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Enterprise & Industry

Legacy of Barroso II Commission

Tajani : Promoting SMEs, Growth and an Industrial Renaissance

Galileo, Copernicus take off

SME financing on the rise

EU enterprises head abroad

19

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Enterprise and Industry

Contents

Enterprise & Industry Magazine

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A foundation for the future

I took over as European Commissioner for Industry and Entrepreneurship when the economic crisis hit Europe. It soon became clear that we had to support Europe's real economy – sectors that produce tangible goods and services – because countries with a higher share of industry showed more economic resilience.

Against this background, I have been trying since the beginning of my term to implement initiatives to help industry navigate the crisis and again become a pillar of Europe's economy. In this edition of E&I Magazine, we outline the actions we have taken for various industry sectors, from traditional sectors such as aluminium production to growth sectors like tourism.

We also highlight measures designed to help create successful enterprises: developing European standards, ensuring sustainable access to raw materials, helping industries threatened by high energy prices and increasing access to foreign markets.

In addition, this magazine discusses the steps we have taken to support Europe's 23 million small and medium-sized enterprises, which are the heart of our economy. With the new COSME programme, for example, we made enormous progress improving access to finance, and enhanced support for businesses through our Enterprise Europe Network.

No doubt, much still needs to be done to strengthen Europe's economy. But thanks to the programmes initiated and improved over the past four years, we are back on the right track.

Antonio Tajani, European Commission Vice-President

The Commission has launched an ambitious plan to help European industry thrive at home and abroad.

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Interview with VP Tajani

Moving forward with the European Industrial Renaissance

At the beginning of 2014, European Commission Vice-President Antonio Tajani unveiled his plan for a ‘European Industrial Renaissance’. In an interview with Enterprise & Industry Magazine, Vice-President Tajani explains why the Commission is pushing for this Renaissance, and what Member States need to do to keep European industry on the road to recovery.

What has happened so far this year with your ‘European Industrial Renaissance’ initiative?

VP Tajani: In March, the European Council endorsed our plan, ‘For a European Industrial Renaissance’, as a way to promote investment, stimulate innovation and, above all, restore manufacturing jobs throughout Europe. This marked the first time that the EU Summit had ever discussed industrial competitiveness issues, so the support for our plan shows that Member States are ready for decisive, joint action to address the EU’s weaknesses in the industrial sector.

What needs to be done for industry to achieve the sort of growth envisioned by the Commission?

VP Tajani: To help lift the EU out of recession, the Commission plan calls for the adoption of proposals on energy, transport, space and digital communications networks, as well as the implementation and enforcement of legislation to complete the internal market.

Our plan also includes proposals to enable easier access to international markets by integrating European companies into global value chains and promoting free, fair and open trade. To do this, we will promote European standards and regulations, and continue to fight against counterfeiting. This will help enhance the EU’s industrial competitiveness globally by creating a level playing field in third markets.

Why is industry so important?

VP Tajani: We are emerging from the longest recession in the EU’s history, and this turmoil has

highlighted the importance of having a strong industrial sector. If there is one lesson we can learn from this crisis, it is that countries with strong industry have suffered less than countries with weak industry.

We need to remember that industry's importance is much greater than suggested simply by its share of GDP. It accounts for more than 80 % of Europe's exports, as well as a large chunk of private research and innovation. Moreover, nearly one in four private sector jobs are in industry, and each additional job in manufacturing creates up to two jobs in other sectors.

A lack of investment has been identified as a major issue for EU industry. How can investment be increased?

VP Tajani: There is no doubt that our plan requires massive investment. We can catalyse this investment through the efficient use of EU resources such as regional funds and EU funding programmes.

For example, €100 billion in regional funding will be available by 2020 for investment in innovation, including areas such as key enabling technologies, clean vehicles and transport, bio-based products, raw materials and smart grids.

These regional funds will be complemented by resources from Horizon 2020, an €80 billion research funding programme designed to support industrial projects that are close to reaching the market. COSME, the European Commission's new funding instrument targeted at SMEs, will inject another €2.5 billion.

These resources, supplemented by loans from the European Investment Bank, will drive private investment and facilitate access to credit and venture capital.

Reducing administrative burden is a key aspect of the Renaissance. What measures will be taken in this regard?

VP Tajani: We are proposing a new Small Business Act, including specific goals for cutting red tape. For instance, it should take no more than three days and €100 to set up a business, and it should take no longer than 30 days to obtain a trading permit.

We are also committed to reducing administrative burden by executing total cost analyses and fitness checks before and after regulatory measures are adopted. A great deal of red tape is created by Member States and local bodies, so we are therefore calling for the Commission's measures to be replicated at national and regional level.

Can the internal market for products contribute to reindustrialisation?

VP Tajani: Absolutely. Nearly one-quarter of our GDP is linked to the free movement of products. However, there are still too many differences in legislation at national level, making it difficult for companies to operate in the internal market.

It is not enough for the Commission alone to focus on industrial competitiveness. Member States must quickly adopt and implement the measures proposed by the Commission to create a true internal market for goods and services – one without technical barriers and with a modern system of interconnecting infrastructures. We are determined to play our part to the fullest, and we call on Member States to do the same.

More Info

More information available online at:

http://bit.ly/1ewUhsg

International markets

VP Tajani leads Missions for Growth

Economic growth is increasingly concentrated in markets outside the EU: By 2030, an estimated 60 % of world growth will take place in emerging economies. Led by European Commission Vice-President Antonio Tajani, representatives and business delegations from Europe are visiting growth markets throughout the world to increase the chances of success for EU companies.

In July 2013, Tajani carried out a 'Mission for Green Growth' in China.

