



European  
Commission

# Enterprise & Industry *magazine*



## ■ Helping EU businesses benefit from emerging markets

- Globalisation brings opportunities for EU industries
- Cooperation with China to improve energy efficiency in industry
- Going global facilitated by avoiding technical barriers to trade
- EU/US transatlantic cooperation: Helping SMEs go international

# 15

February 2013

# Contents

Missions for Growth: EU businesses benefit from emerging markets	3
Cooperation with China to improve energy efficiency in industry	5
China-Europe: Information on standards and market requirements	7
EU and China agree to improve toy safety	8
The Commission helps SMEs land safely in China	9
EU/US transatlantic cooperation: Helping SMEs go international	10
Globalisation brings opportunities for EU industries	12
Going global facilitated by avoiding technical barriers to trade before they arise	14
Helping SMEs profit from global digital supply chains	17
Involvement in standard-setting makes small business stronger	20
Industrial revolution brings industry back to Europe	21
News in brief	22

## Enterprise & Industry magazine

The Enterprise & Industry magazine is published three times a year, in English, French, German and Italian, complementing the online magazine of the European Commission's Directorate-General for Enterprise and Industry.

The magazine is financed under the Competitiveness and Innovation Framework Programme which aims to encourage the competitiveness of European enterprises.

Issue n° 15 (1-2013)

The content of this issue was finalised in February 2013.

Published by  
Communication and Information Unit  
Directorate-General for Enterprise and Industry  
European Commission  
B-1049 Brussels

entr-communication-information@ec.europa.eu  
www.ec.europa.eu/enterprise/magazine

## LEGAL NOTICE

Neither the European Commission nor any person acting on its behalf may be held responsible for the use to which information contained in this publication may be put, nor for any errors which may appear despite careful preparation and checking. This publication does not necessarily reflect the view or the position of the European Commission.

Luxembourg: Publications Office of the European Union, 2013

ISSN 1831-1237

© European Union, 2013

Reproduction is authorised, provided the source is acknowledged, save where otherwise stated.

For use/reproduction of third-party copyright material specified as such permission must be obtained from the copyright holder(s).

Front cover images: © Juice Images Photography

Back cover images: © bloomua/fotolia

Printed in Belgium

# Enterprises matter



We cannot continue to let industry leave Europe. The figures from the European Competitiveness Report are clear: European industry can deliver growth and create employment.

This is why, in the autumn of 2012, I presented an action plan for a **new sustainable industrial policy** in the EU. It is designed to restore confidence and bring industry back to Europe.

In this issue of E&I magazine, we will explore recent Commission initiatives that underline our commitment to supporting industry.

To help EU industry and SMEs fully exploit the potential of **fast-growing emerging markets**, we are organising 'Missions for Growth' around the globe. Accompanied by delegations of European companies and industry associations, we have already visited several countries in North Africa, Southeast Asia and Latin America, and will continue to do so throughout 2013. These visits build upon previous SME-themed trips led by Daniel Calleja Crespo, the Director-General of DG Enterprise and Industry and the EC's SME Envoy.

To further facilitate business opportunities in China, we launched a **European-Chinese information system on standards and requirements (CESIP)**, and we are working with China to **improve energy efficiency in industry**. We are also discussing the **promotion of bilateral market access for enterprises** with another large economy, the United States.

January 2013 saw the launch of our action plan to boost entrepreneurship in Europe. Entrepreneurship is the most powerful driver of economic growth. We therefore need to make entrepreneurship an attractive and accessible prospect for European citizens. By unleashing Europe's entrepreneurial potential, this plan will help bring growth back to Europe.

**Antonio Tajani, European Commission Vice-President for Industry and Entrepreneurship**



# Missions for Growth:

## EU businesses benefit from emerging markets

*There is no reason why EU SMEs shouldn't do business both inside and outside the Single Market. After all, the world's fastest growing economies are outside the EU. And that's why the European Commission has sent representatives and business delegations to emerging markets around the globe. The insights they gain will help EU SMEs capitalise on external growth – which, in turn, will spur growth here in Europe.*

In an effort to help EU businesses penetrate foreign markets, the European Commission is organising missions to a number of countries with fast-growing economies. Commission Vice-President Antonio Tajani, responsible for industry and entrepreneurship, and Daniel Calleja Crespo, the Director-General of DG Enterprise and Industry as well as Europe's Small Business Envoy, are currently visiting growth regions around the globe to help EU enterprises better engage with so-called 'emerging markets' in places like China, South East Asia and Latin America.

Accompanied by up to 50 representatives of European companies and industry associations, the visits are designed to help companies and SMEs internationalise their activities, and to reinforce industrial cooperation in areas such as industrial innovation, key enabling technologies, tourism and access to raw materials.

*The evolving Shanghai skyline is testament to China's rapid economic development and its emergence as a key global market.*

**Said Tajani:** 'These missions for growth help create the conditions for win-win situations. European companies benefit from easier access to external markets, while local actors and authorities have a concrete chance to lure foreign investment'.

**Added Calleja:** 'There is a direct link between internationalisation and increased SME performance. International activities reinforce growth, enhance competitiveness and support the long-term sustainability of companies. Yet despite the opportunities presented by the enlarged Single Market and by globalisation in general, European SMEs still depend largely on their domestic markets'.

### Reducing administrative burden through closer cooperation

The EC is determined to improve the business environment, promote entrepreneurship and help partner countries and European SMEs grow and compete in the global economy. Such cooperation identifies the main obstacles in the regulatory and administrative environment for SMEs and finds appropriate solutions to overcome them.

## Standardisation

Standardisation reduces technical barriers to trade, improves economic, scientific and technical relations and ensures the compatibility and interoperability of products.

Achieving these goals requires:

- establishing a periodic dialogue and exchange of information on standardisation initiatives;
- improving the continuity, efficiency and effectiveness of this dialogue, in particular by involving all relevant stakeholders;
- exchanging standardisation practice between EU and partner state authorities and stakeholders;
- increasing mutual cooperation at international level, and on the use of standards in regulation with a view to harmonising practices.

