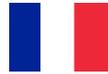


motivaction

research and strategy

Is the current free-trade policy an opportunity or threat to SMEs in France?



schöpflin stiftung :



Background and objective

Page 3



Management summary

Page 4



Method and set-up

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Results

Page 10



Appendix

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As commissioned by the Schöpflin Stiftung, Motivaction International B.V. has surveyed SMEs on the impact of the forthcoming EU trade agreements on SMEs in France, Belgium, the Netherlands, Lithuania and Slovenia.

The Schöpflin Stiftung is an independent, non-profit foundation, established under German civil law. It is committed to building a better future for the younger and future generations in the areas of education, prevention of drug addiction, and fostering civil society. It develops its own projects in the region of Lörrach and also supports organizations in several European countries as an active grant-making foundation.

As part of its “Fair and Sustainable Economy” programme, the Schöpflin Stiftung supports the Fair Economy Alliance, a European network of SME initiatives concerned about fairness and sustainability in international trade. The Stiftung and the Fair Economy Alliance closely monitor the negotiations of trade agreements between Europe and the USA known as the Transatlantic Trade and Investment Partnership (TTIP) and between Europe and Canada known as the Comprehensive Economic and Trade Agreement (CETA). In principle they are in favour of free trade; the regulations that could emerge from TTIP and CETA might however primarily benefit large multinationals and neither small and medium-sized enterprises (SMEs), nor the environment, nor the consumer.

In 2015, a survey was conducted in Germany amongst German SMEs reviewing the opportunities and the risks that TTIP might mean for SMEs in Germany. A further similar survey of British SMEs followed early in 2016. In order to gain a broader view of the opinion and attitude of SMEs across Europe, this research has been repeated, this time in France, Belgium, the Netherlands, Lithuania and Slovenia.



Knowledge about trade agreements varies greatly between French SMEs

For small and medium-sized enterprises in France, the contents and implications of mainly the TTIP and CETA trade deals can not yet be seen as general knowledge. A majority of French SMEs, regardless of employee number or annual turnover, do not feel very well informed on both trade deals, and have limited ideas of what the consequences of said trade deals are for their companies.

Strong division among French SMEs surveyed in whether they feel sufficiently considered in the negotiations of TTIP and CETA

44% feels the interests of French SMEs are sufficiently considered, 52% do not. Especially SMEs not involved in international trade do not feel the interest of French SMEs are sufficiently considered: 60%.



TTIP



Of SMEs surveyed feel
(very) informed

CETA



Of SMEs surveyed feel
(very) informed

% of SMEs surveyed that feel (very) informed about trade deal



0-49
employees

TTIP
34%

CETA
34%



50-250
employees

TTIP
51%

CETA
50%

In general, French SMEs expect important impacts from the proposed trade agreements.

French SMEs most often expect both positive and negative impact on their business. A majority of respondents expect a negative effect on their competitive status within the market. On the other hand, little over half French SMEs surveyed expects it will become easier to develop new foreign markets. This considered impact might be explained by the relative importance of foreign markets to the French SMEs surveyed.

The most expected effect is a noticeable increase in competitive pressure in general due to TTIP and CETA.

This effect is expected by 59% of the SMEs surveyed. Some division can be seen in the expectation that large, international companies will increase the competition: 56% expects this to happen and 41% does not.

47% of the French SMEs surveyed expect their own company to have trouble withstanding tougher competition. A majority of 51%, however, is not worried about this effect. Also, 42% expects their company to become increasingly dependent on a specific client, production chain or market due to TTIP or CETA. In comparison: 54% does not expect this to happen.



The TTIP and CETA agreements contain certain regulations that could affect French SMEs. French SMEs are very divided about the abolition / reduction of customs duties and Investor-state arbitration procedures.

Abolition/reduction of customs duties

- French SMEs surveyed stand divided on the matter of abolition or reduction of customs duties: 49% of SMEs think that their company will benefit from new regulations, but 50% think that an abolition or reduction would pose a threat to their company.
- Medium-sized companies and exporting SMEs both relatively often expect positive effects from new regulations considering customs, but also relatively often think it could pose a threat.

Alignment of technical regulations, standards and norms

- 52% of French SMEs expect to benefit from alignment of technical regulations, standards and norms.
- Furthermore, 56% (strongly) agrees with the statement that the proposed regulatory bodies will help to improve the quality of standards in their industry.
- However, 63% of French SMEs feel that such technical regulations, standards and norms should preferably not be laid down in bilateral agreements like TTIP and CETA.

Investor-state arbitration procedures

- Investor-state tribunals are considered important for 54% of French SMEs.
- At the same time, 65% foresees that such arbitration procedures would favour foreign companies and limit the government.
- Also, half (48%) of French SMEs think that extrajudicial bodies (like ISDS or ICS) undermine the rights of their company.



Import:

- ❖ 34% of French SMEs surveyed import goods and/or services from abroad. Due to an oversampling of medium-sized companies, this average does not reflect the actual number of importing SMEs*.
- ❖ In total, the imports of the SMEs surveyed represent 32% of their total costs.
- ❖ For medium-sized companies (50-250 employees) import costs represent a larger share than for smaller companies (0-49 employees)
- ❖ EU member states and EFTA countries are the most important supply regions for French companies (75%).



Export:

- ❖ 34% of French SMEs surveyed currently generate revenue from exports. Due to an oversampling of medium-sized companies, this average does not reflect the actual number of exporting SMEs*.
- ❖ On average, these exports represent 37% of their total revenue.
- ❖ Medium-sized companies (50-250 employees, 2M-50M annual turnover) are more often generating revenue from export than smaller companies (0-49 employees, less than 2M turnover)
- ❖ (Other) EU and EFTA countries are the main foreign markets for goods and/or services of French SMEs (70%).

* 11,7% of French SMEs export (33% excluding micro enterprises). These exports represent 10% of their turnover (excluding micro enterprises).

Source : <http://www.tresor.economie.gouv.fr/File/408732>

* 125.000 out of 3002516 French SMEs are involved in non-EU international trade: 4%. Source: <http://ec.europa.eu/DocsRoom/documents/20302>





The main fieldwork was conducted in the period October 24th to November 6th 2016 (panel respondents).

Participation via a generic link was possible into December 2016.

Total number of respondents = 613

Company size



Annual turnover



* The definition of SMEs established by the European Commission is 'enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million'. This study limits the definition to 'organisations with up to 250 employees'. Therefore, as shown on this slide, a small number of companies surveyed do have an annual turnover that exceeds 50 million. This will be further explained in the appendix.

