.

Our hope is that the future trade agreement TTIP and its proposed actions should enable a more efficient and focused use of the resources of the regulators, and reduce unnecessary duplications (including with respect to clinical trials).

“Our hope is that the future trade agreement TTIP and its proposed actions should enable a more efficient and focused use of the resources of the regulators and reduce unnecessary duplications”.

Richard Paxman



Paxman's Scalp Cooling Systems

Penny Seume, Textile Designer

Penny Seume is a textile designer based in Bristol. She creates printed fabrics, wallpaper and interior accents including lampshades and throw pillows. Drawing inspiration from the urban landscape, her style references the original location in a subtle way and captures some of the inherent mood and magic of the cities she visits.

In 2013, her 'New York' collection won a Distinction Award at the Society of Designer Craftsmen show in London. The same collection was judged 'highly commendable' at the New Design Britain Awards the previous year. She began exporting her designs after being featured in a New York City tradeshow.

Today, around a third of Penny's business comes from outside the UK. Even though the US is her biggest export market, getting her work there is a challenging process. For example, Penny told us about the complicated customs procedures she has to go through. In addition to that, her textiles must be dual fire-tested according to the regulations of both the EU and the US. Although the end goal of proving inflammability is the same, designers and manufacturers must incur double the cost, time and effort in order to comply with the duplicate testing. She told us, "If TTIP means I do not have to set fire to my fabrics twice, I would save time and money".



Penny Seume

TEXTILE DESIGNER

www.pennyseume.co.uk

Industry: Manufacturing

Region: South West

Main obstacles:

- Customs procedures
- Regulatory compliance



Penny and a selection of her work

"If TTIP means I do not have to set fire to my fabrics twice, I will save time and money".

Penny Seume

David Pinder OBE, Director, Pinder Bros Ltd



Pinder Bros. Ltd

www.pinder.co.uk

Industry: Manufacturing

Region: Yorkshire and the Humber

Main obstacle:

- Regulatory compliance

Pinder Bros are manufacturers of fine pewter and silverware and have been a family business since 1877. Based in Sheffield, the company is a leading UK supplier of stainless steel and silver-plated giftware. One of the largest export markets for the company is the US, followed by the EU.

A number of differing technical specifications are required in the US and the EU regarding the products we manufacture. An alignment of these standards would make batch production more cost-effective, competitive and eliminate the need for separate batches to meet specification of the two markets.

Our biggest technical specification for which we have to change our products is in regards to the mix of constituents to make pewter metal. The normal

standard is 92 percent tin plus antimony, copper and a trace of lead. The trace of lead sometimes leads to problems regarding the US market.

Additionally, the US requires metal absorption tests. The technical requirements of these tests are different from those in the EU, although ultimately they aim to prove the same level of quality. We hope that trade negotiations can be completed to form a free trade area between the US and the EU. The free trade agreement between the EU and the US would make British-made goods such as ours more competitive in the American market.

"The free trade agreement between the EU and the US would make British-made goods such as ours more competitive in the American market".

David Pinder



The product range of Pinder Bros includes hand-made items like tankards, flasks, trophies and quaichs

Phil Nicholls, Director and Senior Consultant, Psydev

We are a small IT company specialising in e-Learning systems and content integration. Many organisations need to get different IT systems to communicate and share data automatically; or they need their e-Learning content to run in different learning systems. We can make those things happen.

We have done a lot of work with a few companies in the US, helping one to cut their content conversion times from a few weeks to a few minutes, which has saved them thousands of dollars.

When working with the US we face some administrative oddities, which, while manageable, require a lot of time to understand the procedures and the processes at play. The biggest issue for us, however, are the existing visa rules. We have customers that would

like us to do some ad-hoc short-term consulting in the US. The current visa rules do not allow this without first setting up an office in the US, and then applying for an intra-company transfer visa.

We appreciate that the US government does not want people turning up and working for months on end, but it does seem to me that the scopes of the business visa and the business visa waiver are particularly narrow. Additionally, it seems to us that visas are more easily accessible for multinational companies than for a small specialist software developer in Sheffield like us. We know that visas may not fall under the scope of TTIP, but anything that will emphasise the case for smaller firms will help us to take full advantage of the opportunities that an agreement would provide.



