Study of the European Union SME Internationalisation Strategy

Final Report

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Study of the European Union SMEs Internationalisation Strategy

Final Report

By : Kincsö Izsak, Orestas Strauka, Yari Borbon, Stijn Zegel, Anastasiia Konstantynova, Technopolis Group with support from IPSOS on gaps SMEs face when going international and with support from a network of country experts collection data from EU countries

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Table of Contents

List Of Tables

Table of Figures

LIST OF ABBREVIATIONS

DG CNECT	Directorate-General for Communications Networks, Content and Technology
DG GROW	Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs
DG INTPA	Directorate-General for International Partnerships
DG NEAR	Directorate-General for Neighbourhood and Enlargement Negotiations
DG REGIO	Directorate-General for Regional and Urban Policy
DG RTD	Directorate-General for Research and Innovation
DG TRADE	Directorate-General for Trade
EBO	European Business Organisation Worldwide Network
ECA	European Cluster Alliance
EEN	Enterprise Europe Network
EIC	European Innovation Council
EIE	European Industrial Ecosystem
EISMEA	European Innovation Council and Small and Medium-sized Enterprises Executive Agency
FASEP	Private Sector Study and Aid Fund
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
I3	Interregional Innovation Investments (I3) Instrument
Innowwide	viability assessment of collaborative and INNOvative business solutions in WorldWIDE markets
Interreg	Interreg Europe brings regional and local governments together to share innovative and sustainable solutions to regional development challenges.
NDICI	Neighbourhood, Development and International Cooperation Instrument
SMC	Small mid-cap companies (SMCs).
SME	Small and medium-sized enterprises
SMEUnited	European Association of Craft, Small and Medium-Sized Enterprises
TEI	Team Europe Initiative
TPE	Trade Promotion Europe

1 Executive summary

Expanding into international markets outside of Europe is a key opportunity for SMEs to achieve growth and enhance competitiveness as highlighted in the **EU 'SME Strategy for a sustainable and digital Europe' in 2020**[1]. In this context, the objective of this study has been to map the most relevant EU and MS-level policy instruments that support SME Internationalisation beyond the EU and to provide recommendations on policies supporting SME internationalisation, in light of EU strategic landscape. This study follows up the European Court of Auditors' special report on 'SME internationalisation instruments'[2] published in 2022 that called for: more awareness, coherence and sustainability of the support to SME internationalisation.

These important outcomes have been further investigated, and a comprehensive mapping of both EU and Member State (MS)-level instruments was carried out. The data collection process relied on a combination of **desk research conducted by a team of country experts** based in the 27 EU Member States, a literature review, a comparison of results with previous studies, interviews, and a **validation survey**.

A total of **38 structured interviews** were conducted with EU-level policy officers responsible for the implementation of various instruments. At the MS level, interviews and a validation survey were conducted with **67 national organisations** and agencies responsible for implementing SME internationalisation policies. Draft recommendations and preliminary findings were also discussed during an **expert workshop**.

1.1 Mapping of EU Member State-level policy instruments supporting SME internationalisation

This study collected data on 251 policy instruments across EU Member States (MS) that support internationalisation of SMEs beyond the EU. The results of the final mapping per country are presented in the Table below. As observed, some countries, such as Austria, Denmark, Finland, Sweden, Estonia, and Cyprus, are more active in launching policy instruments relative to their size. A significant portion of the active MS-level policy instruments (24%) have been in place since before 2010, including many export credit schemes, support schemes from business support agencies, and general internationalisation measures from ministries of foreign affairs (see Figure below). For example, the export services provided by the Wallonia Export and Investment Agency (AWEX) have been around since 1991. New policy instruments and types of services have been put in place since 2021 and also most recently in 2024.

Key observations include the following:

- **16.9% of the policy instruments offer open-access information** to companies interested in learning about export possibilities or gaining insights into specific markets. The rest is restricted to companies of national or regional origin.
- **54.1% of the instruments are specifically designed for SMEs** that meet certain annual revenue and other criteria, while a substantial 45.9% target larger businesses or other types of enterprises

[1] European Commission (2020). An SME Strategy for a sustainable and digital Europe, Brussels, 10.3.2020 COM(2020) 103 final, available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0103
[2] European Court of Auditors (2022). Special report 07/2022: SME internationalisation instruments - A large number of support actions but not fully coherent or coordinated available at: https://www.eca.europa.eu/en/publications/SR22_07

- **24% of the instruments have been in place since before 2010**, encompassing a range of long-standing initiatives such as export credit schemes, support schemes from business support agencies, and internationalisation measures launched by ministries of foreign affairs.
- **57% of the instruments adopt a sector-agnostic approach,** facilitating bottom-up, company-driven internationalisation by not targeting specific sectors or industrial ecosystems.
- **8.3% focus on the high growth potential** of the company, 7% on specific technologies adopted by the company, and 0.8% on the presence of women in exporting SMEs.
- Besides **financial support,** the top three services offered by instruments for SMEs to internationalise are **advisory services**, **information sharing**, and **introduction to new market & networking**.
- **Trade (export) is the primary mode of fostering the internationalisation** of EU SMEs. Additionally, support is provided for foreign direct investment (FDI), licensing, and other intellectual property (IP) transfers.
- **Gaining market insights, finding partners** and clients, **strategy development** and **accessing financial and non-financial support** are the four main challenges that policy instruments target.
- **58% of the instruments support both market exploration and growth stages**, although there is somewhat more focus for exploring markets.
- **The European Regional Development Fund (ERDF) plays a significant role** in supporting the internationalisation of small and medium-sized enterprises (SMEs) across various countries and regions in the European Union.
- **SME internationalisation is also actively supported by the Recovery and Resilience Plans and Fund.**

Table 1: Overview of policy instruments identified by country

Country	Number of instruments	Country	Number of instruments	Country	Number of instruments
Austria	11	France	27	Malta	3
Belgium	8	Germany	16	Netherlands	7
Bulgaria	5	Greece	9	Poland	9
Croatia	4	Hungary	6	Portugal	5
Cyprus	6	Ireland	8	Romania	5
Czech R	8	Italy	12	Slovakia	4
Denmark	11	Latvia	6	Slovenia	7
Estonia	10	Lithuania	7	Spain	19
Finland	12	Luxembourg	5	Sweden	21

Source: Technopolis Group, based on policy instrument fiches

1.2 Mapping of EU-level policy instruments supporting SME internationalisation

At EU level, **45 policy instruments** were identified that specifically address the internationalisation of SMEs . These instruments can be grouped into four categories:

- The first group consists of **14** EU-level instruments that **directly focus on the internationalisation of SMEs**.
- The second group includes **14 geostrategic instruments** that create favourable framework conditions for SMEs to internationalise.
- The third group consists of another **12 EU-level broad programmes** as instruments that are not specifically aimed at SME internationalisation, although they include actions relevant for the topic.
- In addition, further **5 EU-level instruments** have been also identified that are not aimed at EU SMEs as such but target mainly the SMEs within third country markets.

Figure 1: Landscape of EU-level SME Internationalisation policy instruments

Source: Technopolis Group, as described, EU instruments tend to be large and provide integral support

1.3 Analysis of the internal coherence of the SME internationalisation policy landscape

In recent years, significant efforts have been made to coordinate among the EU-level policy instruments that directly support SME internationalisation, such as the Enterprise Europe Network, the European cluster support programmes, the European Innovation Council, and Eureka. Coordination among these instruments has primarily been bilateral and to some extent ad-hoc, however an overall coordination has been lacking.

There has been limited coordination between direct EU-level policy instruments and broader geostrategic investments, such as the EU Global Gateway, the EU-Americas Partnership, the EU-China Energy Cooperation Platform, the EU-India Resource Efficiency Initiative, and the African Union (AU)-EU Innovation Agenda. These geostrategic initiatives aim to improve framework conditions, reduce market barriers, and facilitate internationalisation, particularly in targeted markets and sectors.

The diverse needs of SMEs at different stages of growth have been addressed with single policy instruments and actions, leaving untapped potential for creating connections and offering a clear pathway for these businesses. Direct support instruments are typically segmented based on the specific target groups they serve: the Enterprise Europe Network (EEN) supports SMEs and start-ups with international ambitions, while instruments like the European Innovation Council (EIC), EUREKA, and Startup Europe are geared towards highly innovative firms and scaleups.

The representativeness of SMEs in target markets is fragmented and lacks coordination. Many national organisations have established their own satellite offices in markets outside of the EU. The targeting of the 15 markets of interest identified in this study is inconsistent across both EU and Member State-level instruments. Currently, there is no overarching framework or coordination mechanisms to align this effort. As a result, some target markets are being addressed in similar ways by multiple countries, leading to duplication of efforts and a lack of coherence. A more coordinated approach could enhance the impact of these individual national actions.

Target markets need more synergies between the EU and MS levels. Centres such as the EU-Japan or the EU-China Centre have been considered as highly effective but on the other hand also costly. In other priority markets, such single contact and trusted partners are less straight-forward to identify and there is a lack of alignment of existing support structures. EU level offices abroad are structured differently across target markets/regions and could be further strengthened, especially on markets of special interest.

A lack of coordination and, consequently, missed opportunities also persist in addressing sectors and industrial ecosystems. Although the number of policy instruments that are sector-specific is relatively low, there is a common pattern in addressing several topics across Member States, such as Energy/Renewables, Digital, Agri-Food, and Mobility, transport and automotive. Synergies could be explored among these instruments or the supported companies. While, Member States have put in place similar policy mixes to support SME internationalisation, in certain cases differences remain in the focus on specific target groups or topics.

The EU's new industrial strategy, the industrial transition pathways, and, more specifically, the annual progress reports on these pathways could be leveraged to promote SME internationalisation by incorporating concrete actions and placing a more explicit focus on this area. Specifically, the pathways could include an assessment of how the global presence of SMEs active in various industrial ecosystems can be enhanced and link these efforts with existing EU or Member State (MS)-level SME internationalisation instruments.

The European Green Deal and the Green Deal Industrial Plan could be better aligned with SME internationalisation policies by paying more attention to targets or selection criteria such as the introduction of green products on international markets and spreading EU values.

1.4 Effectiveness, new challenges and long-term sustainability

At the level of Member States, this study found that 22% of the SME internationalisation policy instruments have been evaluated or have performance indicators in place, marking a significant improvement from the 15% level reported in the study of the European Commission published in 2011[3]. The evaluations typically focus on the outcomes of the support measures rather than assessing their actual impact, as highlighted also in previous reports on SME internationalisation.

Most evaluation studies and annual monitoring reports conclude a positive implementation of the internationalisation measures and highlight several successful cases. This positive feedback underscores the importance of continuing to support and expand these internationalisation initiatives for SMEs.

The current SME internationalisation support landscape addresses primarily the first stages of internationalisation, while support to the more resource-intensive stages when entering a market or establishing an office (soft-landing) are equally important. On the one hand, low-cost policy instruments such as information portals, advisory services and signposting should continue to provide basic and essential support to SMEs. On the other hand, there is a need for more strategic actions as part of the existing larger-scale policy instruments that address priority markets, target sectors, or specific types of SMEs (such as high-growth, services, technologies, digital, etc). While it might be more resource intensive, these services should provide more comprehensive support to a smaller number of committed SMEs, enabling them to scale up and achieve success in international markets.

The number of SMEs supported annually per policy instrument is diverse and varies between 7 and 22 602 as the data collected in this study suggest. According to the data collected in this study, the average number of SMEs supported by direct financial support instruments is 600, however, there is a much larger average budget allocated to SMEs (in particular as a result of export credit and similar financial services). In the case of indirect financial support, such as facilitating event attendance and offering various forms of assistance, the number of SMEs benefitting from these services is significantly higher, with around 2 500 enterprises receiving support.

The effectiveness of EU-level instruments has been assessed in various evaluation reports, either at the level of instruments or at the level of overarching programmes. However, there is a lack of an evaluation that reviews the overall internationalisation results, particularly beyond the EU, across the portfolio of instruments. At the level of EU policy instruments, the Enterprise Europe Network has multiple evaluations available, which demonstrate its overall strong added value. The cluster instruments were evaluated in 2021 as part of the European cluster initiatives[4]. The impact assessment of Eureka was conducted in 2017[5]. The EEN is widely recognised as an effective network with the ability to reach SMEs throughout Europe and beyond, and its services are widely used and appreciated by SMEs[6]. Interviewees also emphasised the overall well-developed monitoring and evaluation framework for EEN. The Eurocluster initiatives focused on

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[3] European Commission (2011). 'Opportunities for the Internationalisation of European SMEs
[4] https://www.prognos.com/en/project/evaluation-cluster-initiatives
[5] https://www.clustercollaboration.eu/news/impact-assessment-eureka-network-projects-and-cluster-projects
[6] https://op.europa.eu/en/publication-detail/-/publication/a7255ab4-a9d2-11e9-9d01-01aa75ed71a1

internationalisation have shown positive results despite being relatively small compared to member states' initiatives. These initiatives, organised through the European Cluster Partnership (ECP), have conducted successful matchmaking events, with SMEs keen to sustain relationships and collaborate on opportunities abroad.

The budget structures and monitoring indicators are currently not suitable either at the EU level or at the Member State level to provide specific insight into the support provided to SMEs for internationalisation beyond the EU. Some instruments like Startup Europe have lump sum budgets that cover a variety of activities, with internationalisation being just one of them. When internationalisation is addressed specifically, efforts within the EU Single Market are often combined with those for internationalisation beyond the EU. Target groups may sometimes be SME-specific, but they can also include a mix of different business sizes. Unique visitors to key online portals and participants in webinars are prime examples of this mixed approach.

SMEs are integrated into often complex industrial and international value chains influenced by the geopolitical context. Currently, these synergies are underutilised in many policy instruments and more connections could be developed with the cluster support structures and regional ecosystem initiatives.

To maintain long-term effectiveness, it is essential to remain adaptable and responsive to the evolving needs of SMEs. This means that policy support, and SME internationalisation strategies must be flexible enough to accommodate the shifting economic landscape. SMEs face new challenges such as volatile currency exchange rates, uncertain geopolitical conditions, new national laws and regulations, e-commerce and digitalisations that change export opportunities. These challenges need to be addressed by flexible policy support instruments. Digital services and emerging digital SMEs, in particular, have substantial untapped potential for international expansion. However, their unique needs often require specialised support that general assistance programmes may not fully address.