** Due to rounding, the percentages do not always add up to 100%

Branche



| Company size vs. Annual turnover | One sized SMEs | 1 to 9 | 10 to 49 | 50 to 250 | All |
|----------------------------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Less than €2 million | 98% | 91% | 40% | 17% | 45% |
| Between €2 and €50 million | 2% | 9% | 60% | 76% | 51% |
| More than €50 million | 0% | 0% | 1% | 8% | 3% |
| Total | No.= 41 | No.= 138 | No.= 169 | No.= 265 | No.= 613 |

GREEN = overrepresented
ORANGE = underrepresented

Does this study represent the total SME population in France?

The tables in this slide show that the SMEs surveyed do not match the SME population concerning class size. In the survey sample the number of micro, small and medium-sized enterprises are practically even divided. Therefore the number of micro enterprises in our sample is underrepresented and the numbers of small and medium-sized enterprises overrepresented. This over representation of medium enterprises and SMEs with international profile in the sample, might generate a small pro trade bias in the results. However, because of the evenly division of the class size in our sample, we are able to explore the results within these different class sizes in this report.

When looking at the sector distribution, the comparison is an indication of the SMEs representation. In the survey sample SMEs could classify themselves into multiple sectors. Also the numbers of the repair of household goods, agriculture, insurance, health, education and arts are not available in our information source.



| Class size | Number of SMEs in France | | | Survey Sample | |
|---------------------------------|--------------------------|--------------|---------------|------------------|--------------|
| | France Number | Share | EU28 Share | Survey Number | Share |
| Micro (0-9 employees) | 2 858 954 | 95 % | 93% | 179 | 29 % |
| Small (10-49 employees) | 123 807 | 4 % | 6% | 169 | 28 % |
| Medium-sized (50-250 employees) | 19 755 | 1 % | 1 % | 265 | 43 % |
| Total | 3 002 516 | 100 % | 100 % | 613 | 100 % |

| Sector | Number of SMEs by sectors, 2015 estimates | | Survey Sample | |
|---|--|-------------|---------------|-------------|
| | Number | Share | Number | Share |
| Mining & quarrying | 1 720 | 0,1% | 7 | 1% |
| Manufacturing | 227 839 | 8% | 25 | 4% |
| Electricity, gas | 23 577 | 1% | 8 | 1% |
| Water supply, sewerage, waste management | 14 060 | 0,8% | 8 | 1% |
| Construction | 536 674 | 18% | 55 | 9% |
| Distributive trades | 756 132 | 25% | 77 | 13% |
| Transportation & storage | 103 514 | 3% | 31 | 5% |
| Accommodation & food services | 262 697 | 9% | 42 | 7% |
| Information & communication | 139 167 | 5% | 45 | 7% |
| Real estate | 215 694 | 7% | 26 | 4% |
| Professional, scientific & technical activities | 512 271 | 17% | 52 | 9% |
| Administrative & support services | 209 171 | 7% | 53 | 9% |
| Other (repair, agriculture, insurance, health, education, arts) | n.k. | n.k. | 167 | 27% |
| Total | 3 002 516 | 100% | 613 | 100% |

Source: <http://ec.europa.eu/DocsRoom/documents/20302>

GREEN = overrepresented
ORANGE = underrepresented

- 
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Appendix
- Knowledge about TiSA

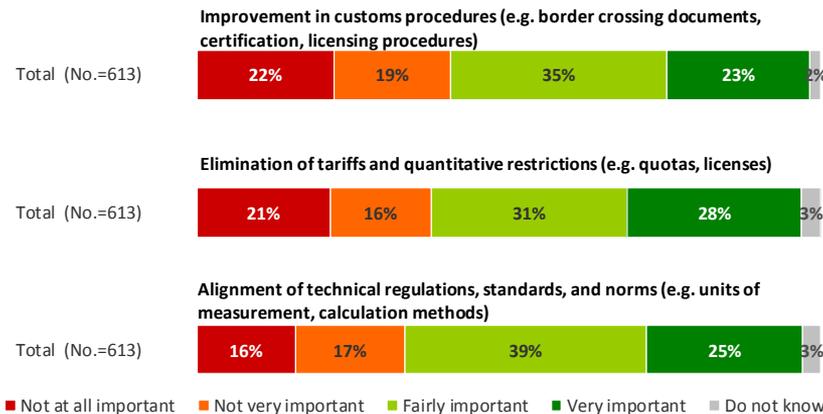
Majority of French SMEs finds issues regarding customs procedures, tariffs, and technical regulations important



Both exporting and importing SMEs relatively often feel these aspects are important to their company:

- The improvement in customs procedures (resp. 76% and 78%, opposed to 43% non-exporting and 42% non-importing SMEs).
- The elimination of tariffs and quantitative restrictions (resp. 77% and 80%, opposed to 44% non-exporting and 43% non-importing SMEs).
- The alignment of technical regulations, standards and norms (resp. 76% and 76%, opposed to 54% non-exporting and 55% non-importing SMEs).

How important are the following aspects from the perspective of your company?



The height of the **annual turnover** of an SME determines the importance of the elimination of tariffs and quantitative restrictions: SMEs with an annual turnover between 2 and 50M (68%) think this is a more important issue than <2M SMEs (48%).

Sector plays a role as well: improvement in custom procedures (70%) and elimination of tariffs and quantitative restrictions (70%) is more important for companies in **wholesale and trade and repair of motor vehicles**.

