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Danish position on the public consultation: "Small Business, Big World – A new partnership to help SMEs seize global opportunities"

First of all, Denmark would like to thank the Commission for the opportunity to comment on the public consultation on "Small Business, Big World – A new partnership to help SMEs seize global opportunities".

The consultation is timely and important. We welcome the initiative to further the internationalization of SMEs, which constitute a large and very important segment of the European economy. Internationalization of SMEs can contribute at large to growth and employment. At the same time, we know from experience, that SMEs in general are faced with particularly complex decision-making when it comes to internationalization due to limited resources and lack of experience. In order to mobilize the potential of the SMEs, special attention is needed, i.e. by establishing support programmes to help them overcome the burden to go international.

We welcome the Commission's effort to create a more coherent and effective EU strategy. The Commission plays an important role in helping SMEs seize global opportunities. We think that national efforts matched with the right mix of support programmes on a horizontal level rendered by the Commission in local markets can increase SMEs' export potentials. It is important that a thorough examination of existing services is carried out in key markets in order to determine a structure at EU level, which adds value to the SME. As public finances all over Europe are fully stretched, we welcome the Commission's guiding principles that support provided by the EU should not overlap or duplicate initiatives established by Member States and/or private organisations in order to secure cost-effectiveness and in respect of the given political competence in the area of trade policy and trade promotion. Possible initiatives should be in line with the subsidiarity principle.

Below please find the Danish position on the following questions:

1) Do you agree that SMEs need public support to tap international markets (outside the EU)?

We agree that most SMEs would benefit from public support to tap international markets. Especially, markets outside the EU constitute a big challenge to companies, but even export internally in the EU, to which many SMEs would look as their first destination of export, can

pose a challenge to SMEs. To achieve results on these markets, SMEs would require extraordinary support measures.

Public support programmes should be evaluated on a regular basis in order to optimize measures.

2) In what areas do you feel public support is particularly essential?

Tapping into international markets need thorough consideration and preparation. Companies planning to become international, may ask for assistance in any phase of the internationalization process, ranging from establishing export potential and readiness, market selection, mode of entry, finance, operation etc. SMEs are also confronted with new political and business framework conditions, which will affect their way of doing business abroad. In our view other areas, in which public support is particular essential, include among others guidance on protection and enforcement of IPR, removal of NTB's and trade barriers, e.g. import tariffs, removal of barriers to foreign direct investment, standards, conformity assessment and regulatory issues, technology commercialization, customs regulation, local content practices etc.

3) Which institutions do you consider best placed to provide such support?

SMEs are often unaware of the possibilities of international markets or consider the issue too complex. Their motivation is often spurred by Member States and/or private organisations, which disseminate information about export possibilities and provide essential guidance. SMEs often lack information or knowledge about foreign export markets, and feel less confident in communication in a language different from their mother tongue and in new cultures. Furthermore, it has to be acknowledged that European SMEs are often competitors and therefore feel more inclined to involve national public and/or private organisations. These organizations have provided services to SMEs for a long time and have build structures and competencies, which are tailored to meet the needs and demands of SMEs. Hence, public support at EU level should supplement and complement such initiatives on a horizontal level, where European SMEs are facing the same problems, and leave the business specific problems to Member States and/or private organisations.

EU should not initiate support programmes consisting of export consultancy work for individual companies, which is already done by existing initiatives at national level.

4) In which areas could activities at EU level be particularly useful (add value)?

The Commission plays an important role in helping SMEs seize global opportunities. First of all in safe-guarding a well-functioning Internal Market. Mapping framework conditions and removing trade barriers of common interest to the EU are in our view areas where the EU can add value as regards external markets. The Commission has an important role to play in finalizing regional and bilateral free trade agreements and in furthering the WTO agenda. Furthermore, the Commission's role addressed above should be a horizontal one, e.g. gathering and communicating market information, protection and enforcement of IPR, removal of NTB's and trade barriers, e.g. import tariffs, removal of barriers to foreign direct

investment, standards, conformity assessment and regulatory issues, technology commercialization, customs regulation, local content practices etc. A useful tool could be an on-line "International Business Portal", providing first-entry and business relevant information on foreign markets, further country-specific IPR helpdesks etc. Possible initiatives at EU level should benefit companies working in all business areas, e.g. production, services etc. Sharing best practice and knowledge at EU level can be a valuable supplement to national, regional and local initiatives.