In an effort to tap into emerging markets, European Commission Vice-President Antonio Tajani launched 'Missions for Growth', a series of overseas visits designed to help EU enterprises do busienss abroad.

Today, only 13 % of EU small and medium-sized enterprises (SMEs) are doing business beyond the borders of the European Union, and Missions for Growth is designed to change that. These missions enable SMEs to take part in political meetings with local authorities, as well as organise business-to-business exchanges to gain insights into foreign administrative and regulatory environments.

'For many smaller companies lacking the credentials and recognition of well-established European brands, participation in these missions lends them more credibility and reliability in the eyes of potential business partners in third countries,' Vice-President Tajani said. 'The insights EU businesses gain from our Missions for Growth help them capitalise on external growth – which, in turn, will spur growth here in Europe.'

Typically, a few months after Vice-President Tajani visits, DG Enterprise Director General and EU SME Envoy Daniel Calleja visits the same countries, also accompanied by EU entrepreneurs. These follow-up visits demonstrate the Commission's willingness to translate political agreements into concrete actions.

A global scale

More than 800 participants representing nearly 600 companies and business associations from 26 Member States have embarked on Missions for Growth. A typical mission usually has a delegation of 60 to 120 companies, including both small and large enterprises. Numerous sectors are represented in these missions: construction, transport and real estate; oil, gas and renewables; medical devices and pharmaceuticals; and key enabling technologies.

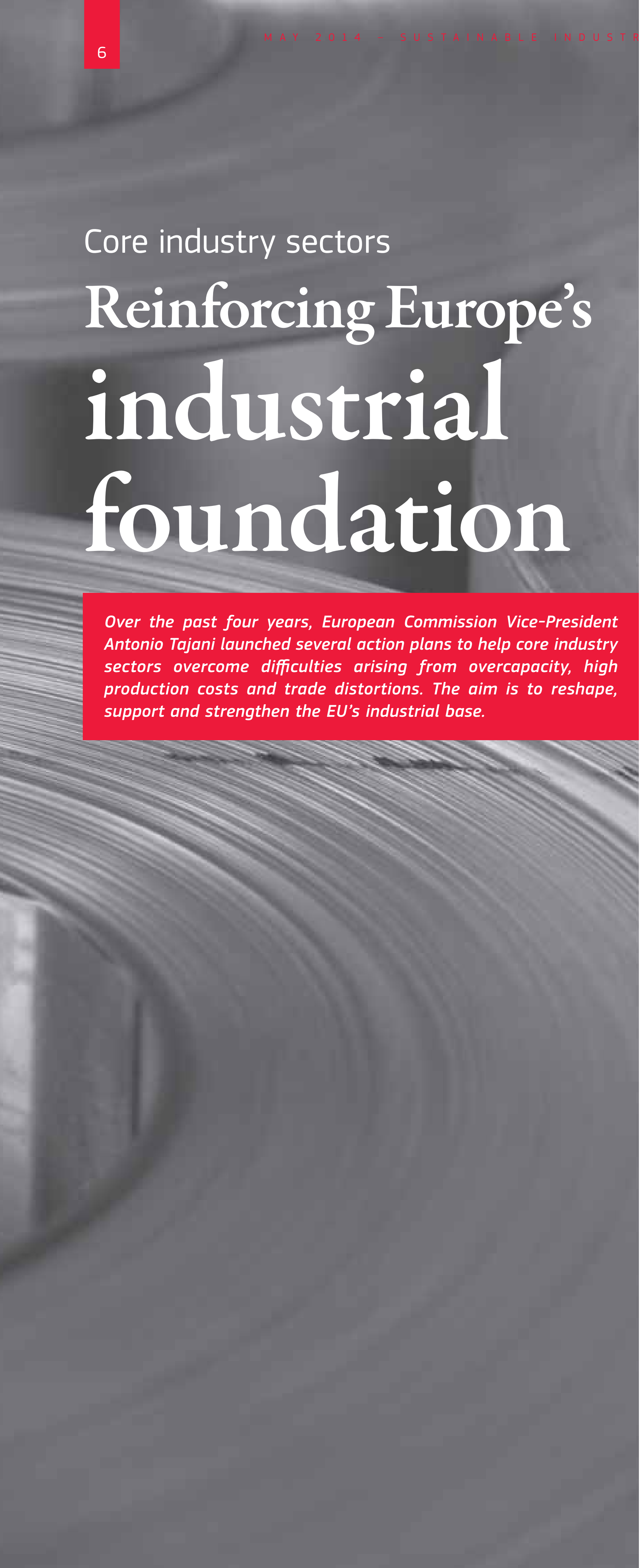
During these missions, Vice-President Tajani has signed more than 70 Letters of Intent and Joint Declarations to work on common objectives, particularly in the areas of SME policy, tourism, regulatory issues and standards. Implementation measures are already taking shape, including the nomination of SME Envoys in countries such as Brazil, Chile, Colombia, Peru and Uruguay, as well as the transposition of European industrial standards as national standards in Morocco, Tunisia, Egypt and more.

Many companies have reported clear business results from these missions. At the Mission for Growth in China, for example, five Danish companies signed a deal to conduct a long-term project with their Chinese counterparts. The project, which centres on the biomass and bioenergy sectors, generated €1.2 million in less than six months. Meanwhile, in Tunisia, long-term partnership agreements worth more than €480 million were signed in the aeronautics sector.

More Info

More information available online at:

http://bit.ly/1doMtXd



Core industry sectors

Reinforcing Europe's industrial foundation

Over the past four years, European Commission Vice-President Antonio Tajani launched several action plans to help core industry sectors overcome difficulties arising from overcapacity, high production costs and trade distortions. The aim is to reshape, support and strengthen the EU's industrial base.

