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ENTERPRISE DIRECTORATE-GENERAL: THE BULLETIN OF ENTERPRISE POLICY

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EURO



The BENE network for cooperation in business training



Study on the creation of a network of SME clusters and technology parks

Readers' letters...



EUROPEAN COMMISSION

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THE NEW COMMISSIONER AND THE NEW ENTERPRISE DIRECTORATE-GENERAL

The new Commissioner for Enterprise and the Information Society is Erkki Liikanen.

Mr Liikanen, from Finland, was a member of the previous Commission, with responsibilities for the budget, personnel and administration. The enterprise part of Mr Liikanen's portfolio brings together, in a new Enterprise Directorate-General (DG), the Commission's services for Industry (DG III), Enterprise Policy (DG XXIII) and Innovation (DG XIII Directorate D). The new DG reflects the need for a more comprehensive approach to business and competitiveness in the European Union (EU).



The new DG recognises the fact that enterprises, large and small, and from different sectors, have much in common. At the same time, small and medium-sized enterprises (SMEs), because of their size, have specific needs and characteristics which make them different from large industrial enterprises. The creation of the Enterprise DG will allow for the development of an integrated approach towards enterprises of all sizes, traditional and high-tech. The aim will be to foster entrepreneurship and to enhance the competitiveness of businesses in the EU.

Mr Liikanen set out a number of priority areas during his confirmatory hearing at the European Parliament on 31 August. In his opening statement, he underlined three main elements in measures to be taken within his remit to combat unemployment: the creation of a real information society, the development of a dynamic entrepreneurial culture and of risk capital markets. National education systems had to fully encourage the use of new technologies such as the Internet, and enterprises should increasingly employ electronic commerce. Mr Liikanen emphasised the role played by SMEs in job creation, and highlighted the contributions which the SLIM (Simpler legislation for the internal market) programme and BEST (Business environment simplification task force) action plan were bringing to cut red tape and improve the business environment. He also supported a constructive dialogue between the Commission, Member States, firms and the European Parliament on enterprise policy. The creation of the Enterprise DG should strengthen policy for businesses and improve coordination on all matters affecting businesses.

Further details of the new Enterprise DG will be given in one of our forthcoming issues.

Euro-info is a concise information bulletin for SMEs and the craft sector.

It is sent to those who put in a written request. Euro-info is published 10 times a year.

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Euro-info and other information with regard to Enterprise Directorate-General is available on Internet via the EUROPA server: <http://europa.eu.int/comm/dg23/index.htm>

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FILE OF THE MONTH

1 THE BENE NETWORK FOR COOPERATION IN ENTREPRENEURIAL TRAINING

INFORMATION



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The Member States, the education authorities, universities and teaching establishments increasingly recognise the importance of entrepreneurial training and the need for new teaching methods which allow better access to training for SMEs.

Entrepreneurs, particularly those running small and very small enterprises, have to acquire a wide variety of specialised skills, which have to be concentrated on a small number of people. Entrepreneurs have little time outside work for their own training or that of their staff, without which, however, they cannot remain competitive. Training is needed to develop skills to cope with this situation and ways have to be found around the obstacles inherent to training on the job.

Governments, educational authorities, universities and teaching establishments recognise the need to allocate more resources to this task, which includes the development of new courses and new methods. At the same time, initiatives already exist to improve cooperation between those involved in this work.

The Commission attaches great importance to such developments. It has recently published an invitation to tender (No 102676, OJ S 141) which aims to set up a Europe-wide network of educational organisations, including existing networks, directly involved either in the teaching of entrepreneurship or in the training of entrepreneurs so that they can have ready access to each other for exchange of experience, cross-cultural learning, comparative analysis and identification, where relevant, of best practice.

The network will be of direct benefit to businesses, by providing better access to information on the training schemes on offer. The BENE (business education network Europe) can become a reference point not only for testing out new practices but also for improving the dissemination of information on vocational training throughout the European Union.