Discussions have already led to concrete results, such as the successful EU-China standard web portal CESIP (see page 7). Moreover, options for reinforced co-operation on intellectual property rights (IPR) are also being discussed.

## Supply of raw materials to downstream industries

The EU and countries with emerging economies should strive to provide a comprehensive response to questions regarding the supply of raw materials to downstream industries. In particular, they should cooperate to ensure the sustainability and long-term competitiveness of the phosphate rock industry, which is imperative due to the widespread use of phosphate as an input material for the production of food additives, feed additives and fertilisers. This should help limit risks to human health and the environment.

Communication channels should also be established to strengthen information exchange. For example, a dialogue will be conducted as part of the EU-Tunisia Action Plan on European Neighbourhood Policy, to promote mutual understanding, enhance bilateral cooperation and foster the exchange of information on raw materials and mining policies.

## Cooperation in tourism policy

Collaboration on tourism policy will help establish consultation mechanisms to promote cooperation and a common understanding of tourism issues. This could be achieved by holding regular dialogues between senior officials and by exchanging best practices on subjects of mutual interest, such as sectorial economic growth and job creation, sustainable development and reinforcement of socio-economic knowledge.

## Photovoltaic power generation in Chile

A concrete result of a 2012 'Mission for Growth' was cooperation between a French-German company and Chile. The EU company is now deploying its highly efficient photovoltaic power stations, which are more than twice as efficient as current Asian models, in Chile's mining sector, thereby taking advantage of Chile's abundant sunlight. The first solar power plant in the El Tesoro mine in northern Chile started delivering electricity in January 2013.



## More Info

For more information on Mission Growth, please visit:

[http://ec.europa.eu/enterprise/initiatives/mission-growth/index\\_en.htm](http://ec.europa.eu/enterprise/initiatives/mission-growth/index_en.htm)



# Cooperation with China to improve energy efficiency in industry

*By finding common ground and shared incentives, the European Commission and China are working together to improve industrial efficiency. Having already agreed on numerous cooperation themes, this collaboration will increase market access and decrease greenhouse gases.*

The European Commission and China are cooperating to move towards a low-carbon and resource-efficient economy. As part of the process, a **specific working group** was established in 2010 to improve industrial energy efficiency and to reduce greenhouse gas emissions. The three main areas of collaboration are: sector-based energy efficiency actions in industry, product policy (notably eco-design), and a sustainable industrial policy. The main objectives are levelling the playing field for energy-intensive industries and promoting fair and reciprocal market access for energy efficiency-related products. The global market for environmental goods and services is estimated to be around €1000 billion per annum – and this is expected to double or even triple by 2020.

In October 2012, the third meeting of the 'Industrial Energy Efficiency & Greenhouse Gas Emission Reduction' Working Group was held in China. During the plenary session, which was chaired by Vice-Minister of the Chinese Ministry for Industry and Information Technology (MIIT) and Director-General Daniel Calleja of the EC's Directorate General for Enterprise and Industry, the Working Group detailed potential collaboration agreement areas. These areas included:

1. **Measurement of CO<sub>2</sub> emissions:** cooperation will be stepped up to ensure the implementation of existing international protocols on the measurement of emissions from energy-intensive sectors such as steel and cement.
2. **Capacity for energy management:** support for the ongoing use of existing schemes, such as the European Eco-Management and Audit Scheme, or EMAS, to build capacity for energy management.
3. **Eco-design:** recognition of the high added value of cooperation in this area, with more project proposals to be presented in 2013.
4. **Remanufacturing:** exploring opportunities for an economy based on recycling, starting with defining the scope and impact of remanufacturing, and exchanging information on policies and regulations already adopted or currently being elaborated.
5. **Solid waste:** MIIT will be involved in the EU solid waste cooperation project.
6. **Cataloguing existing projects:** identifying and making better use of synergies between projects such as Asia Switch Projects or the United Nations Development Programme's 'Low Emission Capacity Building Programme'.

7. **Industrial energy efficiency area:** the energy efficiency market offers great potential for both parties by ensuring fair and reciprocal market access for energy efficiency-related products and technologies.

8. **Market conditions:** creating market conditions in China that allow for viable business models for companies in various sectors.

