

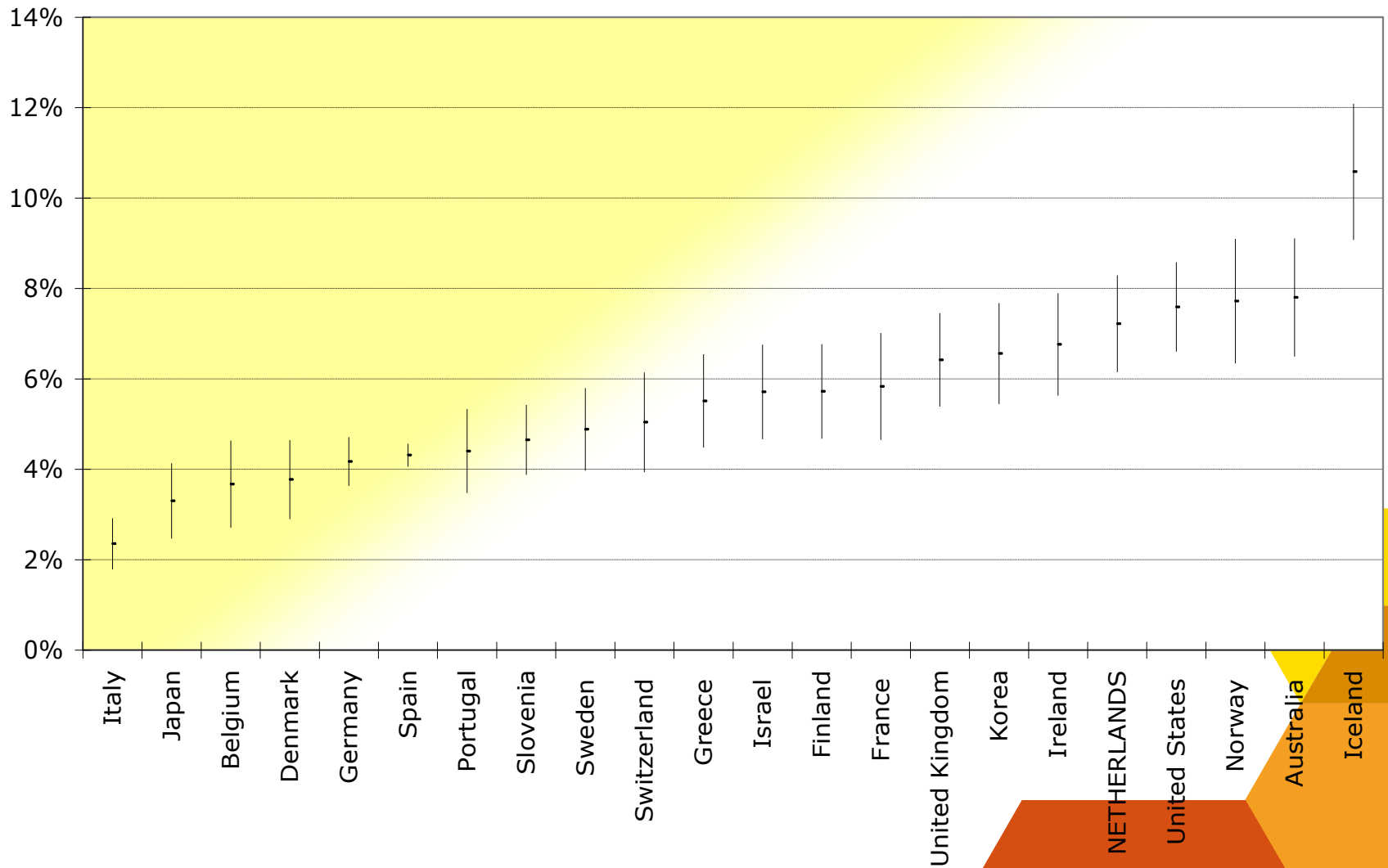
The importance of cross-border entrepreneurship

Chambre de Commerce Luxembourg

Date: October 07, 2011



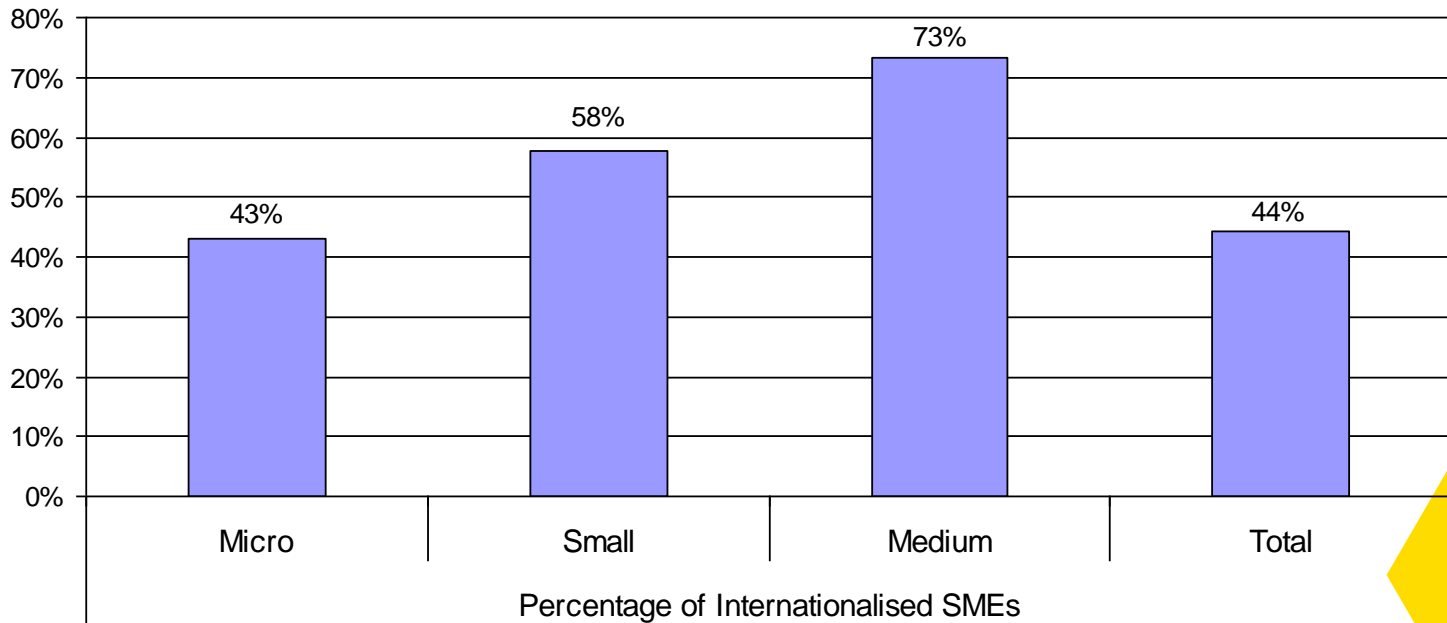
Total early-stage Entrepreneurial Activity (TEA) 2010, % adult population



Main indicators EU SMEs

	Micro	Small	Med.	SMEs	Large
Nr enterprises	91.8%	6.9%	1.1%	99.8%	0.2%
Employment	30%	21%	17%	67%	33%
Size	2	19	100	4	1006
Value added	21%	19%	18%	58%	42%

