How to Facilitate Trade for Small Businesses

Mike Cherry, National Chairman
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Federation of Small Businesses

- Established in 1974 to lobby on behalf of our members
- 170,000 members across the UK
- Largest sectors: retail (20%), professional services (18%), manufacturing (12%)
- Average number of employees working for member companies: seven employees
- 5.7 million SMEs in the UK
Where existing small business exporters currently export
Reasons Why Current Exporters First Exported

Figure 26: Reasons why Current Exporters first exported to the EU
Source: FSB future trade with the EU and non-EU markets survey

- Reactive: 49%
- Exploited/driver by existing business advantage: 13%
- Ease: 23%
- Proactively strategic: 5%
- Other/not sure: 10%

68% of Current Exporters

Figure 27: Reasons why Current Exporters first exported to a non-EU market
Source: FSB future trade with the EU and non-EU markets survey

- Reactive: 48%
- Exploited/driver by existing business advantage: 14%
- Ease: 20%
- Proactively strategic: 5%
- Other/not sure: 13%

32% of Current Exporters
Key Non-Tariff Barriers (Customs)

- Compliance with Rules of Origin
- Administrative Burdens/Paperwork
- Additional Requirements/Delays at Customs
- Sanitary & Phytosanitary Measures
- Sudden Changes to Import Regulations in Export Destination

“Our goods are sensitive to time, so, if they are held up at customs then they degrade and we have to try again. This is a major issue when exporting outside the EU. In addition, these hold ups are rather arbitrary.” – FSB Member (Current Exporter)

“We have little resources for anything other than selling, buying and making. Any extra laws or requirement, the harder that makes our jobs.” – FSB Member (Current Exporter)
Recommendations

1. Reduce the administrative burden & document overload
2. Improve customs capacity for SMEs
3. Overhaul the procedure and system to certify origin
4. Make trusted trader schemes accessible for micro-small business exporters
5. Make information accessible
Thank you

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