1.5 Visibility

At the EU level, this study found that efforts to improve SMEs' access to information about internationalisation and related European policy support have increased in recent years. The Enterprise Europe Network has expanded its outreach, offering a variety of awareness-raising, matchmaking events and informational tools. DG TRADE has also continued offering demonstrations on how to use Access2Markets on numerous occasions, such as regular online trainings and Market Access Day events[7]. At the level of Member States several central platforms have been launched, although not necessarily focused on SMEs or challenges of markets beyond the EU.

Despite the efforts, the SME internationalisation support landscape is perceived as complex by SMEs who are often lost which door to knock on, where to find the support they need, and which actions to prioritise. Information is often partial, in some countries even individual organisations know only about their own instruments and not the full landscape available in the country or the services at the EU level.

Across EU countries, an increased interest can be observed among SMEs to pursue foreign investment projects despite the challenging economic context, with the need to expand and diversify risk. Hence, there is a need to tailor awareness-raising campaigns that highlight the opportunities in emerging markets, provide insights on navigating regulatory environments, and offer targeted support services to mitigate the risks associated with international expansion.

[7] https://trade.ec.europa.eu/access-to-markets/en/event

1.6 Policy recommendations

This report argues for **more efficiency and better use of existing resources both at EU and MS level but also by building stronger synergies across countries**. There is a need for more strategic approach to consolidate efforts and maximise impact. The conclusions of this report have been formulated with consideration of the evolving geopolitical landscape and changing economic framework conditions, the EU's international positioning, and priorities related to strategic autonomy, which affect companies and SMEs when entering third markets. In addition, internationalisation policy and related support measures today cannot disregard the rapid shifts toward digitalisation, the evolving global digital connectedness, the realities of SMEs facing harsher conditions affecting their competitiveness, and the EU's priorities regarding the green transition.

Based on the discussions with EU and MS representatives of the policy instruments reviewed, this study puts forward four main recommendations as presented in the Table below.

Table 2: Overview of recommendations

1. Recommendation

Create an EU level interservice working group in order to systematically coordinate EU policy instruments that foster SME internationalisation beyond the EU

2. Recommendation

Use existing platforms such as the SME Envoy and SME Assembly for knowledge exchange on SME internationalisation among Member States and EU

3. Recommendation

Create an Interactive Policy and Funding Map that presents the EU and MS level policy instruments available for SMEs to internationalise beyond the EU

4. Recommendation

Initiate a process of coordination among EU and Member State actions

The key recommendations are further detailed in the Table below.

Table 3: Key recommendations for follow-up at EU and MS levels

Level/ timeline	Recommendation for action
EU level	**1. Create an EU level interservice working group in order to systematically coordinate EU policy instruments that foster the internationalisation of SMEs beyond the EU**
Short term	Action 1.1. Set up an EU-level interservice working group with policy officers from each of the identified EU-level policy instruments (including EEN, clusters, Eureka, EIC, EIT, Access2Markets, IP Helpdesk, Agri, EIB, Global Gateway, partnerships with third countries on different topics etc) that directly and indirectly address the internationalisation of SMEs beyond the EU. This group would ensure coordination with and among the relevant Commission services involved in the subject.
Short term/Mid term	Action 1.2. Organise meetings twice a year with this interservice working group and exchange on topics such as alignment of timetables, planning of joint networking events, on the experience in specific markets of interest.

Level/ timeline	Recommendation for action
Midterm/Long term	Action 1.3. Initiate concrete actions of coordination such as investigating which projects under the umbrella of the EU Global Gateway can best support the expansion of EU SMEs and how these can be linked to other ongoing SME internationalisation support projects funded under other EU policy instruments.
EU/MS level	**2. Use existing platforms such as the Network of SME Envoys and the SME Assembly to foster knowledge exchange on SME internationalisation among Member States, business organisations and the European Commission services**
Short term	Action 2.1. Name a designated rapporteur among the SME Envoys to lead and coordinate the efforts, eventually with the establishment of a specialised sub-group focused on internationalisation within the Network of SME Envoys. This sub-group can serve as a platform for in-depth discussions on SME internationalisation strategies and challenges. The rapporteur should facilitate dialogue, share insights, and organise meetings with representatives from Member States to align national efforts, exchange best practices, and identify opportunities for collaboration. The goal is to foster coordinated support for SMEs seeking to expand into global markets and enhance cross-border cooperation on international trade policies and initiatives.
Short term	Action 2.2. Introduce an SME Internationalisation Forum as discussion topic of the annual SME Assembly inviting the representatives of organisations responsible for SME internationalisation support per MS, ideally also inviting representatives of key regional and local support measures.
Mid term	Action 2.3. Coordinate the representation of EU SMEs at international trade fairs by checking the EU agenda of planned events once per year with Member States' agendas via representative organisations such as Trade Promotion Europe
EU/MS level	**3. Create an Interactive Policy and Funding Map that presents the EU and MS level policy instruments available for SMEs to internationalise beyond the EU** on https://single-market-economy.ec.europa.eu/smes/growing-and-scaling-sme/improving-smes-access-marktets/sme-internationalisation-beyond-eu/internationalisation-support-tools_en
Short term	Action 3.1. Set up an online tool via a request to the Commission IT services to create an interactive map similar to https://monitor-industrial-ecosystems.ec.europa.eu/technology-centre/mapping where one could filter for country/EU, type of support, target market on the left side and click on the map and see the sheet of each policy instrument with detailed information about the objectives etc. The policy instrument sheet could be similar to this: https://culture.ec.europa.eu/funding/cultureu-funding-guide/discover-funding-opportunities-for-the-cultural-and-creative-sectors .
Mid term	Action 3.2. Invite the rapporteur responsible for internationalisation among the SME Envoys to help keep the information up to date by contributing with new details about new policy instruments or changes to existing policy instruments, together with the sub-group, if set up.
EU/MS level	**4. Initiate a process of coordination among EU and Member State actions**
Short term	Action 4.1. Organise a workshop that brings together key stakeholders from both the EU and Member States who are responsible for policy programmes that support the internationalisation of SMEs. This workshop would present results of study and explore ways to implement recommendations, identify common challenges, and present good practices for helping SMEs expand globally.
Mid term	Action 4.2. Initiate an information exchange among interested parties, including Member States and Trade Promotion organisations, on topics of common interest on third markets by setting up a work plan and identifying a coordinator (TPE or one selected MS). This could be at the occasion of the SME Assembly and should be in line with the work of the SME Envoys.

Source: Technopolis Group

2 Introduction and methodology

2.1 Objectives and background

Expanding into international markets outside of Europe is a key opportunity for SMEs to achieve growth and enhance competitiveness as highlighted in the **EU 'SME Strategy for a sustainable and digital Europe' in 2020**[8]. The Commission Communication '**Small Business, Big World a new partnership to help SMEs seize global opportunities'** established an EU strategy for SME internationalisation back in 2011**.** The primary goals still prevail such as facilitating access to international markets for SMEs by reducing trade barriers and offering information on market opportunities. SME internationalisation is of high interest for EU, national and regional policymakers because it plays a crucial role in harnessing the EU's growth potential[9]. Exports positively influence the core objectives of economic policy notably growth, employment and a balanced foreign trade.

In today's intricate global economy, businesses face immense challenges in determining growth strategies and forecasting demand. The uncertainty of market conditions and rapidly changing dynamics add to the pressure on companies to navigate these complexities effectively. Enhancing the export capacity of successful companies has never been more crucial. **Establishing a presence in foreign markets provides multiple revenue streams, significantly bolstering a company's resilience** and ability to withstand economic fluctuations. The European Union navigates an increasingly multipolar world, where emerging global powers and shifting alliances require it to assert its strategic autonomy while balancing cooperation and competition across diverse geopolitical and economic spheres.

The European Court of Auditors published a special report in May 2022[10] that assessed the implementation of the EU policy for SME internalisation in the period 2014-2020. The report concluded that even though the Commission has put in place many instruments that support SME internationalisation, these would benefit from greater interconnectedness and more efficiently coordinated planning. In this context, the objectives of this study have been:

- To map the most relevant EU and MS-level policy instruments that support SME Internationalisation beyond the EU and
- To identify potential duplications, incoherence, overlaps and gaps between the different SME internalisation support instruments, negatively impacting their efficiency and coherence.
- To provide recommendations on increasing coherence and sustainability of the support for SME internationalisation, on increasing awareness among SMEs on existing internationalisation support instruments dedicated to them and reflect on the effectiveness of the instruments and policies supporting SME internationalisation.

This exercise seeks to support the European Commission to better monitor the implementation of its strategy for SME internationalisation and refine its actions for the upcoming years. The report is structured in the following way:

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[8] European Commission (2020). An SME Strategy for a sustainable and digital Europe, Brussels, 10.3.2020 COM(2020) 103 final, available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020DC0103

[9] See for example European Parliament (2017). How to support the internationalization of SMEs and microenterprises. https://www.europarl.europa.eu/committees/en/how-to-support-the-internationalisation-/product-details/20161012CHE00111

[10] European Court of Auditors (2022). Special report 07/2022: SME internationalisation instruments - A large number of support actions but not fully coherent or coordinated available at: https://www.eca.europa.eu/en/publications/SR22_07

- Chapter 3: Landscape of SME Internationalisation policy instruments across the EU
- Chapter 4: Internal and external coherence
- Chapter 5: Gap analysis
- Chapter 6: Visibility
- Chapter 7: Effectiveness and sustainability
- Chapter 8: Policy recommendations.

2.2 Methodology

In this study, **policy instruments**[11] **are defined** as public or public-private measures launched by public authorities or any other public or public-private organisation to foster SME internationalisation by providing financial resources, information, skills, networks and contacts, or any other relevant support. More specifically, the study focuses on:

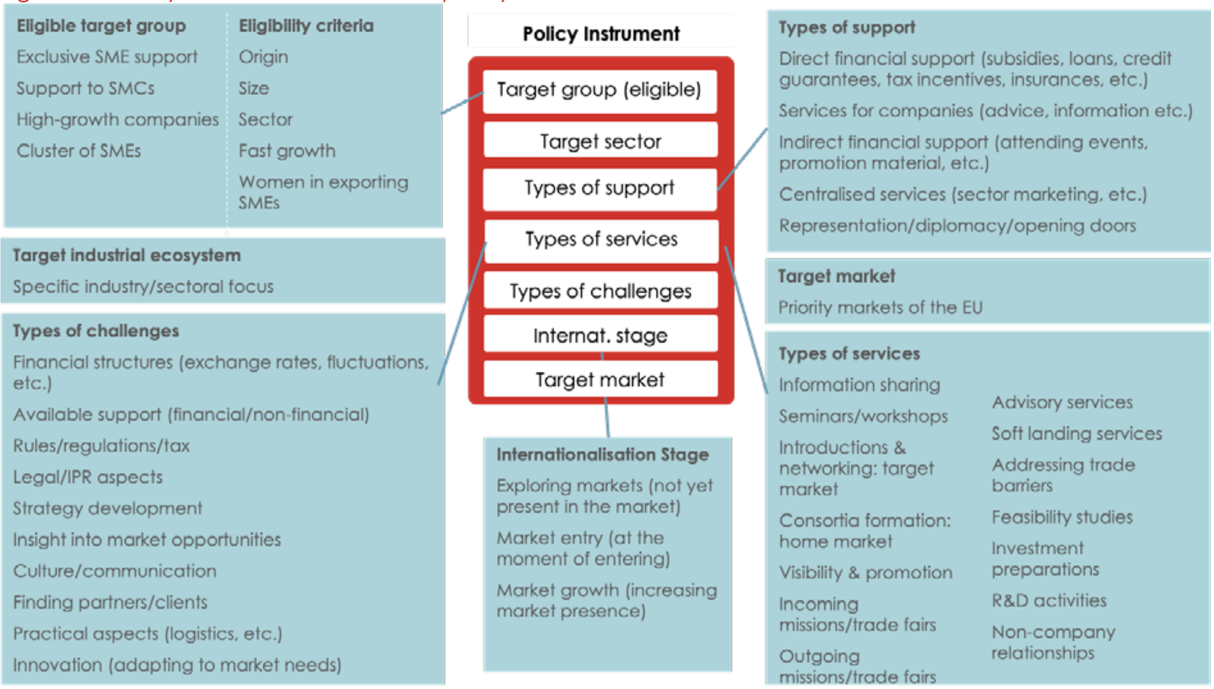
- Instruments that address Small and Medium Enterprises (SMEs) and/or small mid-cap companies (SMCs), or their consortia
- Support to internationalise beyond the EU
- EU and national level instruments (regional instruments have been mapped only for Belgium, Germany and Spain as these countries share certain similarities regarding their federal or quasi-federal structures, with regions or entities that possess varying degrees of autonomy.)
- Policy instruments that are/were active during timeline of the study
- Instruments offered by national embassies are outside the scope of the study.

The analytical framework for the policy instruments is presented in the Figure below and the methodology is explained in detail in Appendix A.

The data collection relied on a combination of desk research by a **country expert team located** in or well-connected to all the 27 EU Member States, literature review, comparison of results with previous studies (notably the 2013 study on SME Internationalisation), interviews and a validation survey. A total of **38 structured interviews** were conducted with EU-level policy officers responsible for the implementation of various instruments (with DG GROW, TRADE, RTD, CONNECT, REGIO, INTPA, EIT), representatives from EU delegations, Trade Promotion Organisations (see the list of interviewed organisations in Annex 1). At the MS level, interviews and a validation survey were conducted with **67 national organisations** and agencies responsible for implementing SME internationalisation policies. A **gap analysis** was conducted that compared to what extent do the policy instruments identified address the challenges of SMEs. Draft recommendations and preliminary findings were also discussed during an **expert workshop**.