Information on foreign markets and competition rules important to majority of French SMEs

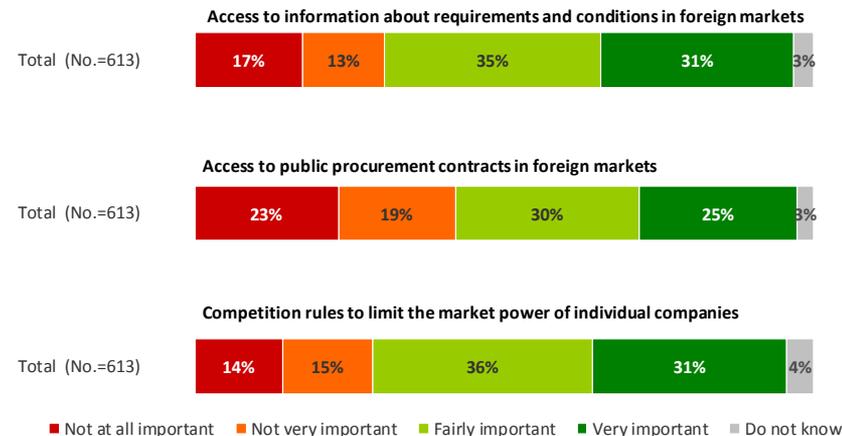


Both exporting and importing SMEs relatively often feel these aspects are important to their company:

- The access to information about requirements and conditions in foreign markets (resp. 86% and 83%, opposed to 50% non-exporting and 54% non-importing SMEs).
- Access to public procurement contracts in foreign markets (resp. 75% and 71%, opposed to 38% non-exporting and 43% non-importing SMEs).
- Competition rules to limit the market power of individual companies (resp. 79% and 76%, opposed to 56% non-exporting and 59% non-importing SMEs).



How important are the following aspects from the perspective of your company?



These three aspects are more important for **medium-sized companies** (resp. 76%, 66% and 74%), than for **smaller companies (0-49 employees)** (resp. 58%, 47% and 61%).

When looking at the sectors, the three aspects are also less important to companies in **human health and social work** (resp. 58%, 45% and 60%).

Protection of regional brand names, Product designations, and Intellectual property important for 7 out of 10 French SMEs



Medium-sized companies (50-250 employees) find protection of brands (76%) and intellectual property (79%) more important than smaller companies (0-49 employees) (resp. 63% and 71%), but the protection of company and customer data is of comparable importance (80% vs. 79%).



The protection of information and communication services is of relative importance to SMEs in the **sector Information and communication services** (87%).



Both exporting and importing SMEs relatively often feel these aspects are important to their company:

- The protection of regional brand names and product designations (resp. 79% and 81%, opposed to 61% non-exporting and 59% non-importing SMEs).
- The protection of intellectual property (resp. 85% and 83%, opposed to 67% non-exporting and 69% non-importing SMEs).
- The protection of the companies own data and customer data (resp. 86% and 86%, opposed to 74% non-exporting and 74% non-importing SMEs).

How important are the following aspects from the perspective of your company?

Protection of regional brand names and product designations



Protection of intellectual property



Protection of a company's own data and customer data



■ Not at all important ■ Not very important ■ Fairly important ■ Very important ■ Do not know

Roughly half of the French SMEs find arbitration tribunals and non-discriminatory access to public courts important



Both exporting and importing SMEs relatively often feel these aspects are important to their company:

- The investor-state arbitration tribunals for enforcing claims to compensation of foreign companies and national companies abroad (resp. 66% and 65%, opposed to 42% non-exporting and 45% non-importing SMEs).
- Non-discriminatory access to public courts in foreign markets (resp. 73% and 70%, opposed to 44% non-exporting and 48% non-importing SMEs).

How important are the following aspects from the perspective of your company?

Investor-state arbitration tribunals for enforcing claims for compensation of foreign companies and national companies abroad



Non-discriminatory access to public courts in foreign markets



■ Not at all important ■ Not very important ■ Fairly important ■ Very important ■ Do not know

For companies with an **annual turnover** between 2 and 50 million, these two aspects are more important than for companies with an annual turnover of less than 2 million.

Investor-state arbitration tribunals for enforcing claims to compensation of foreign companies and national companies abroad are more important for **construction** companies (67%) and SMEs in **information and communication services** (76%).



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Appendix

- Knowledge about TiSA

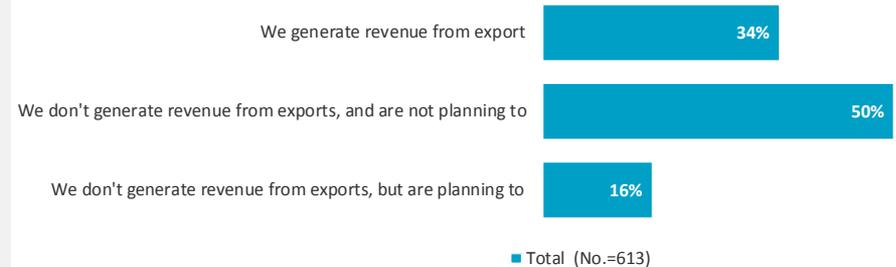
Earlier in this report (slide 9) we explained that the survey sample contains an overrepresentation of small and medium-sized companies. This overrepresentation also translates into a relatively large amount of exporting SMEs in the survey sample: a third of French SMEs surveyed are currently generating revenue from export.

In general, we see that the **medium-sized companies** surveyed (50-250 employees 46%, 2M-50M annual turnover 49%) are more often generating revenue from export than smaller companies (0-49 employees 24%, less than 2M turnover 16%).

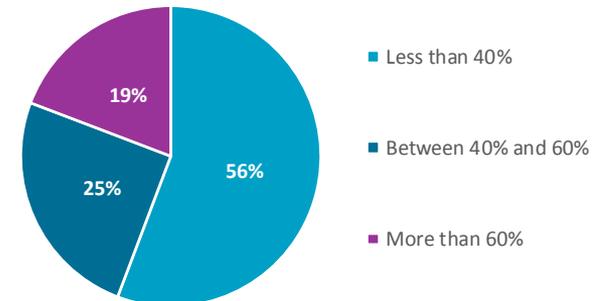
Half of the companies surveyed that conduct **professional, scientific and technical activities** generate revenue from export (50%). Companies in **human health and social work** are less likely to generate revenue from export (23% does) and are generally not planning to.

Of the SMEs that are generating revenue from export, we see that for over half of the companies surveyed, export accounts for less than 40% of total revenue.

What share of the total revenue of your company (goods and services) do exports represent?



Revenue from exports as share of total revenue in %
(Base - generates revenue from export, No.=208)



EU member states and EFTA countries most important markets for French SMEs surveyed

Aside from EU member states and EFTA states, which are important for **smaller** (0-49 employees) and **medium-sized companies** (50-250 employees) alike, we see that **medium-sized companies** value the other regions more than smaller companies as markets for their products and services.

Interestingly so, when looking at **turnover**, we see that SMEs with an annual turnover between 2M and 50M find countries in the European neighbourhood more important than SMEs with an annual turnover of less than 2M.



What importance do the regions named below currently have as markets for your products and/or services?