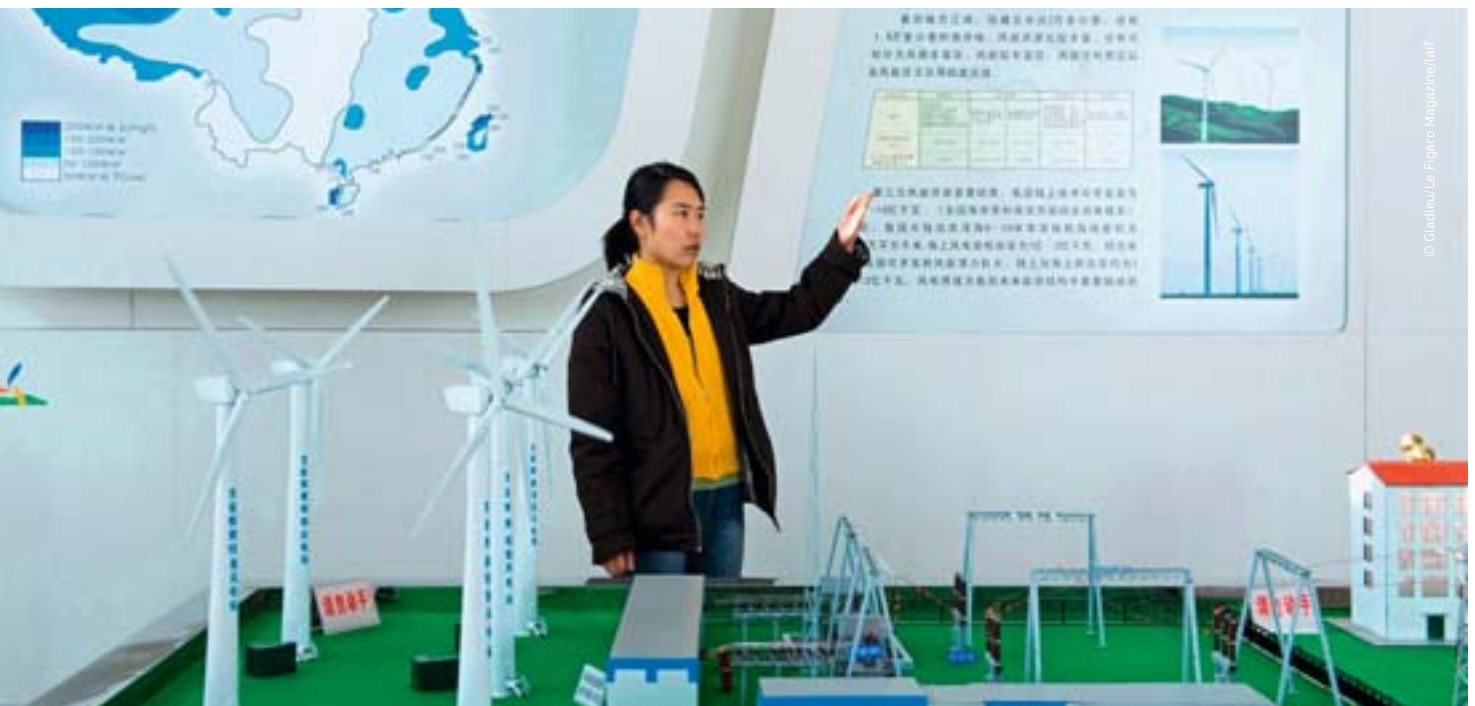
MIIT will also advance a proposal for **collaboration on 'EU-China Green Business Development'**, initial elements of which were presented during the meeting. Both sides agreed that in 2013 the scope and depth of discussions would intensify on all three areas of collaboration.

European Commission Vice President Antonio Tajani, responsible for industry and entrepreneurship, welcomed this cooperation: 'We wish to enable European enterprises, in particular SMEs, to tap the huge potential of energy-efficient products. We still have some work ahead to realise the market's full potential, but our cooperation in this field is a first important step to help both EU and Chinese enterprises. It is vital that Europe quickly moves on from the current crisis and that we explore all options to return Europe to growth'.

## More Info

For more information on the European Commission and China, please visit:

<http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/china/>



# China-Europe: Information on standards and market requirements

*The Europe-China Standards Information Platform, or CESIP, provides valuable, bi-lingual information to Chinese and European businesses on everything from technical regulations to market access requirements. Launched last October, CESIP has details on thousands of standards and offers a progressive way to enhance collaboration and spur economic growth.*

The Europe-China Standards Information Platform, or CESIP, is a one-stop-shop for market access information to help businesses internationalise and ultimately strengthen trade between European and Chinese small and medium-sized enterprises, or SMEs. Different sets of technical regulations, divergent standards and different market access requirements create barriers to trade between China and Europe. To overcome this problem, the new CESIP platform provides detailed information about European and Chinese standards and market access requirements. CESIP currently covers three sectors: machinery, electrical appliances and medical devices. Five new sectors will follow soon: textiles, toys, aerosol cans, packaging and energy efficiency of buildings.

Mr Daniel Calleja, Director-General of European Commission DG Enterprise and Industry, and Mr Cheng Gang, Administrator of the Standardisation Administration of China, or SAC, launched CESIP in Beijing on 24 October 2012.

CESIP provides a bird's-eye view of the different national approaches, detailed guides to different product groups and references to standards used for compliance certification schemes. CESIP's objective is to make market access information readily accessible and eliminate the need for SMEs to make time-intensive searches for information.

CESIP is unique compared to other web-based information sources:

- It is the first time that market access information covers Chinese industry standards – highly important for compliance assessment but extremely difficult to identify.
- Market access information is structured according to product groups.
- All information is bilingual, in English and Mandarin, and regularly updated.
- A feedback function sends users' suggestions to the CESIP team.



© Bloomberg via Getty Images

## Some key data

- CESIP provides – free of charge – market access information for *electrical equipment, medical devices, machinery and environmental protection*.
- More than **4500** European Standards, **3000** Chinese *National Standards* and **16000** Chinese *Industry Sector Standards* are referenced. Transparent classification by international product codes (ICS) helps SMEs easily identify standards relevant for their business sector.

The respective standards are made available thanks to close co-operation between the European (CEN, CENELEC) and Chinese Standardisation (SAC) Organisations.

## More Info

For more information on CESIP, please visit:

[eu-china-standards.eu](http://eu-china-standards.eu)



# EU and China agree to improve toy safety

*Because toys are for children, it is important to have additional regulations to ensure safety. That's why the Netherlands – one of the EU's main entry points for toys – has teamed up with China – one of the EU's main sources of toy imports – in an action plan called, 'Cooperation in the field of toy safety'. The resulting collaboration will promote toy safety and, by extension, promote child safety.*

The EU and China have been collaborating on toy safety since 2002. The two sides formally agreed on an action plan, 'Cooperation in the field of toy safety', in Beijing on 25 October 2012. The signatories were the Dutch Food and Consumer Product Safety Authority (NVWA) and China's General Administration of Quality, Supervision and Quarantine (AQSIQ).

Because Rotterdam is one of the EU's main entry points for toys, the Netherlands is integral to the European toy market. This joint action plan, which strengthens Chinese export controls and aligns them with Dutch import controls, will further reduce the number of non-compliant and unsafe toys in the EU.

In practice, the joint action should achieve seamless surveillance of the whole toy supply chain through close cooperation between European market surveillance authorities and Chinese exit-entry authorities. Product control will be improved by exchanging information and linking control systems.