The purpose of the invitation to tender is to research, design and set up the network. The bids must cover the following:

- 1) establishing a database of organisations or groups of organisations providing training facilities for entrepreneurs and potential entrepreneurs;
- 2) compiling an inventory of pedagogical products available from the organisations on the database;
- 3) the methodology for operating an interactive network, including how it will be stimulated and how the interactive linkages will be established;
- 4) setting-up the network including testing the products from tasks 1) to 3).

2 STUDY ON THE CREATION OF NETWORKS OF SME CLUSTERS AND TECHNOLOGY PARKS

INFORMATION



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The Enterprise DG is currently carrying out a pilot study on the creation of networks of SME clusters and technology parks. The main objective of the study is to provide, on the basis of the experience of SME networks, a detailed analysis of the steps to be taken and a list of obstacles to the creation and development of a network of SME clusters with technology parks. The study involves the following:

- analysis and study of a transnational cooperation programme between two or more organisations which work in the field of stimulating SMEs as regards technology, preferably technology parks working with a network of SMEs;
- analysis of a transnational technological network of existing SME clusters in relation with one or more technology parks;
- analysis of a transnational telematics network existing between two or more SME clusters.

The study will last 12 months and the Commission will validate the results by means of seminars. Two seminars are planned for the end of 1999. Persons interested in participating in these seminars may send their addresses to the contact persons mentioned above. They will then be sent the necessary information.

SME FINANCING

3 THE JEV EXPANDS

INFORMATION

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The Joint European Venture project (JEV) aims to encourage SMEs to work together. It offers financing of 50 % of expenses linked to the feasibility stage of a joint enterprise and up to 10 % of invest-

ments, thus allowing European SMEs to draw better benefit from the opportunities offered by the single market.

The free movement of goods, services, persons and capital are at the heart of the JEV. However, these four freedoms are not confined to the European Union but also apply to the European Economic Area.

The Joint Committee of the European Economic Area adopted a decision which opened the JEV to its member countries. This means that not only the 15 Member States of the European Union but, as of 1 August 1999, also Norway, Iceland and Liechtenstein can participate fully in activities under this programme. Since then, a Norwegian bank (SND bank - Statens Naeroings og Distriktutbyggingsfond) has joined the 85 financial institutions which are already members of the JEV network.

Now the groundwork has been done, it is simply up to businesses to break the ice and submit projects involving partners in Iceland, Norway or Liechtenstein.

4 BUSINESS ANGELS:
A MEETING
OF NETWORKS

INFORMATION

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Private individuals investing their money and time in a new business, in other words 'business angels', have always existed. What is new though, is the development of business angel networks (BANs). The role of BANs is to bring the business angel and the young entrepreneur into contact with each other. Such contacts are made in a variety of ways: either by the Internet - often the preferred way - or through specialised magazines or organised meetings. It is important to stress that most BANs do not simply match partners. They also help

young entrepreneurs present their projects both orally and in a file setting out their ideas in a financial plan.

Meeting of BANs

To acquire an overview of the situation in Europe, a meeting with the managers of the BANs took place on 7 June 1999. The meeting, held by the Commission in conjunction with Eurada and EBAN, was attended by over 100 people, which illustrates how fast these networks have grown.

According to the American participants, in 1975, 80 % of fortunes were inherited, whereas by 1995, 80 % of them were self-made. Consequently, the potential for business angels is considerable. They are estimated now to include 3 million people. There are 39 BANs active in the United States.

Those Americans who were present said that time-frames in Europe are very limited. In fact several non-tariff barriers still exist and the ACE-net (Angel Capital Electronic Network) is trying to overcome them. For example, in order to achieve a financial transaction in one State, a State qualified lawyer has to be contacted, which makes the transaction expensive.

In Europe, the number of BANs is estimated at 58 and the potential number of business angels at 1.1 million people. The phenomenon is more widespread in the United Kingdom where 45 BANs are active. In 1998 they achieved an average of nine matchings. As a result over 400 young enterprises received financing through business angels. Since there are neither guarantees nor a track record for most of these projects, we can assume that the projects would not have happened without the help of business angels.

After the United Kingdom, the Netherlands has the most extensive system. The Dutch network has achieved 65 matchings. In Finland, France and Germany, BANs started up in 1997 and the first results were achieved in 1998. In Belgium, Italy and Sweden, networks have also recently been set up.