[11] Policy instruments are means of government intervention in markets in order to accomplish a certain goal or to solve problems. see https://repub.eur.nl/pub/33101/metis_154870.pdf

Figure 2: Analytical framework of the policy instruments for SME internationalisation



Source: Technopolis Group

3 Landscape of policy instruments supporting SME internationalisation across the EU

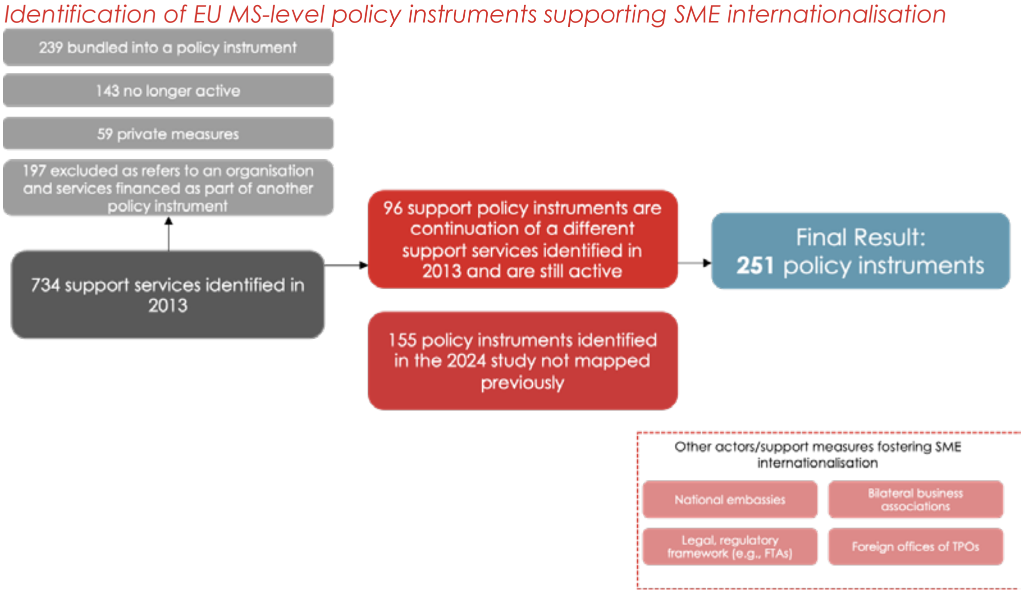
3.1 Member State-level policy instruments focusing on direct financial and non-financial support

This section presents the mapping of Member State-level policy instruments specifically designed to support the internationalisation of SMEs beyond the EU. As stated in the Introduction, this study applies a targeted definition to achieve a coherent mapping of the policy landscape that facilitates SMEs' entry into third markets. The mapping focuses on active policy instruments, rather than institutional channels, and therefore de-duplicates support services from institutions that reference other national or EU-level instruments, offer an ad-hoc service, or focus on the EU Single Market.

3.1.1 Overview

Following the definition of policy instruments, the assessment of the country experts, and the validation survey/interviews (completed at the time of writing the interim report), **this study collected data on 251 policy instruments across EU MS that support internationalisation of SMEs beyond the EU.** This number differs compared to the results of the previous 'Study on support services for SMEs in international business' published in 2013[12] (from now on cited as the 2013 study) which identified 734 support services. However, it aligns more closely with the 2010 study on 'Opportunities for the Internationalisation of European SMEs,' which identified 289 support measures in the EU27. The differences in the number of policy instruments identified in this study and in 2013 can be explained by the methodological approach[13]. The Figure below provides a comparison of the 2013 study and the current study in focus.

Figure 3: Identification of EU MS-level policy instruments supporting SME internationalisation



Source: Technopolis Group, based on draft policy instrument fiches.

[12] https://op.europa.eu/fr/publication-detail/-/publication/c722f282-e1f5-41df-8267-e6a515dec188

[13] Many individual services identified in the 2013 study are part of support measure and should be presented as such rather than as a separate service. Some instruments are no longer active or have been consolidated. Private measures and services have not been considered. Many support structures indicate that they assist with internationalisation, but often this support is limited or not particularly relevant for SMEs or for markets outside the EU. The 2013 study included services that merely provide information about EU-level programmes or list other measures.

The European Court of Auditors' special report reiterated the concerns regarding the potential danger of a lack of good overview, the proliferation and poor coordination of SME internationalisation support schemes. Conversely, as this study presents in Section 4.1, the identified policy instruments vary in intervention logic, target groups, and regional reach, so a dense policy landscape is not necessarily problematic. It is crucial that policy measures maintain close proximity to SMEs, offering tailored services that are adapted to local needs and conditions.

The results of the final mapping per country are presented in the Table below. As observed, some countries, such as Austria, Denmark, Finland, and Estonia, are more active in launching policy instruments relative to their size. The highest number of policy instruments have been identified in France, Sweden and Spain.

Table 4: Overview of policy instruments active in 2024 identified by country

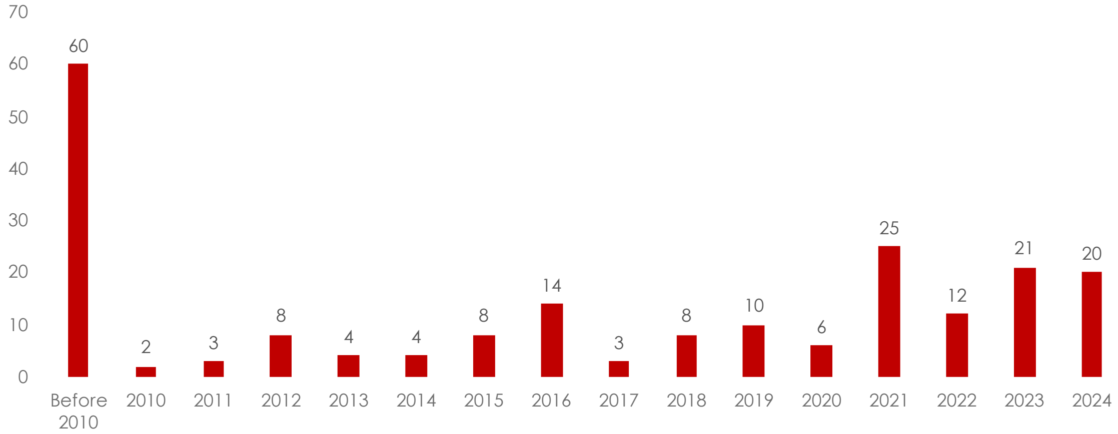
Country	Number of instruments	Country	Number of instruments	Country	Number of instruments
Austria	11	France	27	Malta	3
Belgium	8	Germany	16	Netherlands	7
Bulgaria	5	Greece	9	Poland	9
Croatia	4	Hungary	6	Portugal	5
Cyprus	6	Ireland	8	Romania	5
Czech R	8	Italy	12	Slovakia	4
Denmark	11	Latvia	6	Slovenia	7
Estonia	10	Lithuania	7	Spain	19
Finland	12	Luxembourg	5	Sweden	21

Source: Technopolis Group, based on policy instrument fiches

A significant portion of the active MS-level policy instruments (24%) have been in place since before 2010, including many export credit schemes, support schemes from business support agencies, and internationalisation measures initiated by ministries of foreign affairs (see Figure below). For example, the export services provided by the Wallonia Export and Investment Agency (AWEX) have been around since 1991. The mapping of instruments also shows that 2021 marked the introduction of several new measures. Additionally, in recent years, new policy instruments have been added to the landscape. However, it is important to note that the Figure below does not show instruments that have been discontinued, and it also conceals the fact that some support measures have been followed up in a new form, under a new name, with certain adaptations. As an example, the Portuguese SICE Internationalisation of SMEs[14] was launched as part of the COMPETE 2030, Lisbon 2030, and Algarve 2030 programmes, with a funding period starting in 2024.

[14] https://www.compete2030.gov.pt/avisos/sice-internacionalizacao-das-pme-operacoes-individuais-mpr-2024-7/

Figure 4: Launch year of MS level policy instruments that have been active in 2024



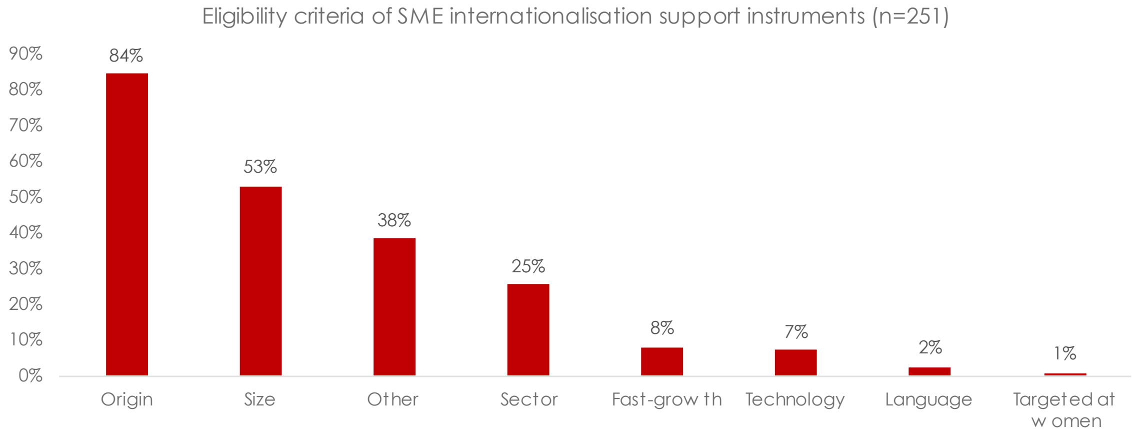
Source: Technopolis Group, based on policy instrument fiches, where information about the start year was available.

3.1.2 *Target group*

As expected, the most common eligibility criterion for Member State-level policy instruments relates to the origin of the company: Member States support their own SMEs. **Out of the 251 instruments analysed, 211 were restricted to companies of national or regional origin**, accounting for 84% of the instruments (see Figure below).

The second most common criterion relates to the size of the company. More than half of the mapped instruments (53%) are specifically tailored to address the needs of SMEs that meet specific annual revenue, number of employees criteria (e.g., start-ups SMEs, SMCs). The remaining instruments can be accessed by companies of all sizes. These instruments typically offer open-access information to companies interested in learning about export possibilities or gaining insights into specific markets.

Figure 5: Eligibility criteria of SME internationalisation support instruments active in 2024



Source: Technopolis Group, based on policy instrument fiches. Note: The number of responses is higher due to multiple-choice responses.

Among the targeted instruments, 8% focus on the high growth potential of the company, 7% on specific technologies adopted by the company, and 1% on the presence of women in exporting SMEs. The boxes below provide examples of instruments specifically targeting high-growth SMEs, SMEs adopting specific technologies, or women in exporting SMEs.

Box 1 Examples of instruments that have a specific eligibility requirement on technologies adopted by the SMEs

The FASEP guarantee *(Private Sector Study and Aid Fund)*[15] *supports the establishment and development of French SMEs abroad. Specifically, FASEP supports the development of feasibility studies or demonstrator projects of green and innovative technologies for the benefit of foreign public authorities in developing countries, thereby fostering the export of French SMEs. A component of this instrument called 'FASEP Green Innovation' finances environmentally focused technology demonstrators developed by French SMEs. The objective of the component is to demonstrate to the beneficiary country the effectiveness of French clean technologies in meeting sustainable development needs.*

Source: Technopolis Group, based on policy instrument fiches.

Box 2 Examples of instruments with a specific eligibility requirement on fast-growth SMEs with high potential.

*Enterprise Greece, in cooperation with the USMAC (US Market Access Centre) and with high-level experts from Silicon Valley, organises the '****Thriving Global****' programme*[16]*. The outward-looking and business acceleration programme is aimed at Greek technology companies and startups seeking to promote their products/services in international markets, particularly in Silicon Valley. The programme is competitive and offers support only to 16 companies every year. The selection and support process are organised in two stages The first stage is a boot camp in Greece offering a four-day intense training and coaching. The six companies demonstrating the highest growth potential will proceed to the second stage, which includes a four-month acceleration programme delivered partly online and partly on-site in Silicon Valley.*

Source: Technopolis Group, based on policy instrument fiches.

Box 3 Examples of instruments with a specific eligibility requirement for women in exporting SMEs.

*In Spain, the '****Internationalise as a woman programme'****[17] *seeks to offer commercial intelligence for internationalisation, leveraging the knowledge and experience in destinations of the Network of Economic and Commercial Offices Abroad. For example, the Economic and Commercial Office of Spain in Singapore conducts commercial intelligence exercises that analyse the role of women in this Asian market, facilitating internationalisation efforts for companies with a gender perspective. Similarly, the Economic and Commercial Office of Spain in Almaty has conducted extensive research on internationalisation with a gender perspective in Kazakhstan, including insights from local women who provide valuable guidance for doing business in this Central Asian country.*

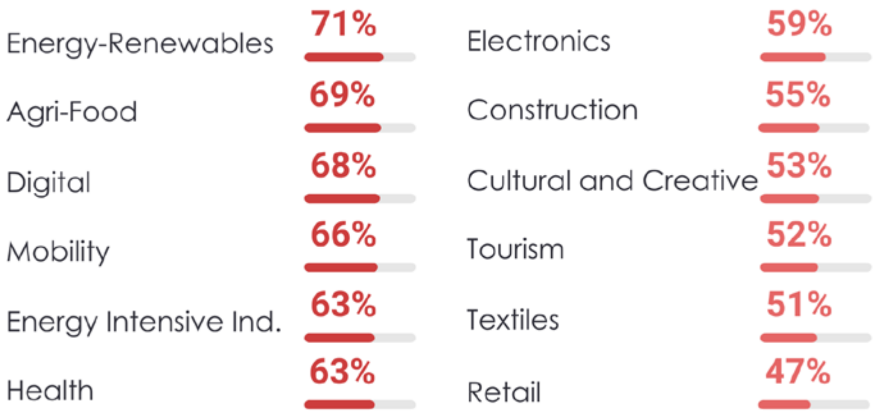
Source: Technopolis Group, based on policy instrument fiches.

3.1.3 Target sector/industrial ecosystem

The majority of policy instruments (57%) do not target specific sectors or industrial ecosystems, and instead enable bottom-up, company-driven internationalisation. Of the 251 instruments, only 104 have a specific focus on one or several industrial ecosystems. The most targeted industries are Energy-renewables (71%), Agri-Food (69%), Digital (68%) and Mobility, Transport and Automotive (66%) (see Figure below).

[15] Available online at: https://www.afd.fr/en/guarantees-instrument-mobilize-local-instruments
[16] Available online at: https://stories.thriveglobal.gr/
[17] Available online at: https://www.icex.es/es/quienes-somos/mujer-e-internacionalizacion/internacionalizarse-femenino

Figure 6: Target Sector – Industrial Ecosystems of the policy instruments active in 2024.



Source: Technopolis Group, based on policy instrument fiches.