Dutch Acting Inspector General Freek van Zoerenof of the NVWA and AQSIQ Vice Minister Sun Dawei signed the agreement in the presence of Minister Zhi Shuping and the European Commission's Director-General for Enterprise and Industry, Daniel Calleja.

'This pilot project is of fundamental importance for the safety of toys in the EU, since many of our toys are manufactured in China', said Calleja. 'This project should lead to a common control system and a uniform interpretation of product standards for toys in the EU and in China. Toys are used in the most vulnerable group of consumers, our children, and improving toy safety is a key priority for the EU.'



## More Info

For more information on EU toy regulations, please visit:

[http://ec.europa.eu/enterprise/sectors/toys/international/index\\_en.htm](http://ec.europa.eu/enterprise/sectors/toys/international/index_en.htm)



# EC helps SMEs land safely in China

*China has become a key market for SMEs hoping to make a splash overseas. Even so, China poses a series of challenges, including problems with protection of intellectual property rights and a dizzying web of regulations. But the China IPR Helpdesk, the EU SME Centre and the European Enterprise Network are here to help by bringing the risks – and rewards – of the Chinese market into focus.*

While it represents significant opportunities, the Chinese market can also pose **daunting challenges for EU SMEs**. For example, China has a track record of not protecting foreign intellectual property rights (IPR), as well as an increasingly complicated legal and administrative framework. Problems such as these can present formidable obstacles to Europe's would-be SME exporters and investors.

But thanks to the European Commission, EU SMEs now have help navigating their way through China, namely with the China IPR SME Helpdesk and the EU SME Centre.

The **China IPR SME Helpdesk** makes sure that SMEs 'know before they go' – so that they can invest and trade safely, and that they know their IPR rights and risks. This unique, free service provides business-focused advice through its online portal, helpline services, training workshops and published materials.

In October, during DG Enterprise and Industry Director-General Daniel Calleja's visit to China, the helpdesk started a blog called 'China IPR insider', with posts from staff and renowned lawyers on the latest news and challenges of IPR in China. Topics include what to take into account when trying to enforce intellectual property rights in China, as well as dos and don'ts of IP strategy.

Starting in 2013, the Helpdesk will offer seminars, webinars, videos and podcasts on best IPR business practices in China.

But that's not all. The **EU SME Centre** also helps European SMEs establish a commercial presence in the Chinese market, particularly at the crucial early stages of their market penetration strategy. It assists with the provision of information, confidential advice and networking events. What's more, the EU SME Centre facilitates coordination among Member State and European public and private sector service providers to SMEs.

There are also five consortia of the Enterprise Europe Network assisting SMEs in China. They cover central, southeast, northeast, west, and east China.

## More Info

For more information on the China IPR SME Helpdesk and the EU SME Centre, please visit:

[www.china-iprhelpdesk.eu/](http://www.china-iprhelpdesk.eu/)  
[www.eusmecentre.org.cn/](http://www.eusmecentre.org.cn/)



## EU/US transatlantic cooperation: Helping SMEs go international

*In both the European Union and United States, SMEs form the foundation of the economy. And because the EU and US are one another's biggest trading partner, it is imperative that SMEs have the support they need. To that end, the two sides met in December to discuss how they could help their SMEs thrive on the other side of the Atlantic.*

Helping small and medium-sized enterprises (SMEs) tap into markets on the other side of the Atlantic was the central topic of the fourth European Union-United States SME Workshop, held in Washington, DC, on December 3 and 4, 2012. At the workshop, two business support networks – the EC's Enterprise Europe Network and the US International Trade Administration – signed a Memorandum of Understanding on promoting cooperation. Specific areas for cooperation include the promotion of SME events and business partnering activities, participation in sector-specific or thematic seminars and the exchange of information on SME networking opportunities.

'We must collaborate on how to help SMEs tap the full economic potential of the global market', said Daniel Calleja Crespo, Director General of DG Enterprise and Industry. 'If you are international, you grow faster, you increase employment faster and pay higher wages than non-exporting SME firms'.

The EU-US workshop is an extension of the objectives described in the Letter of Intent signed by European Commission Vice-President Antonio Tajani and United States Acting Secretary of Commerce Rebecca Blank in May 2012.

*Collaboration between the European Union and United States will promote bilateral market access for European and American SMEs.*

© Troels Graugaard

## Scale of EU/US commercial and investment transatlantic contacts

In both the EU and US, SMEs account for more than 90% of the total number of businesses. Indeed, SMEs' contributions to innovation, turnover and employment are striking. For example, two-thirds of new employment in the US in the last 15 years was generated by SMEs. Here are some other key facts:

- In goods and services: EU and US are one another's biggest trading partners with more than €650 billion in annual trade, or €1.8 billion per day.
- EU exports to the US are three times higher than to China, and seven times higher than to Japan.
- Fifteen million jobs are linked to the transatlantic economy.
- Total US investments in the EU are three times higher than in all of Asia, while EU investment in the US is eight times higher than in India and China combined.

## EU/US exchange views on a modern SME policy

While the workshop touched on numerous topics, here are some highlights:

1. **Using crowd funding to improve access to finance:** Financing new investments is a joint problem for both US and EU SMEs. In this context, special focus was given to 'crowd funding', whereby investors undertake a collective effort in networking and pooling their resources via the Internet. Crowd funding is increasingly used for start-up company funding, inventions development and scientific research. Initial talks were held in order to share views on how the crowd funding market needs to be regulated, and how crowd funding might affect so-called 'business angels' and formal venture capital.
2. Improving information on **product standards:** Both sides are exploring the option of a Web-based, one-stop-shop that would inform SMEs about relevant standards for market access. This strategy has already proved successful with the **EU-China standards web portal**,

CESIP. Reinforcing cooperation on **intellectual property rights (IPR)** was also discussed.