The various operating methods, problems encountered and opportunities were all discussed, which will enable BANs to find out the most interesting approach. (The full report of this meeting is available from the Commission).

Creation of EBAN

At a fringe meeting, a European association was set up called the European Business Angels Network (EBAN) to group together and represent the interests of the EBANs vis-à-vis international institutions. The EBAN will also have the role of promoting the exchange of experiences between its members and promoting the concept of the business angel in regions and countries where it is not yet fully established. The EBAN also wishes to collect statistical data on the importance of business angel activity in Europe. The EBAN chose the legal form of non-profit association under Belgian law and has the support of Eurada (European Association of Development Agencies) and EBN (European Business and Innovation Centre Network). In addition to Eurada, the nine founder Members are: Vlerick Business Angels Network (B), National Business Angels Network (UK), Business Angels Netzwerk Deutschland (D), South West Investment Group (UK), SITRA Matching Service (FIN), Business-Angels.com (F), NEBIB (NL), Italian Business Angels Network Association (I), Business Angel Networks Association (UK). The European Commission (Enterprise DG) holds observer status.

The EBAN, in close cooperation with Eurada, is already carrying out the following:

- a study on the feasibility and viability of regional/national networks of business angels in Europe, cofinanced by the Enterprise DG;
- organisation of experience exchange seminars and two international conferences;
- dissemination of a provisional directory of networks operating or planned in Europe;
- implementation of an awareness-raising programme in the European Union of the phenomenon of business angels (cofinanced by the Enterprise DG in conjunction with JIC and EBN (see Euro-Info No 119 - Article No 3);
- development of the website www.businessangels.org.

CRAFT SECTOR

5 MILAN FAIR: 'CRAFT FAIR - ESPACE EUROPE'

INFORMATION



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At the beginning of December 1999, the second international craft fair will open in Milan. Over 1 million visitors are expected and some 1 300 stands from 14 countries. Thanks to the pilot project (97/C117-17) 'Craft fair - Espace Europe', many craftsmen not used to exhibiting in this context will have the opportunity for a second time. This project responds to the need of European craft enterprises to obtain access to stable, sustainable markets and to the consumer's desire for products that are not produced en masse or standardised.

Proposed by Gestione Fiere and based in Milan, the project involves the participation of German, Spanish, Portuguese, Greek and Lithuanian partners experienced in organisational and economic aspects. An increase in the number of partners is expected in subsequent events. Altogether lasting 24 months, and due to finish in February 2000, the project has involved the participation of craftsmen from many countries, participating in the annual fairs in 1998 and 1999.

This fair, which is open only to craft enterprises, attracts, as mentioned, over 1 million visitors including a large proportion of buyers. The presence of an activity space - both physical and conceptual - called 'Espace Europe' will promote contact between the exhibitors and larger-scale economic operators. The fair is therefore a genuine opportunity for craft enterprises to become more international, to make contact with other craftsmen and large enterprises, to acquire increased manage-

ment know-how and to make commercial contacts allowing larger-scale planning as regards production and financial resources and consequently leading to the strengthening of the enterprise itself (with effects on employment). Help (including linguistic help) is provided for participants who are not used to participating in such fairs.

The 1998 fair was successful in terms of the participation of craftsmen from partner countries and in economic terms for the participants themselves. The organisers are working to set up a network of such craft fairs and a cooperation and partnership agreement has been signed between a number of them. By setting specific themes depending on the participants, they aim to enlarge the sphere of influence of the fair each year so that in the future it will be a major reference point for the large-scale marketing of European craft products.

6 EDITA DATABASE

INFORMATION



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On 23 September 1999, EDITA (European database for international trade activities), the database for transnational activities of craft and small enterprises, came into its operational phase and became public.