(Base - Generates revenue from exports)

EU Member States and EFTA countries

Total (No.=208)



European Neighbourhood (North Africa, Middle East, Caucasus), Russia and Turkey

Total (No.=208)



United States

Total (No.=208)



Asia and Australia

Total (No.=208)



Canada

Total (No.=208)



Rest of the World

Total (No.=208)



■ Not at all important ■ Not very important ■ Fairly important ■ Very important ■ Do not know

EU Member states and EFTA countries expected to be most important foreign markets for French SMEs who do not yet generate revenue from exports but are planning to.



Asia and Australia, and the 'rest of the world' are expected to have the least importance for the French SMEs who are not yet involved in international trade but are planning to.

What importance do you expect the following regions to have as markets for your products and/or services?

(Base - Does not generate revenue from export, but is planning to)

EU Member States and EFTA countries

Total (No.=96) **11%** **17%** **42%** **28%** **2%**

European Neighbourhood, Russia and Turkey

Total (No.=96) **14%** **31%** **33%** **18%** **4%**

United States

Total (No.=96) **15%** **26%** **32%** **25%** **2%**

Asia and Australia

Total (No.=96) **17%** **27%** **36%** **17%** **3%**

Canada

Total (No.=96) **11%** **26%** **43%** **17%** **3%**

Rest of the World

Total (No.=96) **16%** **28%** **40%** **13%** **4%**

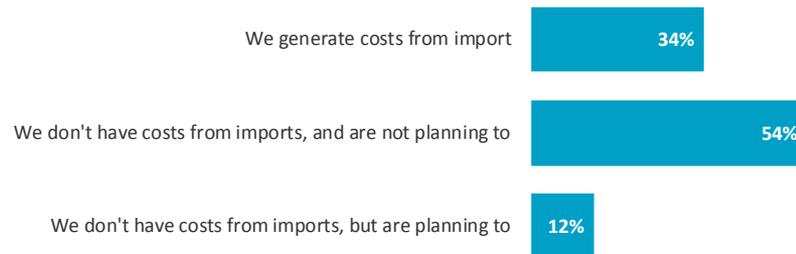
■ Not at all important ■ Not very important ■ Fairly important ■ Very important ■ Do not know

Half of French SMEs surveyed do not have costs from import, and are not planning to do so in the future

Medium-sized companies are more likely to have costs from import: 45% of the medium-sized companies has costs from import and 12% is planning to. Among smaller companies (0-49 employees) 26% has costs from import and 13% is planning to.

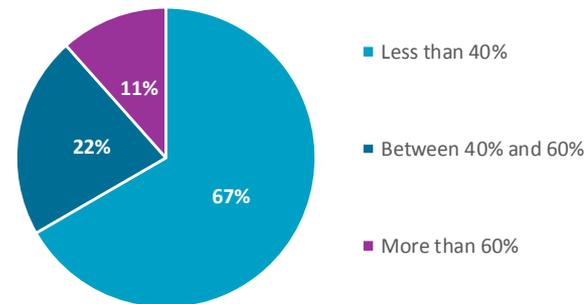
Relatively little amount of **administrative** companies generate costs from import (21%).

What share do imports represent in the total costs of your company (goods and services)?



■ Total (No.=613)

Costs from imports as share of total costs in %
(Base - generates costs from import, No.=207)



EU Member states and EFTA Countries most important suppliers for French SMEs that generate costs from import

Between SMEs that have an annual **turnover** of less than 2M and SMEs with an annual turnover between 2M and 50M, EU member states are valued as equally important for import.

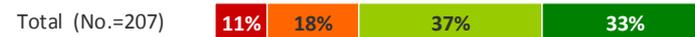
However, countries in the European neighbourhood, the United States, Asia and Australia, Canada, and the rest of the world are seen as more important by SMEs with an annual **turnover** between 2M and 50M, compared to SMEs with an annual turnover of less than 2M.



What importance do the regions named below currently have as suppliers for your products and/or services?

(Base - generates costs from imports)

EU Member States and EFTA countries



European Neighbourhood (North Africa, Middle East, Caucasus), Russia and Turkey



United States



Asia and Australia



Canada



Rest of the World



■ Not at all important ■ Not very important ■ Fairly important ■ Very important ■ Do not know

SMEs that are planning to import see EU Member States and EFTA countries as most important to have as suppliers for their products and services



72% of all surveyed SMEs are planning to generate costs from import feel that EU Member states and EFTA countries are important as supplier for their products and/or services.

What importance do you expect the regions named below to have as suppliers for your products and/or services?

(Base - Does not have costs from import, but is planning to)