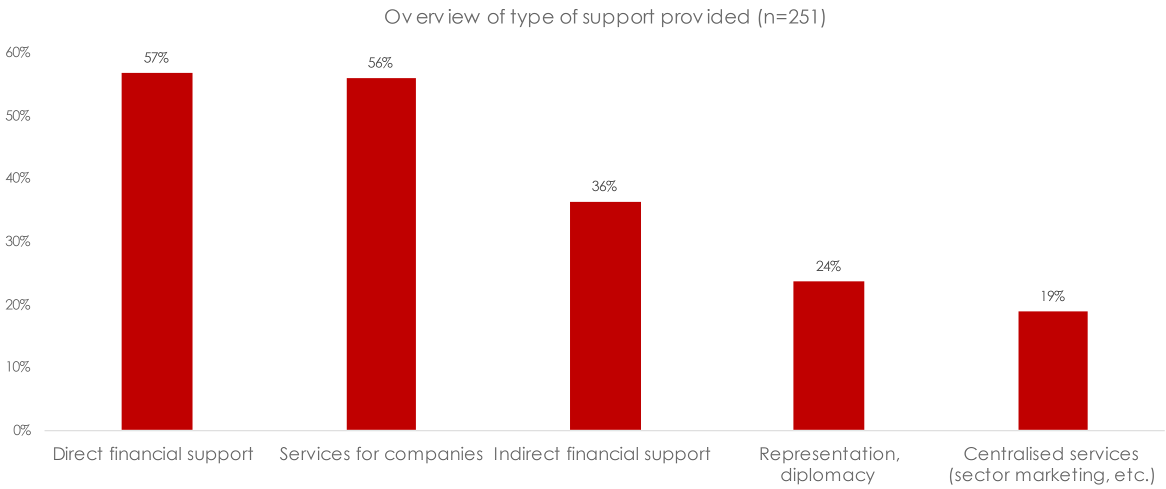
3.1.4 *Types of support and services*

The SME internationalisation policy landscape at MS-level comprises a combination of financial and non-financial instruments (please see Figure below). More specifically:

- Direct financial support, including subsidies, loans, and credit guarantees, constitutes 57% of the instruments.
- Direct non-financial support, such as advisory services and information sharing, accounts for 56% of the instruments.
- Indirect financial support measures, such as attending events and preparing promotional material, make up 36% of the instruments.

When interpreting the results, it should be noted that 119 policy instruments offer a combination of several support types. In other words, one instrument can provide more than one type of support. Therefore, the percentages presented above do not add up to 100%.

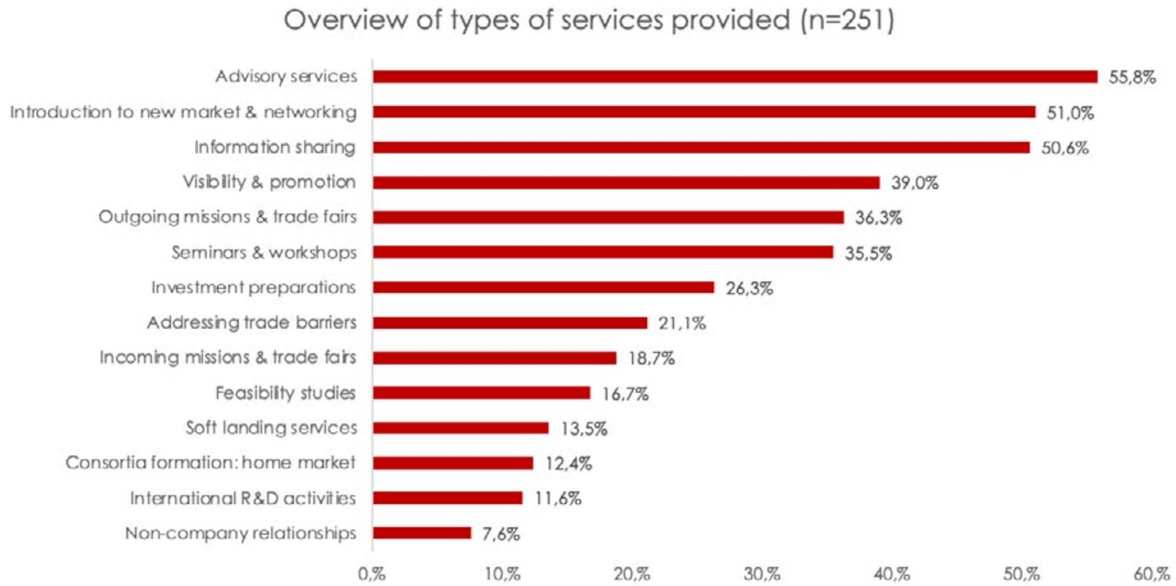
Figure 7: Type of support provided by instruments active in 2024



Source: Technopolis Group, based on policy instrument fiches. Note: one instrument can provide more than one type of support.

Besides financial support, the top three services offered by instruments for SMEs to internationalise are advisory services (56% of the instruments), introduction to new market & networking (51% of the instruments) and information sharing (51% of the instruments) (see Figure below).

Figure 8: Overview of the type of services provided by instruments active in 2024



Source: Technopolis Group, based on policy instrument fiches. Note: one instrument can provide more than one type of service.

Overall, trade, more specifically export promotion is the primary mode of fostering the internationalisation of EU SMEs as the review of policy instruments indicate. Additionally, support is provided for foreign direct investment (FDI), licensing, and other intellectual property (IP) transfers:

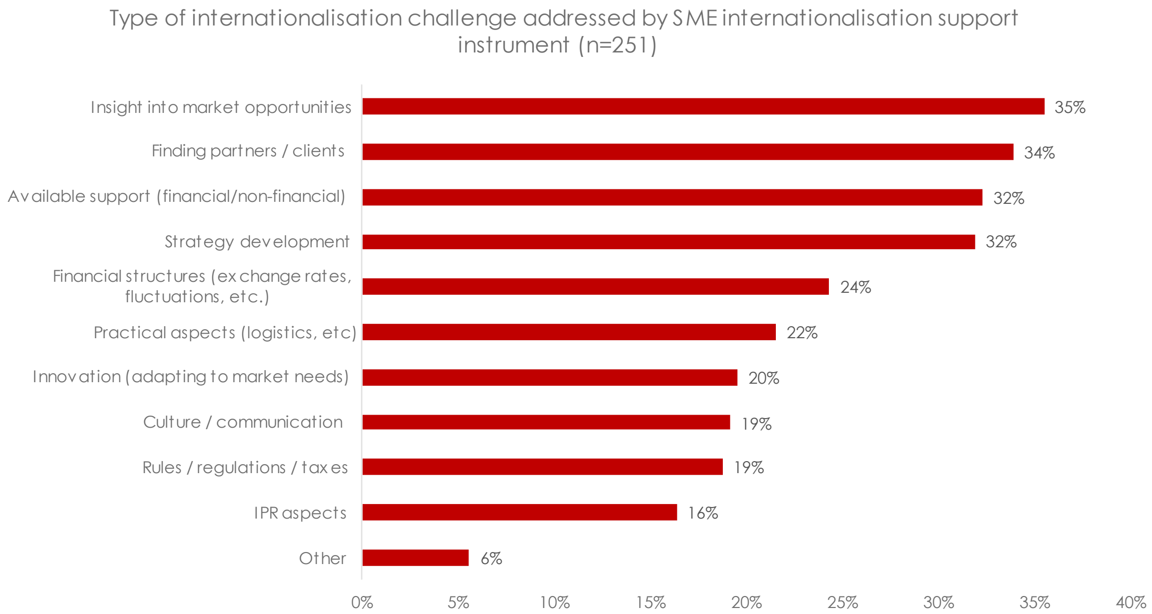
- Regarding instruments that address FDI, the support is focused on investment preparation. Examples of FDI-related policy instruments include 'Wallonie Entreprendre - Transfer & acquisition' services that support, for instance, the setting up foreign subsidiaries[18]. The 'African-Austrian SME Investment Facility' (AAIF+) supports SMEs from Austria/the European Union in setting up businesses in Africa. The International Growth Loan in France supports the establishment of a subsidiary or branch abroad[19].
- In terms of instruments supporting licencing, the support is mainly provided indirectly. These instruments act as a one-stop-shop or database for finding partners to license the technology. In addition, several other measures support the international IP transfer. For example, the export consultancy subsidy in Denmark assists SMEs in obtaining certification and facilitates the processes of trademark registration and patents.

[18] Available online at: https://www.wallonie-entreprendre.be/fr/expertises/cession-acquisition/),
[19] Available online at: https://www.bpifrance.fr/catalogue-offres/pret-croissance-international

3.1.5 Challenges

Gaining market insights, finding partners and clients, strategy development and accessing financial and non-financial support are the four main challenges most frequently targeted by policy instruments (see Figure below).

Figure 9: Type of challenges addressed by instruments active in 2024 supporting SME internationalisation.

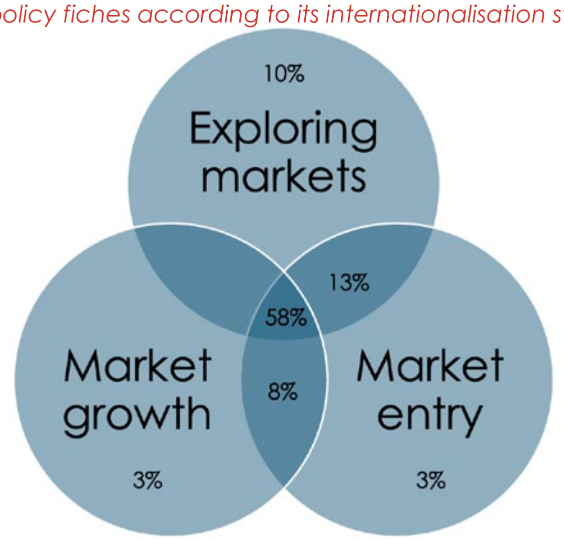


Source: Technopolis Group, based on policy instrument fiches. Note: one instrument can address more than one challenge.

3.1.6 Stage of SME internationalisation

When addressing the support measures for the internationalisation of European SMEs, it is crucial to consider the different phases of internationalisation. For example, exporting SMEs require different support measures from companies that are only exploring or planning to enter foreign markets. The mapping exercise reveals that MS-level SME internationalisation instruments usually combine support to SMEs that are only exploring markets (81%) and supporting SMEs to enter markets beyond the EU (82%). The market growth stage is however somewhat less addressed (69%).

Figure 10: Classification of policy fiches according to its internationalisation stage



Source: Technopolis Group, based on policy instrument fiches.

The Venn Diagram above shows that only 10% of the instruments support exclusively market exploration activities, 3% market entry and 3% support market growth. Most instruments support the three stages, accounting for 58% of the 251 instruments. The diagram also shows that no instruments were identified dedicated solely supporting exploring markets and market growth stages.

3.1.7 Use of the European Regional Development Fund to support SME internationalisation across countries and regions

The European Regional Development Fund (ERDF) plays a significant role in supporting the internationalisation of small and medium-sized enterprises (SMEs) across various countries and regions in the European Union. The ERDF focuses on reducing economic disparities between regions, with SME internationalisation being a key aspect of its objectives linked to business competitiveness. Via the ERDF, actions are launched that foster the growth of entrepreneurs, accelerate start-ups and enhance internationalisation. Support to SMEs include funding for market research, participation in international trade fairs, product adaptation for foreign markets, and marketing activities. Support may have a form of grants, but also financial instruments, such as loans, guarantees and equity. The policy measures primarily focus on SME internationalisation in general and on the EU single market but can be open to activities beyond the EU. It depends on the applicants in which markets they want to expand to.

SME internationalisation is often included in the policy measures of national-level economic, research and innovation, and competitiveness-related operational programmes that apply to all regions or all regions except the capital region, that may be complemented by specific measures that are funded from the regional programmes, which is common in countries where SME support is additionally provided from the regional level, that is typical in the EU MSs with high allocation of cohesion policy funds. Examples of ERDF co-funded policy instruments across various regions are provided in the Figure below.

Figure 11: Examples of MS (national and regional levels) instruments supporting SME internationalisation beyond the EU and co-funded by ERDF

Bulgaria Internationalisation of Bulgarian SMEs Competitiveness and Innovation in Enterprises Programme 2021-2027 (EUR €5,109,469)	**Croatia** Support to SME Internationalisation and Market expansion Operational Programme Competitiveness and Cohesion 2021-2027 (EUR 29,779,050)	**Czech Republic** Marketing Challenge I and II Operational Programme Technologies and Application for Competitiveness (EUR 19.972.840)
Cyprus PRE-SEED Cohesion Policy Programme THALIA 2021-2027 (EUR EUR 6,500,000)	**Estonia** Supporting internationalisation and encouraging investments Cohesion Policy Funding Smarter Estonia	**Greece** Support for the creation and operation of SMEs Operational Programme Competitiveness 2021-2027 (EUR 8,800,000)
Hungary Fit for Export Economic Development and Innovation Operational Programme (EUR 3,800,000)	**Italy** Encouraging internationalisation to strengthen the competitiveness and attractiveness of the regional production system Emilia Romagna Regional Programme (EUR 3,000,000)	**Latvia** Export Support Activities Innovative Business Development Programme for Small and Medium Enterprises (EUR 13,000,000)
Lithuania Implement measures promoting the growth of export competitiveness Programme for EU Funds (EUR 56,000,000)	**Malta** Business/SME Enhance Malta's Operational Programmes for the period 2021-2027 (EUR 10,000,000)	**Poland** Internationalisation of SMEs European Funds for Podkarpacie 2021-2027 (EUR 5,830,000)
Portugal SICE Internationalisation of SMEs Individual and Joint Operations COMPETE 2030 Centro, Norte, Alentejo (EUR 83,000,000)	**Romania** Support for SME internationalisation Regional Operational Programme	**Spain** Grants to finance international expansion projects for SMEs in Castilla y León ERDF Castilla y León (EUR 5,000,000)
Part of a nation-wide operational programme Part of regional operational programmes	**Slovakia** Support of internationalisation of SMEs Operational Programme Research and Innovation (EUR 23,000,000)	**Slovenia** Support to internationalisation European cohesion policy programme in 2021-2027 (EUR 9,562,500)

Source: Technopolis Group, based on policy instrument fiches.

In the case of the Czech Republic, the investment priority regarding the competitiveness of small and medium-sized enterprises of the Operational Programme Technologies and Application for Competitiveness includes actions to facilitate access to international markets and provide advisory services. It has to be noted that the total budget indicated refers to SME internationalisation in general and it was not possible to collect detailed information on activities beyond the EU only. The 2021-2027 Common Provisions Regulation 2021/1060 identifies an intervention field called 'SME business development and internationalisation, including productive investments' (Code 021)[20], however, this is not limited to internationalisation and does not specifically focus on export promotion to third countries.

In many countries, SME internationalisation was first included in regional operational programmes during the 2014-2020 programming period and has been continued in the 2021-2027 period. Examples include the Romanian Regional Operational Programme, which provides support for SME internationalisation as part of its broader objectives to promote regional development, economic growth, and competitiveness across Romania. In the Italian Emilia-Romagna region, the operational programme publishes calls for action on 'Encouraging internationalisation processes to strengthen the competitiveness and attractiveness of the regional production system in the markets.'[21].

