

Press Release

New research study from AEB and DHBW: Companies barely see any positive effects of TTIP on employment and financial development

- The TTIP agreement will have a big impact on most companies.
- Overall, using preferential agreements in supply chains is becoming increasingly important.
- For 2015, the top priority in global supply chains is compliance with embargo regulations.



Leamington Spa, 9th January 2015 – Most companies doubt that the Transatlantic Trade and Investment Partnership (TTIP) between the US and the EU will lead to positive effects on employment and financial performance. That is one of the results of the recent study by software provider AEB and the Baden-Württemberg Cooperative State University (DHBW) in Stuttgart, Germany. Furthermore, the study analyses the key global trade priorities for 2015 and the importance of preferential agreements in supply chains. The study "Global Trade Management Agenda 2015" is available free of charge at www.aeb.com/gtm-study.

Only about a third of the 177 participating global trade and logistics experts across various industries believe that their companies will benefit financially from the Transatlantic Trade and Investment Partnership (TTIP). Expectations are even more restrained when it comes to the effects on employment, with 82% of respondents expressing doubt that TTIP will lead to positive developments in this area. Looking at expected positive effects, most participants cite the elimination of non-tariff barriers (62.5% of respondents) and easier access to markets (57% of respondents) as main advantages. Regardless of how the respondents feel about TTIP – 54% of all participating industry experts believe that the agreement will be “very relevant” for their companies, while only 10% feel that the topic bears no relevance for them.

Respondents’ assessment: TTIP will not be implemented before 2017

Participants in the research study expect that it will take some time until TTIP is implemented. "A large majority of participants does not expect TTIP to take effect within the next two years." explains Prof. Dr. Dirk H. Hartel, Head of the Department of Business Administration Service Management at DHBW Stuttgart. "This shows that respondents have entirely realistic expectations – likely influenced by the experience of the CETA agreement with Canada, which is considered a blueprint for TTIP. The CETA negotiations have been ongoing for about five years, and the agreement is not expected to take effect until 2016."

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78% of the surveyed companies use preferential agreements

Generally, businesses regard free trade agreements as part of their everyday operations. International business activities without the use of available preferential agreements are rather the exception. The primary motivation for using preferential agreements is lowering customs duties. The overwhelming majority of respondents report that customers expect to receive preferential documents for their goods. Due to the high cost of administration and IT, the cost-benefit ratio is often viewed quite critically.

Key GTM priorities for 2015

In addition to questions about trade agreements, this year's study also asked about companies' key global trade management (GTM) priorities in 2015. Participants consider compliance with embargo regulations their most important task. Second and third place go to ensuring legal certainty and implementing changes to customs regulations. In addition, the importance of minimising supply chain risks has increased significantly - this topic climbed from eighth place in last year's study to fourth place this year. "Lowering overall GTM costs" only ranks tenth in the list of key 2015 GTM priorities.

"These findings must be viewed in the overall context of numerous crisis situations currently around the globe, which certainly influence subjective perceptions of global trade risks." explains Dr. Ulrich Lison, co-author of the study and global trade expert at AEB. "In particular, developments in Russia and Ukraine are omnipresent, of course. Today, businesses are facing the challenge of adapting their processes to comply with continuously changing regulations."

About the Global Trade Management Agenda 2015

The "Global Trade Management Agenda" studies are a collaborative project carried out by AEB GmbH and the Baden-Württemberg Cooperative State University (Department of Business Administration Service Management) in Stuttgart, Germany. The studies examine the global trade and logistics trends of the coming year, and each study focuses on analysing another key topic. The Global Trade Management Agenda 2015, conducted in the summer of 2014, is based on the results of an online survey of 177 participants from different industries mainly from Germany, Austria and the United Kingdom. Most of the participants are involved in international business activities on a daily basis. Some 80% of participants work in the areas of global trade, exports, imports, or logistics – typically in a leadership position within expert departments or relevant business divisions.

The authors of the study, Prof. Dr. Dirk H. Hartel, Head of the Department of Business Administration Service Management at DHBW Stuttgart and Dr. Ulrich Lison, Member of the Executive Board at AEB and expert in the area of global trade, preferences and international customs processes, are available for questions and interviews.

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Contacts

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Notes to Editors**About AEB GmbH (www.aeb-international.co.uk)**

AEB is one of Europe's leading providers of supply chain logistics software and has been delivering solutions to customers for over thirty years. The company has over 5,000 customers worldwide and is headquartered in Stuttgart, Germany, supported by offices in the UK, Switzerland, Singapore and the US. AEB's core product - ASSIST4 - is the comprehensive solution suite for all logistics processes in global business. ASSIST4 offers a complete set of business services for end-to-end logistics, including international goods movements, making it possible to standardise and automate business processes in supply chain execution. ASSIST4 also creates transparency and provides a reliable basis for making the right decisions about the planning, monitoring, control and continual optimisation of supply networks, even beyond the boundaries of the business. The ASSIST4 suite offers full functionality via a wide range of modules including Visibility & Collaboration Platform, Order Management, Warehouse Management, Transport & Freight Management, Customs Management and Compliance & Risk Management.

About DHBW Stuttgart (<http://www.dhbw-stuttgart.de/service/english.html>)

With around 8,800 students, the Baden-Wuerttemberg Cooperative State University (DHBW Stuttgart) is among the largest universities in the Stuttgart and Upper Neckar regions of Germany. In cooperation with about 2,500 carefully selected companies and social institutions, the dual partners, the Schools of Business, Engineering and Social Work, offer more than 40 nationally and internationally approved Bachelor courses. Their most important feature is that students regularly switch between theoretical phases at the university and practical phases at the dual training partner. Since autumn 2011, DHBW Stuttgart has also been offering cooperative studies, extending beyond the Bachelor degree with its career-integrated Master's programs at all its schools. The dual studies are designed according to the actual requirements of the job market and the companies or social institutions and guarantee a unique combination of theory and practice. Today, the DHBW is a nationally and internationally approved and accredited university with an exceptionally high level of quality, which also shows in the large number of graduates, namely 80 percent, who are taken on by their training companies after graduation.