3. Promoting entrepreneurship to encourage more Europeans and Americans to become their own boss: Discussions highlighted existing programs targeting youth and women SMEs. The US provided an overview on its Start Young Program, and provided background information on its Women Business Center Program, which supports more than 50 female entrepreneurs.
4. Determining the role and mapping of clusters: Policies that promote SMEs by providing them a joint infrastructure in clusters (ICT, research, financing and IPR) were also discussed. An example of this which has already been successful is the European Cluster Alliance.

## More Info

For more information on EU/US cooperation, please visit:

[ec.europa.eu/enterprise/policies/international/index\\_en.htm](http://ec.europa.eu/enterprise/policies/international/index_en.htm)



# Globalisation brings opportunities for EU industries

*Despite the rise of developing industrial powers, the European Union remains the world's biggest exporter, as well as the No. 1 target for foreign direct investment. The European Commission's annual 'European Competitiveness Report' details how the EU has stayed on top and what the Commission is doing to make sure it stays there.*

Some people see globalisation as a threat to European industries. From cars to wind turbines, many of Europe's signature products are now partly manufactured abroad.

But far from the mortal threat that globalisation was once thought to pose to EU industries, time has revealed that the positives outweigh the negatives. The European Commission's annual European Competitiveness Report highlights the various ways that European industries have gained from globalisation, as well as the steps the EC is taking to increase these benefits.

## Best bet – and getting better

Because globalisation fosters exports and reductions in production costs, new industrial markets outside the EU are helping, not hurting, Europe's international competitiveness. Despite increased competition from new industrial players, the EU still leads the world in both exports and foreign direct investment, (FDI), which means that more foreign countries and foreign companies invest in the EU than anywhere else.

Even with the global economic slowdown, the EU attracted \$421 billion in FDI in 2011 – more than one-quarter the world's FDI total. This is good news for Europe. FDI generate new jobs and increase productivity, allowing the EU to create more goods,

more efficiently – which makes Europe an even more attractive place to invest. But, mainly due to a decline of intra-EU flows, the EU is losing some of its attractiveness as a FDI destination.

Another way that globalisation allows the EU to maximise competitive gains is through 'value chain positioning'. Aided by advances in cross-border transport, value chain positioning enables certain tasks and parts of Europeans firms' production processes to be carried out in other parts of the world. In this way, a car part might be made in Asia, but the car is still European – as is the bulk of revenue.

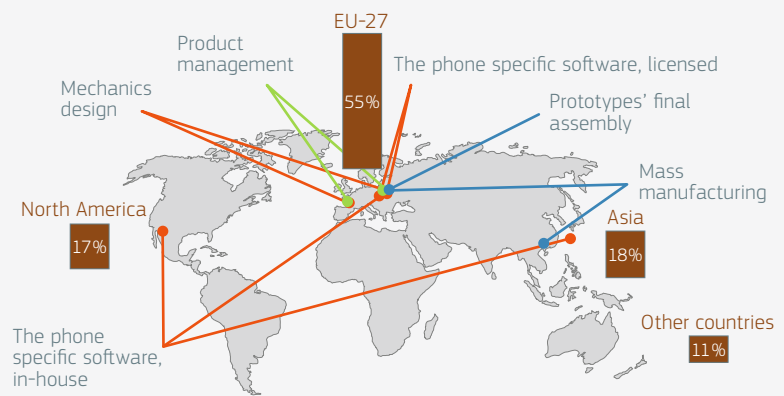
## Value-chain management performance matters

This globalised collaboration has coincided with a sharp uptick in intermediate and semi-finished products, which allows industries to take advantage of the comparative advantages of external locations and markets. Therefore, in a globalised world, so-called 'value-chain performance' is becoming a more important measure of competitiveness than the traditional emphasis focused mainly on exports of final products. Around 87% of the value of EU exports was domestically produced.

New empirical evidence shows the effectiveness of the **EU's sustainable industrial policy** and its



Despite globalisation of task, 55% of value added of a European mobile phone is concentrated in the EU



*The rise of new industrial powers hasn't changed Europe's standing as the world's top exporter.*

importance for the competitiveness of European firms within global value chains. The EU leads the world in energy efficiency gains in exports and EU manufacturing firms are global frontrunners in energy efficiency innovation activities and investments in clean and more energy-efficient products.

**Openness of trade required**

If European industries are going to tap into the opportunities rising from globalisation, then international barriers, in particular the ones hampering the internationalisation of SMEs – both between European nations and between Europe and the rest of the world – must be removed.

The report suggests that the EU pursues policies that increase openness to trade and better-target the promotion of R&D in process and market innovations. This will help local companies become part of global value chains, allowing them to reap the benefits of products produced abroad. Gaining access to these global value chains is paramount given that more than two-thirds of EU imports consist of intermediary products – that is, products traded among producers and suppliers.

Off-shoring, which is when companies relocate a business process from one country to another, will also require that regulations evolve to adapt to

the 21st century. Finished goods exported from industrial powers such as China, Brazil and India contain components originating in Europe and are designed and marketed with the support of services. The report calls for policies to increase the EU share of these components and services.

Closer to home, the report suggests 'neighbourhood policies' targeted at fostering **trade in Europe's backyard**. Cross-border investment and trade with neighbouring countries are, in the words of the report, 'low-hanging fruit' that have not yet been utilised to their full potential. The report says that Russia, Ukraine, Switzerland, Norway and Egypt are some of the EU's top non-EU trading partners.

The EU is well positioned to benefit from globalisation. Europe's industrial infrastructure, educated workforce and track record of innovation set it apart. As a result, globalisation will do nothing to unseat EU industry as a global leader in the new industrial revolution.