[20] https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX%3A32021R1060
[21] https://fesr.regione.emilia-romagna.it/2021-2027/calendario-inviti-a-presentare-proposte

Overall, the majority of these ERDF co-funded projects and policy instruments target the EU single market, but in some cases, they foster the expansion of SMEs to the USA, Asia, Africa etc. A review of projects supporting SME internationalisation beyond the EU can be also obtained via the Kohesio database: https://kohesio.ec.europa.eu/en/. The Kohesio platform is a European Commission initiative designed to enhance the visibility and accessibility of EU-funded projects. It serves as a comprehensive database, offering detailed information on various projects, including those supporting SME internationalisation beyond the EU.

Box 4 Example of a project supported under the ERDF that aims at internationalisation beyond the EU

Gorini srl Poltrone e Divani is an Italian furniture company founded in 1986 and located in Emilia-Romagna*. The company, involved in research and innovation, has achieved an important role in the world of Italian sofas, managing over time to conquer international markets and export a large part of its production. As part of the project supported by the regional operation programme, it participated in the two 2023 Spring and Fall editions of the High Point Market, the most important fair in the world in the furniture sector which takes place in name in North Carolina in the USA. The fair, a major global event that attracts exhibitors and buyers from all over the world, is undoubtedly the best showcase for Gorini's target markets, which are the* ***United States and Canada****. The former, being the host country, has an already enormous and rapidly growing market; in fact, the home furnishings market is expected to increase progressively by 5-7% per year until 2028. The latter, although smaller, is a neighbouring country with a market similar in taste and purchasing power to the American one and is now estimated to be growing at the same rate as the US. market.*

Source: Technopolis Group, based on Kohesio database (https://kohesio.ec.europa.eu/en/)

Besides the ERDF, the Recovery and Resilience Fund (RRF) is another source for funding for SME internationalisation at the level of Member States. The RRF is part of the European Union's Recovery Plan, with the main objective to help EU Member States recover from the economic impact of the COVID-19 pandemic, promote digital and green transitions, and strengthen the resilience of economies across the EU.

SME internationalisation has been included among the actions of the RRF such as in the case of Greece. One of the instruments is to support the marketing of agricultural products by facilitating the participation of SMEs in international trade fairs[22]. Another example is presented in the Box below.

Box 5 Example of policy instruments as part of the Recovery and Resilience Plan

The ***Internationalisation of Startups*** *programme in the Czech Republic provides SMEs with access to services such as acceleration, incubation, consulting, mentoring, networking, and relocation. These services are available both within the Czech Republic during the preparatory phase for expansion into foreign markets and within scientific and other high-tech facilities. Under this programme, two calls for proposals have been published and will run until the end of 2025, with the aim of supporting at least 100 Czech technology startups. The support offered is up to approximately EUR 100,000. The Internationalisation Programme is implemented under the National Recovery Plan, Component 1.4. – Digital Economy and Companies, Innovative Startups and New Technologies, funded by the EU's Recovery and Resilience Facility.* https://www.planobnovycr.cz/vyhlasene-vyzvy

Source: Technopolis Group, based on policy fiches.

3.2 EU-level instruments supporting SME internationalisation through direct measures and geostrategic investments

This section presents the result from the identification and mapping of EU-level policy instruments based on a comprehensive literature review, desk research and interviews with the

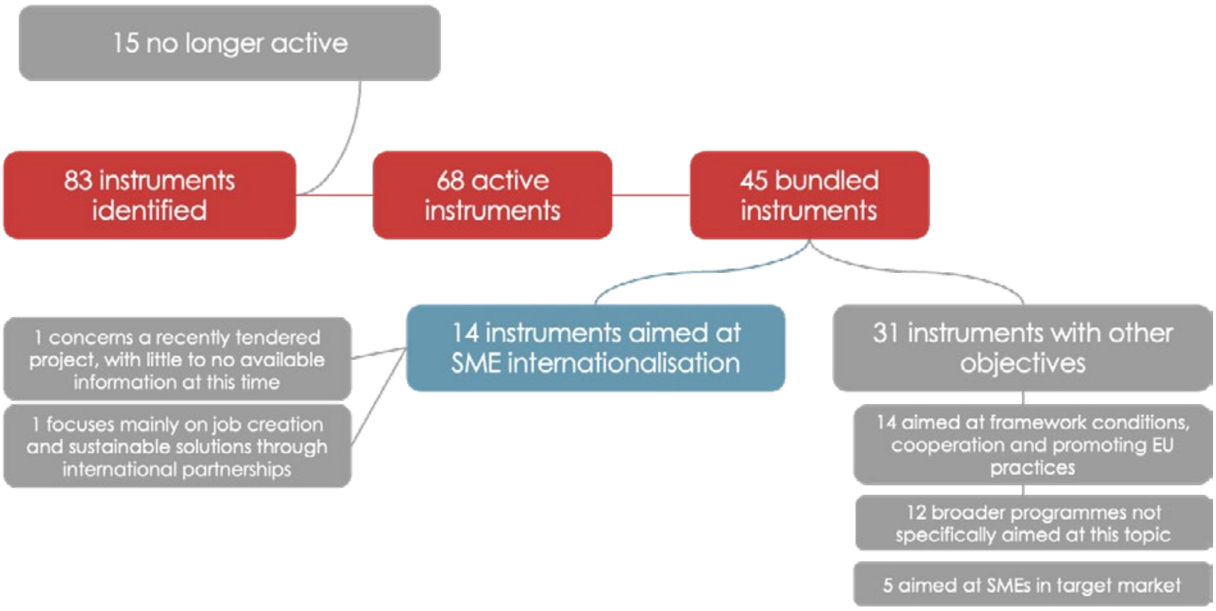
[22] https://greece20.gov.gr/?calls=kainotomia-kai-prasini-metavasi-sti-metapoiisi-agrotikon-proionton

Commission services relevant to the subject. The details on the methodology for the identification, selection and analysis of the EU level instruments are presented in Annex 1.

3.2.1 EU instruments: overview

This report identifies **45 EU-level policy instruments** relevant for SME internationalisation beyond the EU. Initially, over 83 EU-level instruments were reviewed, including those that were no longer active and those that were linked together. To present the results in a consistent manner, instruments were grouped to ensure the same level of aggregation was used across the analysis. In several cases, policy instruments were bundled into packages, even if they are sometimes listed separately in documentation, to align them with larger instruments that offer a range of support services under a single umbrella (such as the EEN, which provides multiple services). For example, we bundled various IPR Helpdesks, each targeting different markets, and combined instruments that are successors to previous ones. The identification process of policy instruments is shown in the Figure below.

Figure 12: Identification of EU level policy instruments supporting SME internationalisation



Source: Technopolis Group, based on draft policy instrument fiches.

The 45 EU level policy instruments have been grouped into four categories:

- The first group (blue box) consists of **14** EU-level instruments that **directly focus on the internationalisation of SMEs**.
- The second group (red box) includes **14 geostrategic instruments** that create favourable framework conditions for SMEs to internationalise.
- The third group (grey box) includes **12 EU-level broad programmes** as instruments that are not specifically aimed at SME internationalisation, although they include actions relevant for the topic.

In addition, further 5 EU-level instruments have been also identified that are not aimed at EU SMEs as such but target mainly the SMEs within third country markets.

In general, the EU-level instruments offer a comprehensive policy support, addressing a wide range of challenges faced by SMEs. The EU-level landscape is presented in the Figure below, with a focus on the main groups of instruments: **direct SME internationalisation, geostrategic investments and other broad EU programmes.**

Figure 13: Landscape of EU-level SME Internationalisation policy instruments

Source: Technopolis Group, as described, EU instruments tend to be large and provide integral support.

3.2.2 *Instruments directly supporting SME internationalisation*

The 14 EU level instruments that focus on directly supporting SMEs include actions that are widely recognised for their importance, as highlighted in key reports such as the European Court of Auditors on 'SME internationalisation instruments' in 2022[23]. Two Directorates-General of the European Commission, notably DG GROW and DG TRADE, have the most instruments directly dedicated to supporting the internationalisation of SMEs/SMCs beyond the EU Single Market. Other Directorates-General, such as DG RTD and DG REGIO, also have relevant

[23] Available at: https://www.eca.europa.eu/Lists/ECADocuments/SR22_07/SR_Internationalisation-SMEs_EN.pdf

instruments, but these are less explicitly focused on directly supporting the internationalisation of SMEs/SMCs beyond the EU or are part of the national policy framework (such as the ERDF) already analysed above.

Three EU-level instruments can be highlighted that focus on **networks and support different routes for SME internationalisation: individually, through sectoral consortia, and via regional consortia.**

- The main EU level instrument that supports individual SMEs is the **Enterprise Europe Network (EEN)[24].** The EEN is a network of SME support organisations such as regional development agencies and chambers of commerce, from across the EU and beyond[25]. The network directly assists client SMEs by providing a wide range of services. The most prominent services include information and advisory support, as well as matchmaking with organisations and partners from both the EU and key strategic third countries[26].
- Another group of policy instruments are related to Clusters: currently, it is the **Euroclusters[27]** that fosters internationalisation as a cross-sectoral, interdisciplinary and trans-European strategic initiative. The previous initiative called European Cluster Partnership for Going International (ESCP-4i) has been successfully closed. The European Cluster Collaboration Platform (ECCP) is a key information hub to inform cluster organisations about internationalisation opportunities and organise International Matchmaking events. Clusters receive support through various means, including funding, information resources, partnering and matchmaking events, member needs assessments, and the development of joint branding and marketing strategies.
- The EU-level instrument supporting regional consortia is **Interreg[28]**, part of the EU's Cohesion Policy and financed by the ERDF. While Interreg primarily focuses on fostering cooperation between regions and countries within the EU on topics such as climate change, digital transformation, and social inclusion, certain elements of the programme also support regional partnerships collaborating on SME internationalisation beyond the EU. Interreg provides project funding to consortia that address SME needs. Although no direct financial support is offered to SMEs, they benefit from the knowledge, expertise, and networks of other consortium members.

Support for innovation is concentrated in EU level instruments such as the efforts of the European Innovation Council (EIC) and EUREKA. In addition, the Erasmus for Young Entrepreneurs has a programme called EYE Global.

- The **EIC, through its Overseas Trade Fairs Programme**, supports SMEs that received EIC support with the opportunity to showcase their innovative products abroad by attending trade fairs. The Overseas Trade Fairs Programme is mainly focused on the EU, Middle East and United States of America. Participants receive support in matchmaking and are given briefings on target markets. Specifically, for the United States, soft landing services are also provided[29].
- **EUREKA** provides two types of funding for SME internationalisation through its Eurostars and Innowide instruments. Eurostars offers funding for international collaborative R&D projects involving partners from over 37 countries. Innowide provides funding for

[24] https://een.ec.europa.eu/
[25] Available at: https://een.ec.europa.eu/about-enterprise-europe-network
[26] Available at: https://een.ec.europa.eu/local-contact-points
[27] https://www.clustercollaboration.eu/euroclusters
[28] https://interreg.eu/about-interreg/
[29] Available at: https://eic.ec.europa.eu/system/files/2023-11/EIC%20ITF%203.0%20FAQ_updated.pdf

feasibility studies to assess the viability of commercial or research ambitions for internationalisation in target markets[30,31].

- **EYE Global** - the Erasmus for Young Entrepreneurs Global was launched in 2017 as a European Parliament pilot project and was followed up with a preparatory action in 2020. The EYE Global has facilitated more than 90 exchanges between European entrepreneurs and their counterparts in Canada, Israel, Singapore, South Korea, Taiwan and USA[32] between 2020 and 2024.
- **Specifically for deep tech scaleups, Startup Europe** supports internationalisation beyond the EU when it aligns with their growth. It provides funding to intermediaries that assist EU startups through matchmaking with investors and other stakeholders, as well as offering information and advisory services[33].
- **The European Institute of Innovation and Technology (EIT) established the Global Outreach Programme[34]** in 2018 to extend its innovation and entrepreneurship initiatives beyond Europe. This programme aims to foster collaboration with non-European partners such as the USA, promoting innovation and entrepreneurship on a global scale.

Two EU level instruments are specifically aimed at providing information, these are the **Access2Markets** portal and the international **Intellectual Property Helpdesks for China, India, Latin America, South-East Asia and Africa**. These instruments are primarily online and accessible freely by SMEs.

- Access2Markets[35] offers extensive and up-to-date information on various technical aspects of international trade with third countries beyond the EU Single Market. This includes details on "*tariffs, taxes, procedures, formalities, rules of origin, export measures, statistics, trade barriers*", and more. The portal provides comprehensive support for companies involved in trading goods, offering services, investing, or responding to procurement opportunities.
- The Intellectual Property Helpdesks offer information and tailor-made advice on technical questions. Other resources include case studies, training sessions, and workshops[36].

Two EU level instruments provide dedicated contact points through satellites in target markets, specifically in China and Japan.

- The EU SME Centre in China supports EU SMEs with information and advisory services, trainings, networking and events as well as advocacy in China[37].
- The EU-Japan Centre offers many similar services for Japan, with an emphasis on training in business culture and logistical support for a smoother market entry. Both centres serve as key partners for EU SMEs in their target markets[38].

