

# Maximising the export potential of European exporters

Trade Promotion Europe (TPE) represents the collective voice of Trade Promotion Organisations (TPOs) and Agrifood Promotion Organisations (APOs) across the European Union's Member States.

The EU is facing increasing common challenges to strengthen its competitiveness in international trade. Collaboration between TPE members and EU Institutions can play a pivotal role in fostering a robust economy, particularly by providing assistance to exporting companies, with a special focus on SMEs. Trade Promotion Europe acts as an umbrella under which Trade and Agrifood Promotion Organisations can engage with the European Commission in a cooperative manner, with the following objectives:

- ¬ Establishment of a structured collaborative framework to effectively support EU companies in their internationalisation, bringing together the complementary expertise of the European Commission and TPE members.
- ¬ Creation of a European business environment that fosters the aspirations of exporting SMEs, facilitating their growth and success.



# Collaboration Framework between TPE and the European Commission

# Establishment of an Effective Dialogue to Align Policy Objectives with successful and responsible trade

Trade Promotion Europe (TPE) is committed to fostering a strategic partnership with the European Commission to synchronise priorities and action plans early in the planning stages. This proactive approach aims to ensure the seamless alignment of Member States' commercial diplomacy with EU trade policies and the overarching policy goals of various Directorate Generals within the Commission. This collaboration gains significance, especially in the context of EU-led initiatives in third countries, such as the Global Gateway Initiative, including the Global Gateway Business Forum, and the Promotion of Agricultural Products. Fostering partnerships between different Directorate Generals of the Commission and TPE with regard to international trade fairs' presence will also maximise the collective impact on both the EU and its member states.

Notably, Trade Promotion Europe actively participates in advisory groups of Directorate Generals of the European Commission, which has proven to be a valuable mechanism for technical exchange of information. TPE aspires to expansion of its participation in pertinent technical groups, such as the Market Access Advisory Group. However, the establishment of regular high-level communication channels is also essential to optimise the benefit to European exporting SMEs.

### Acknowledgement of Expertise of TPOs in SME Internationalisation

Members of Trade Promotion Europe share a common objective of facilitating the international expansion of their companies, both within and outside the E<mark>U Single Market.</mark> They possess valuable insights into the needs and challenges faced by their exporting companies. In the development of EU-level programs supporting the internationalisation of European companies, explicit recognition of the pivotal role of Trade Promotion Organisations (TPOs) and coordination of efforts will prevent duplication and service overlap. While recognising the Enterprise Europe Network (EEN) as a significant tool in the support of exporting companies and their key link to EU level supports, TPOs should also be acknowledged as experts and the foremost organisations for services and activities related to trade promotion and company internationalisation. This should lead to active referrals of SMEs to the relevant TPO in relation to market development, whether or not the TPO is formally part of a consortia. TPOs should also actively refer SMEs to the EEN in relation to funding and other supports such as the Access2Market tool.

TPE also calls for structured dialogue with DG GROW in the form of 'Advisory Group meetings with TPOs.' The focus of these meetings should be briefings by DG GROW officials to TPOs on relevant policy developments, and briefings by TPOs on insights into the real-world experiences of exporting SMEs. In this context, Trade Promotion Europe urges DG GROW to appoint the association as an observer member of the SME Assembly Network.

## Sharing Information and Resources for a successful Twin Transition

The European Union is deeply committed to a dual transition focusing on digitalisation and sustainability. Many Trade Promotion Organisations have also mandates from their respective ministries to support their clients in these transitions. The digital transition is viewed as an integral component of company internationalisation, while the sustainability transition is seen as a prerequisite for product placement in both the EU and overseas markets.

Trade Promotion Europe actively engages in collective efforts to exchange best practices and processes that support the twin transitions of exporting SMEs. Collaborating with relevant Commission services will prove highly efficient in determining appropriate legal requirements, promoting faster information dissemination to SMEs regarding these legal requirements, as well as the financial support mechanisms available to support compliance.

This collaboration includes exchanges with all relevant services of the Commission, from DG GROW and ENVI to DG NEAR to guarantee that the regional scope includes Western Balkans and Eastern Neighboring countries.