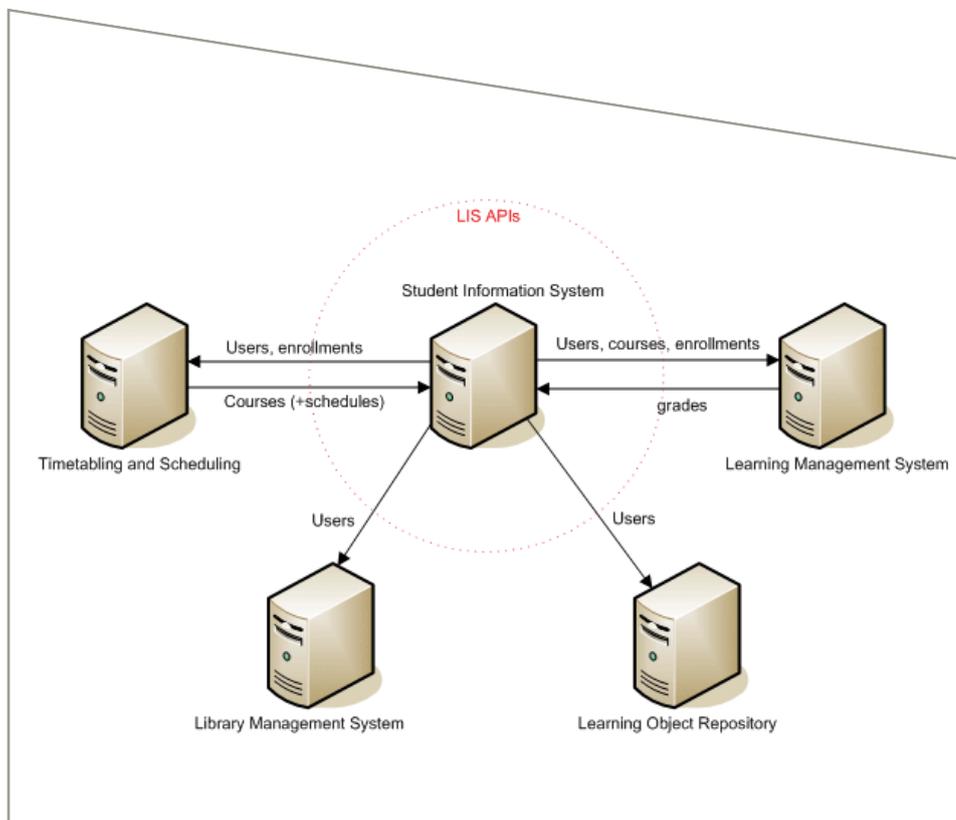
www.psydev.com

Industry: Information Technology

Region: Yorkshire and the Humber

Main obstacles:

- Immigration
- Administrative procedures



"We know that visas may not fall under the scope of TTIP, but anything that will emphasize the case for smaller firms will help us to take full advantage of the opportunities that an agreement would provide".

Phil Nicholls

Psydev works to ensure the smooth running of organisational operating systems

Mike Dickens, General Manager Operations, Safety Technology Ltd



www.safetytechnology.co.uk

Industry: Retail & Education

Region: Wales

Main obstacles:

- Regulatory compliance

Safety Technology is a leading supplier of safety and rescue equipment, training and health and safety guidance to the renewables, utilities and telecom sectors. As a RenewableUK and Global Wind Organisation-approved training provider, we offer an extensive range of industry-required safety courses, for both onshore and offshore industries. Our training is delivered from our locations across the UK, Europe and the US.

When setting up our operation in the US, we encountered a number of barriers ranging from the setting up of bank accounts and insurance policies, with laws and regulations on signatories differing from state to state, to understanding and meeting national legislation requirements.

The American safety standards 'OSHA' and 'ANSI' posed a particular challenge to us as they differ slightly from the

UK's 'HSE' and 'CE' regulations. In order to tackle this challenge we needed to undertake specific equipment testing to ensure that our products met the relevant US standards. We also had to adapt our training courses to cover the local and national legislation of the state in which it was being delivered.