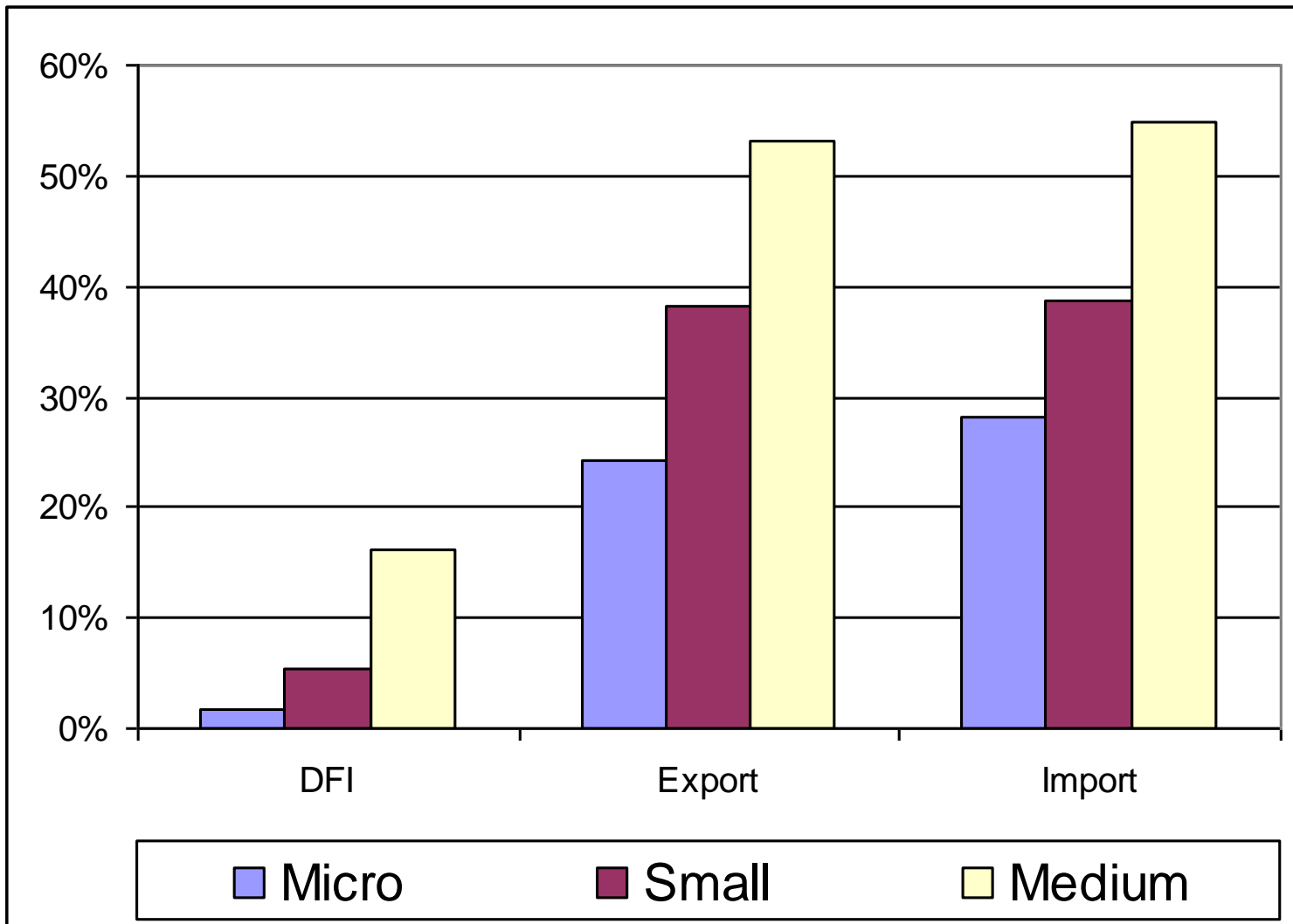
% Internationalised SMEs



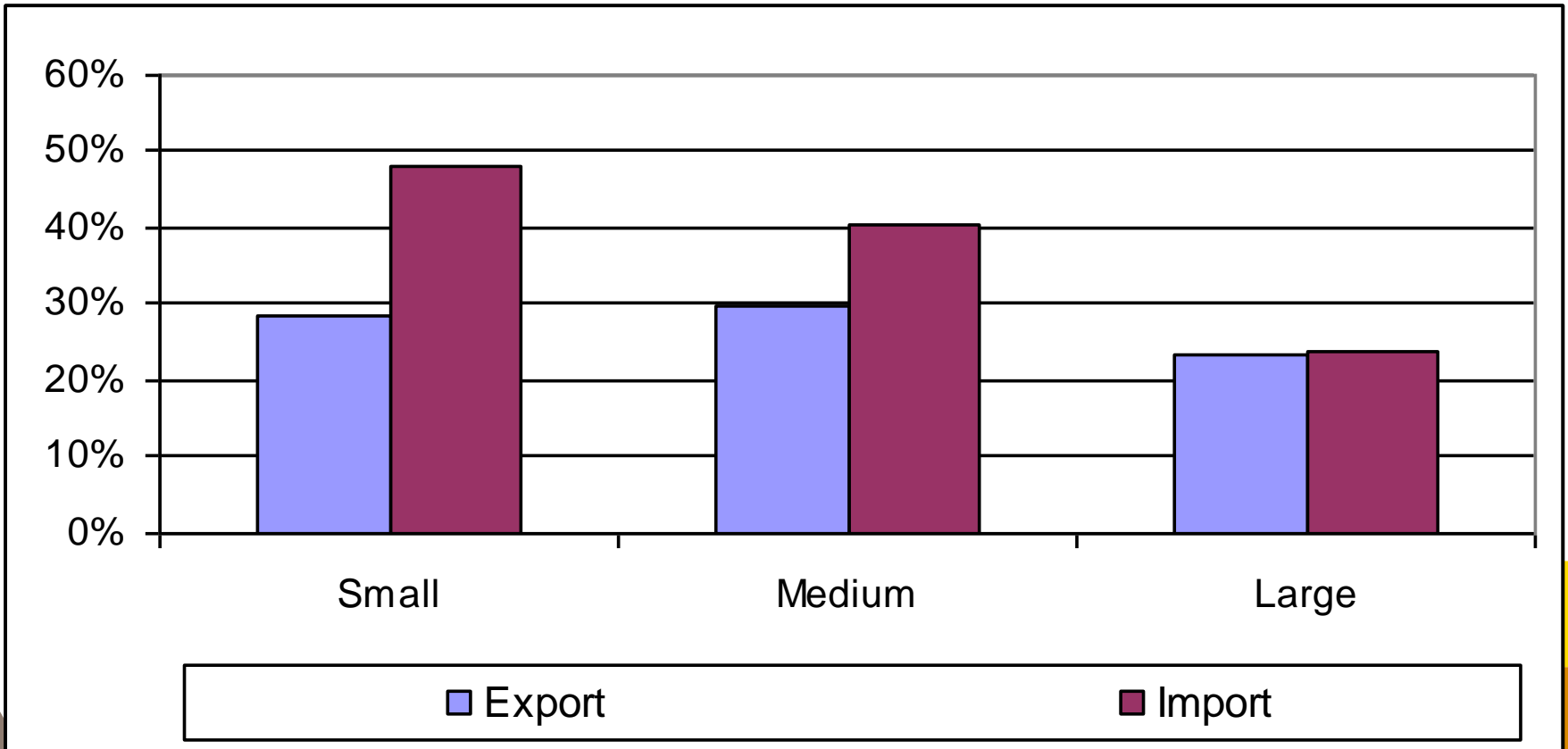
Modes of Internationalisation

	<i>Active</i>	<i>Plans to start (of those not active)</i>
Imports	29 %	3 %
Exports	25 %	4 %
DFI	2 %	3 %
Technical Coop.	7 %	3 %
Is subcontractor to foreign firm	7 %	3 %
Has foreign subcontractor	7 %	3 %