EU Member States and EFTA countries



European Neighbourhood, Russia and Turkey



United States



Asia and Australia



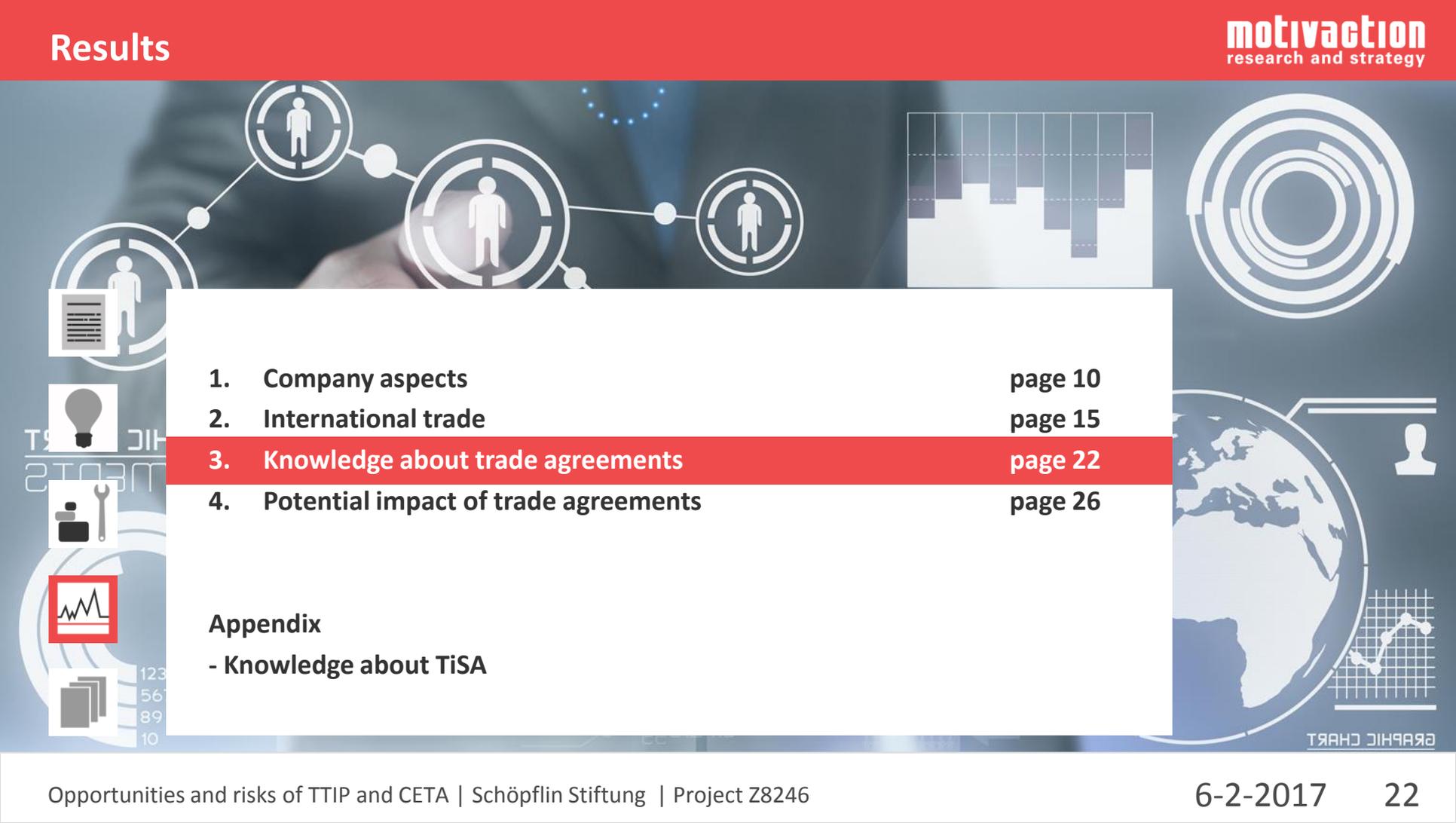
Canada



Rest of the World



■ Not at all important ■ Not very important ■ Fairly important ■ Very important ■ Do not know

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Appendix
- Knowledge about TiSA

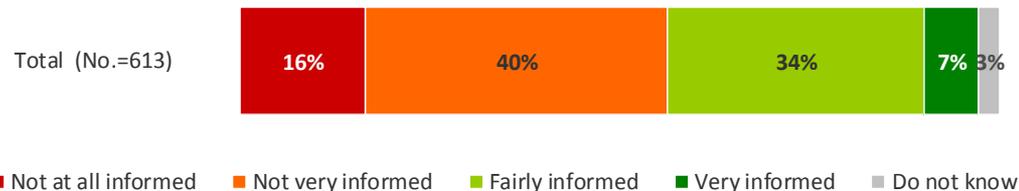
Over half of the French SMEs consider their company to be not (very) informed on the TTIP trade deal



Only 7% of all French SMEs surveyed consider themselves to be very informed on the TTIP trade deal.

Respondents at **middle-level management** consider their company to be better informed on the TTIP treaty than respondents in top-level management. 56% of middle level managers surveyed feel fairly to very informed opposed to 33% of the top-level managers.

In general, how informed do you feel you are/ your company is about the EU-United States Transatlantic Trade and Investment Partnership (TTIP)

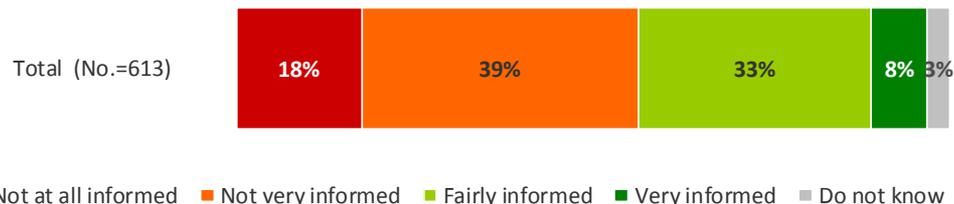


Also, there are clear differences between **smaller** and **medium-sized companies**: 34% of SMEs with 0-49 employees feel that their company is fairly to very informed on TTIP opposed to 51% of SMEs with 50-250 employees.

↔ **Both exporting and importing SMEs** relatively often feel fairly to very informed on the TTIP agreement (resp. 56% and 50%).

Over half of French SMEs consider their company to be not (very) informed about the CETA

In general, how informed do you feel you are/ your company is about the EU-Canada Comprehensive Economic and Trade Agreement (CETA)



57% of the French SMEs don't consider themselves to be (very) informed on CETA.

We see that **middle-level management** considers themselves to be more informed (58%) than top-level management (35%).

SMEs with 0-49 employees less often feel that their company is fairly to very informed on CETA (34%) than SMEs with 50-250 employees (50%).

↪ **Both exporting and importing SMEs** relatively often feel fairly to very informed on the CETA agreement (resp. 54% and 52%).

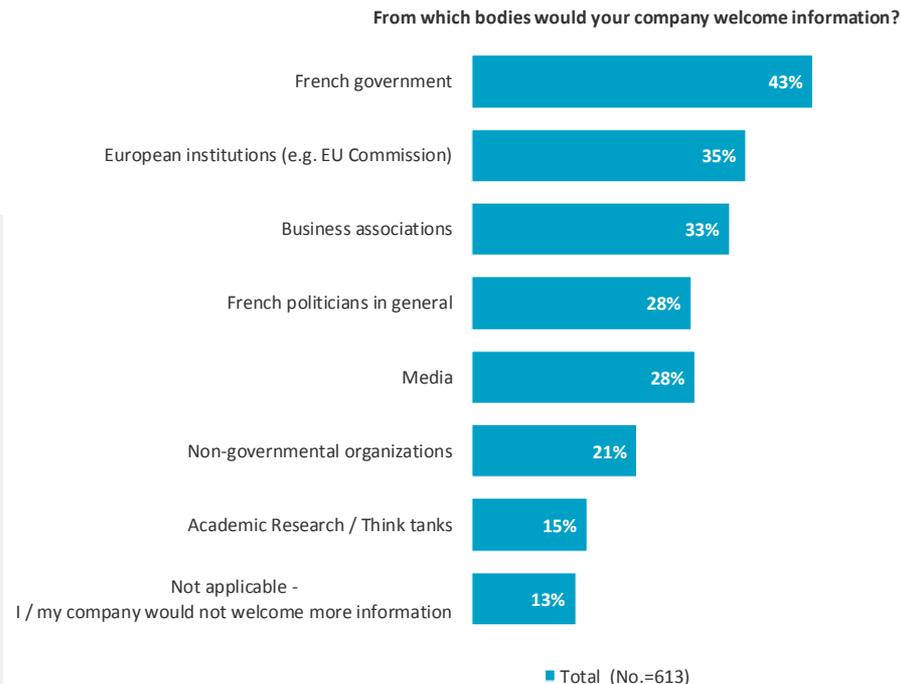
Overall, those who feel fairly/very informed about TTIP, also feel informed about the CETA agreement