Among the instruments identified but no longer active, one that functioned similarly to a satellite in target markets was the European Network of Research and Innovation Centres **(ENRICH),** which operated in Brazil, the United States, Africa, and Latin America and the

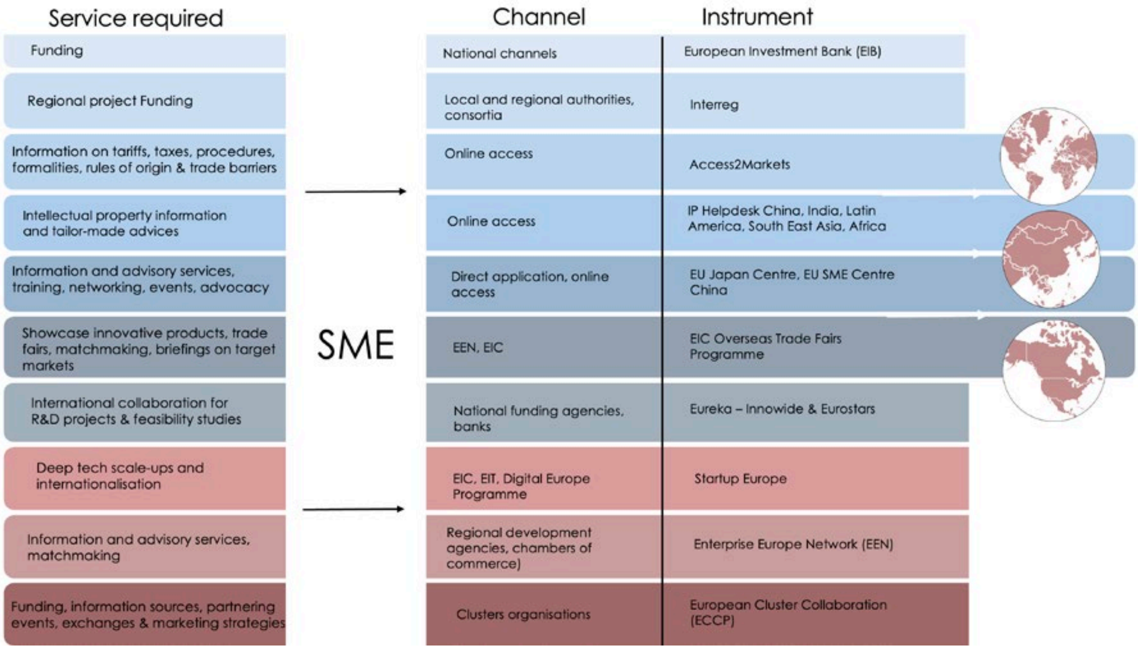
[30] Available at: https://eurekanetwork.org/programmes/innowwide/
[31] Available at: https://eurekanetwork.org/programmes/eurostars/
[32] https://www.erasmus-entrepreneurs.eu/upload/GROW_EYE-Global-Stories_WEB.pdf
[33] Available at: https://digital-strategy.ec.europa.eu/en/policies/startup-europe
[34] https://go-eit.eu/
[35] https://trade.ec.europa.eu/access-to-markets/en/home
[36] Available at: https://intellectual-property-helpdesk.ec.europa.eu/index_en
[37] Available at: https://www.eusmecentre.org.cn
[38] Available at: https://www.eu-japan.eu/sectoral-business-support-missions-japan

Caribbean. Overall, the ENRICH centres were more focused on research and development (R&D) and innovation[39].

The EIB provides financial services and funding for SME internationalisation mainly through national channels, addressing identified funding market gaps and capitalising on opportunities. Key examples include small credits below €5 million, which were inadequately serviced by both commercial and public banks across the EU, as well as providing credit lines for export buyer's credits[40].

The last two instruments are smaller, focused on specific markets, and generally less prominent in the EU landscape. One of these, 'Business-to-Business Cooperation with Japan and the Republic of Korea,' was not analysed in detail due to being a recently tendered project with limited available information. The second instrument, 'Al-Invest Verde,' focuses on job creation and sustainable solutions through international partnerships with Latin America[41].

Figure 14: Overview of the types of services required to go international and EU level Instruments addressing them for the benefit of SMEs



Source: Technopolis Group

3.2.3 Instruments supporting geostrategic investments and framework conditions

Within the EU Single Market SMEs benefit strongly from marginal barriers to conduct business across the borders of EU Member States. Beyond the EU, SMEs encounter numerous additional barriers, such as tariffs, documentation requirements for product origins, and differences in health and safety regulations. In addition to these technical barriers, standards and business practices often reflect what is common within the target market. Differences from EU practices can create soft barriers, as counterparts in the target market may be unfamiliar with the benefits of EU products, services, or practices. While some instruments focus on directly supporting SMEs to internationalise beyond the EU, others aim to improve the framework conditions for SME internationalisation by addressing these barriers. A total of 13 EU instruments

[39] Available at: https://www.enrichcentres.eu
[40] Available at: https://www.eib.org/attachments/thematic/financing_smes_en.pdf
[41] Available at: https://alinvest-verde.eu/en_gb/

are relevant for enhancing these framework conditions, with many focusing on promoting EU standards, practices and EU values (such as for example environmental standards, labour practices).

Most recently launched, **the Global Gateway**[42] is a strategic effort led by the European Union (EU) and its Member States to promote infrastructure development with a focus on geostrategic priorities. The Global Gateway is a strategy rather than a policy instrument per se; however, it creates an umbrella for a wide variety of projects in international markets. It serves as the external component of the EU's twin climate and digital transition agenda, prioritising sustainable and secure infrastructure across digital, climate, energy, and transport sectors, while also enhancing health, education, and research systems on a global scale. Although primarily aimed at larger companies and at strategic investments (not simple exporting of individual companies), some projects under the Global Gateway (such as the D4D Hub[43]) provide opportunities for EU SMEs to join consortia with larger companies, allowing them to access new markets in Africa, Asia, Latin America, and other strategic regions. By investing in global infrastructure projects, the initiative creates demand for European goods, services, and expertise, where SMEs have the potential to tap into these emerging markets through various projects.

The **Global Europe Neighbourhood, Development and International Cooperation Instrument** – (NDICI – Global Europe) is the European Union's primary financing tool aimed at eradicating poverty and promoting sustainable development, prosperity, peace, and stability worldwide. The instrument encompasses various support measures that occasionally focus on business-to-business (B2B) cooperation such as with Japan and Korea[44].

Five instruments focus on framework conditions relevant for specific sectors and countries. Examples include the **EU-China Energy Cooperation Platform, the Aviation Partnership Project in Latin America and the Caribbean, and the EU-India Resource Efficiency Initiative**. Some of these instruments address specific regulations crucial to the sector, such as the health and safety regulations in the food industry, covered by the EU-Asia Cooperation on (Phyto-) Sanitary (SPS) and Food Safety Regulation in Asia. These instruments emphasise the exchange of views and knowledge and raising awareness about international standards and best business practices. They involve key government and non-governmental organisations, experts, and in some cases, students, the general public, and other societal actors. While businesses and private sector representatives are involved to showcase the potential of collaborative interventions and raise awareness, the primary objective of these instruments is not to create direct relationships between EU SMEs and counterparts in target markets.

Two instruments revolve strongly around development cooperation, together with the International Labour Organisation (ILO) or the OECD. These instruments emphasise the quality of work and jobs created as a result of international trade and investment policies. For example, the EU-OECD programme aims to enhance investment policies and promotion in the Southern Mediterranean region by strengthening partner countries' capabilities to develop policies that foster job creation and improve job quality. Additionally, there are two instruments focused on responsible business conduct. The 'Responsible Business Conduct for Green, Digital, and Resilient Supply Chains in Asia' and the 'EU-Americas Partnership on Raw Materials' in Latin America and the Caribbean promote responsible business practices in collaboration with government and non-governmental stakeholders. These instruments aim to enable inclusive

[42] https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/stronger-europe-world/global-gateway_en
[43] https://d4dhub.eu/
[44] https://www.eeas.europa.eu/delegations/south-korea/business-business-b2b-cooperation-japan-and-republic-korea-fpibkk2023ea-rp0002_en

and sustainable economic development, making target markets more attractive for EU SMEs by encouraging good business practices that respect human and labour rights, environmental protection, and equality along the supply chain.

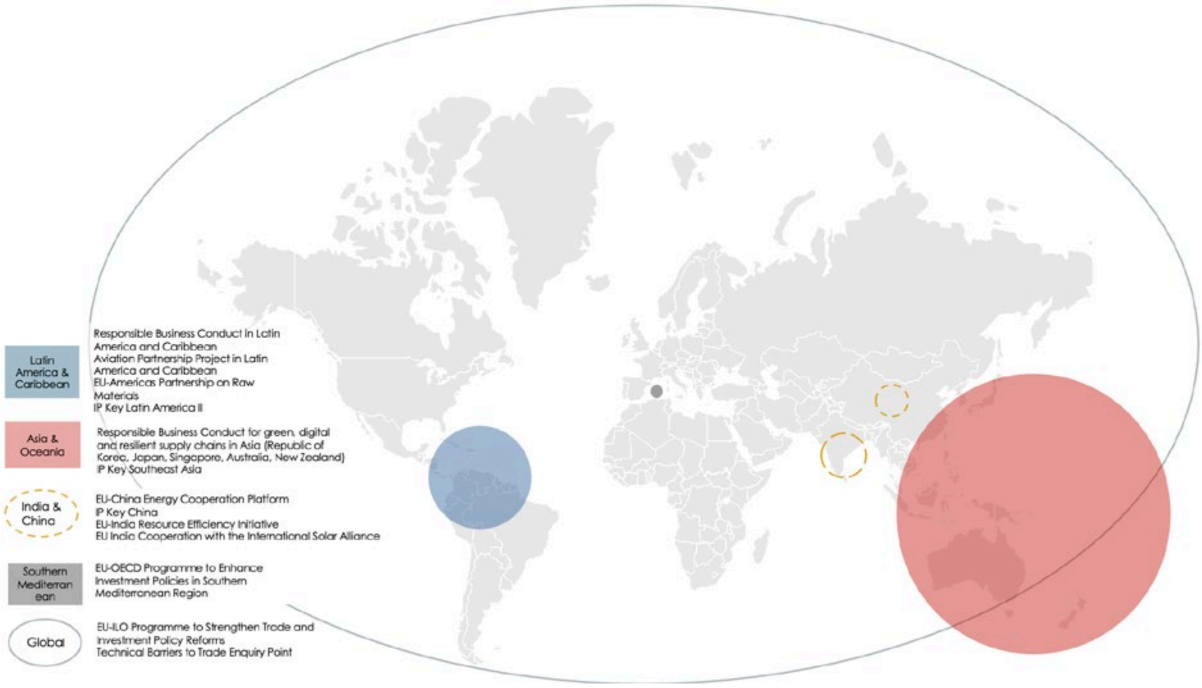
In relation to technology and innovation, there are two instruments with a focus on specific regulations and barriers such as IP and standardisation and large innovation collaboration agreements. The 'IP Key Southeast Asia, China and Latin America[45]' aims to improve the intellectual property regime in target markets by addressing the interests of the EU and EU businesses with regards to the level of intellectual property rights protection and enforcement and discouraging measures of protectionism. The instrument is not aimed at supporting EU businesses directly but is aimed at the public actors of target markets. In the AU-EU Innovation Agenda[46] (African Union-EU) key ambitions and objectives have agreed for strengthened R&D and innovation cooperation. Although these two instruments address different aspects of the intellectual property regime, both reflect the EU and African Union's commitments to improving the framework for SMEs engaged in innovation-related internationalisation.

More general instruments for improving framework conditions are the EU's **Single-Entry Point**[47] and the EU activities under the **Agreement on Technical Barriers (TBT Agreement) of the World Trade Organisation (WTO)[48]** and the related EU Enquiry Point as part of the TBT notification procedure[49]. These instruments are aimed at identifying, preventing, and ensuring transparency of barriers. Stakeholders can indicate unnecessary technical trade obstacles that they encounter so these can be addressed.

While these instruments do not directly support SMEs, they represent the EU's efforts to address internationalisation challenges at a level closer to the EU Single Market without providing direct SME support. Many of these instruments, which aim to improve framework conditions, have a narrower focus on specific countries or topics and are often more temporary in nature. Among the instruments that are no longer active, many share a similar profile to those described above. Examples include the 'Water Platforms in India', the 'Global Action to Support EU Space Programmes', and the 'European Business and Regulatory Cooperation Programme' aimed at Taiwan.

[45] https://fpi.ec.europa.eu/system/files/2021-05/final_report_-_ip_keys_public.pdf
[46] https://research-and-innovation.ec.europa.eu/system/files/2023-07/ec_rtd_au-eu-innovation-agenda-final-version.pdf
[47] https://trade.ec.europa.eu/access-to-markets/en/content/single-entry-point-0
[48] https://www.wto.org/english/tratop_e/tbt_e/tbt_enquiry_point_guide_e.pdf
[49] https://single-market-economy.ec.europa.eu/single-market/barriers-trade/tbt-notification-procedure_en

Figure 15: Examples of instruments supporting framework conditions on international markets



Source: Technopolis Group, based on draft policy instrument fiches.

3.2.4 *Policy instruments not directly aimed at EU SMEs and/or internationalisation*

Other EU level instruments analysed were either aimed at supporting SMEs from the target market instead of EU SMEs or were not specifically focused on the internationalisation of SMEs.

The 13 EU-level instruments that are not specifically aimed at the internationalisation of SMEs include large-scale programmes with broader objectives focused on activities within Europe. Key examples include the **European Structural and Investment Funds, in particular the European Regional Development Fund** (ERDF) (analysed more in detail above), the **European Agricultural Fund for Rural Development** (EAFRD) and the **European Social Fund** (ESF), as well as thematic and sector-specific instruments like the **LIFE Programme[50] and the Promotion of Agricultural Products[51]**. For example, EU farm product promotion campaigns aim to create new market opportunities for EU farmers and the broader food industry while also strengthening existing businesses. These campaigns are co-financed by the EU and run by European trade associations, producer organisations, or agri-food bodies. In other cases, they are led directly by the EU, such as diplomatic initiatives or participation in international fairs and communication campaigns to boost agri-food trade[52].

These instruments also encompass initiatives that focus on internationalisation but not specifically on SMEs, such as the **International Urban and Regional Cooperation[53]**, which facilitates cooperation between cities.

Five EU-level instruments aimed at SMEs in target markets focus on neighbouring regions, with key programmes such as the **EU4Business programme** in the Eastern Partnership region and the

[50] https://cinea.ec.europa.eu/programmes/life_en
[51] https://rea.ec.europa.eu/funding-and-grants/promotion-agricultural-products-0_en
[52] https://agriculture.ec.europa.eu/common-agricultural-policy/market-measures/promotion-eu-farm-products_en
[53] https://www.iurc.eu/

Neighbourhood Investment Platform (NIP). Other instruments target SMEs in the Western Balkans, Turkey, and Southern Neighbourhood countries.

Additionally, there are instruments that target SMEs but not specifically internationalisation, such as the funding provided through **InvestEU - SME Window**[54], which covers EU policy areas like space and defence, sustainability, digitalisation, innovation, gender-smart financing, and deep and green tech. The SME Window is implemented through the European Investment Bank (EIB) Group and national promotional banks. Its primary goal is to address market gaps and support the growth and innovation of SMEs by providing financial backing for projects that might struggle to secure funding through traditional means. Among others, it supports businesses that are innovating or expanding into new markets, including internationalisation efforts.

3.2.5 Trade policy of the European Union

Trade policy has become more critical than ever due to rising geo-economic fragmentation, increasing trade distortions, and new trade restrictions introduced by governments[55], [56]. Global trade is being shaped by the competing geoeconomic agendas of the US and China. US imports have been shifting away from China, and US trade policy is expected to result in higher tariffs, intensifying protectionist, unilateral measures. This will likely affect other countries, especially trade-dependent economies, which will face greater challenges. Meanwhile, China has been increasing exports to its geopolitically close partners, including Russia, Singapore, Vietnam, the UAE, and Saudi Arabia[57].