5) Do you agree with the presumption that SMEs could benefit from greater visibility of available support. How could this be achieved? from (improved) cooperation of organizations providing support

Communication is always important. Many SMEs are unfortunately not aware of the existing EU support facilities or do not know how to access them. An easy to use on-line one-stop-shop in the official languages would help. Member states and/or private organizations could strengthen their efforts by working together to raise awareness of the EU support programmes. As of today, SMEs would often search national websites, before looking into relevant EU web sites. In Denmark, SMEs are familiar with national support measures and institutions.

6) Do you agree that an online portal bringing together relevant information about doing business in certain markets abroad could be a useful tool for intermediaries (providing business support) for SMEs themselves

We recommend that a thorough investigation is carried out of existing portals, where SMEs can get information, in order to avoid duplicating web sites. Based on the findings, a common overall portal that incorporates all relevant information might be helpful. The main task is to have an effective search facility to allow companies to quickly establish, which programmes are relevant for them.

7) Do you agree that a stock-taking of existing support measures in certain markets is necessary?

In our view, a stock-taking exercise of existing EU and member state support measures in all relevant markets would be beneficial.

8) Do you think that it is a good idea to build on existing structures in markets abroad, such as established national bilateral Chambers of Commerce, to provide initial support to newcomers from anywhere in the EU? Or would you prefer new structures to be established to fill any gaps?

Provided that investigations show that there is a need and demand for a special EU set-up, we recommend that EU support measures on horizontal level are incorporated in the local EU delegation structure abroad, which would remove the issue concerning national bias. National bilateral Chambers of Commerce do not play the same role in all member states, which makes it complicated to build on this structure.

We have noticed that the Commission plans to expand the role of Enterprise Europe Network (EEN) in order to support SMEs to better exploit business opportunities in Europe and in global markets. From our point of view, this expansion of EEN's role needs to consider and complement existing national structures and initiatives set up to support SMEs export opportunities.

Furthermore, a possible commitment of EEN as a part of the future negotiations of the EU multi-annual Financial Framework for the period 2014-2020 should also be discussed and closely coordinated with the national authorities responsible for SME policy in each EU member state. This would reduce the risk of overlap between the EEN and the existing and well-functioning national business support structures providing SMEs access to markets outside the EU.

9) Do you think that a cooperation and division of labour between existing European support organizations in a given market would be useful could be feasible? What needs to be done to bring this about?

Overlap and duplication should be avoided in order not to spend tax payer's money twice. Member States and/or private organisations have provided services to SMEs for a long time and have build structures and competencies, which are tailored to meet the needs and demands of SMEs. Close cooperation and dialogue at all levels are useful to secure division of labour if done respecting and in coordination with existing national initiatives.

10) Do you agree that cluster and network organizations can play an important role in helping SMEs internationalize and should, therefore, be strengthened?

Clusters and network organisations can play an important role in helping SMEs internationalize, but they can never stand alone as they are often operational in the individual market.

11) Do you agree with the guiding principles for new EU support activities as set out in the proposal? If yes, would you like to see other bodies (Member States) adhere to such principles as well?

We welcome the guiding principles that actions taken at EU level should be complementary to and not duplicate business support activities that are carried out by Member States and/or private organizations. In compliance with the principle of subsidiarity and an appropriate division of labour, they should serve to fill gaps or reinforce existing support services where needs are not met by other public or private institutions.

EU-level support for business should be based on a demonstrated demand and need in the market concerned.

Efficiency in the use of public funds would in our view be achieved best if the local EU delegations were to enlarge the scope of their activities on the horizontal level in order to support SMEs in their internationalization.

We acknowledge that political consideration should also be taken into account.

12) Do you agree with the criteria for geographical priorities proposed?

We agree that market selection should be based on economic potential and size of the market. A special effort should be made in regards to trade policy initiatives that strengthen SME market access to expanding growth economies such as the BRIC countries and Next 11. Secondly, we agree that the extent of difficulty faced by SMEs in accessing the market should also be taken into consideration. Finally, we agree that new EU level initiatives should only be proposed where there is a clear need, demand and gap in the existing business structures on the horizontal level. What concerns the existing geographical priorities, e.g. China, India, Thailand, Malaysia etc, we recommend that the same exercise is carried out in order to ensure the efficient use of public funds and to evaluate its relevance.

13) Do you miss any important aspects in the overall assessment?

Before starting up any new initiatives at EU level, it could be worth while having a discussion on how and by whom companies will be prioritized if demand on any given support initiative at EU level will be greater than resources at hand.