**More Info**

To share your thoughts and ideas, please visit:

<http://j.mp/mission-growth>







# Going global facilitated by avoiding technical barriers to trade before they arise

*In an effort to avoid technical barriers to trade with nations outside the EU, the TBT Agreement (Technical Barriers to Trade) provides a notification system about new technical regulations and conformity assessments envisaged by other countries before the measures are adopted. While all countries have the right to adopt technical regulations for legitimate purposes – such as ensuring public health or protecting the environment – the TBT Agreement helps prevent unfair, protectionist measures. Administered by the World Trade Organisation (WTO), the TBT Agreement uses email to alert European businesses about potential new regulations and encourages global harmonisation and mutual recognition. The resulting collaboration benefits enterprises large and small.*

The TBT Agreement facilitates preparation to comply with market access conditions, and gives companies a chance to shape those conditions. Indeed, with WTO Members allowed to discuss the envisaged measures with the notifying country, there is ample opportunity to amend the content of the proposed measure, or even prompt its withdrawal.

## The notification procedure

Relevant trade regulations have to be submitted at the draft stage, which allows WTO Members to assess the potential impact of the measure. And this is where the Commission notification system is so valuable: It notifies European enterprises about any new proposal in their sector. By simply subscribing to a mailing list, users are automatically alerted about new proposals in a particular sector.

## Sixty days for reaction

Upon circulation of the proposed measure, the so-called period for comments begins. The TBT Committee has recommended allowing a minimum of 60 days during which the adoption process is frozen, and written comments can be sent on the

proposed measure. Comments are sent directly by the EU TBT Enquiry Point to the WTO member which made the proposal. If anyone believes that the proposed measure runs counter to fair trade agreements, they are encouraged to contact the European Commission's TBT team.

### Identifying possible technical barriers to trade

Countries adopting new technical regulations or new conformity assessment procedures are required to notify WTO partners.

**Technical regulations** establish product characteristics and production methods. Technical regulations are mandatory (contrary to voluntary standards), such as requirements on product size, composition, packaging and labelling.

**Conformity assessment procedures** are any procedure used to determine whether or not relevant requirements in technical regulations or standards are met. This includes procedures for sampling, inspection, verification and assurance of conformity.



### Definitive text of the comments

The Commission, based on the reactions of enterprises, EU Member States and its own departments, prepares the definitive text of the comments which is then sent to the enquiry point of the notifying WTO Member on behalf of the EU. These reactions are mainly aimed at preventing the adoption of measures that create unnecessary obstacles to trade or go against the interests of EU enterprises. The Commission may also seek to delay the implementation of measures to allow EU exporters to adapt and use up their stocks.

Next, the Member that proposed a particular measure will discuss the Commission's comments and take them into account. As a result, such comments may give rise to bilateral and even multilateral discussions within the TBT Committee, causing a measure to be amended, postponed or even withdrawn. In other cases, a productive dialogue between WTO members can bring useful clarifications or lead to an exchange of views on regulatory approaches.

### Refrigerator exports outside the EU

A real-life example of this process involved new refrigerator regulations. After a non-EU WTO Member uploaded proposed regulation amendments to the EU TBT database, economic operators sent comments to the Enquiry Point; these comments were then sent to the notifying country. After receiving the comments, authorities in the notifying country explained how they would take them into account. As a result, EU refrigerator manufacturers knew at the earliest possible stage whether or not they needed to adapt their production to meet these requirements.



### More Info

For more information on the TBT Agreement, please visit:

<http://ec.europa.eu/enterprise/tbt/>





## SMEs become fully integrated international business partners

# Helping SMEs profit from global digital supply chains

*Small and medium-sized enterprises (SMEs) need to be better integrated into automated electronic data interchange (EDI) to be successful in global markets. EDI allows companies to exchange data between their own ICT systems and the systems of customers and suppliers. In recent years EDI has greatly benefited large companies, whilst SMEs could not fully participate due to the high entry costs of such systems. Pilot projects supported by the European Commission demonstrate that common ICT systems for the supply chain of the automotive industry (auto-gration) as well as for the transport and logistics sector (DISC-wise) enable SMEs to profit from global digital supply chains.*

### Common language for supply chain of car industry

The European automotive industry accounts for more than 12 million jobs and has net exports of more than €50 billion. While growth in Europe is slow, companies must be ready to take advantage of opportunities in the global marketplace, particularly those in emerging economies.

But different EDI standards, different software or different B2B service providers can hamper data exchange among trading partners. To overcome these problems, the auto-gration project provides a common language for the supply chain of the automotive industry and, as a result, a common, state-of-the-art information and communications technology (ICT) architecture that avoids compatibility problems. The new language was developed by a consortium of players from every level of the European automotive supply chain and was supported by the European Commission.



## Auto-gration offers SMEs a lifeline

Auto-gration is low-cost, easy to install and fast to deploy – cutting overheads, increasing business agility, improving customer satisfaction and ensuring faster deliveries. Auto-gration links different players in the supply chain and integrates supplier and customer data into ordering, dispatching and invoicing systems. In fact, the benefits already reported include a 30% increase in staff productivity, 50% reduction in the costs associated with translation between different systems, fewer transcription errors and higher service levels. Moreover, telephone and fax inquiries for stock availability were reduced by 60 to 80%, as immediate information on products helps customers to select best suppliers and quickly respond to customer needs.

## Logistics: SMEs become international business partners

The project DiSCwise allows the various technological systems in the European transport and logistics sectors to work together and to better plan ahead. This benefits in particular SMEs, which represent 99% of operators in both sectors. Via a Web interface or low-cost integrated system, transport service providers using DiSCwise can provide customers with a choice of transport alternatives. Consequently shippers and forwarders can make more informed choices regarding the planning and execution of transport and logistics services.

The system makes it possible for SMEs to carry out door-to-door transport chains in which multiple services are combined. DiSCwise enables SMEs to connect to larger enterprises on fair terms and become fully integrated international business partners.