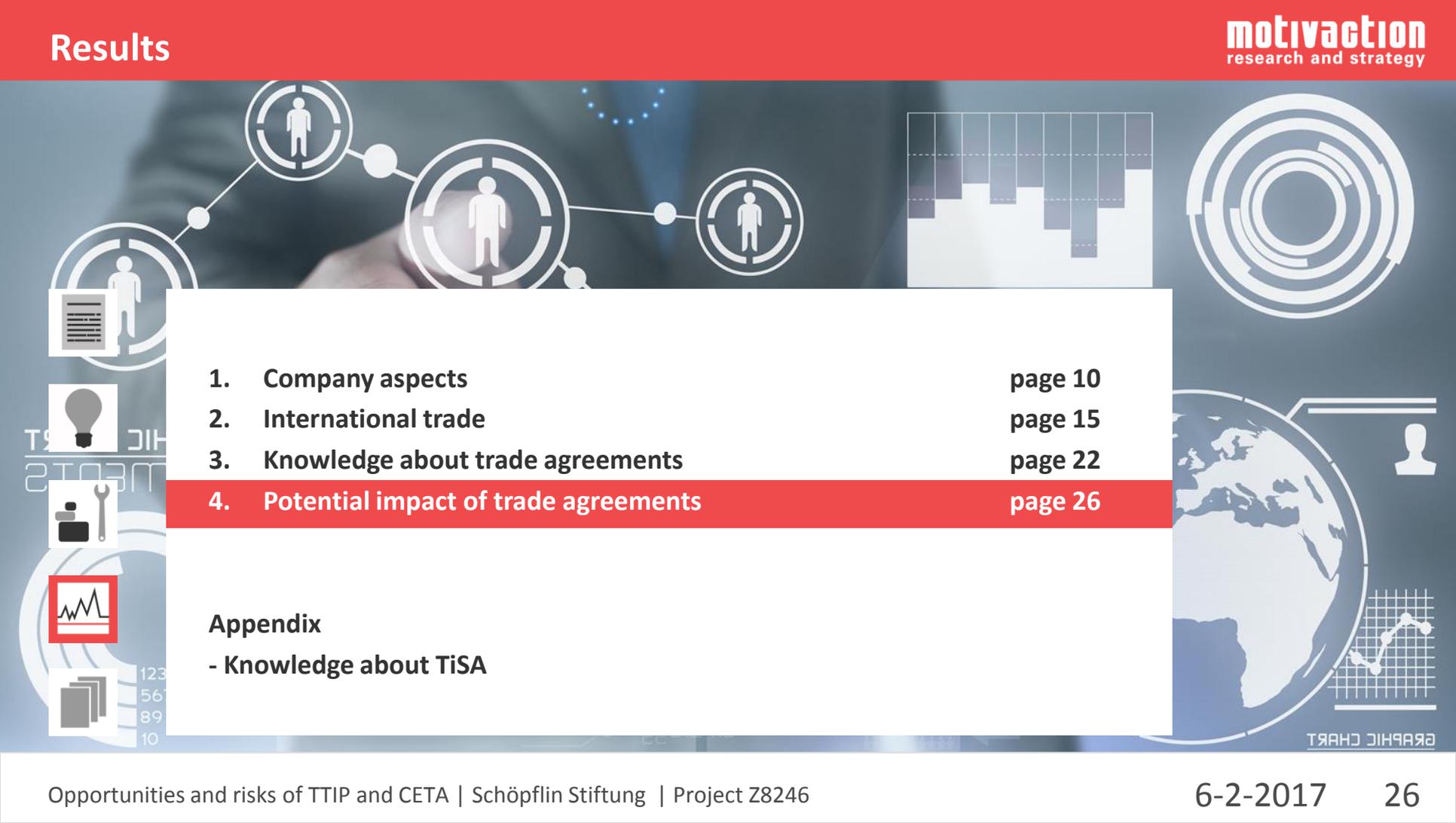
Information from French government, European institutions, and business associations top-3 sources of welcome information for French SMEs

Medium-sized companies (50-250 employees) more often would welcome information from the French government (48%) and European institutions (39%) than smaller companies (0-49 employees) (resp. 40% and 32%).

Also, **smaller French companies** value information from the media more (32%) than medium-sized companies (24%).

Companies that conduct **professional, scientific and technical** activities would more often welcome information from European institutions (50%).



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Appendix
- Knowledge about TiSA

Half of French SMEs surveyed think that trade agreements will have a positive impact on development of foreign markets, purchasing of intermediate goods and foreign direct investments

When looking at the results on the effects of trade agreements on companies, we see that **medium-sized companies** more strongly feel that these three statements apply than SMEs with 0-49 employees:

- 65% thinks it would be easier to develop new foreign markets
- 64% thinks the purchasing of intermediate goods would improve
- 63% believes foreign direct investment would be more secure

Considering the potential impact of the trade agreements, which of the following statements apply to your company?



Both exporting and importing SMEs relatively often feel:

- It would be easier to develop new foreign markets (resp. 76% and 74% opposed to 39% non-exporting and 45% non-importing SMEs).
- The purchasing of intermediate goods would improve (resp. 71% and 71% opposed to 40% non-exporting and 42% non-importing SMEs).
- Foreign direct investment would be more secure (resp. 74% and 70% opposed to 38% non-exporting and 39% non-importing SMEs).