Since taking office in 2010, European Commission Vice-President Antonio Tajani has initiated and built upon action plans across various industry sectors. This has paved the way for industry's share of GDP to grow to 20% by 2020 – one of the targets laid out in the Europe 2020 growth strategy.

'When it comes to ensuring the strength of Europe's industrial base, we need a strong commitment at EU and national level to ensure coherence and prioritisation of all instruments at our disposal,' Vice-President Tajani said. 'Our action plans encompass many sectors, as they are increasingly interconnected and have a major impact on industrial success.'

Below is an overview of some of the measures being taken to support the EU's core industry sectors and spur a modern-day industrial revolution.

Cars: a driver of growth

In addition to employing 12 million Europeans, the automotive industry has strong economic links with numerous sectors. This creates a multiplier effect by connecting upstream industries – such as energy and steel – with downstream industries – information and communications technology, insurance and many more.

At the same time, however, road transport emissions continue to represent a main source of air pollution. Thus, in order to preserve the important role of the European car industry while simultaneously achieving Europe's environmental goals, Vice-President Tajani outlined the CARS 2020 Action Plan at the end of 2012.

CARS 2020 proposes a massive innovative push by streamlining research under the European Green Vehicle Initiative, as well as co-operation with the European Investment Bank, which will facilitate SMEs' access to credit. The automotive industry will also engage in a series of measures to reduce CO_2, pollutant and noise emissions, and to develop technologically-advanced intelligent transport systems.

Action plan for the steel sector

The main challenges for the EU steel industry are linked to overcapacity; obligations to reduce emissions; the cost and availability of inputs (raw materials, energy, etc.); competition from third country producers; and the need for attracting a skilled workforce.

In June 2013, Vice-President Tajani presented an action plan to help the European steel industry confront these issues. The plan calls for levelling the international playing field by supporting EU steel exports, fighting unfair practices and ensuring access to vital raw materials.

Importantly, the steel industry is being promoted as a viable employment option. A series of measures aim to encourage young people to enter the sector through the reinforcement of apprenticeship schemes and youth-oriented recruitment processes.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Construction: nurturing low-carbon growth

The Construction 2020 Action Plan was introduced in 2012 to promote opportunities available in energy- and resource-efficient renovations and slash trade obstacles in the Single Market. The Commission has also been working to create a solid foundation for the construction industry by developing financial instruments for EU Member States that utilise the European Structural and Investment Funds.

The Energy Efficiency Directive, which is currently under review, will further mobilise financial resources. This is particularly important for low-energy buildings, which, despite their economic and environmental advantages, still have a limited market uptake.

A more competitive and efficient defence sector

Working closely with Member States, the European Defence Agency, European External Action Service, European Parliament and other interested stakeholders, the Commission Task Force on Defence Industry and Markets released a series of proposals in July 2013 to help the European defence industry meet the challenges of the 21st century. The proposals include an action plan with initiatives for the internal market, industrial policy, research and innovation, space, energy and international trade.

More Info

More information available online at:

http://bit.ly/1iaa0z7

Small Business Act

Responding to small business needs

The Small Business Act (SBA) was launched just as the financial crisis began to engulf the global economy. But thanks to the SBA, many of Europe's small businesses were able to withstand the turmoil. Now, as Europe continues to recover, the SBA will help the EU's small businesses thrive.

The Small Business Act (SBA) is one of the ways in which the European Commission ensures that small businesses continue to play a big role in the EU economy.

The SBA was adopted in 2008 and updated in 2011 with a specific focus on helping small and medium-sized enterprises (SMEs) cope with the financial crisis. And the process of helping SMEs starts by listening to them.

'Communication with SMEs – empowering them to collaborate directly with the Commission, giving feedback on what does and doesn't work – is a pillar of the SBA,' European Commission Vice-President Antonio Tajani said.