In addition to that, the initial exportation of products to the US incurred delays due to specialised safety equipment requiring different packing procedures and documentation. With help from local sources and the UKTI, we have now found a way to manage these challenges. Reducing the amount of barriers between the US and the EU is crucial for Safety Technology. The US is a huge market for us, and trade between ourselves and the world's leading producers of wind-powered electricity is key for the growth of our business internationally.

"The US is a huge market for us, and trade between ourselves and the world's leading producers of wind powered electricity is key for the growth of our business internationally".

Mike Dickens



Safety Technology specialises in safety equipment distribution and training

Euros Jones-Evans, Founder/CEO, Tanabi Group

Based in Wales, Tanabi is a digital media company which provides services from advertising to film-making for its clients. Founded in 2006, Tanabi has developed across the UK and expanded to the US.

As a company, we have found that the main obstacles facing us in the US are local taxes, laws and applications for permits. While Tanabi operates both in the UK and in the US, the trade barriers to operate in the US are certainly challenging compared, for example, to the Latin American marketplace, especially Colombia, where it is set to grow exponentially primarily because there are far fewer tariffs and export subsidies. Lowering the barriers in order to

retain the talent that is needed to stay competitive in an ever-increasing marketplace is crucial. Essentially, the EU-US trade agreement negotiations could help our business by levelling the playing field and enabling access to more support for the business operating in the US. A successful agreement could serve as a symbol of real contribution towards a shared British-American long-term vision; and it would certainly help our company to be a part of that vision.



www.tanabi.co.uk

Industry: Media

Region: Wales

Main obstacles:

- Tariffs
- Permits



Tanabi's CEO, Euros Jones-Evans, interviewing a client

"The EU-US trade agreement negotiations could help our business by levelling the playing field and enable access to more support for the business operating in the US".

Euros Jones-Evans

Jonathan Kay, International Business Manager, The Big Cheese Making Kit



www.bigcheesemakingkit.com

Industry: Manufacturing

Region: Scotland

Main obstacles:

- Concerns over complicated customs procedures and other potential barriers

The Big Cheese Making Kit is a company that was founded two years ago by Ailsa Proverbs near Edinburgh, Scotland. The ingredients for the Big Cheese Making Kit idea are simply the love of cheese and the curiosity to find out how you can make cheese yourself. After lots of trial and error, lots of focus groups, hundreds of pints of milk and countless recipe edits later, you can now find The Big Cheese Making Kit in 350 independent retailers in the UK, with some big names like Harrods and Selfridges. The product is also available in South Africa, the Netherlands, Gibraltar and Denmark, with more countries to come.

One of the reasons the product does well in international markets is because it is suitable for vegetarians, produces organic cheese and everything is gluten free.

As part of our expansion strategy for 2015, the company is hoping to expand to the US. We hope not to see too many obvious barriers to a successful market entry to the US. There are not a lot of food products in the kits themselves, and while this makes exporting easier for us, there are additional costs, extra paperwork and many decisions that have to be made in making a foray into the American market with a gift product. It simply makes the expansion more difficult than it needs to be.

"There are not a lot of food products in the kits themselves, and while this makes exporting easier for us, there are additional costs, extra paperwork and many decisions that have to be made in making a foray into the American market with a gift product. It simply makes the expansion more difficult than it needs to be".

Jonathan Kay



...it seems that people everywhere want to make their own cheese!

William Beckett, Managing Director, William Beckett Plastics

Sheffield-based William Beckett Plastics manufactures specialized plastic packaging for the world's cutting tool industry, supplying companies in 40 countries world-wide. Our most important market is the US with many of our products being developed to meet the needs of US customers who now represent over 50 percent of our global sales. In November 2014, we celebrated the 20th anniversary of the establishment of our American subsidiary operation, based in Chicago, Illinois.