EDITA (call for proposals 97/C117-17) proposed by the ZDH (Zentralverband der Deutschen Handwerk) and the Institut für Technik der Betriebsführung (Germany), in partnership with MKB - Koninklijke Vereniging (Netherlands) and the NCMV - Organisatie voor Zelfstandige Ondernemers (Belgium) is a pilot project cofinanced by the Enterprise DG. This pilot project aims to set up a cross-border information and electronics communication system for these three countries in order to improve the flexibility and ability of craft and small enterprises to react. Such enterprises are usually unable to bring large numbers of workers together and this system will enable them to seize commercial opportunities which arise suddenly. Another objective of the project is to disseminate new information technologies amongst small enterprises and craft enterprises in order to prepare their managers for adapting to the rapid development of the commercial environment and for using these new technologies in the field of electronic commerce.

Entrepreneurs interested in this initiative can visit the 'EDITA goes public' site (www.edita.org). There they will find information on a variety of subjects relating to law, including labour law, fiscal matters (on the establishment or transfer of enterprises), job security, the environment, training, promotion, calls to tender, etc. There are also discussion forums for entrepreneurs, people establishing businesses and women entrepreneurs and 'links' to business services.

**7 'EMBNET':
STOCKHOLM CONFERENCE**

INFORMATION



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EMBNet (Ethnic Minority Business Network) held an important conference on 15 and 16 September 1999 in Stockholm. Some 150 owners of businesses - large businesses and businesses of ethnic minorities - and representatives of their organisations, together with representatives of local and national authorities were expected. Queen Silvia of Sweden, Ulrika Messing, the Swedish Minister for Culture, and Panayotis Carvounis, Director of the Enterprise DG representing the European Commission attended the conference.

The businesses of people from ethnic minorities already have a significant impact on economic growth in Europe and North America. In the EU, the population of migrants and ethnic minorities is estimated at 12 million. Their businesses, most of which are small or micro-enterprises, play a growing role in European society, particularly in urban areas where their concentration is greater. Their impact on job creation could be substantially increased in a more favourable environment, which should be promoted both by the public authorities and by mainstream businesses. The objective of the conference was to raise the awareness of the public authorities, the financial institutions and large businesses to the specific problems of entrepreneurs from the ethnic minorities. The examination and exchange of best European and American practices should reveal prospects for the future.

EMBNet is a pilot project proposed by the Swedish association of ethnic entrepreneurs in cooperation with Belgian and British partners and cofinanced by the Enterprise DG (call for proposals 97/117-17).

It concerns six European countries (France, Germany, Portugal, the Netherlands, Sweden, and the United Kingdom) and deals with the identification and transfer of best practices concerning the development and expansion of the economic activities of ethnic minorities at EU level. It aims to:

- help ethnic minority entrepreneurs overcome the regulatory obstacles to, and constraints on, their activities;
- establish a trans-European multi-sectoral network for the exchange of information and practices concerning the development of the economic activities of ethnic minorities and the immigrant communities;
- promote private/public partnerships in order to encourage the creation of businesses within ethnic minorities;
- draw attention to the situation of entrepreneurs from ethnic minority groups at EU level and raise awareness of the obstacles they have to overcome.

The project concentrates on initiatives aimed at four target groups: intermediary organisations representing ethnic minority businesses, representatives of the financial sector, large enterprises and national and local authorities. The project will last two years from 1 September 1998. Anyone interested in this initiative can visit the recently created website www.embnet.com.

TOURISM

**8 CONFERENCE ON TOURISM
IN THE INFORMATION SOCIETY,
BRUSSELS, 12 NOVEMBER 1999,
CHARLEMAGNE BUILDING**

INFORMATION



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The European Commission will hold a conference day on 12 November 1999 in order to increase awareness of the possibilities offered and challenges posed by the information society. The conference is coordinated by the

Commission departments with particular responsibility for matters concerning enterprise, with the support of the departments responsible for questions concerning the information society. The objective is to ensure that the main partners in the tourism industry come together and identify and discuss strategies for optimising the use of technologies available in the information and knowledge society in which we live today. A related objective is to raise awareness of the possibilities offered by the Community in this respect. More generalised use of new information technologies in the tourism sector will increase its competitiveness, lead to the creation of improved products and services which are consumer oriented and allow less-favoured regions to promote their destinations more easily on the market.