Communication and outreach

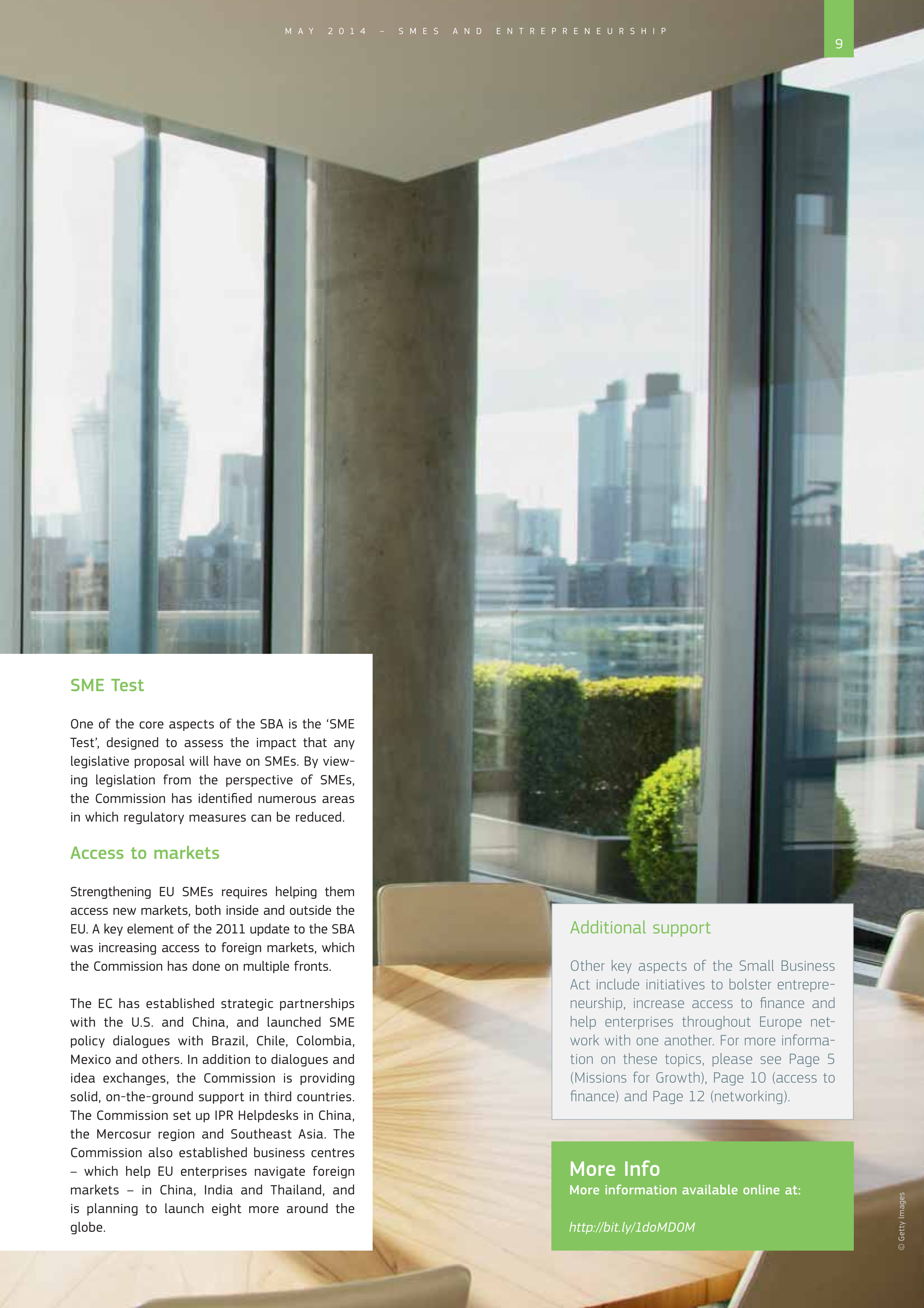
The European Commission seeks feedback from SMEs through a variety of channels, including panels on selected policy proposals and online questionnaires. This emphasis on exchanging ideas has helped fine-tune the Commission's actions targeted at SMEs.

European Commission SME Envoy Daniel Calleja has worked closely with small businesses to maximise the impact – and reduce the burden – of EU regulations.

'As a sign of his commitment to SMEs, Vice-President Tajani has invited all Member States to appoint a national SME Envoy,' Calleja explained. 'It is only through close co-operation between the European Commission and national authorities that we can make concrete progress in the implementation of the Small Business Act for Europe.'

There has been no shortage of progress: Since the SBA's adoption, the Commission has approved hundreds of initiatives – and repealed thousands of legal acts – to make life easier for SMEs. Thanks in part to the SBA, there was a 26 % reduction in the administrative burden placed on businesses between 2007 and 2012, producing savings worth more than €30 billion per year.

As part of the SBA's emphasis on collaboration, the Commission carried out a public stakeholder consultation in 2012 to identify which pieces of EU legislation SMEs found the most burdensome. The results of this consultation helped inspire the EU Regulatory Fitness and Performance programme (REFIT), which helped reduce regulatory costs across a variety of sectors.



SME Test

One of the core aspects of the SBA is the 'SME Test', designed to assess the impact that any legislative proposal will have on SMEs. By viewing legislation from the perspective of SMEs, the Commission has identified numerous areas in which regulatory measures can be reduced.

Access to markets

Strengthening EU SMEs requires helping them access new markets, both inside and outside the EU. A key element of the 2011 update to the SBA was increasing access to foreign markets, which the Commission has done on multiple fronts.

The EC has established strategic partnerships with the U.S. and China, and launched SME policy dialogues with Brazil, Chile, Colombia, Mexico and others. In addition to dialogues and idea exchanges, the Commission is providing solid, on-the-ground support in third countries. The Commission set up IPR Helpdesks in China, the Mercosur region and Southeast Asia. The Commission also established business centres – which help EU enterprises navigate foreign markets – in China, India and Thailand, and is planning to launch eight more around the globe.

Additional support

Other key aspects of the Small Business Act include initiatives to bolster entrepreneurship, increase access to finance and help enterprises throughout Europe network with one another. For more information on these topics, please see Page 5 (Missions for Growth), Page 10 (access to finance) and Page 12 (networking).

More Info

More information available online at:

http://bit.ly/1doMDOM

Access to finance

New measures to help SMEs

The European Commission's schemes to increase access to finance have helped European enterprises survive the crisis. The main framework programme for 2007–2013, CIP, facilitated more than €17 billion in loans and venture capital to SMEs. Now, with 2014 welcoming the start of COSME – a programme specifically designed to better serve SME needs – Europe's small businesses will continue to have the financing they need.

More than one-third of Europe's small and medium-sized enterprises (SMEs) are struggling to obtain necessary loans. In an effort to address this issue, European Commission Vice-President Antonio Tajani has helped create new ways to stimulate financing.

The European Commission has already launched proactive measures to spur growth. One of the main programmes – the Competitiveness and Innovation Framework Programme (CIP) – facilitated more than €15 billion worth of loans and €2.4 billion in venture capital to more than 275 000 SMEs between 2007 and 2013.

The Competitiveness of Enterprises and SMEs (COSME) follows in the footsteps of CIP. As part of the EU multiannual financial framework 2014–2020, COSME is expected to respond even better to SME needs. To that end, COSME is the first EU programme devoted entirely to supporting small businesses.