The introduction of the free trade agreement between the EU and the US will obviously enhance the bottom line profitability and is to be praised. However, we also hope that a trade agreement will help to create a better level playing field between

the EU and the US. Even though TTIP may not have any influence on the way the different legal systems can impact upon UK companies facing legal action in the US, the company had spent a large amount of capital defending itself against the claim of IP infringement in 1997. Although it was successful in its defence, it was a significant distraction and the cost for the company prevented us from pursuing our activities in the US market for over a year. Larger companies can bully smaller companies into unfair submission because they cannot afford the legal costs in defending themselves against somewhat spurious action.



WILLIAM BECKETT

PLASTICS

www.beckettplastics.co.uk

Industry: Manufacturing

Region: Yorkshire and the Humber

Main obstacle:

- Legal issues



Beckett Plastics is one of the world's leading manufacturers of specialized plastic packaging for the world's cutting tool industry

"We hope that a trade agreement will help to create a better level playing field between the EU and the US".

William Beckett

Observations

What is TTIP about? Simply making it easier for companies from both sides of the Atlantic to access each other's markets. The companies featured in this report tell us exactly why this makes sense.

Many barriers in a great trade relationship

In 2012, British-American trade was worth almost £364 million a day. Against that background story of success, hard earned, business by business, we know from our road show conversations that moving services and goods across the Atlantic can be still quite challenging, in particular for smaller companies. An overwhelming number of companies told us that tariffs, complicated custom procedures and licencing are often the first barriers to trade they face when exporting or thinking about expanding their businesses to the US. And if we heard that from some, there are no doubt many more who have simply voted with their feet and moved onto other things.

The often unexpected complexities of barriers to trade

While barriers like customs procedures or tariffs are usually known, the more unexpected complexity of barriers to trade with the US stems from the application of different standards and regulations set and administered by sometimes 'invisible' authorities and organisations. These complexities can be found in all sectors. For



Emanuel Adam

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example, we heard about the safety equipment supplier and instructor company in Wales, Safety Technology Ltd, who had to undertake specific equipment testing make sure their products met the American safety standards, which stipulate different means of testing than the UK regulations. This duplicative testing creates a barrier to trade for this company, adding costs, administrative and technical changes, even though both sets of testing seek to prove the same level of quality in the product.

The double dimension of barriers to trade

Often, industries face a double barrier to trade meaning both US and UK companies suffer. Manufacturers in the textile sector, for example, can experience different barriers, depending on whether they export from the UK to the US or the US to the UK. We heard from a textile designer, Penny Seume in Sheffield, who told us that her textiles need to be fire-tested twice so that she can comply with EU and US regulations. A textile producer from the US will have to undergo the same procedure, but may not even be allowed to enter the EU market, because the flame retardant it uses is not accepted under EU chemicals regulation.

Barriers to more jobs and growth

Barriers to trade are barriers to more jobs and growth. Some companies told us that complicated regulations and opaque bureaucracy led them to postpone their expansion into the US. For example, the flood defence product manufacturer, AET Flood Defence Ltd, from Sheffield told us about the worries they have about the ability of their products' copyrights to be protected under US law. For the time being, this company therefore decided that they cannot economically justify the time and effort needed to 'maybe resolve' the barriers they face. In addition to stories that helped us to understand existing trade barriers, we also met many companies who shared with us their interest in entering the US market for the first time, like the Edinburgh-based company The Big Cheese Making Kit. First-time exporters will have to look into potential barriers to trade when deciding whether or not to enter the US market. Making this decision easier by taking down the barriers to trade will benefit them, and any businesses who want to follow suit.

Local, specific, tangible - that matters

The EU negotiation mandate sets out the goal for TTIP, which is the increase in trade and investment between the EU and the US. This is to be secured by realising the untapped potential of a truly transatlantic market place, which would generate new economic opportunities for the creation of jobs and growth by means of increased market access and greater regulatory compatibility. It is the local, specific and tangible stories that this report contains, all drawn from the UK, that illustrate very well the 'untapped potential' and the positive impact 'increased market access' and 'regulatory compatibility' can have for businesses in our economies. BAB says that matters and this is why we are such strong supporters of an ambitious, comprehensive transatlantic trade and investment partnership agreement.

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