#### Creation of an SME-Friendly Environment

#### **Reducing Costs for Exporting SMEs**

One of the primary challenges faced by SMEs is the cost and resources associated with regulatory and administrative compliance. In this regard, Trade Promotion Europe advocates for the implementation of a streamlined process to assist SMEs in bringing their products or services to the EU market. This process would not only facilitate their entry into the EU market but also enable them to expand across borders into international markets. Key components of this expedited process should include the recognition of the 'equivalence' concept for market authorisation and the accelerated mutual recognition of standards. Additionally TPE suggests that European standards developed by CEN & CENELEC should be automatically employed to support the presumption of conformity with European legislation.

Trade Promotion Europe welcomes the reference to the SME test in the Communication on the SME Relief Package and calls for the systematic application of the SME test to all policy initiatives. This approach ensures that new policies and regulations take into account the specific needs and constraints of SMEs.

Overall, Trade Promotion Europe advocates for a fundamental shift in the European legislative approach. Recognising that Small and Medium-sized Enterprises (SMEs) constitute the economic backbone of the EU, it is essential for legislation to adapt to accommodate the unique requirements of SMEs. Rather than crafting policies primarily geared toward large corporations and then providing exemptions for SMEs, which are often ineffective in practice, the EU should proactively tailor legislation to suit SMEs. This approach promotes a more inclusive and equitable economic environment, where SMEs are a central focus, fostering sustainable growth and resilience across Europe.

# Harnessing the Opportunities of the EU Single Market

In light of the disruption caused by the COVID-19 pandemic and the evolving geopolitical landscape, many companies, including SMEs, are refocusing their attention on the business opportunities presented by the EU Single Market. Any attempt to fragment the EU Single Market should be avoided. Divergent national legislations, especially in the realm of sustainability, lead to varying national labeling schemes or reporting processes for companies, thereby increasing their compliance costs when entering multiple markets.

Trade Promotion Europe calls for the harmonization of regulations in all areas under the EU's jurisdiction to complete the EU Single Market and facilitate intra-trade.

## Strengthening Autonomy through Trade and Risk Mitigation

TPE supports an ambitious and proactive trade policy that can translate into commercial opportunities for exporting companies, especially SMEs. De-risking trade can take various forms, including awareness campaigns on Free Trade Agreements (FTAs) to support of export diversification, diversification and securing of supply chains, including critical raw materials, and fostering stronger connections between Trade Promotion Organisations and Export Credit Agencies. Open and assertive trade is essential to enhance the EU's autonomy in securing the supply chain and promoting exports and Trade Promotion Europe is eager to support initiatives in these areas.:

- ¬ Trade Promotion Europe's annual training program for TPO staff includes content on EU Trade Policy and promotes awareness of Free Trade Agreements.
- Trade Promotion Europe is also now engaging in the exchange of best practices among its members concerning their collaboration with their national Export Credit Agencies, with the aim of formulating recommendations and collaborating with DG TRADE on the EU Export Credit Strategy.
- ¬ Trade Promotion Europe is engaging actively with the Global Gateway Initiative in order to support its success which will be measured by its ability to create commercial opportunities for European companies in developing and emerging markets, including SMEs.





# About Trade Promotion Europe

Trade Promotion Europe (TPE) is the voice of the Trade Promotion Organisations (TPOs) and Agri-Food Promotion Organisations of the European Union' Member States. Our members represent a network of 86 national contact points, 157 European offices and more than 450 offices in third countries. More than 7,000 expert staff work for TPOs members of the network.

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#### **Our Vision**

The vision of Trade Promotion Europe is to have a business ecosystem that allows every internationally ambitious company in the European Union to reach its full export potential, irrespective of its size, within and outside the Single Market.

#### Our mission

The mission of Trade Promotion Europe is to empower Trade Promotion Organisations across the European Union to optimise support and the business ecosystem for their trading companies by engaging as one voice with EU policy-makers to effect change where required and by facilitating effective collaboration between members.