Accessing funds and information

Thanks to the May 2013 launch of the EU finance portal, finding banks and venture capital funds that provide finance supported by the EU has never been easier. The user-friendly portal provides information in 24 languages on all EU financial instruments available to SMEs, including the contact details of more than 1 000 EU-supported banks and other financial institutions.

In addition to unlocking financial opportunities, COSME's €2.3 billion budget will increase access to foreign markets, improve the business environment and support entrepreneurs. Funding will be spread throughout the EU's multitude of financial instruments designed to catalyse investments – loans, guarantees, equity and other risk-bearing mechanisms.

'It is a fact: Ambitious entrepreneurs have a harder time in Europe than in some other parts of the world, particularly when it comes to getting credit,' European Commission Vice-President Antonio Tajani said. 'Therefore, COSME is foremost a funding instrument that will improve access to finance for SMEs and improve access to markets inside and outside the EU.'

COSME predictions

Nearly €1.4 billion of the COSME budget is allocated to loans and venture capital complementing financial schemes at national level. Between 220 000 and 330 000 businesses are expected to receive such support by 2020. COSME is also expected to mobilise €14 to €21 billion in loans and guarantees, and between €2.6 and €3.9 billion in venture capital investments.

In addition, COSME will provide a guarantee facility for SME loans up to €150 000, and offer better access to venture capital through an equity facility targeted specifically at the expansion and growth phase of SMEs. The allocation of these funds will be managed by reputable financial intermediaries such as banks, mutual guarantees and venture capital funds. SMEs can access these funds through the access to finance portal (see box). The

The new COSME programme is specifically designed to help Europe's SMEs receive the financing they need to succeed.

decision to provide a loan, guarantee or venture capital/equity financing will be made by the local financial institution, as will the amount, duration, interest rates and fees.

Co-operation with research funding programme Horizon 2020

Complementing COSME, the Horizon 2020 programme has €2.7 billion allocated to providing financing to research- and innovation-driven businesses, including SMEs. The two initiatives work together, targeting different stages of a company's development: While the overall aim of COSME's equity facility is to support growth-oriented companies that want to expand their business and/or internationalise, Horizon 2020's equity facility focuses on closing the market gap in the early stages of a company's development, and providing a seamless stream of financing from the research phase to prototyping and commercialisation.

In short, COSME addresses the financing needs of SMEs which tend to be underserved by the market for loans – whether the companies are innovative or not – and Horizon 2020 will address the shortage of loans for research-, development- and innovation-driven companies.

SMEs benefitting from EU financial schemes

- The CIP's SME Guarantee Facility (SMEG), a programme managed by the European Investment Fund (EIF) for the period 2007–2013, generated around €15 billion worth of loans to more than 275 000 SMEs.
- Under the equity window of the High Growth and Innovative SME Facility (GIF), more than €2.4 billion in funding has been mobilised through venture capital funds, which have invested in hundreds of highly innovative companies. Also part of CIP, GIF provides risk capital for innovative SMEs in their early stages and expansion phase.

How it works

COSME will support entrepreneurs and businesses by providing loans, venture capital and other equity financing. These instruments are to be managed by intermediaries such as banks, venture capital funds and other financial institutions.

The decision to provide financing will be made by local financial institutions. The exact financing conditions – the amount, duration, interest rates and fees – depend on the institution.

More Info

More information available online at:

http://bit.ly/1bWzRKy

Enterprise Europe Network

A world of opportunities at your fingertips

Steered by the European Commission, the Enterprise Europe Network is helping SMEs realise innovations, create new business partnerships and access finance. With a network of more than 600 partners active across 54 countries, Europe's SMEs can explore their global potential without leaving home.

Thanks to the Enterprise Europe Network, a Portuguese enterprise partnered with a surgeon 2000 kilometres away to launch a medical device in the Czech Republic. A trio of visionary companies teamed up to jump-start the new 'green' building boom, and a Polish fish farmer struck a supply deal with a German grocery store chain.

As a one-stop shop for small businesses, the Network provides a gateway to new markets and information on EU funding and financial support. By fostering new technical and business partnerships, it is turning today's dreamers into tomorrow's success stories.

Created in 2008, the Network is constantly growing and evolving to meet small and medium-sized enterprises' (SMEs) needs. It will become even more important in the coming years as a key component of the Competitiveness and SME programme (COSME). COSME, after all, is designed to increase SMEs' access to European and international

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markets, as well as provide support services. The Network will help ensure that SMEs have the financial and networking tools they need.

Danish entrepreneur Poul Jessen, for example, turned to the Network when searching for a final partner to add to a consortium looking to measure contaminants in air systems. Soon he was connected with the ideal company in Germany to add to his bid, and he subsequently raised €55 million in European research funding.

The Network's capacity is growing thanks to support from around 600 partner organisations active in more than 50 countries – including all 28 EU Member States, candidate countries, EEA countries and major economic areas such as China and the United States. Partner organisations include chambers of commerce, innovation agencies and technology centres at universities, which specialise in business support, generally with strong links with SMEs.

Nearly 250 000 companies receive specialised advisory services from the Network each year, especially in the areas of community financing and funding, but also in intellectual property rights (IPR) and business or technology reviews. Every year, the Network advertises roughly 15 000 proposals for partnerships, and secures 2 500 formal partnership agreements for SMEs.

Easy access to international markets

The Network is designed not only for European SMEs hoping to exploit opportunities in the Single Market, but also in third countries. Through the Network's Business Cooperation and Technology Transfer Database, which contains thousands of company profiles, SMEs can find competent and trustworthy partners around the globe.

In addition to offering opportunities to internationalise and connect with foreign business partners, the Network encourages SMEs to participate in EU research programmes and helps them apply for funding, particularly from Horizon 2020, the EU's Framework Programme for Research and Innovation.