In this global context, the EU's trade policy is a key overarching framework that helps SMEs overcome challenges in international markets. It plays a crucial role in SME internationalisation by creating a favourable environment for European SMEs to expand beyond the EU Single Market. Regarding EU trade barriers, the role of EU trade policy makes it easier and more cost-effective for SMEs to enter and compete in international markets by negotiating trade agreements with non-EU countries, reducing tariffs, and removing trade barriers and facilitating navigation globally. Trade agreements also include provisions that protect intellectual property, reduce bureaucratic hurdles, simplify customs procedures, provide access to public tenders in the partner countries, enable mobility of service providers between the two countries, etc. This legal certainty is especially beneficial for SMEs, which often lack the resources to follow and adapt to complex international regulations.

The recent EU trade agreements contain a dedicated SME Chapter. This facilitates improved information sharing on market access and fosters effective collaboration between the Commission and the partner country's government in addressing SME-related issues within the trade agreement[58].

3.3 Member States and EU level actions on markets of special interest

The European Commission promotes trade relationship with third countries, enabling EU companies to access new markets. The EU has established 44 bilateral trade agreements with

[54] https://single-market-economy.ec.europa.eu/access-finance/investeu/investeu-fund-sme-window_en
[55] European Commission (2023). Global Trade Fragmentation. An EU Perspective Available at: https://economy-finance.ec.europa.eu/system/files/2023-10/eb075_en.pdf
[56] European Commission (2024). Report on the Implementation and Enforcement of EU Trade Policy, Brussels, 3.10.2024, COM(2024) 385 final
[57] See the analysis of Allianz available here: https://www.allianz-trade.com/en_global/news-insights/news/global-trade-outlook-2024.html
[58] https://trade.ec.europa.eu/access-to-markets/en/content/eu-trade-agreements-access2markets#:~:text=All%20new%20trade%20agreements%20will,issues%20in%20the%20trade%20agreement.

over 70 partners world-wide[59]. In addition, the EU offers preferential market access to lower and middle-income countries under the Generalised Scheme of Preferences. Third country markets not only present export opportunities for EU companies but also serve as important sources of raw materials and goods, playing a strong role in their global supply chains.

In this study, 15 markets have been selected in order to analyse the extent to which they can offer opportunities for EU SMEs. The growth potential of these markets was examined using **UNComtrade[60], FDimarket data[61], Crunchbase[62], and World Bank's Easy of Doing Business Ranking**[63]. The selection criteria included geopolitical considerations, neighbouring countries, countries currently negotiating free trade agreements with the EU, and whether there are existing free trade agreements with the EU. The quantitative data and strategic priorities discussed with DG GROW were used to finalise the list for this study (selection of markets is presented in Figure 15).

Figure 16: Selected markets to analyse (hereafter referred to as 'target markets')

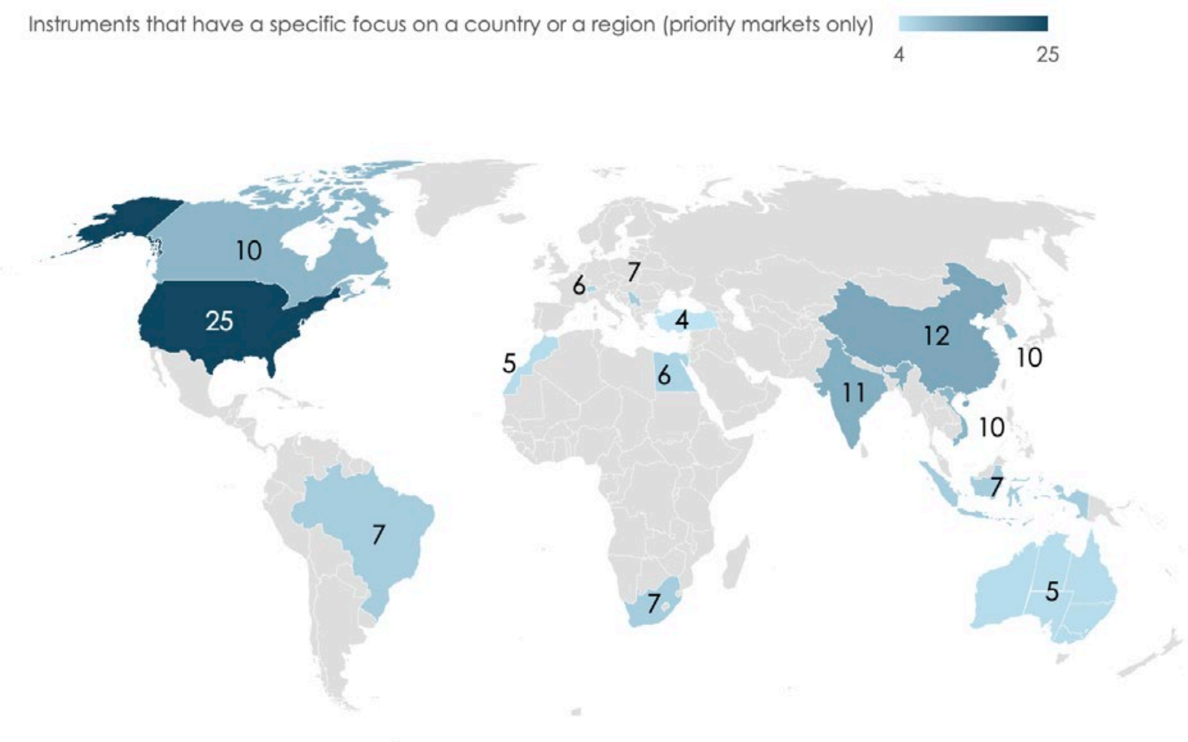
America	Europe	Africa	Asia	Oceania
United States	Serbia	Morocco	China	Australia
Canada	Switzerland	South Africa	South Korea	
Brazil		Egypt	Turkey	
			India	
			Vietnam	
			Indonesia	

Source: Technopolis Group with inputs from the European Commission – DG GROW and the Inter-service Group

The number of instruments identified at Member State level targeting any markets of interest as selected above is 37, which is **15.1% of the total number of instruments** at the MS level. Each instrument may target 1 or more markets of interest, and the top market targeted is the **United States (23 instruments)**, followed by **India (14), and China (12).** Other countries in markets of interest identified for this study include South Korea (11), Canada (9), Switzerland (9), Egypt (9), Vietnam (8), Indonesia (8), South Africa (4), Serbia (8), Morocco (8), Turkey (8), Brazil (7), South Africa (7) and Australia (5). The Figure below shows the overview of markets of interest targeted by the identified instruments.

[59] https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/negotiations-and-agreements_en
[60] Available online at: https://comtradeplus.un.org/
[61] Available online at: https://www.fdimarkets.com
[62] Available online at: https://www.crunchbase.com/
[63] Available online at: https://archive.doingbusiness.org/en/rankings

Figure 17: Overview of markets of interest targeted in MS level SME internationalisation instruments active in 2024



Source: Technopolis Group

It is important to note that instruments not explicitly targeting a specific market of special interest are also open to supporting SMEs seeking to internationalise to any priority market. Only a few instruments, such as the Estonia-Japan and Sweden-Israel initiatives, exclude eligibility for any of the markets of interest. Overall, approximately **88% of the Member State-level instruments** are designed to support SMEs in internationalising to any market of interest, provided they submit successful applications.

It should be noted that many trade promotion agencies, business organisations in charge of internationalisation, and chambers of commerce maintain their own satellite offices in countries outside the EU as part of their institutional structure but without a dedicated policy measure in place to support internationalisation to these markets. For example, the Italian Trade Promotion Agency operates through a worldwide network of 79 offices in 65 countries.

42% of the instruments for targeted markets have also an industrial ecosystem (or several sectors) as a target that shows a more focused approach towards SME internationalisation. Target sectors include for example aerospace, agri-food, construction, digital, health, mobility, automotive.

Box 6 Example of a policy instrument targeted a specific market and industrial ecosystem

The **Innovation Hub Lithuania**, overseen by the Innovation Agency Lithuania, operates as part of the Nordic Innovation House. The agency offers robust support to Lithuanian entrepreneurs, guiding them through the innovation landscape to promote sustainable growth and enhance their global competitiveness. The Hub is dedicated to **bridging the Lithuanian and US innovation ecosystems**, aiming to showcase Lithuania's most innovative entrepreneurs by linking them with the local networks and resources available in Silicon Valley. Key sectors of focus include digital technologies, electronics, and healthcare. https://innohublithuania.com/about/

Source: Technopolis Group, based on policy fiches.

The challenges to internationalisation vary depending on the location of the target market. Factors such as geopolitical considerations, the strategic importance of the partner, cluster/linguistic similarities, and geographical distance play a role. The Figure below provides an overview of the challenges that policy instruments address per market of interest.

The results indicate that for example **in the case of the USA, the challenge most addressed includes finding partners and gaining insights into market opportunities**, however, aspects less dealt with include IPR aspects and financial structures.

Table 5: Overview of MS level instruments active in 2024 by internationalisation challenge and by market of interest

Challenges	US	Canada	Brazil	Serbia	Switzerland	Morocco	South Africa	Egypt
Finding partners / clients	18	7	4	2	4	2	4	2
Innovation (adapting to market needs)	8	2	2	2	1	2	2	2
Practical aspects (logistics, etc)	7	5	3	3	4	3	4	3
Available support (financial/non-financial)	6	2	2	3	2	3	3	3
Financial structures	4	4	3	4	4	4	5	4
Culture / communication	7	2	2	2	2	2	2	2
Insight into market opportunities	16	4	1	1	3	3	4	3
Strategy development	8	2	1	0	1	1	2	1
IPR aspects	2	1	1	1	1	2	2	2
Rules / regulations / taxes	7	3	2	2	3	3	4	3

Challenges	China	South Korea	Turkey	India	Vietnam	Indonesia	Australia
Finding partners / clients	6	5	2	5	6	3	3
Innovation (adapting to market needs)	5	4	1	4	5	4	1
Practical aspects (logistics, etc)	5	5	3	5	5	3	3
Available support (financial/non-financial)	4	3	2	2	3	1	2
Financial structures	4	4	4	5	6	4	4
Culture / communication	6	5	1	3	4	2	1
Insight into market opportunities	6	6	2	7	7	5	3
Strategy development	4	4	1	4	5	4	1
IPR aspects	1	1	1	1	2	1	1
Rules / regulations / taxes	3	4	3	5	5	3	3

Note: The sum of target markets does not add to the total number of instruments within the target market because each instrument can support SMEs in internationalising to multiple target markets.

Source: Technopolis Group, based on draft policy instrument fiches. Note: The number of responses is higher due to multiple-choice responses. In addition, N/A responses were removed from the analysis.

The approach to targeting markets of special interest by EU-level SME internationalisation instruments is as varied as that of the Member State-level instruments. The analysis of EU fiches (see Table below) indicates three tiers (top, middle, lower) of target markets.

- **The top tier markets of interest** are those that in addition to being specific target of the SME internationalisation instrument, the instrument itself or sub-instrument was designed for the specific market, this includes China (1 Centre, 1 helpdesk, 1 instrument), South Korea (1 centre and 2 instruments), and India (1 helpdesk and 1 instrument).
- **The middle tier markets of interest** are those explicitly targeted by various EU SME internationalisation instruments, such as Canada (3 Instruments), Switzerland (3 instruments), Turkey (2 instruments), South Africa (2 instruments).
- **The lower tier markets of interest** are those targeted by a single EU instrument, such as United States, Morocco, Egypt, and Vietnam. There are markets not explicitly targeted

by EU instruments, such as Indonesia and Australia. However, SMEs internationalisation looking for those two markets, may be benefited based on general eligibility criteria of the EU level instruments.

Table 6: EU-level instruments targeting the selected markets

Instrument	Targeting specific markets	Market of special interest	Challenges addressed	Description
Access2Markets	Yes	All	Rules / regulations / tax Insight into market	For trade in goods, services and investments Access2Markets covers all markets of interest. For services and investment, Access2Markets provides information on Canada, Hong Kong, Japan, Norway, Switzerland, UK, and USA. Information on public procurement bids is currently available for Canada, Japan and USA and soon with Switzerland. Trade barriers and statistics can be found for all markets.
Cluster initiatives for SMEs (Euroclusters)	Partially		Internationalisation challenges are specified depending on the consortium and industry ecosystem needs	Various countries targeted, among which the North American and, Asian countries are the most targeted
EEN	Partially	Brazil, China, United States, Canada, Egypt, India, Serbia, South Korea, Switzerland, Turkey, Vietnam	Insight into market opportunities Culture / communication Finding partners / clients Available support (financial/non-financial)	Coordinated activities with DG RTD: centres in LAC, China, and Brazil.
EU SME Centre China	Yes	China	Rules / regulations / tax IPR aspects Strategy development Insight into market opportunities Culture / communication Practical aspects (logistics, etc) Innovation (adapting to market needs)	
EIB-IDB facilities	No	-	Available support (financial/non-financial)	
EIC International Trade Fairs and USA Soft-landing Programme	Yes	United States	Insight into market opportunities Culture / communication Available support (financial/non-financial)	Soft-landing programme

Instrument	Targeting specific markets	Market of special interest	Challenges addressed	Description
			Practical aspects (logistics, etc) Finding partners / clients	
Eureka	Yes	Canada, South Korea, South Africa, Switzerland, Turkey	Available support (financial/non-financial) Practical aspects (logistics, etc) Finding partners / clients	
Global Europe	Partially	Serbia, Turkey, Morocco, Egypt, South Africa, Brazil, India, Vietnam, Switzerland, South Korea	Practical aspects (logistics, etc) Innovation (adapting to market needs)	Markets of interest are not specifically targeted, but included in general eligibility criteria
Interreg	Partially	Serbia, Switzerland	Rules / regulations / tax Insight into market opportunities Culture / communication Available support (financial/non-financial) Innovation (adapting to market needs)	Mainly EU regions, but projects in collaboration with Serbia and Switzerland are also implemented. However, the benefits can be indirect to SMEs.
IP Helpdesk	Yes	Brazil, China, Egypt, India Indonesia, Morocco, South Africa, Vietnam	Rules / regulations / tax IPR aspects	IP helpdesks in Africa, Latin America, Southeast Asia, and Europe does not specify countries
StartUp Europe	No		Rules / regulations / tax Finding partners / clients Available support (financial/non-financial)	
EIT Global Outreach	Yes	United States	Available support (financial/non-financial), Insight into market, Practical aspects (logistics, etc), Available support (financial/non-financial)	Outreach location: Silicon Valley

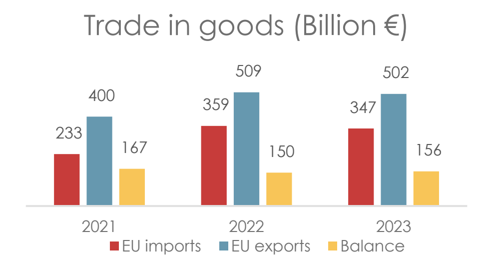
Source: Technopolis Group

In the following sections, details for five markets of interest are presented, namely the USA, China, Brazil, South Korea, and India. Descriptions of the other 10 markets are included in Annex B.