Size class effects: by size of enterprise



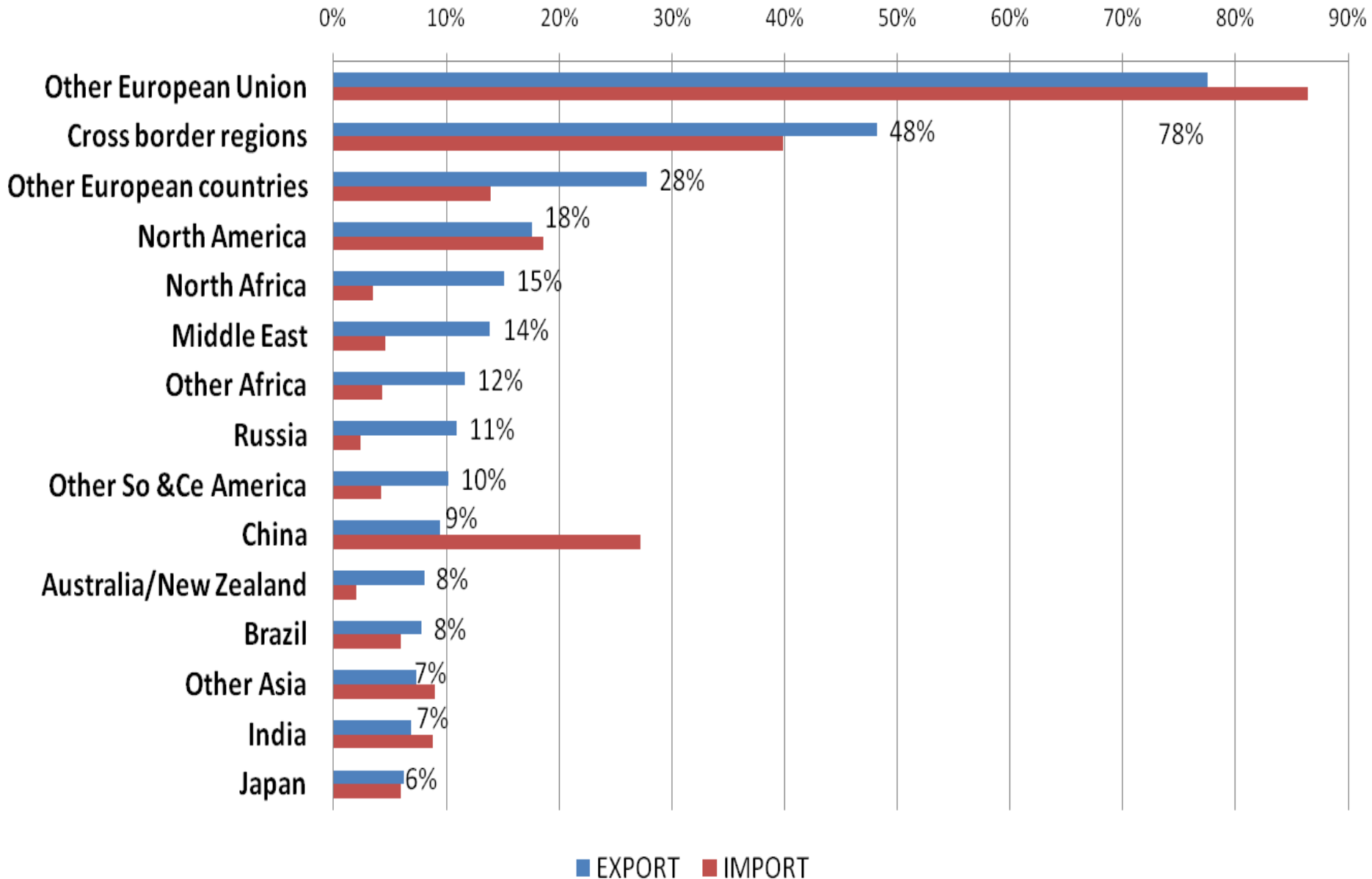
Size class effects: by size of country



Classification Member States:

small (< 100 000 enterprises; medium 100 000 – 1 00 000; large > 1 000 000).

Export and Import markets





FIM
Internationalisation and
Innovation

Internationalisation and innovation

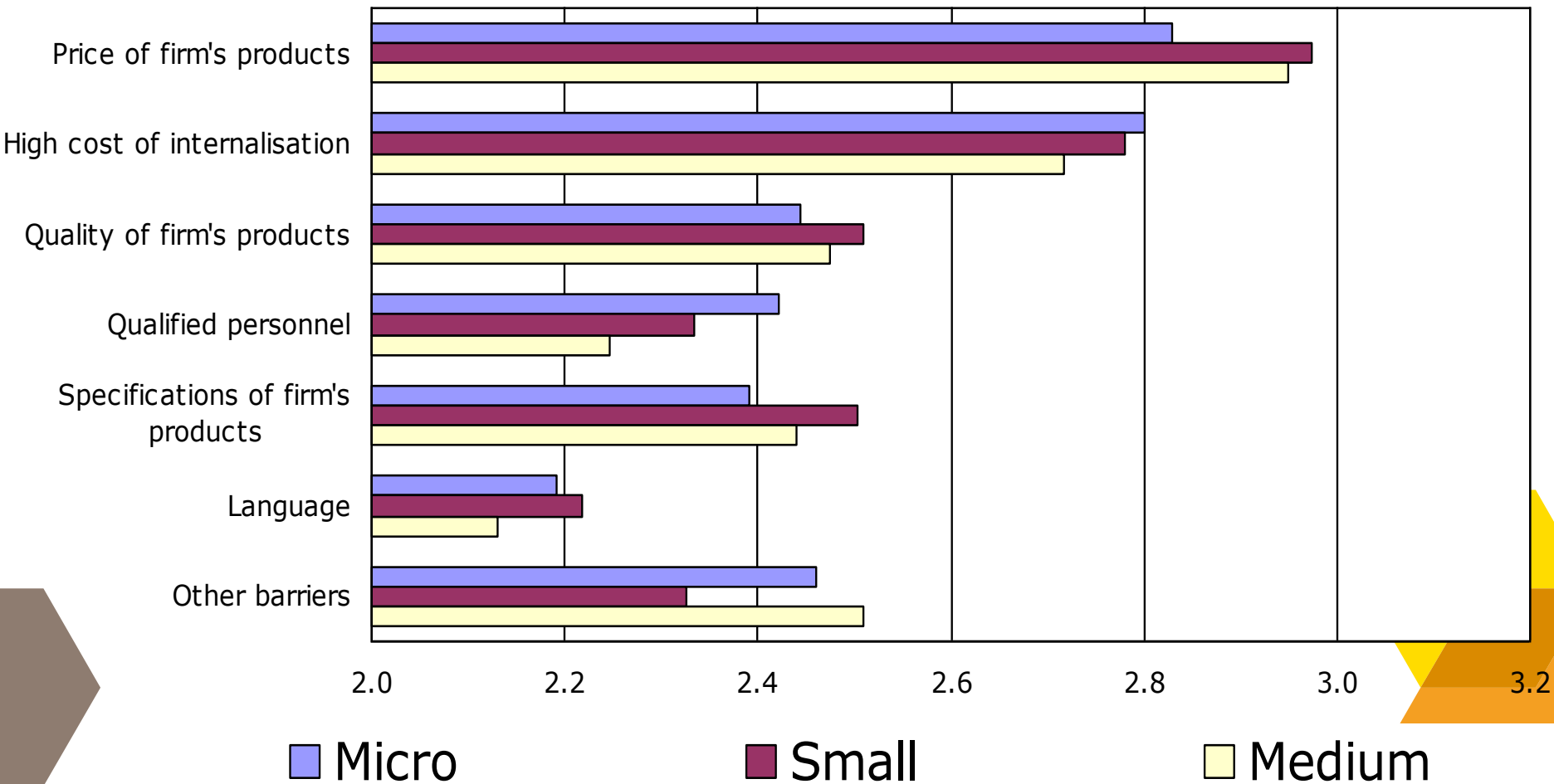
	Active	Not active
Introduces new products/services for their sector and country	26%	8%
Introduces products/services only new for their enterprise	21%	11%
None	52%	79%