Networking abroad

European Commission Vice-President Antonio Tajani believes the Network will continue to stimulate EU partnerships in growth regions such as Brazil, Russia, India and China – the 'BRIC' countries – which are currently served by less than 10 % of exporting European enterprises. 'Major non-EU markets with strong growth rates represent significant opportunities for European enterprises,' Vice-President Tajani said. 'Helping them to better exploit their potential in the global arena is a clear priority to boost competitiveness and create employment.'

More Info

More information available online at:

http://een.ec.europa.eu/

Galileo and Copernicus

A launching pad for growth

Galileo and Copernicus, two European satellite programmes, are advancing Europe's march into the future. By making high-quality Earth observation data widely available, Galileo and Copernicus will help a multitude of sectors take off.

More Info

More information available online at:

Galileo
http://bit.ly/1nDaT98

Copernicus
http://bit.ly/1eRf7AH

For years, the European Commission has helped EU enterprises thrive beyond Europe's borders. Thanks to Galileo and Copernicus, the Commission is taking that philosophy to another level: space.

While independent from one another, Galileo and Copernicus each utilise satellite technologies to achieve a variety of goals: Galileo is a navigation system providing precise positioning and timing services worldwide; Copernicus is designed to monitor the environment on land, at sea and in the atmosphere.

As these systems evolve, an increasing number of European enterprises will be able to exploit their vast potential and utilise cutting-edge technology. This will strengthen economic development and help European businesses reach new heights.

Galileo

In 2009, an estimated 7% of Europe's gross domestic product – a total of roughly €800 billion – came from technologies that relied on the United States' Global Positioning System (GPS). But thanks to Galileo, Europe will have a global precision navigation framework all its own, helping to develop and reinforce the EU's economic foundation. Galileo will act as a catalyst for a variety of economic activities and, as a result, underpin sectors throughout the European economy: power grid synchronisation; air and sea traffic management; mobile phone networks and more.

The first two Galileo satellites were sent into orbit in 2011, and two more followed in 2012. The total number of Galileo satellites will reach 10 in 2014, creating a functional constellation and enabling Galileo to offer services by the end of 2014 or early 2015.

By 2020, Galileo will boast 20 satellites, which will help Europe tap into the booming market for navigation satellite products and services, expected to hit €244 billion by the end of the decade. This will generate jobs and innovation within the EU, and nurture increased efficiency in sectors ranging from transportation to agriculture.

Indeed, Galileo's capabilities will have a ripple effect throughout the economy. For example, more efficient transportation could reduce shipping costs, with savings then passed along to European consumers. The same holds true for precision agriculture, which will enable newfound efficiency in food production and help render wasteful, resource-draining practices obsolete.

Copernicus

Utilising a series of satellites known as 'Sentinels', Copernicus will carry out regular observation and monitoring of the atmosphere, oceans and continental surfaces. This will ensure that Europe is at the forefront of understanding a broad range of environmental and security applications.

Like Galileo, Copernicus will be a driver for economic growth, creating jobs in areas that are certain to flourish in the future.

'Copernicus presents a huge opportunity for the European Union as it will provide information on our environment,' European Commission Vice-President Antonio Tajani said. 'It will monitor climate change and will improve security for our citizens. It will also trigger investments made by companies delivering space infrastructure and will thus create growth and jobs.'

Copernicus is structured into six different services: marine, atmosphere, land and climate change monitoring, as well as support for emergency and security services. Using data from satellites and in-situ sensors – such as buoys and air sensors – Copernicus will provide timely, precise information. This information will be utilised for fisheries, land use, fighting forest fires, monitoring air pollution and much more.

Gains on the ground

In addition to the immediate, practical benefits that will be realised thanks to Galileo and Copernicus, the 'spill-over' effects are also expected to be immense. Research and development (R&D) from the space industry can be transferred to other sectors, creating knock-on benefits in seemingly unrelated parts of the economy. Oxford Economics, one of the world's leading forecasting groups, estimated that R&D investment in the aerospace sector yields a return of roughly 70%. In other words, for every €100 million invested in R&D, the long-term GDP increase will be €70 million thanks to development in other sectors.

In 2012, Tajani (left) signed contracts for the provision of satellites and launchers.

Aluminium

Energy costs, regulations threaten production

Factors such as increasing electricity prices and burdensome regulations threaten EU aluminium plants. The European Commission is therefore evaluating how to address these challenges and ensure a brighter future for aluminium production in Europe.

While demand for aluminium has rebounded since the onset of the financial crisis, a handful of factors continue to hamper the industrial competitiveness of Europe's aluminium industry. Eleven of the EU's 26 primary aluminium smelters have closed since 2003 – and not a single new one has opened.

As part of its efforts to bolster aluminium production, the European Commission asked the Centre for European Policy Studies (CEPS) to analyse the aluminium industry in Europe – everything from the trajectory of future demand to the impact of EU regulations.

Among the 11 primary aluminium plants surveyed for the CEPS report – which together accounted for 60 % of the EU's primary aluminium production in 2012 – the cost of electricity was a major concern. And for good reason: Up to 40 % of the production costs for aluminium come from electricity prices, which are higher in the EU than in competing regions, particularly in the Middle East and Russia.

This, coupled with the burden and uncertainty of EU and national regulations, has caused a growing share of the EU's aluminium to be imported, threatening EU businesses that must compete with producers in less climate-friendly countries. Other energy-intensive sectors, including copper and zinc production, are facing similar threats. The Commission, however, is working to remedy these issues.

'EU industrial electricity prices are estimated to be twice as high as in the United States and Russia, and 20% higher than in China, worsening the continent's industrial decline,' European Commission Vice-President Antonio Tajani said. 'Helping industry to overcome these challenges is part of our industrial renaissance strategy.'