The discussions will focus on the following subjects: the importance of the information society to the tourism sector in general and for tourist destinations in particular; existing EU measures concerning information society technologies and tourism, including the presentation of some of the most significant projects of the fourth Community framework programme on research and technological development; and the information technology of the future, the research requirements of the tourism industry and the opportunities opened by the fifth research framework programme.

In addition to individual businesses, representatives of the Community institutions, the public authorities responsible for tourism at national, regional and local levels and the organisations which represent tourism are invited to attend the conference.

There are no participation fees but it is important to register to attend the conference. The languages used will be English, French and German. Further information will soon be available at the following address: <http://europa.eu.int/en/comm/dg23/tourisme/events/events.htm> or by e-mail from Christoph.Pfaff@dg23.cec.be.

COMMERCE

9 ELECTRONIC COMMERCE: ENTERPRISE DG - EXPERTS' WORKING PARTY

INFORMATION

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As planned in the work programme of the Enterprise DG for 1999-2000, the unit responsible for trade and distribution held a meeting of a group of experts on electronic commerce for the first time on 6 July 1999. The Working Party,

which consisted of a number of experts from the Committee on Commerce and Distribution (CCD) and other experts representing tourism and the craft industry, discussed and expressed its opinions on a number of questions proposed by the Commission.

The experts gave a very positive assessment of the measures planned in the work programme for 1999-2000 and made comments on the substance. They gave a very positive reaction to the various regulatory initiatives currently being prepared by the Commission. However, the Commission was notified of the extremely negative effects which the current lack of national legislation concerning a number of key questions (e.g. liability, applicable law, etc.) had on the development of electronic commerce. Furthermore, the ongoing initiatives concerning the Brussels and Rome Conventions will be seen as explicit obstacles to the development of cross-border electronic commerce. The representatives of tourism and commerce were firm on the extremely negative effects of implementing such laws for electronic commerce in the context of the EU, particularly for SMEs. They said that the probable implementation of the revisions of the Rome and Brussels Conventions was indeed already preventing some companies from developing a European dimension to their electronic commerce strategies.

It was agreed to hold regular meetings of the Experts' Working Party and to devote each meeting to a particular subject, namely: research activities, on-going legal initiatives, the monitoring and examination of the results of our work programme, etc. The next few meetings would be attended by colleagues from other Commission departments, so that a more accurate opinion could be given on the subject selected by the Experts' Working Party.

We draw the conclusion that this type of meeting is of great added value for our objectives, since it provides well-founded, independent opinions from the business world in general and from the sector in particular. By leaving this channel of communication open, we will be able to pass on the points of view

of our clientele efficiently and precisely to other DGs and to keep our own activities in tune with the actual demand of the large majority of users of electronic commerce, in other words businesses.

10 INFORMATION CAMPAIGN ON COMMERCE

INFORMATION

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The Enterprise DG is in the process of preparing an information campaign on commerce. The campaign will be launched at the end of 1999 and will last six months. It will consist of around 40 exhibitions in regional centres in the

Member States and a further 30 exhibitions are expected to be held subsequently.

The purpose is to respond to the need, often mentioned in the reactions to the Green Paper on Commerce, to raise the profile of commerce and at the same time contribute to increasing awareness of Commission activities which have an effect on commerce. The Commission will also use the opportunity to disseminate the information it has collected on good practices concerning the management of local distributive trades.

The Commission will select a consultant to be responsible for the overall campaign. The consultant will be instructed to find partners or subcontractors in each of the Member States. These may be a group of Euro-Info Centres or chambers of trade, a public body or a private office.

The Commission's intention is that four-day exhibitions each of around 80 square metres should be held in the buildings of the above-mentioned organisations. At each exhibition there will be an opening ceremony and one or more seminars and conferences (organised by the host organisations) on subjects relating to commerce and the local needs of the sector. The exhibitions will include posters, a video, information documents and an Internet terminal.

Although the Commission will direct the campaign and ensure that it is a success, good cooperation with the public authorities at national, regional and local levels and with organisations and enterprises (particularly SMEs) in the private sector is necessary.