Correlation with performance. Average employment growth 2007 – 2008

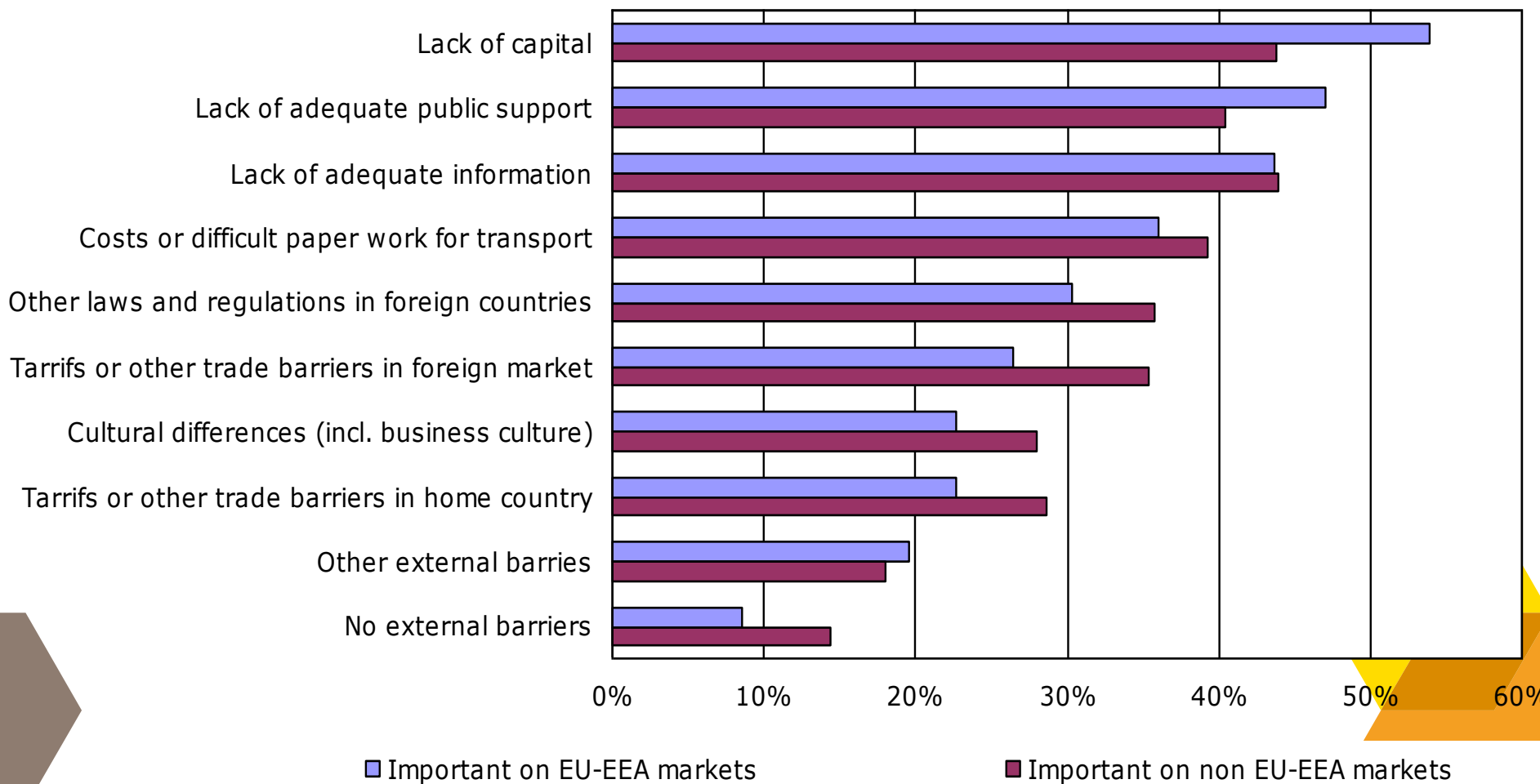
	Yes	No
Exporting	7 %	3 %
Importing	8 %	2%
Im- & exporting	10 %	3 %
Investing abroad	16 %	4 %

Internal Barriers for Internationalisation

(scale 1 to 5 very important)



External Barriers for Internationalisation (scale 1 to 5 very important)



Aware of support?

By size:

- micro 15 %
- small 20 %
- medium 28 %

By status:

- Not international active 10%
- Only plans 20%
- International active 23%

Use of Public Support

2006 – 2009

(only those internationalised and aware)

<i>Type of support</i>	<i>Micro</i>	<i>Small</i>	<i>Medium</i>
Financial support	8 %	12 %	21 %
Other Public support	6 %	9 %	10 %
Not using any support	87 %	81 %	69 %

Combining: Awareness and Use

- ◆ Aware some 20% of SMEs
 - ◆ Using some 14% of those aware
-
- ◆ **Using some 3% of all SMEs only**

Effect of Support

Would not have started	11 %
Started earlier	19 %
More international business	35 %
Welcomed, but only facilitated operations	37 %
Better insight in possibilities on foreign markets	27 %
Other effect	27 %
No effect at all	7 %
Do not know / no answer	3 %