Impact of high energy prices

The CEPS study concludes that 8 % of the total production costs for aluminium were caused by EU legislation, particularly energy policies and the EU's Emission Trading Scheme (ETS).

The ETS marks a necessary step towards climate protection, but it has nonetheless increased the burden placed on Europe's aluminium industry. While it was not included in the first phases of ETS (2005–2013), the aluminium sector suffered from its indirect effects, as electricity producers pass on the cost of their emissions to their customers. Starting in 2014, aluminium producers will themselves have to pay for certain emissions, whereas other countries do not have such regulations.

This leaves Europe's aluminium industry to contend with smaller profit margins in a climate of increased costs.

'Despite the hurdles faced by EU aluminium producers,' Vice-President Tajani said, 'the CEPS report shows that it is possible to produce aluminium competitively in Europe. But without forward-thinking EU and national policies to address these issues, more producers are at risk of closing down.'

More Info

More information available online at:

http://bit.ly/1exOqGA

Raw materials

Recycled resources, new potential

The supply of raw materials, the lifeblood of today's high-tech industry, is increasingly under pressure. Thus, as Europe shifts towards a more resource-efficient economy, the European Commission is committed to using any and all resources at our disposal – including waste. This push is part of European Commission Vice-President Antonio Tajani's European Innovation Partnership (EIP) on raw materials, designed to establish Europe as the leader in raw material exploration, extraction, processing and recycling by 2020.

Building upon the idea that one man's trash is another man's treasure, the European Commission is exploring ways to utilise waste as a resource for European industry. Treating waste – also known as 'secondary raw materials' – as a resource presents a unique opportunity to help the economy while creating a more resource-efficient Europe.

Recycling is a pillar of efficiency and sustainability, but the idea of using waste as a resource takes this a step further, creating a so-called 'circular economy'. In an ideal circular economy, used materials are utilised as components in the production of goods. In other words, different types of waste – from metal to paper to glass to plastic – should be seen as part of a cycle, not the end of a line.

According to European Commission Vice-President Antonio Tajani: 'Realising waste's potential as an input in industrial processes – and not merely an output – will create jobs, benefit the environment and strengthen industrial competitiveness.'

In order to identify the opportunities and barriers associated with using waste as an input, the Commission published a study entitled, 'Treating Waste as a Resource for EU Industry: Analysis of various waste streams and the competitiveness of their client industries'.

The study, prepared by the Danish Technological Institute and released at the end of 2013, investigated how materials flow in a competitive economy, with an emphasis on five selected so-called 'waste streams' – batteries (excluding car batteries); iron and steel; waste paper other than packaging; waste electric and electronic equipment; and used tyres.

By evaluating the markets for each category of waste material, the study identified industries in which recycled materials could help increase efficiency while simultaneously decreasing the amount of waste that is discarded and unutilised. No doubt, many sectors still lack optimal solutions, leaving unexploited waste's potential as a viable resource for EU industry.

European Innovation Partnership on raw materials

In order to establish Europe as the leader in raw materials technologies by 2020, the European Commission in September 2013 proposed the European Innovation Partnership (EIP) on raw materials.

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The partnership brings together EU Member States and other key stakeholders – such as European companies, researchers and NGOs – to promote innovative solutions to Europe's raw materials challenge. EIP builds upon the success of ongoing projects, such as those backed by the EU's Seventh Research Framework Programme (FP7).

For example, the 'ProMine' project, which aims to improve the EU's knowledge base for actual and future waste deposits, is expected to develop the first ever pan-European mineral resources database and detailed 4D computer modelling system. Improved access to minerals will enhance the development of innovative products such as thin photovoltaic layers, energy-efficient lighting, electric cars, advanced passenger jets, infrared optics and fibre glass.

'We need to join forces to tap Europe's enormous own potential of raw materials,' Vice-President Tajani said. 'Such innovation is decisive for Europe's competitiveness, sustainable growth and new jobs.'

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The European Commission is exploring ways to turn what was once considered waste into a resource for industry.

More Info

More information available online at:

http://bit.ly/1ot16Qf


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Tourism

Heading in the right direction

Tourism was Europe's most resilient sector during the recent economic downturn. This is no coincidence: Euroepan Commission Vice-President Antonio Tajani has made tourism a top priority, supporting the industry with a number of promising initiatives that will stimulate growth moving forward.

Europe remains the world's number one tourist destination, and the European economy benefits accordingly: Eurostat figures show that foreign visitor spending amounted to €291 billion in 2012, a nearly 10% increase on the 2008 pre-crisis level.

In 2010, his first year as Commissioner for Industry and Entrepreneurship, European Commission Vice-President Antonio Tajani presented a communication on a new political framework to stimulate the competitiveness of the European tourism sector. The communication – which outlines an ambitious set of actions – has helped simplify procedures for short-stay visas, create numerous initiatives to tap into new markets and diversify Europe's overall tourism offer.

Europe is also a favoured holiday spot for Europeans, with more and more people choosing to spend holidays within the EU. In 2013, 38% of Europeans spent their main holiday in another EU country, a 5% increase since 2012. This trend is likely to continue in 2014, with only 11% of Europeans expected to holiday outside the EU.

These positive outcomes, however, have not overshadowed the need for continued support, especially with threats such as emerging inernational destinations and fast-changing consumer behaviour. That is why the Commission is following Vice-President Tajani's lead and continuing to promote European tourism inside and outside the EU.

'Tourism is a resilient and promising sector,' Vice-President Tajani said. 'The success of European tourism is based on its capacity to innovate, to diversify its offers, to open new markets and to attract new clients. It is our aim to further unlock its potential and ensure that Europe keeps its top position.'