If, on the basis of these exhibitions, the interests of the sector and the good practices available to it become better known and if the authorities at every level are better informed of the importance, needs and effects on the life of citizens of commerce in the regions concerned, the Commission will consider the campaign to have been a success.

The cooperation of everyone would be appreciated.

NEWS

**11 STATISTICS ON
SMEs AND EMPLOYMENT**

INFORMATION



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SMEs and employment: comparison of the EU with the United States and Japan

On 16 June 1999, Eurostat announced the publication of 'Statistics in Focus' (Theme 4, Industry, Commerce and Services) No 16/1999: *SMEs and employment: comparison between the EU and the United States and Japan*. This publication compares the EU with its two main partners, the United States and Japan (1).

The following are examples of the facts and data quoted in the publication.

Businesses: predominance of SMEs

In the EU, the concentration of small and medium-sized enterprises (SMEs) with fewer than 250 employees - both as regards the number of businesses and as regards the number of jobs or turnover involved - shows overall characteristics closer to those of the American economy than the Japanese economy. However, the highest levels of concentration are not in the same sectors in these two countries.

In the EU, SMEs play an essential role, accounting for two thirds of total employment (excluding agriculture and fisheries). In comparison, businesses with fewer than 500 employees represent scarcely more than half of total employment in the United States. This is a rather paradoxical situation, since although the US economy is more dynamic when it comes to job creation, it is less SME-oriented. In the EU on the other hand, most jobs are created by SMEs.

Turnover of SMEs

Enterprises with fewer than 250 employees account for 55 % of total turnover in the EU. In the United States, 47 % of production is attributable to enterprises with up to 499 employees, which shows the relatively more important position of large enterprises in that country.

(1) It should be stressed that there are fundamental differences regarding the unit and definition of SMEs in each of the zones studied. For the European Union, the required unit is, in principle, the business. In the United States, the unit used corresponds more to the European concept of a group of enterprises. On the other hand in Japan, the unit corresponds to the establishment, the definition of which is quite close to that of the local unit of economic activity. Because of these methodological discrepancies between European, American and Japanese statistics, a comparison between absolute values in the three geographical zones should be avoided.

In the EU, the highest levels of concentration are to be found in micro-enterprises (0-9 employees) in the services sector.

Source: Eurostat

This publication can be ordered from Eurostat's Data Shop network (or see the Eurostat Internet site).

Methodological information from Eurostat Luxembourg (E-mail: maria.vigliarolo@eurostat.cec.be).

**12 ENLARGEMENT
OF THE EUROPEAN UNION
FROM THE POINT OF VIEW
OF SMEs**

INFORMATION



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At the 1999 Euro-Info Centre (EICs) Conference, which was held in Rhodes, Greece, on 14 to 16 October, the Enterprise Directorate-General of the European Commission released the results of an opinion survey of European SMEs concerning the enlargement of the European Union.

Now that 45 new Euro-Info Centres have recently started operating in central and east European countries (CEECs), it was important for the network to find out the attitude of European businesses to enlargement.

From 18 June to 1 July 1999, a telephone survey was therefore carried out of 1 500 directors of businesses with 10 to 50 employees in the 15 countries of the European Union.

It emerged that the directors of SMEs are aware of the accession of new countries to the European Union without apparently holding strong views on the subject or intending to take any urgent action because of it.

The impact on SMEs is expected to be low, although the general development is positive.

For instance, 42 % of European businesses consider that the accession of new countries to the European Union will have no impact and 28 % view it as an opportunity. Negative opinions accounted for only 12 %.

Overall, SMEs do not reject the prospect of new members and believe they could turn it to their benefit.

CALLS FOR PROPOSALS/TENDERS

14 CALL FOR PROPOSALS FOR PROJECTS CONCERNING SUBCONTRACTING

INFORMATION



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Since over 3 million businesses are involved in subcontracting and the estimated turnover of these activities is comparable to the gross domestic product of the Netherlands, it is clear that the competitiveness of the supply chain is essential to the competitiveness of European industry.

Depending on the industrial sector, it is estimated that in Europe today between 50 and 70 % of added value is outsourced and that this percentage is increasing. Subcontracting is therefore becoming the rule in the industrial production process.