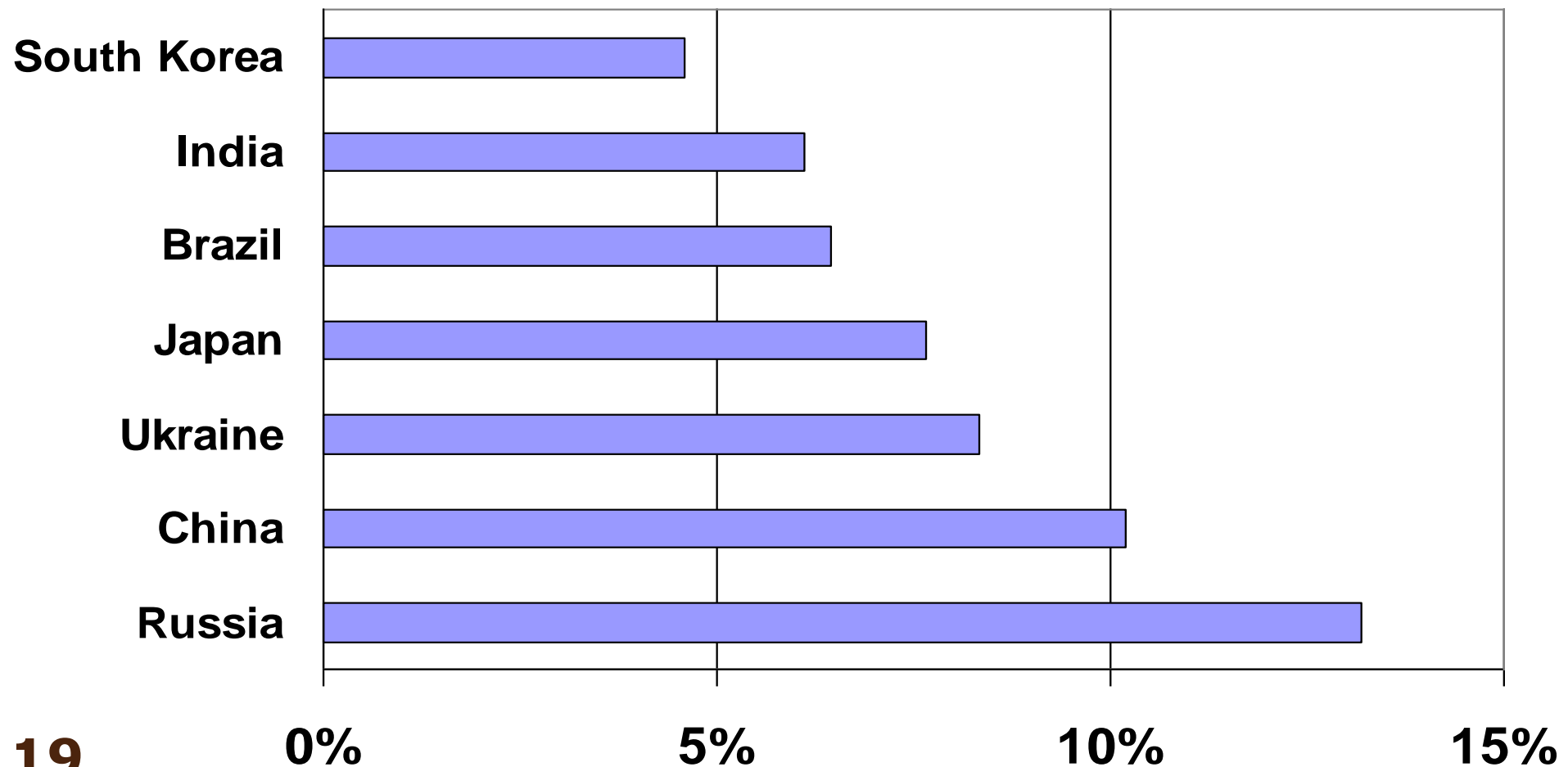
Recommendations made

R1	Awareness campaigns of support measures available
R2	Improve access for micro and small enterprises
R3	Combine innovation and internationalisation support
R4	Not only Export also Import
R5	E-commerce can lower barriers further
R6	More efficiency in collecting market information – integrate back offices of ETPOs different Member States

Opportunities for internationalisation of SMEs outside EU

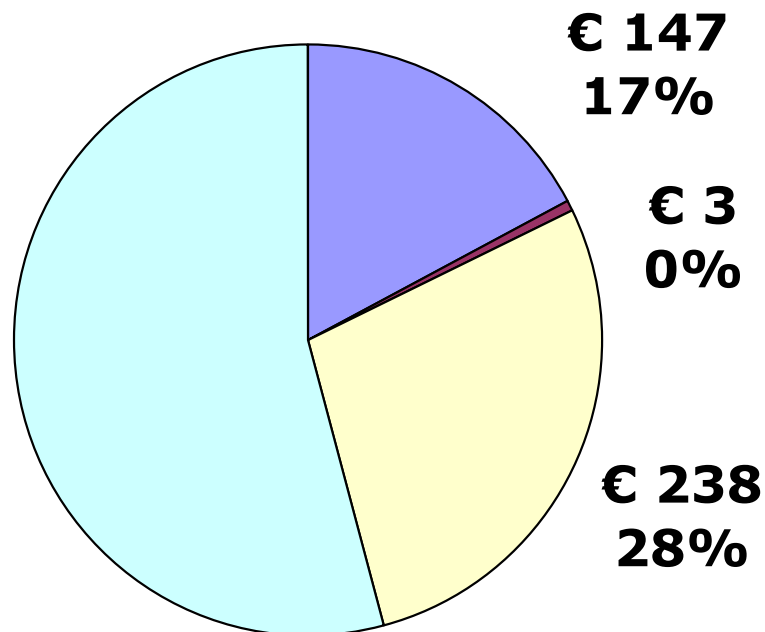
http://ec.europa.eu/enterprise/policies/sme/market-access/enterprise-europe-network/intern_event_en.htm

Percentage of Internationalised EU SMEs with some activity with regard to the 7 key Target Markets