A majority of French SMEs thinks that trade agreements will have negative effects on competitive pressure



Both exporting and importing SMEs relatively often feel:

- Competitive pressure in general would noticeably increase (resp. 80% and 79%, opposed to 43% non-exporting and 45% non-importing SMEs).
- There would be a noticeable increase in competition from large, international companies (resp. 76% and 71%, opposed to 40% non-exporting and 43% non-importing SMEs).
- Their company would expect problems in withstanding the resulting tougher competition (resp. 64% and 63%, opposed to 31% non-exporting and 33% non-importing SMEs).
- Their company would become increasingly dependent on a specific client, production chain or market (resp. 61% and 57%, opposed to 28% non-exporting and 30% non-importing SMEs).

Medium-sized companies more often expect an increase in competitive pressure (67%), a noticeable increase in competition from large international companies (65%) than SMEs with 0-49 employees (resp. 53% and 49%).



Considering the potential impact of the trade agreements, which of the following statements apply to your company?

Competitive pressure in general would noticeably increase



There would be a noticeable increase in competition from large, international companies



My company would expect problems in withstanding the resulting tougher competition



My company would become increasingly dependent on a specific client, production chain or market



■ Does not apply ■ Tends not to apply ■ Tends to apply ■ Applies ■ Do not know

Medium-sized companies also relatively often expect problems in withstanding the resulting tougher competition (57%) and to become increasingly dependent on a specific client, product or chain market (55%).

Effects of TTIP will be most positive for large French companies according to the SMEs surveyed

Medium-sized companies are more positive about TTIP effects than smaller companies on all domains: from the French economy to their own company.

- Both **exporting and importing SMEs** relatively often believe the TTIP agreement has a fairly to very positive effect on:
 - The large French companies (resp. 57% and 57%, opposed to 44% non-exporting and 46% non-importing SMEs).
 - Their own sector (resp. 47% and 44%, opposed to 24% non-exporting and 27% non-importing SMEs).
 - Their own company (resp. 50% and 44%, opposed to 26% non-exporting and 29% non-importing SMEs).
- Among **exporting SMEs** 48% expects a very to fairly positive effect on SMEs in general and 30% expect a very to fairly negative effect. However, among **non-exporting SMEs** 31% expects a positive effect on SMEs and 41% expects a negative effect.

Compared to other sectors, **construction companies** more often believe that TTIP has a negative effect on their sector: 27% believes the impact is fairly to very negative. Still, over four-tenths of construction companies expect a positive impact on their sector (44%).

What effects do you expect in general from the possible conclusion of the Transatlantic Trade and Investment Partnership (TTIP) between the EU and the United States?

On the French economy



On the large French companies



On small and medium-sized French businesses



On your own sector



On your own company



■ Very negative ■ Fairly negative ■ No impact ■ Fairly positive ■ Very positive ■ Do not know



French SMEs are divided about CETA effects on SME sector

Medium-sized companies estimate the effects of CETA, from nationwide to company-level, to be more positive than smaller companies (0-49 employees).

➔ **Both exporting and importing SMEs** relatively often believe the CETA agreement has a fairly to very positive effect on:

- The French economy (resp. 48% and 48%, opposed to 34% non-exporting and 34% non-importing SMEs).
- The large French companies (resp. 58% and 57%, opposed to 47% non-exporting and 49% non-importing SMEs).
- Their own sector (resp. 47% and 44%, opposed to 24% non-exporting and 27% non-importing SMEs).
- Their own company (resp. 50% and 44%, opposed to 26% non-exporting and 29% non-importing SMEs).

➔ Among **exporting SMEs** 47% expects a very to fairly positive effect on SMEs in general and 26% expect a very to fairly negative effect. However, among **non-exporting** SMEs 35% expects a positive effect on SMEs and 37% expects a negative effect.

What effects do you expect in general from the possible conclusion of the Comprehensive Economic and Trade Agreement (CETA) between the EU and Canada?

On the French economy



On the large French companies



On small and medium-sized French businesses



On your own sector



On your own company



■ Very negative ■ Fairly negative ■ No impact ■ Fairly positive ■ Very positive ■ Do not know

French SMEs stand divided on benefits/threats as result of the abolition or reduction of customs duties

Digging deeper into the results, we see that **medium-sized companies** react more strongly on both statements than smaller companies: they both see more benefits (59%) as well as more threats (55%) of the abolition or reduction of customs duties than smaller companies (resp. 39% and 42%).

➔ **When looking at exporting SMEs** the number of SMEs who think they will benefit increases (63% opposed to 38% non-exporting SMEs) as well as those who think it will pose a threat (58% vs. 42% of non-exporting SMEs).

What effects do you expect from selected regulations in the context of new possible trade agreements?

My company will benefit from the abolition or reduction of customs duties



The abolition or reduction of customs duties in the context of TTIP and/or CETA poses a threat



■ Strongly disagree ■ Tend to disagree ■ Tend to agree ■ Strongly agree ■ Do not know



Benefits of trade agreements regarding the improvements of technical regulations and standards divides French SMEs

Medium-sized companies (59%) feel that they will benefit more from the alignment of technical regulations and standards than smaller companies (0-49 employees) (47%).

Companies that conduct **professional, scientific and technical activities** more often disagree (42%) with the statement ‘Technical regulations, standards, and norms should not be laid down in a bilateral agreement.’

➔ **When looking at exporting SMEs** they relatively often think their company will benefit from the alignment of technical regulations, standards, and norms (63% opposed to 40% non-exporting SMEs), the regulatory bodies proposed for CETA and TTIP will help improve the quality of standards (67% opposed to 47% non-exporting SMEs). However exporting SMEs also relatively often believe technical regulations, standards, and norms should not be laid down in a bilateral agreement (73% opposed to 58% non-exporting SMEs).

What effects do you expect from selected regulations in the context of new possible trade agreements?

My company will benefit from the alignment of technical regulations, standards, and norms

Total (No.=613)



Technical regulations, standards, and norms should not be laid down in a bilateral agreement

Total (No.=613)



The regulatory bodies proposed for CETA and TTIP will help improve the quality of standards

Total (No.=613)



■ Strongly disagree ■ Tend to disagree ■ Tend to agree ■ Strongly agree ■ Do not know



Majority of French SMEs feel that investor-state arbitration favours foreign companies and might limit French government

Medium-sized companies feel more strongly than smaller companies that investor-state arbitration tribunals are important instruments (63% vs 48%) extrajudicial bodies undermine the rights of their companies (58% vs 42%).

Construction companies relatively often disagree (51%) with the statement that extra-judicial bodies such as ISDS or ICS undermine the rights of their company.