Simplifying short-stay visas

The European Commission is planning to make it easier for foreign visitors to holiday in the EU with its proposal to revise the Schengen Area's Visa Code. While respecting the security aspects of the EU's visa policy, the review of the system will alleviate burdens such as the need to make an appointment and in-person visit at a consular office, as well as the requirement to collect a complex series of documents and translations when planning trips to the EU.

Tapping into new markets

The 'Senior Tourism Initiative' – launched in May 2012, with further proposals published in 2013 – highlights how basic adjustments to facilities and information services will enable senior citizens and travellers with special access needs to fully enjoy Europe's tourism experiences.

Since 2010, the European Commission has also been supporting the Cultural Routes Programme, which features 26 transnational itineraries connecting cities, villages and rural communities across the continent. The Routes – such as the pilgrim routes to Santiago de Compostela and the European Route of Ceramics, which spans eight nations – promote Europe's history-rich image while also creating opportunities for small and medium-sized enterprises (SMEs) to tap into new tourism markets.

Furthermore, mobile technologies are being utilised as a way to modernise and personalise European tourism. The European Commission is co-funding the European Mobile and Mobility Industries Alliance (EMMIA) scheme, which takes advantage of cutting-edge mobile technologies to meet market demands. Access to information via mobile applications also supports local tourism agencies and small businesses in rural areas.

Tourism quality principles

In February 2014, the European Commission proposed a set of voluntary European Tourism Quality Principles. Tourism providers, especially SMEs, are encouraged to adopt the principles as a way to promote the quality of their services and enhance consumer confidence.

The Commission will help raise global awareness of these principles, which cover areas such as staff training, cleanliness, maintenance and access to reliable information. This way, consumers know they can expect quality services from participating organisations regardless of which Member State they visit.

Promoting Europe's culinary delights

Culinary tourism is an emerging phenomenon: More than one-third of tourist spending is devoted to food. The European Commission and the European Travel Commission have been working to ensure that this food-loving market can make the most of Europe's unique culinary assets. Together, they launched the European gastronomy portal, www.tastingeurope.eu, in February 2014.

Enhancing tourism knowledge

The upcoming Virtual Tourism Observatory portal will offer reliable information and analysis on the performance and trends in the sector, allowing policymakers and tourism actors to develop better strategies. The Observatory will have three distinct sections: a statistical database, reports on trends affecting the industry and policy/research information that will monitor relevant developments.

More Info

More information available online at:

http://bit.ly/1bfYVaq

Standardisation

Better standards: good for consumers, good for industry

The use of common standards in different business areas reduces costs, ensures quality processes and is a key factor in the dissemination of new products and innovations. European Commission Vice-President Antonio Tajani is therefore making sure that standards continue to meet the needs of consumers and enterprises alike.

Standards play an important role in our daily lives. They make children's toys safer, for example, and ensure the quality of the products we use at home, at work, on the road, in the skies – just about everywhere.

The European Commission recognises the importance of standards – not merely for safety and convenience, but also as a catalyst for economic growth. For enterprises, standards are crucial for achieving economies of scale, reducing production costs and gaining access to more markets and more consumers.

'Standards are a bridge between an innovative idea and bringing it to the market,' says European Commission Vice-President Antonio Tajani. 'They can provide an essential contribution towards innovation and competitiveness.'

A collaborative process

Standards are not created and handed down by the European Commission. Instead, standards are a process developed by industry, for industry – on a voluntary, transparent basis. However, for a standard to be European, it has to be adopted by one of the European Standards Organisations: the European Committee for Standardisation (CEN), the European Committee for Electrotechnical Standardisation (CENELEC) or the European Telecommunications Standards Institute (ETSI).

European standards are developed when there is an industry, market or public need. Industry, for instance, could need a standard to ensure the interoperability of a product or service. Such is the case for the ICT industry (information and communications technology), which directly affects

Harmonised EU-China standards for green growth

Vice-President Tajani has strengthened EU-China co-operation for 'green growth', finding common ground and shared incentives that support environmental protection and sustainability by promoting regulatory harmony. These dialogues have led to a mutual understanding in industrial and SME policy between the EU and China, as well as greater convergence of technical regulations, standards and conformity assessment.

In addition to providing safer, better products for consumers, European standards have credibility around the globe.

the EU's 250 million-plus daily Internet users, as well as nearly all European citizens who own a mobile phone. Standards need to be available to assure information exchange between devices, applications, data repositories, services and networks so that Europe can reap the full benefits of ICT.

Boosting international success

The EU standardisation process also strengthens Europe's position in trade negotiations with the rest of the world. A product made in Europe according to EU standards has credibility around the globe, giving it a crucial competitive advantage. Similarly, if imported products meet EU standards, they are guaranteed to be safe.

To keep track of evolutions in international standards, the EU has standardisation experts in China and India. Given that countries outside the EU have the fastest-growing economies, these experts can promote the EU brand in support of European companies, especially small and medium-sized enterprises (SMEs).

In addition, in order for European companies to be better informed about international standards, the Europe-China Standards Information Platform (CESIP) was launched in 2012. It provides bilingual information to Chinese and European businesses on various topics, including technical regulations to market access requirements. The platform not only helps businesses internationalise, but ultimately strengthens trade between Europe and China.

Guidelines for safer toys

The European toy industry is another sector that benefits from common standards. The Toy Safety Directive harmonises safety provisions on toys between Member States. Consumers can trust that toys sold in the EU, which carry the CE conformity marking, fulfil the highest safety requirements worldwide, especially those relating to the use of chemical substances.

More Info

More information available online at:

http://bit.ly/P32Jba

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