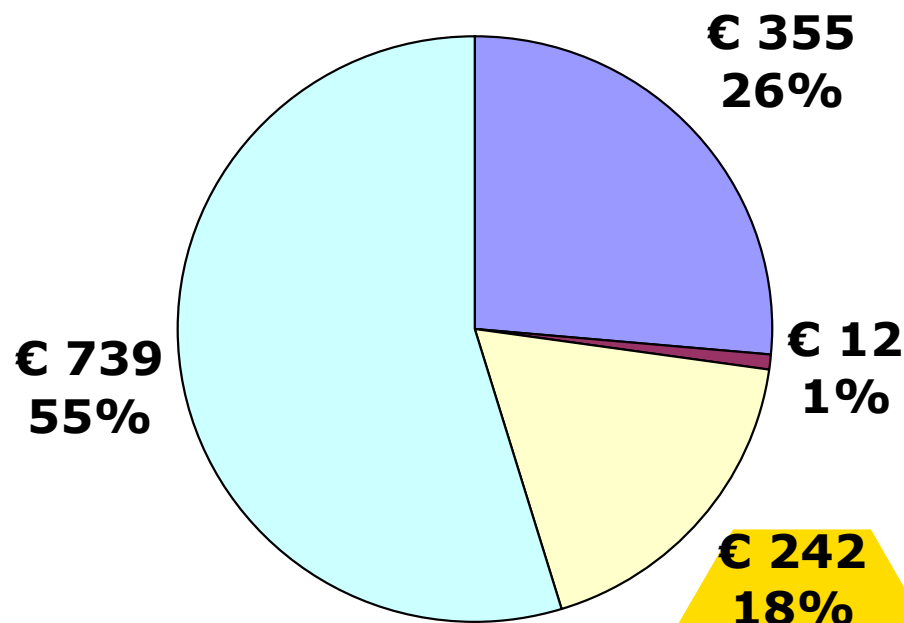


Increasing Importance 7 Key Target Markets

2000

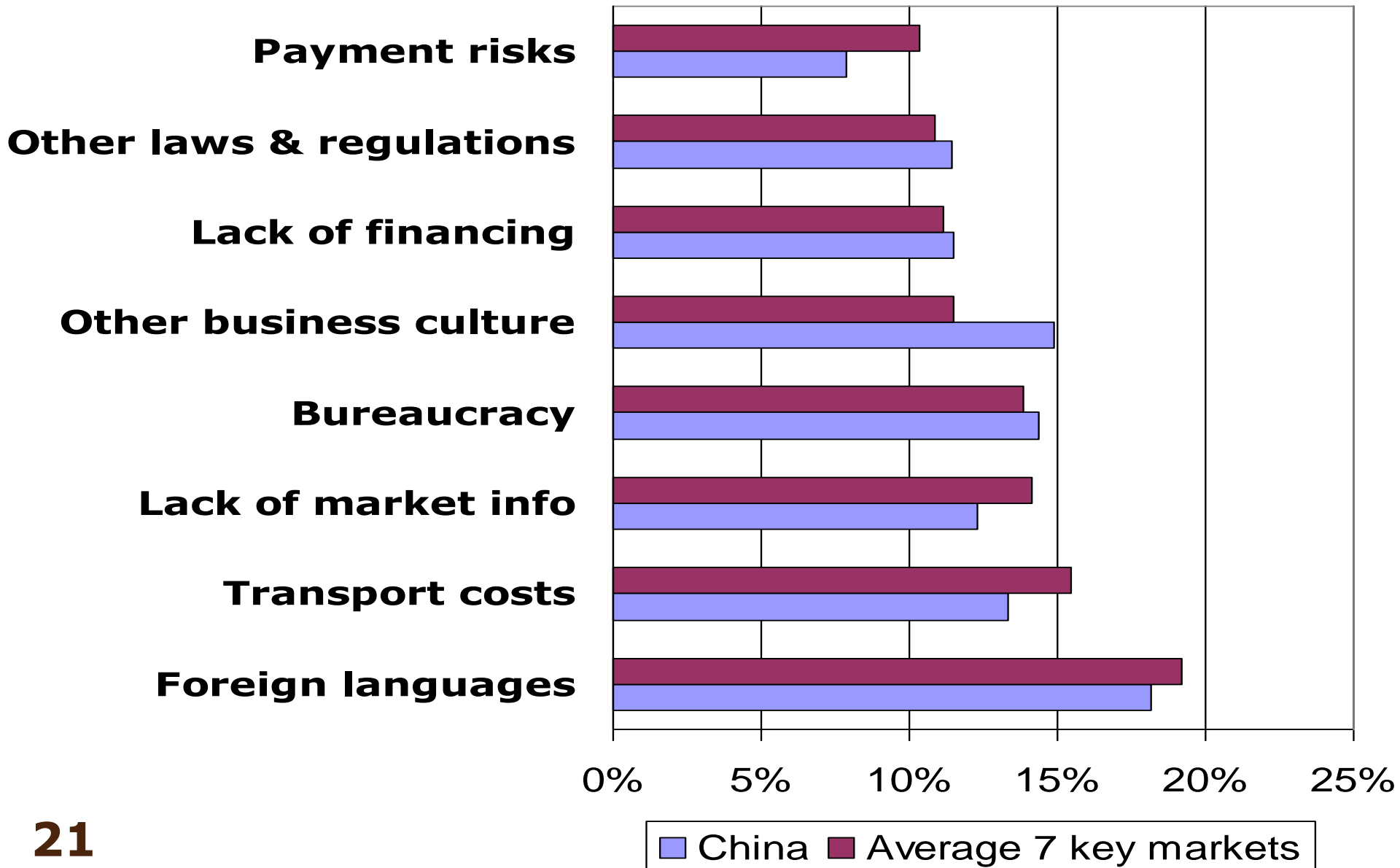


2010

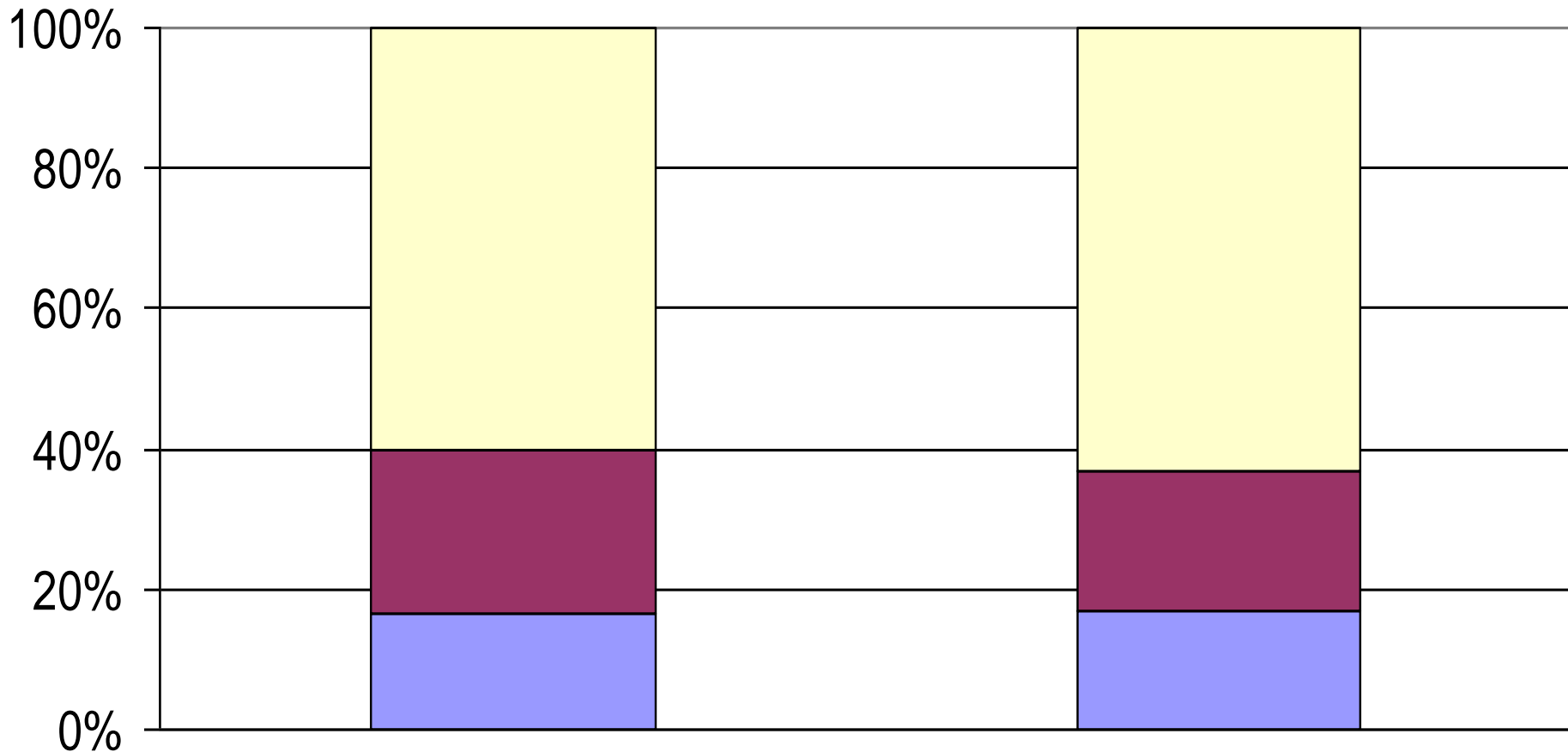


■ 7 key target markets ■ Other target markets
■ USA ■ Rest of the world

Main Barriers Target Markets



Need for more Information Campaigns!