In the future, only the regions whose industry remains competitive at all stages of the subcontracting chain will be able to maintain appropriate shares of the production of added value in global competition and, consequently, hold on to high-quality industrial jobs.

In these circumstances, the Enterprise DG published a call for proposals on 28 August 1999 in the field of subcontracting, outsourcing and supply chain management.

The objective of the call for proposals is to strengthen and enhance the competitiveness of European subcontractors and manufacturers in order to maximise their role in combating unemployment and creating jobs.

It also aims to promote better cooperation between subcontractors and manufacturers and a fairer balance of interest between the two parties.

To this end, the Enterprise DG is planning to cofinance projects consistent with the above-mentioned priorities and with the third multi-annual programme for small and medium-sized enterprises (SMEs) in the European Union (1997-2000).

The call covers the following six project areas:

- subcontracting development poles (SDPs);
- benchmarking;
- clustering/ restructuring/networking;
- integrated suppliers' training;
- internationalisation of European subcontracting;
- support measures for the dissemination and promotion of good practice in the field of subcontracting, outsourcing and supply chain management.

The fact that CEEC businesses will also be subject to Community rules is behind the expectations of businesses in terms of advantages (47 %). However, no advantage is disregarded and the results are fairly homogeneous (between 23 and 38 %): development of exports, diversification and security of supply, ease of establishment, development of partnerships, etc.

As regards difficulties which could arise from the accession of new countries, the most frequently cited are the increase in competition (48 %) and the complexity of Community rules (40 %), which are well ahead of the reduction in regional and sectoral aid (34 %).

Generally speaking, the directors of enterprises are not worried about how they compare with businesses in the applicant countries.

Of the directors interviewed, 53 % felt that the technological developments and financial solidity of the businesses in the applicant countries were weaker than their own. As regards human resources, the result was less clear cut: 43 % felt that CEEC businesses were weaker in this field.

In the face of what are perceived as positive prospects, European businesses are tending to adopt a wait-and-see attitude: 37 % have planned nothing in terms of development or organisation to take account of the accession of new countries to the Union.

As regards SMEs which are already planning to develop their activities in these countries, they tend to prefer partnerships or cooperation, with only 7 % considering direct establishment in these countries.

To prepare for future developments, legal advice (59 %), cultural and linguistic advice (54 %) and commercial and marketing advice (52 %) will be the most sought. This applies to all SMEs irrespective of their nature or the country in which they are established.

13 RECOMMENDED SITES

INFORMATION



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Readers have drawn our attention to these sites:

- 1) <http://www.kfw.de> (the 'Kreditanstalt für Wiederaufbau' (KfW) set up this site with the aim of developing cooperation between businesses and creating joint ventures).
- 2) <http://www.architekten-rheinland-pfalz.de> and <http://www.akrp.de> (site of the chamber of architects of Rhineland-Palatinate, with an extensive range of information for the world of architecture and for SMEs).

NEW TITLES

15 NEW PUBLICATIONS

INFORMATION



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The EEIG: an instrument for transnational cooperation: a practical handbook for SMEs, 2nd edition.

Luxembourg: EUR-OP, 1999, 165 p.
EUR-OP catalogue No CT-11-97-229-**-C
Languages available: 11 official languages

To receive a copy, please write to:
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Also available on the Internet:
http://europa.eu.int/comm/dg23/gen_policy/regie_network/regie_network.html

In the absence of a European company statute, the European Economic Interest Grouping (EEIG) is the only transnational legal structure at European level. Around 1 000 EEIGs have already been set up, including, in particular, small and medium-sized enterprises, since this structure is easy to use and well-suited to providing a framework for transnational coop-

eration. As such, an EEIG is eligible to participate in Community programmes. However, the structure is not yet sufficiently well known.

This guide, which is intended both for entrepreneurs and the usual intermediaries such as professional organisations and consultants, explains why businesses are concerned, gives examples and explains European rules, provides help with the drafting of cooperation contracts between members and gives valuable information regarding tax, financing, competition law and public contracts.

