

Finding markets for Europe's innovative industries

The Commission held a symposium in Luxembourg on 15 and 16 May 1984 focused on the ways of improving the penetration of innovative products on world markets.

Innovation used to be associated principally with research, but experience has shown that whereas investment in research and development is very necessary, it is in fact far from sufficient in itself to bring about innovation. It should indeed be emphasized that innovation can be said to have taken place, in the full sense of the word, only once profits start to be earned out of the sale of a new product or service. Thus it is becoming apparent that the main elements of innovation are probably financial skill, good management and commercial astuteness.

The subject of the symposium was "increasing exports through the co-ordination and finance of joint efforts to sell new goods and services". The emphasis on "joint efforts" must be explained. It is not enough to leave the task of conquering markets to large firms. The smaller firms have managed to assert themselves collectively as the key to the future of the European economy for a number of reasons, one of which is their ability to snap up a new idea and develop it quickly. On the other hand, one of their handicaps in comparison with larger firms is the forbidding nature of tackling alone the financial risk of penetrating foreign markets. Thus one effective way out of this dilemma is for groups of smaller firms with complementary products to face this challenge jointly with a view to sharing risks.

This can be done at a national level, but there are considerable virtues in doing it on a transnational basis in order to take advantage of diversity of technical backgrounds and a pooling of knowledge about markets.

This way of working, however obvious an answer it may appear to be to the above dilemma, is not easy to apply in practice, if only because firms are often reluctant to abandon their independence. The symposium showed that considerable expertise has been accumulated in various countries of the Community on the coordination methods which permit these difficulties to be overcome.

The Commission is examining the possibility of launching one or two large-scale pilot projects, under the plan for the transnational development of the supporting infrastructure for innovation and technology transfer, decided by the Council towards the end of 1983, to demonstrate the potential of coordinated joint marketing ventures.

It is not impossible some of these ventures may qualify for support under the European Innovation Loan Scheme, once it has been approved by the Council of Ministers.

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