Easy to get overview of support Support measures easy accessible

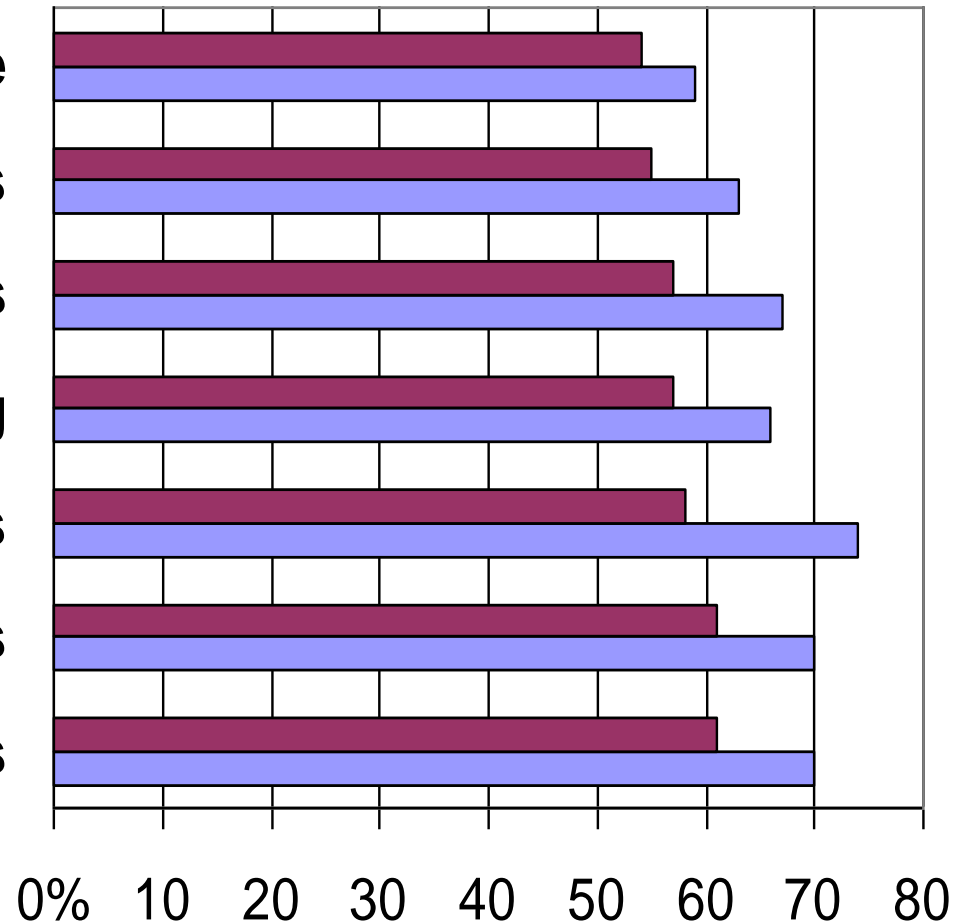


Effect of Using Support

	Overall	7 key markets
Would not have started without support	12%	24%
Started earlier because of support	9%	10%
More international business because of support	36%	38%
No immediate effect	41%	24%
Total	100%	100%

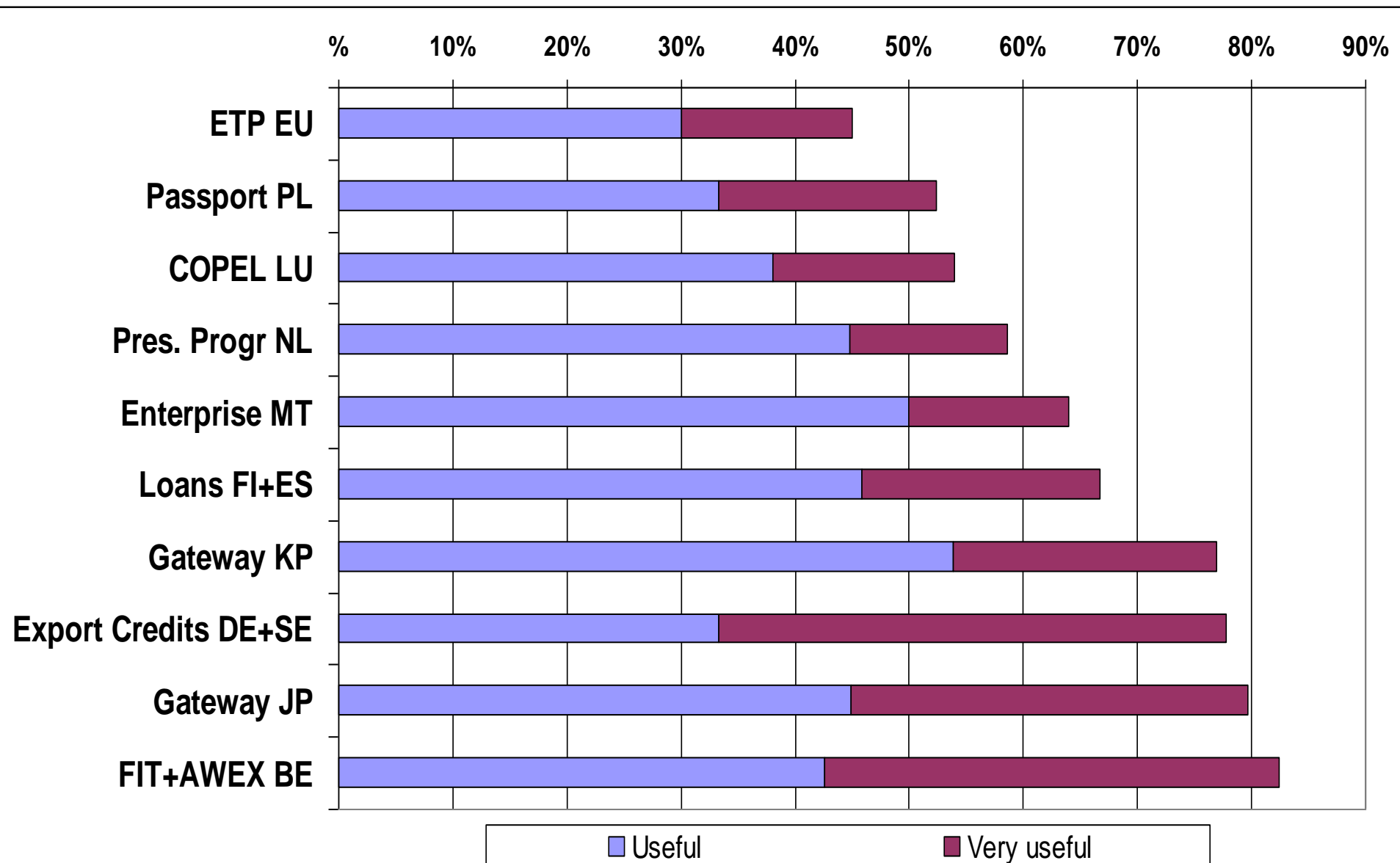
Expected Effect of Support

- Business or professional advice
- Exhibiting in international trade fairs
- One-to-one meetings with partners
- Business cooperation & networking
- Information on rules and regulations
- Information on market opportunities
- Assistance with identifying partners