In cooperation with Eurostat

In the series 'Statistics in focus: Industry, Trade and Services', Eurostat has published two numbers devoted to the trade sector:

No 23/1999:
Distributive trades in the central European countries

No 24/1999:
Distributive trades in the European Economic Area

This series provides summaries of the main results of surveys, studies and statistical analyses. Statistics in Focus is available by individual copy or by subscription.

Catalogue No: CA-NP-PP-000-**-C - available in DE, EN and FR
Price per copy: EUR 6 - subscription: EUR 84

For further information on Eurostat's activities:
<http://europa.eu.int/eurostat.html>

For more information on European Union publications:
<http://eur-op.eu.int>



16 READERS' QUESTIONS

INFORMATION

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1) Access to credit continues to pose problems for SMEs, despite the fact that the central banks have reduced interest rates. What is the Commission doing to improve the situation?

Access to credit continues to pose problems for SMEs, despite the fact that the central banks have reduced interest rates. What is the Commission doing to improve the situation?

The Commission's role is not to finance businesses. This task, in the spirit of subsidiarity, is a matter for the private sector and the Member States.

The Commission's action is intended to improve the financial environment. This is done by pilot measures to access innovative financial instruments, such as business angels and seed capital. The Commission also helps with the exchange of best practices, in particular by organising a round table of bankers and SMEs. The Commission's role is to encourage banks to assist SMEs and thus give them the opportunity to grow. We would recommend our 'information package on access to finance for EU enterprises', which given the names of contact persons should you require further information.

The Commission's action to improve the situation does not stop at what the Community has already achieved. Supporting SMEs, filling the gaps and planning a solid future are priorities for our Directorate-General, which aims to improve the business environment.

(2) In Euro-Info No 118, it is stated that the first part of the JEV programme (feasibility phase) is a refundable advance. Does that mean that it has to be paid back?

No. The advance is paid before the expenses occur. If for one reason or another the feasibility study does not take place, it is natural that the advance should be paid back.

On the other hand, if the enterprise carries out the feasibility study there are two possibilities:

- either a joint enterprise is set up and investment takes place, in which case additional aid of 10 % of the investment made is granted;
- or a joint enterprise is not created, in which case the SMEs send their feasibility study to the Commission which converts the advance into a grant.

In both cases, cofinancing of the JEV in the feasibility phase (50 %) does not have to be paid back.

Example 1:

A joint enterprise is set up by:

— SME 1 and SME 2: feasibility cost: EUR 40 000

— planned investment in the joint enterprise: EUR 700 000

=> JEV subsidy: $\text{EUR } 40\,000 \times 50\% + \text{EUR } 700\,000 \times 10\% = \text{EUR } 90\,000$

Example 2:

Same as in example 1, but the joint enterprise is not set up and the feasibility study is sent to the Commission

=> JEV subsidy: $\text{EUR } 40\,000 \times 50\% = \text{EUR } 20\,000$

3) At present, what training is requested most by SMEs? In your opinion, what is the most appropriate training for sound management of an SME?

At present, what training is requested most by SMEs? In your opinion, what is the most appropriate training for sound management of an SME?

SMEs need qualified staff with particular skills.

The shortage of qualified staff has led to a considerable amount of training on the job. The need for a small business to be competitive, innovative and creative has led to a training rush.

The data provided by specialised institutions show that requirements are directed towards: communication techniques, presentations skills, languages and social techniques, but the main priority is still that of training in the field of computing and telecommunications, even for SMEs which are already highly qualified in this area.

A communication on the access of SMEs to entrepreneurial training and education is being finalised.

4) What requirements does the Internet site 'Dialogue with businesses' respond to? Is it free?

Many businesses consult the site 'Dialogue with businesses'. Each day the site receives over 11 000 requests for information and advice. It is free and is provided in the 11 working languages of the European Union.

French periodicals voted it the best Internet site for the entrepreneurial world. It has also been used as an example for a large media campaign on the use of the Internet.

In the future, absolute priority will be given to setting up a feedback system, using the Euro-Info Centre net

work. The Commission will thus have direct information on the whole question of SMEs, and be able to take it into account in drawing up its future policies.



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