



Negotiations for a Deep and Comprehensive Free Trade Area between the European Union and Tunisia

The EU Proposal on Small and Medium-sized Enterprises (SMEs)

FACTSHEET

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The present document aims at providing a general overview of the European Union's (EU) proposal for a Chapter on SMEs in the Deep and Comprehensive Free Trade Area (DCFTA) envisaged between the EU and Tunisia. The text of the EU proposal was presented to Tunisia in January 2017 and is now available on the [website of the European Commission](#).

Why negotiate a chapter on SMEs?

SMEs are the backbone of the economies in the EU and in Tunisia. Both, the EU and Tunisia give a high priority to SMEs for increasing economic growth and jobs.

SMEs represent over 99 % of all companies in the EU (over 22 million SMEs) and in Tunisia (over 0.6 million SMEs). Tunisian SMEs employ 59% of the total workforce. SMEs in the EU provide 67% of the jobs in the private sector and they generate 57.9 % of the EU's non-financial business economy value added. Over 620,000 SMEs in the EU export outside the EU and they represent more than 88% of all EU exporters and account for 32% of the value of EU exports.

The EU-Tunisia DCFTA allows for easier trade between the partner countries and provides new business opportunities.

SMEs, with their fewer resources and lower trade volumes than large companies, will particular benefit from the agreement. Provisions in various chapters of the agreement will simplify trade in goods and services and

reduce export related costs per unit, which will enable more SMEs to do business in both markets. The benefits of this agreement include less burdensome customs procedures, rules of origin, compliance requirements with technical regulations, protection of intellectual property, etc.

In addition, the proposed SME chapter with its information on market access and institutional set-up will ensure that the trade agreement works for SMEs from both sides. This will allow SMEs to expand their business presence in the other market and to participate more in supply chains, public procurement and e-commerce activities.

As a result, more small companies will undertake additional economic activities, provide more jobs and contribute to a further integration of the EU and Tunisian economies.

Main goals

The EU proposal for the SME chapter aims to:

- Provide easily accessible market access information on each side for SMEs.
- Help SMEs to benefit fully from the trade agreement through an appropriate institutional set-up which will allow interaction with the responsible bodies of the other chapters of the agreement.
- Increase the number of SMEs active on the other market and their trade volumes.