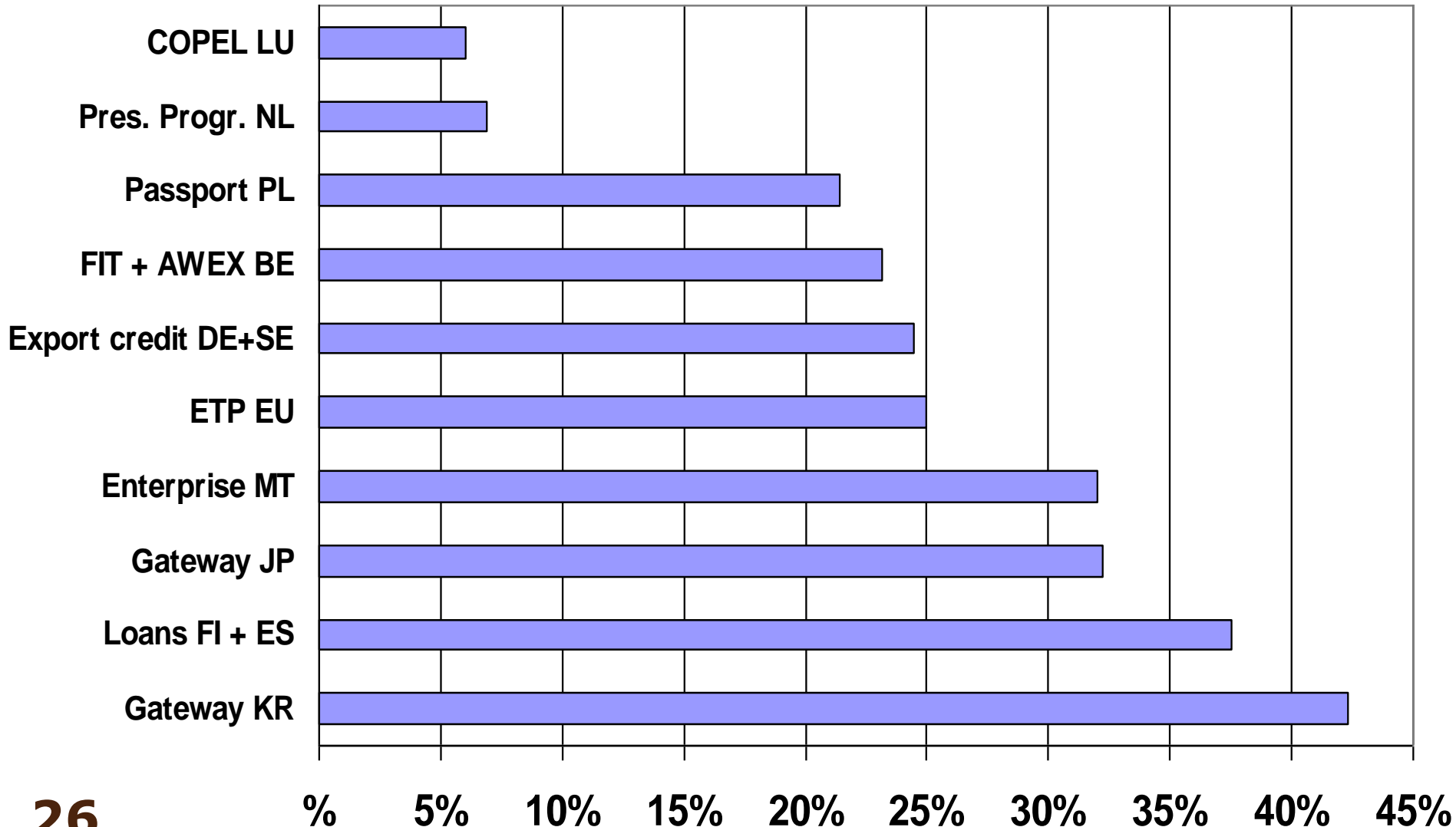


■ Russia ■ Average 7 key target markets

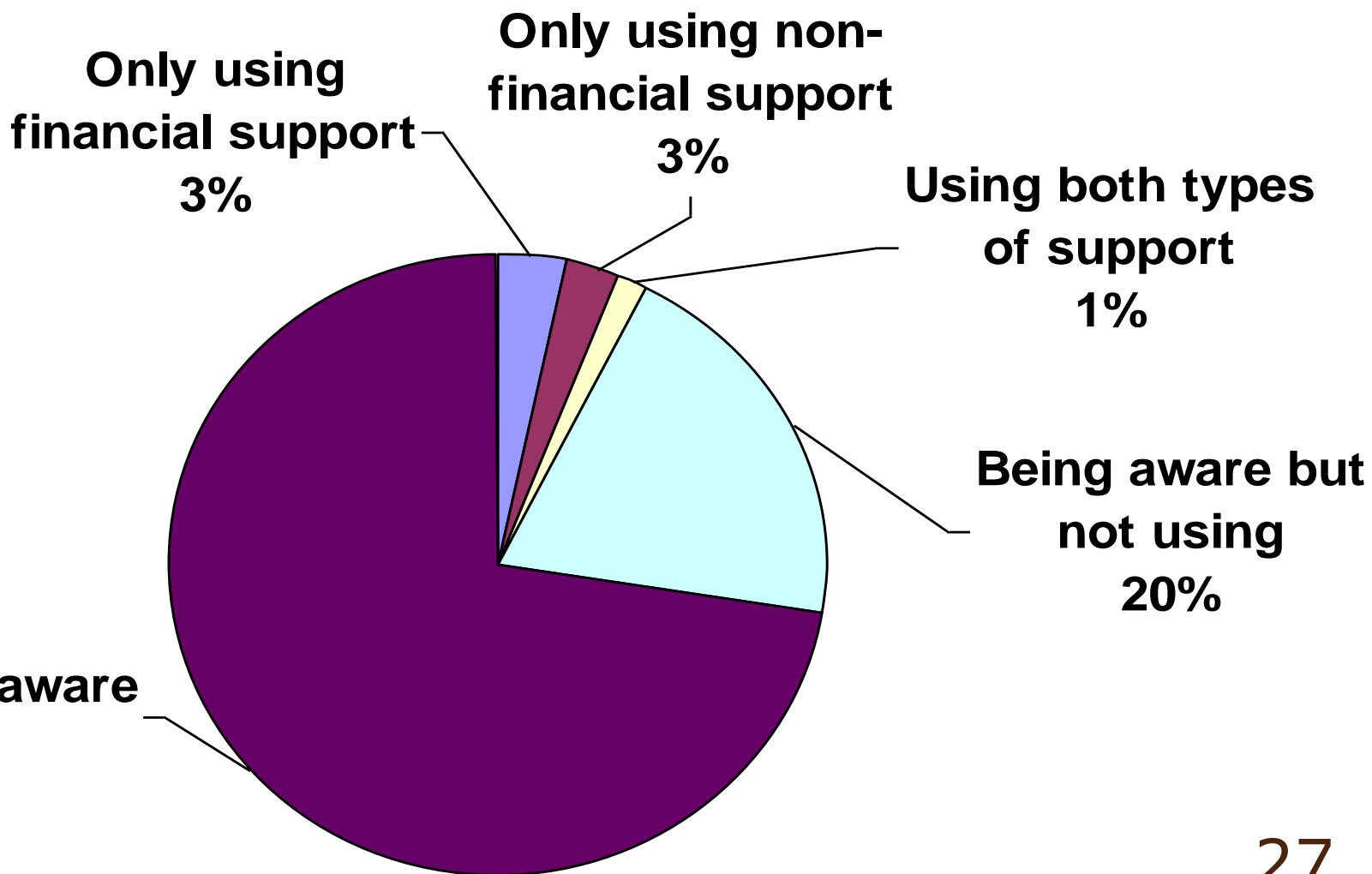
Usefulness of Support for Business Extra EU, Specific Programmes



Would not have Started without this Support



Awareness and use of support by internationalised SMEs



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Major Findings

- Growing significance of target markets
- Large number of national support measures
- 60% of the users are satisfied with the support received
- Support focused on target markets is relatively effective
- Awareness low: 7% of internationalised SMEs use support
- Access & proximity to SMEs is important
- Need for better coordination rather than new services