



# **Supporting the Internationalisation of SMEs**

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## ***Why should SMEs expand their business beyond the borders of the EU?***

- An estimated 90% of global growth will originate outside the EU by 2015.
- Developing and emerging markets are expected to account for 60% of world GDP by 2030.
- Given increased market integration, SMEs can play an important role in global value chains.

## *Competitive gains from Internationalisation*

- Being internationally active correlates strongly with higher turnover growth.
- SMEs that are internationally active generally report higher employment growth
- The relationship between internationalisation and innovation is strong

## *So far, only few EU-based SMEs have tried their chances abroad*

Type of internationalisation	...% of all EU SMEs target international markets (inside and/or beyond the EU)	...% of all EU SMEs target markets beyond the EU
Importing	29 %	14 %
Exporting	25 %	13 %
Technological cooperation with a foreign partner	7 %	n.a
Subcontracting for a foreign partner	7 %	
Using foreign subcontractors	7 %	
Foreign direct investment	2 %	

## *Main barriers reported by SMEs (1)*

- not enough working capital to finance exports;
- the difficulty of identifying foreign business opportunities;
- not enough information to locate/analyse markets;
- inability to contact potential overseas customers;
- the difficulty of obtaining reliable foreign representation;
- lack of managerial time to deal with internationalisation;
- not enough and/or untrained staff;

## *Main barriers reported by SMEs (2)*

- lack of adequate public support;
- the cost of or difficulties with paperwork needed for transport;
- other laws and regulations in the foreign country;
- tariffs or other trade barriers in the foreign market;
- cultural differences (including business culture).

## *Public support from the EU*

An overview of programmes and policies within the Commission

## *Information resources*

- Your Europe – Business portal  
<http://europa.eu/youreurope/business/>

### **Online guide to doing business in Europe**

- A single entry point to **all EU countries**.
- Practical information on the **vital steps** of companies in **each country**.
- A **multilingual website**, with information in all EU languages and Norwegian.
- **Easy access** to online forms to handle administrative procedures from home.
- Links to local business support organisations for **personalised help and advice**.



## ***Market access information (1)***

- [Enterprise Europe Network](#) (2015-2021) with partners in Europe and Business Cooperation Centres around the world
- [EU-Japan Centre for Industrial Cooperation](#)
- [EU SME Centre in China](#), [European Association for Business and Commerce in Thailand](#), [European Business and Technology Centre in India](#)

## ***Market access information (2)***

- Support to Eurochambres in Malaysia, Philippines, Laos, Cambodia and Indonesia; to be set up soon: Myanmar
- For Vietnam: a locally based consortium led by the bilateral French-Vietnamese Chamber of Commerce.
- A coordination platform is presently being set up to cover all EU (-supported) activities in Asia.

## *Market access information (3)*

### *Databases and web portals*

- [Market Access Database](#)
- [Export Helpdesk](#) (helpdesk and market access information for import into the EU)
- [SME Internationalisation Portal](#)
- [European Small Business Portal](#)

## *Matchmaking*

- Enterprise Europe Network Business cooperation Centres in 19 markets outside the EU/CIP countries
- [Missions for Growth](#): upcoming – China in October, Cape Verde in November
- [Cluster internationalisation](#) (Brazil, India, Japan, South Korea, Mexico, Morocco, Tunisia, Chile)

## ***Access to finance: Indirect EU funding (2014-2020)***

- European Structural and Investment Funds
- H2020 equity facility / debt facility
- COSME equity facility / debt facility

## *Intellectual Property Rights*

- IPR Helpdesks in [China](#), [ASEAN](#), [Mercosur](#)
- [EU-US transatlantic IPR portal](#)

## Research

- [EUREKA-Eurostars](#) (Iceland, Israel, Norway, Switzerland, Turkey, South Korea)  
→ applied R&D, product development
- [Horizon 2020 collaborative projects](#)  
→ R&D by topics - 6 key technologies / societal challenges
- [Horizon 2020 SME Instrument](#)  
→ business innovation breakthrough

## *Entrepreneurial Mentoring*

- [Erasmus for Young Entrepreneurs](#)

possibly to be extended beyond the EU  
(currently pilot project for Brazil)



## *In preparation*

- Some SME related actions under the new Partnership Instrument
  - Budget: approximately 1 bn euros between 2014 and 2020
  - Work programme on the website of the ["Foreign Policy Instrument"](#)
- Possible actions relevant also for EU-based SMEs in the context of the Communication ["A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries"](#) (May 2014)

## *Negotiating Free Trade Agreements*

**FTA concluded:** Chile, South Korea, Mexico, South-Africa

### **FTA in negotiations / to be ratified**

([more details on the website of DG TRADE](#))

- North America: USA, Canada
- Asia: ASEAN (Singapore, Malaysia, Vietnam, Thailand), Japan, India
- Latin America: Andean Community, Mercosur
- South Mediterranean and Middle East Countries:  
Morocco, Egypt, Israel, Jordan, Lebanon, Algeria, Palestine, Syria, Tunisia,  
Libya, Gulf Cooperation Council
- Eastern Neighbourhood: Ukraine, Georgia, Moldova

## *Regulatory approximation*

- SME dialogues with third countries: USA, China, (Russia) and Brazil
- Multilateral SME dialogues: Eastern Partnership, the EU-MED Industrial Cooperation and the enlargement countries
- SME related policy approximation in the context of the Neighbourhood Policy (together with the OECD)

## *SME feedback on EU policy making*

- SME Panel  
(= consultation via the Enterprise Europe Network)
- [Public consultations](#)

## *Studies and statistics to support policy making*

- Studies and statistics relevant for SME Internationalisation are available on the website of DG Enterprise and Industry
- Guidebook: "Supporting the Internationalisation of SMEs"
  - published by the Commission in 2014
  - presently available in  
bg – cs – de – en – el – es – it – lt – hu – no – pl – pt – sv  
more official languages coming soon!
  - **many inspiring good practice examples!**



## *How can the Enterprise Europe Network support the internationalisation of client SMEs? (1)*

### Individual support:

- Matchmaking, market access information, help establish contacts to relevant clusters and business networks

**We will learn about concrete examples during this workshop!**

## ***How can the Enterprise Europe Network support the internationalisation of client SMEs? (2)***

### Sector Groups:

- Foster the exchange of experience between companies concerning internationalisation.
- Consider creating export consortia, i.e. groups of businesses that work together on an export development project.

### In general:

- Inform SMEs about the broad range of public support actions available at Member State and at EU level.



European  
Commission

*Thank you!*