## Increased load factor and reduced transport costs

With the help of DiSCwise, a new common framework to improve SME access to transport and logistics services was piloted in an industrial context. The framework allows the systems of different stakeholders to be integrated within the supply chain so that they can easily communicate and exchange data based on pre-arranged structure and content – including publishing or ordering. For example, a Polish pilot programme that employed a business model for vertical and horizontal cooperation between logistics services clients (consignees, consignors) and logistics services providers (SMEs) both increased load factor and reduced transport costs. The programme also pointed a way forward to reduce overreliance on road transport by exploiting the co-modality concept – i.e. by using different modes of transport on their

own and in combination in order to obtain an optimal and sustainable use of resources. Other pilot projects in Belgium, Spain and Portugal have also underscored the value of using smart ICT solutions and the potential of the common framework.

## More than 75% of the value-added created by the Internet is in traditional industries

Both the auto-gration and DiSCwise initiatives form part of the EU's drive to integrate SMEs into global digital supply chains through the use of ICT. Daniel Calleja Crespo, Director General for Enterprise and Industry, stated that this drive was underpinned by two significant facts: More than 75% of the value-added created by the Internet is in traditional industries, and 85% of all new jobs created in the EU come from SMEs. The commercial value of the EU's initiatives is already apparent and further standardisation efforts are ongoing.

Three more major demonstration actions have started in support of the fashion industry, the tourism industry, and the agro-food supply chain.

### The broader benefits of the projects are:

- **For SMEs:**
  - facilitating market entry for new, dynamic players;
  - strengthening business relations between SMEs and big companies;
  - helping SMEs become fully integrated international business partners;
  - streamlining business processes;
  - increasing returns on investments in ICT;
  - improving business transactions;
  - reducing administrative overheads or errors.
- **For larger companies:**
  - increasing their innovation capacity by partnering with other innovative SMEs;
  - enhancing customer satisfaction through more flexible, personalised services;
  - shorter time-to-market.
- **For the economy and society:**
  - promoting a more dynamic and competitive economy;
  - facilitating the market entry of new players, on fair terms.



## More Info

To learn more about the auto-gration project, please visit:

[ec.europa.eu/enterprise/sectors/ict/ebsn/digital\\_supply\\_chains/index\\_en.htm](http://ec.europa.eu/enterprise/sectors/ict/ebsn/digital_supply_chains/index_en.htm)

For more information on digital supply chains, please visit:

[ec.europa.eu/enterprise/sectors/ict/ebsn/digital\\_supply\\_chains/index\\_en.htm](http://ec.europa.eu/enterprise/sectors/ict/ebsn/digital_supply_chains/index_en.htm)

For additional info on DiSCwise, please visit:

[www.discwise.eu/](http://www.discwise.eu/)





## Involvement in standard-setting makes small business stronger

*Small and medium-sized enterprises, or SMEs, can now help shape the process of standardisation. Standards will be drawn up more quickly and transparently following a recent reform of the European standardisation system. It will also be easier to use global standards in the fast-growing field of information and communication technologies, or ICT, which is crucial to ensuring interoperability. Many ICT standards are not made by the European standardisation organisations but by other organisations known as fora and consortia. Public procurers can now use such standards provided a quality check is undertaken.*

The reform will promote **greater involvement of consumer and societal organisations** in standardisation activities so as to introduce improvements in products and services for certain groups such as the disabled and elderly. Finally, the reform reaffirms the possibility of using **service standardisation** as a policy tool to support EU legislation. The essential elements of the current system are kept – for example, the voluntary and industry-led approach and the primacy of international standards. However, the reform brings refinements, creating a more effective, efficient and coordinated system.

### Standards – a driving force in the economy

The primary objective of standardisation is to define voluntary technical or quality criteria with which manufacturers, production processes or services may comply. Thus, standards are a driving force behind the creation of the internal market for goods. European standards replace national and often conflicting standards, which may create technical impediments to market access.

Standards usually increase competition and lower output and sales costs, benefiting economies as a whole and consumers in particular. Moreover,

they enhance quality and ensure compatibility, thereby increasing the safety and well-being of citizens.

Studies show the impact of standards on GDP growth. For France this is estimated at 0.8%, for the UK at 0.3% and for Germany at 1% of GDP. The German Institute for Standardisation, or DIN, estimates that in Germany alone, standards generate up to €17 billion a year.

Harmonised standards drawn up by the European standardisation organisations, or ESOs, are open to voluntary use by manufacturers throughout Europe in order to fulfil legal product requirements. The European Commission regularly requests that ESOs develop new standards.

### A tool for innovation and competition

Standardisation can provide an essential contribution towards innovation and competitiveness by facilitating access to markets and by enabling interoperability between new and existing products and services. It brings significant positive economic effects by stimulating the development of new and improved products or markets and better supply conditions.





© Robert Churchill

# Industrial revolution brings industry back to Europe

*The phrase 'Industrial Revolution' may be hundreds of years old, but it will be reborn in the 21st century. Europe is investing in – and relying on – reindustrialisation to foster economic recovery, ease environmental strain and solidify Europe's standing as a global industrial leader.*

'We cannot continue to let our industry leave Europe', said European Commission Vice-President Antonio Tajani, Commissioner for Industry and Entrepreneurship. 'Our figures are crystal clear: European industry can deliver growth and can create employment. Therefore, we are creating the conditions for the sustainable reindustrialisation of Europe, to develop the investments needed in new technologies and to rebuild a climate of confidence and entrepreneurship. By working together and restoring confidence, we can bring back industry to Europe'.

## Revolution required

By encouraging and enabling Member States to implement the changes required to improve sustainability and resource efficiency, Europe will be tapping into a booming sector. After all, the global market for clean production technologies, currently €380 billion, is expected to more than double, to €765 billion, by 2020. Certain markets, such as automatic waste separation, will grow at an even greater rate. Of course, as **important as international markets** will be, the next Industrial Revolution requires a solid foundation here in Europe. And the Commission is ready to help European industries nurture this stability. Ideally, the **Internal Market** could account for as much as 25% of GDP, but right now it is only 21%, meaning there is ample room for growth.