➔ **When looking at exporting SMEs** they relatively often think investor-state arbitration tribunals are important instruments for their company (69% opposed to 43% non-exporting SMEs) , extra-judicial bodies such as ISDS or ICS undermine the rights of their company (55% opposed to 43% non-exporting SMEs). Investor-state arbitration procedures favor foreign companies and might limit the government (76% opposed to 59% non-exporting SMEs).

What effects do you expect from selected regulations in the context of new possible trade agreements?

Investor-state arbitration tribunals are important instruments for my company



Extra-judicial bodies such as ISDS or ICS undermine the rights of my company



Investor-state arbitration procedures favour foreign companies and might limit the government



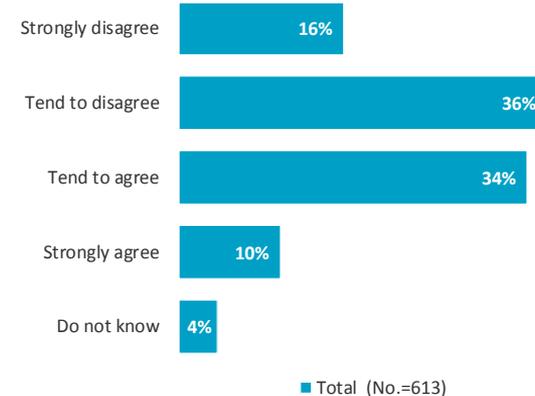
■ Strongly disagree ■ Tend to disagree ■ Tend to agree ■ Strongly agree ■ Do not know

52% of the SMEs surveyed does not feel that the interest of French SMEs are sufficiently considered when international trade deals are negotiated

Medium-sized companies (55%) feel the interest of French SMEs is sufficiently more considered when international trade deals are negotiated than smaller companies (36%).

 **Exporting SMEs** relatively often feel that French SMEs are sufficiently considered when international trade deals are negotiated or agreed upon (55% opposed to 35% non-exporting SMEs).

To what extent do you agree or disagree with the following statement? I feel the interests of French SMEs in general are sufficiently considered when international trade deals are negotiated and/or agreed upon





Majority of French SMEs Surveyed do not feel (very) informed on TiSA trade deal

In general, how informed do you feel you are/ your company is about the
Trade in Services Agreement (TiSA)

Total (No.=613)



■ Not at all informed ■ Not very informed ■ Fairly informed ■ Very informed ■ Do not know

In general, we see that 59% of all surveyed French SMEs surveyed indicate that they are not (very) informed on the TiSA trade deal.

When looking at **annual turnover**, we see that SMEs with an annual turnover between 2M and 50M feel more informed on the TiSA trade deal than SMEs with less than 2M turnover. Still, half of the SMEs with an annual turnover between 2M and 50M feels not (very) informed on TiSA.

Considering **management level**, it stands out that middle management feels more informed on TiSA than top level management

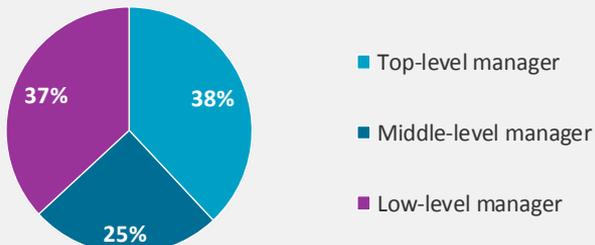


Both exporting and importing SMEs relatively often feel fairly to very informed on the TiSA agreement (resp. 54% and 52%).

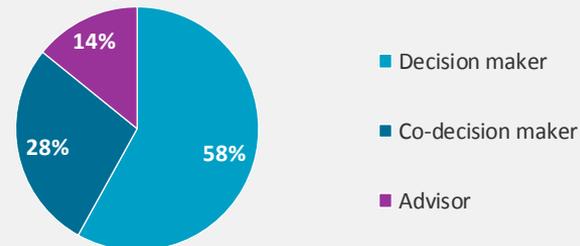


Who participated in the survey?

Position in the organisation



Responsibility for management, finance, purchasing or sales



SME definition

The EU SME definition is 'enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million'. This SME definition is designed to target particular enterprises in relation to EU funding and state-aid. The SME definition incorporates aspects of linkages, ownership and partnership with larger enterprises as well as a certain degree of flexibility between annual turnover and balance sheet total during different years. This is evidently beyond the scope of the current survey and hence total size remains our most reliable indicator. Further survey could benefit from utilizing the full classifying restrictions on SMEs.

Extensive information on the definition of SMEs is described in the document 'User guide to the SME Definition':

<https://www.rijksoverheid.nl/documenten/brochures/2014/05/01/handleiding-definitie-mkb>

21 of the 613 companies surveyed (3%) have an annual turnover above the SMEs threshold of 50 million Euro. Excluding these companies does not lead to significant different results in the study.



Practical research details – quantitative

- Fieldwork period
 - The main fieldwork was conducted in the period October 24th to November 6th 2016 (panel respondents). Participation via a generic link was possible into December 2016
- Respondent recruitment method
 - From Motivation's StemPunt-panel and other partner panels
 - From the membership of national SME associations, which have cooperated in the survey
- Incentives
 - The respondents from the StemPunt-panel received points which can be redeemed in our loyalty program as a reward for their participation
- Weighting
 - The research data were not weighted (see also Appendix: weighted and un-weighted data) based on weighting factors determined in the Mentality calibration file. Where the socio-demographic data are concerned, this calibration file is weighted according to the Golden Standard of the CBS (Central Statistical Office)
- Involvement of external suppliers In conducting this study
 - Motivation made use of the services of specialist companies for the following activities: conducting fieldwork in Slovenia, Belgium, France and Lithuania
- Questionnaire
 - The questionnaire was drafted by Schöpflin Stiftung and their partners in the different countries based on the questionnaires designed by BVMW and Business Growth Foundation
- Retention period for primary research files
 - Digital research files will be stored by Motivation for at least 12 months after the study has been completed. Audio- and visual recordings on cd and non-digital research files such as completed written questionnaires will be stored for 12 months after the study has been completed.
- Other practical research details
 - Other practical research details and a copy of the questionnaire/checklist used for this study are available to client on request



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motivaction

research and strategy

Motivaction International B.V.

Marnixkade 109

1015 ZL Amsterdam

Postbus 15262

1001 MG Amsterdam

T +31 (0)20 589 83 83

M moti@motivaction.nl

www.motivaction.nl

www.facebook.com/stempunt