The EC will improve the Internal Market by standardising regulations, which are currently dominated by national regulations – or no regulations at all. In addition, the Commission will address the need for improved access to finance, which has been lagging since the financial crisis struck in 2008. In 2007, gross fixed capital formation of GDP was 21.3% of GDP; in 2011, it was just 18.6%. The EC will help reach pre-crisis levels within the next three years and average more than 23% through 2020. And in an effort to improve productivity and introduce new technologies, policy actions should contribute to **growing investment in equipment** from its current level of 6 to 7% of GDP to 9% of GDP until 2020.



© shutterstock

## More Info

For more information on the European standardisation system, please visit:

[www.ec.europa.eu/enterprise/initiatives/mission-growth/index\\_en.htm](http://www.ec.europa.eu/enterprise/initiatives/mission-growth/index_en.htm)



## News in brief

### Unleashing Europe's entrepreneurial potential to bring back growth

To return to growth and higher levels of employment, Europe needs more entrepreneurs. New companies, especially small and medium sized enterprises (SMEs), create the most new jobs in Europe – 4 million per year. Therefore, in January 2013, European Commission Vice-President Antonio Tajani presented an action plan to support entrepreneurs and revolutionise entrepreneurial culture in Europe. The plan stresses the key role of education and training to nurture new generations of entrepreneurs, and includes specific measures to help budding entrepreneurs among young people, women, seniors, migrants and the unemployed. The plan also tackles obstacles to entrepreneurship such as ambitious measures to facilitate start-ups and new businesses, make transfers of business ownership more successful, improve access to finance and give honest entrepreneurs a second chance after bankruptcy.

[http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/index_en.htm)

### 37% of Europeans would like to be their own boss

Nearly 4 out of 10 Europeans would like to be their own boss. If this potential could be tapped, millions of new businesses could be added to the almost 21 million small and medium-sized enterprises (SMEs) in the EU. Various obstacles prevent Europeans from opting for self-employment, in particular fear of bankruptcy and risk of irregular income. According to the Flash Eurobarometer 'Entrepreneurship in the EU and beyond', presented on 9 January 2013 by European Commission Vice-President Antonio Tajani, more Europeans (45%) wanted to be self-employed in 2009. This is a drop of almost 20% within three years, which reflects the less promising business prospects caused by the current economic situation. The European Commission is dedicated to reversing this trend with support mechanisms for potential entrepreneurs, including access to finance, R&D coaching, reducing administrative burden and more.

[http://europa.eu/rapid/press-release\\_MEMO-13-7\\_en.htm](http://europa.eu/rapid/press-release_MEMO-13-7_en.htm)

## Progress in alternatives to animal testing

Opportunities for the so-called '3 Rs' approach to animal testing – replacement, reduction and refinement – are developed through the European Partnership for Alternative Approaches to Animal Testing, or EPAA. The EPAA is a unique voluntary cooperation between seven industry sectors – animal health, chemicals, cosmetics, crop protection, fragrances, pharmaceuticals and soaps/detergents – as well as five European Commission services.

At the EU level, an animal testing ban is in force for cosmetic products and ingredients. For chemicals, the REACH Regulation – Registration, Evaluation, Authorisation and Restriction of Chemical substances – promotes alternative methods for the assessment of hazards in chemicals. Progress can also be



observed in the field of pharmaceuticals: over the past several years, there has been a shift towards regulatory acceptance of in-vitro methods.

On the occasion of its eighth conference on 16 November 2012, the EPAA and the US Institute for In Vitro Sciences agreed to establish a strategic partnership dedicated to the international dissemination of alternative techniques to replace animal testing.

## Keeping Europe in top spot for international tourists

An international communication campaign is currently highlighting the diverse cultural heritage and natural beauty that Europe has to offer at any time of the year. The 'Europe – Whenever you're ready' campaign, which will run from the end of 2012 until December 2013, is designed to remind tourists, particularly those from Brazil, Russia, India, China, Chile and Argentina, to discover the old continent and enjoy the travel experience of a lifetime.

With contributions from well-known travel writers, journalists and bloggers, the campaign aims to showcase the unique opportunities that Europe has to offer international tourists. Contributors' first-hand experiences, spread through videos, blogs, magazines and websites, will unlock the not-to-be missed sights as well as a number of 'roads less travelled' throughout Europe.



© Roy Janowski



© Aberystwyth University

## Robot preps for space – in Spain

In September, a robot called Idris participated in field trials on the Canary Islands as part of the Planetary Robotics Vision Scout project, or PRoViScout. The trials were held at the El Teide National Park in Tenerife, a destination that shares many of the same characteristics found on the surface of Mars: flat landscape, fine volcanic sand, pebbles and rocky outcrops.

The September tests helped advance PRoViScout's mission to develop better computer vision-based techniques for identifying navigational hazards and spotting points of scientific intrigue for further study. These tasks – which were executed with no human intervention – are crucial to future long-range scouting and exploration missions on other planets.

### Find out more...

For further information on recent activities and policy developments related to Enterprise and Industry, visit our website:

[www.ec.europa.eu/enterprise](http://www.ec.europa.eu/enterprise)



# Enterprise & Industry magazine

available online



In the online magazine you can find regular updates on EU policy development, legislative proposals and their implementation, as well as on reviews of regulation affecting enterprises. Its articles cover issues related to SMEs, competitiveness and environmental protection, entrepreneurship, innovation, the single market for goods, various industrial policies and more.

Three times a year, the best of the online articles, together with a feature article, are presented in the printed edition of the magazine. You can subscribe to receive the magazine – in English, French, German or Italian – free of charge by post. (European Commission, DG ENTR, BREY 13/091, B 1049 Brussels).



Subscribe to our free monthly e-newsletter.  
[www.ec.europa.eu/enterprise/newsletter/index\\_en.htm](http://www.ec.europa.eu/enterprise/newsletter/index_en.htm)

Visit the magazine website to find out more:  
[www.ec.europa.eu/enterprise/magazine/](http://www.ec.europa.eu/enterprise/magazine/)



Publications Office