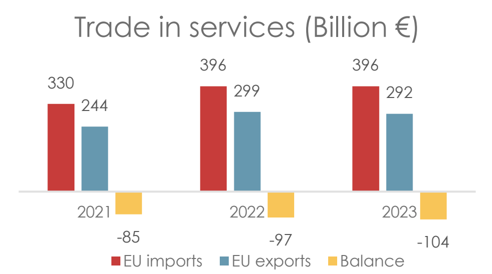
3.3.1 *United States*

While there is no trade agreement between the EU and the United States (the US), they have one of the largest bilateral trade and investment relationships in the world, with these two regions accounting for approximately one-third of global trade in goods and services, and one-third of global GDP[64].

The EU-US trade and investment relationship remains robust and resilient despite the difficulties posed by the Covid-19 pandemic. In 2023, the transatlantic trade in goods with the US reached €849 billion. Mutual investments between the EU and US, drive their economic relationships. US investment in the EU is four times larger than in the Asia-Pacific region, while EU foreign direct investment in the US is about ten times larger than EU investment in India and China. In 2022, the EU recorded €2.5 trillion in outward FDI and €2.7 trillion in inward foreign direct investment[65].



Source: European Commission - DG TRADE (2024) EU trade relations with USA. Facts, figures and latest developments.



Source: European Commission - DG TRADE (2024) EU trade relations with USA. Facts, figures and latest developments.

In 2021, the **EU and the US established the Trade and Technology Council (TTC)**[66] to collaborate on strengthening their technological and industrial leadership while expanding bilateral trade and investments. The TTC formed ten working groups focusing on areas relevant to all EU companies, including technology standards cooperation, climate and clean tech, secure supply chains, ICT security and competitiveness, data governance and technology platforms, preventing the misuse of technology that threatens security and human rights, export controls cooperation, investment screening cooperation, promoting SME access to and use of digital technologies, and addressing global trade challenges.

Table 7: Examples of policy instruments addressing USA

Member State level instruments	EU level instruments
German Accelerator	EIC USA soft-landing programme
Open Austria Silicon Valley	EIT Hub Silicon Valley
Team Finland USA	ELBE EUROCLUSTER call for Internationalisation USA
Czech Trade Export Incubator	

Source: Technopolis Group mapping

Among these priorities, promoting SME access to and use of digital technologies is particularly significant. One programme aligned with this objective is the European Institute of Innovation

[64] European Commission - DG TRADE (2024) EU trade relationships by country/region. United States. EU trade relations with the United States. Facts, figures and latest developments. Available at: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/united-states_en (Accessed 13/08/2024)
[65] Idem
[66] https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/stronger-europe-world/eu-us-trade-and-technology-council_en

and Technology (EIT) Digital and EIT Silicon Valley initiative. This 12-week programme is tailored for European entrepreneurs preparing to expand into the U.S. market and provides customised guidance from local experts in Silicon Valley.

The Access2Markets platform (by DG TRADE) offers SMEs essential information on trade in goods, services, and investment across various sectors in the USA, including public procurement guidance. The Eurocluster initiative enables SMEs to form partnerships and expand into the USA, strengthening their roles in global value chains. Additionally, the European Innovation Council supports this internationalisation through its USA soft-landing programme, which helps participants understand local cultures, regulations, and business environments. The EIC's International Trade Fair Programme 3.0 provides opportunities for SMEs to showcase their products and services in the USA.

At the Member State level, various instruments support SME internationalisation to the US market. This study identified at least 23 such instruments across 12 Member States. Sweden leads with six targeted instruments, Lithuania offers two, and Austria, the Czech Republic, France, Germany, Greece, Hungary, Italy, Latvia, and Romania each provide at least one.

These instruments address common challenges SMEs face in the US market, such as finding partners or clients and identifying market opportunities. Typical support includes advisory services, information sharing, and indirect financial assistance for attending events, producing promotional materials, and similar activities. Key services often provided to SMEs include access to market insights and networking opportunities.

Box 7 Example of policy instrument targeting the USA

An example of an instrument use for SMEs to target the US market is the German Accelerator instrument. This is designed to help high-potential startups expand globally. It offers tailored mentoring, access to a vast network of business partners and investors, and free office space in multiple locations. The programme focuses on major innovation hubs in the United States as well as in other priority markets, aiming to facilitate international market entry and growth for startups from various industries. It is financed by the German Federal Ministry for Economic Affairs and Climate Action. It helps SMEs address multiple internationalisation challenges, such as Rules / regulations / tax, Strategy development, Insight into market opportunities, Culture / communication, Finding partners/clients, Access to support (financial/non-financial), Practical aspects (logistics, etc), Innovation (adapting to market needs). The program is free of charge and over 1,000 mentors participated, over €15.6 bn have been raised by programme participants[67].

Source: Technopolis Group, based on policy fiches.

Whilst multiple challenges are covered by the MS level instruments, aspects related to IPR, and financial structure related support (exchange rates fluctuations) are less covered. The increasing US dollar volatility and the struggle to control the US inflation rate have been high on the agenda[68]. This creates risks for SMEs when establishing agreements based on expected exchange rates in highly volatile environments, and instruments addressing these challenges are scarce at the Member State level. Additionally, while various types of support are offered by Member States' instruments targeting the US market, direct financial support (e.g., subsidies, loans, credit guarantees, tax incentives, insurance, etc.) is not uniformly provided across Member States. Exceptions include the 'Negotiation Exchange Insurance' instrument offered by Bpifrance in France and the 'Export Promotion Programme 2024' administered by the Romanian Ministry for the Business Environment, Commerce, and Entrepreneurship (MMACA).

[67] https://www.foerderdatenbank.de/FDB/Content/DE/Foerderprogramm/Bund/BMWi/german-accelerator-program.html
[68] https://www.bloomberg.com/news/articles/2024-04-15/usd-currency-volatility-is-back-as-geopolitics-adds-to-dollar-bets

At Member States level, some services are less offered for SMEs to internationalise to United States. This is precisely where EU instruments can add the most value and create synergies, such as:

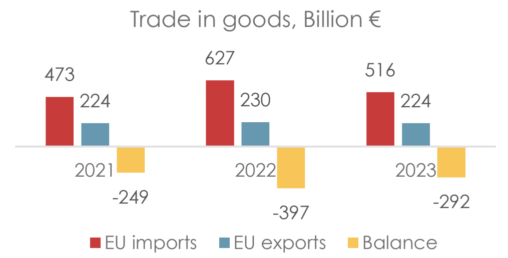
- Consortia formation at home market
- Addressing trade barriers
- Feasibility studies
- Investment preparations
- International R&D activities (focus only on development side)

EU-level instruments play a crucial role in complementing existing services at the Member State level:

- Access2Markets helps SMEs address trade barriers when internationalising in the US market, while Eurocluster projects support the formation of partnerships within the home market.
- However, certain services, such as feasibility studies, investment preparations, and international R&D activities focused on development, are not sufficiently covered by EU instruments. Although the EIC provides some of these services, they are limited to EIC beneficiaries and not accessible to the broader population of EU SMEs seeking internationalisation opportunities.

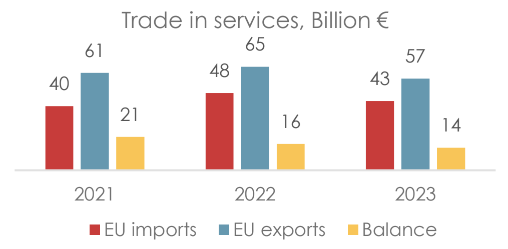
3.3.2 *China*

The EU-China trade relationship remains robust and resilient, although critically unbalanced. In 2022, trade reached €857 bn. Contrary to the trade relationship with United States, the EU has a negative trade in goods balance, while holds a positive trade in services balance[69]. The trade between the EU and China continues to grow, with an annual rate of exports of goods to China from 2019 and 2023 of 3.62%, and of imports from China of 9.94% in the same period. As a result, the EU trade deficit reached almost €400 bn in 2022.



Source: European Commission - DG TRADE (2024) EU trade relations with China. Facts, figures and latest developments.

According to the EU SME Centre – China, there are two main ways for SMEs to export to China, the traditional general trade involves importers, distributors, agents on the ground, or selling directly to Chinese clients, and the e-commerce way involves selling goods via specialised Chinese e-commerce platforms. In both cases, China has various levels of restrictions to access the market[70]. SMEs are particularly encouraged to look for guidance on how to



Source: European Commission - DG TRADE (2024) EU trade relations with China. Facts, figures and latest...

[69] Idem
[70] EU SME Centre China (2020) Exporting Goods, Services and Technology to the Chinese Market – Update 2020. Accessed at: https://www.eusmecentre.org.cn/publications/exporting-goods-services-and-technology-to-the-chinese-market-update-2020-2/

navigate the regulatory and business environment in China, to trade or invest, both for goods and services.

There are instruments that support SME internationalisation to China at EU and MS levels. At the EU level, one instrument is the EU SME Centre China, created to provide comprehensive support services to European small and medium-sized enterprises (SMEs). The centre includes knowledge, advice, and training centres, advocacy platform and partner network. Another important instrument for SMEs to internationalise to China is the European Intellectual Property Helpdesk (European IP Helpdesk). One important free service of the IP Helpdesk for China is the help to analyse SMEs' level of preparedness and knowledge in the field of intellectual property, helping EU SMEs to identify where challenges may be, to request targeted support and advice to enter the Chinese market. This is a **type of service that is extremely relevant as the challenges in the field of IPR that SMEs face in China are not addressed by any instrument at MS level**.

Another challenge that is not frequently addressed by Member State instruments is **understanding Chinese rules, regulations, and taxation**. These challenges are addressed by EU instruments such as the EU SME Centre - China and the European IP Helpdesk – China.

In terms of direct financial support for SMEs to internationalise, the following MS-level instruments can be highlighted:

- Bulgaria's Insurance of micro and small enterprises by the Bulgaria Export Insurance Agency that supports expansion to China specifically
- France's Negotiation Exchange Insurance (Bpifrance) and risk mitigation in China
- Romania's Export Promotion Programme targeting China among other countries.

Table 8: Examples of policy instruments addressing China

Member State level instruments	EU level instruments
Romania's Export Promotion Programme	EU SME Centre China
France's Negotiation Exchange Insurance	IP Helpdesk for China
Business Sweden China market expansion	EU-China Energy Cooperation Platform
HEPA Hungarian Export Promotion Agency office in China	EU-Asia Coop on (Phyto-) Sanitary (SPS) and Food Safety

Source: Technopolis Group mapping

The current landscape of SME internationalisation support reveals significant gaps in addressing financial structure challenges related to China, such as exchange rate fluctuations, through direct financial support at both the EU and Member State levels. No EU-level instruments have been identified that provide direct financial support like subsidies, loans, credit guarantees, or insurance to SMEs facing these challenges. This lack could be a concern if China would continue to be an important market for SME internationalisation or if more MS-level policies begin to target the Chinese market. Moreover, the need for specific instruments to support SMEs entering the Chinese market—such as consortia formation in the home country, feasibility studies, investment preparations, and reinforcement of IPR protection—could be investigated. Currently, there are only a limited number of instruments at both the MS and EU levels that offer access to these services.

An example of existing EU-level action in this context is the Eurocluster initiative, which supports the RESIST Eurocluster ("Resilience through Sustainable Processes and Production for the European Automotive Industry") until December 2024. The RESIST Eurocluster aids European SMEs, startups, and mid-cap companies within or connected to the Mobility, Transportation and Automotive industrial ecosystem in their internationalisation efforts. This example demonstrates that more comprehensive support mechanisms can help SMEs overcome the challenges of entering complex markets, such as China.[71].

At the same time, given concerns about Chinese market openness, business confidentiality, data and cybersecurity, politically motivated boycotts of foreign firms, and overreliance on trade with China in certain sectors, any such evaluation should primarily assess whether **investment support and promotion for SMEs entering the Chinese market remain viable**. It should also consider whether promoting SME internationalisation in other fast-growing emerging markets may be a preferable alternative.

Further assessment of whether fast-growing, technology, and sectoral focus of SMEs looking for internationalisation in China's market could be considered. There are two MS level instruments identified with this focus: Austria's Global Incubator Network Austria (GIN Austria) with **sectoral and fast-growth SMEs focus**, and the German Accelerator with **fast-growth SMEs**.

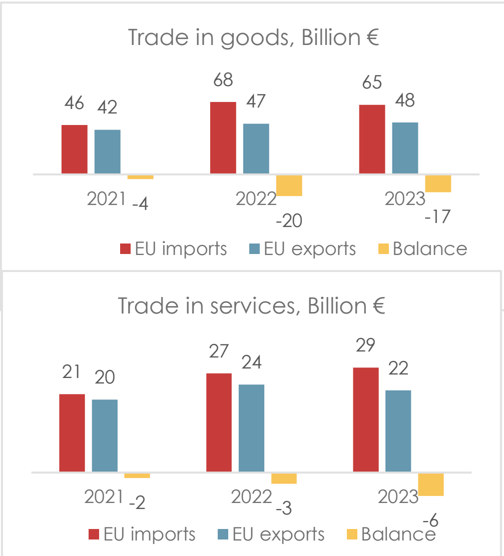
An example of synergy between Member State and EU-level instruments is the centralised support available to SMEs (such as sector marketing), which is offered, for instance, through the services of the Hungarian Export Promotion Agency (HEPA)[72], or the Italian support to Internationalisation by the Italian Chambers of Commerce. SMEs in Hungary and Italy, can complement the offered national centralises services with the internationalisation support services offered by the EU SME centre in China at the EU level. The Hungarian Export Promotion Agency's (HEPA) services provide SMEs with essential intercultural skills for successful business, help identify market opportunities, and promote Hungarian products and services considered internationally competitive. The EU SME Centre in China complements HEPA's offerings with specific advice, partner searches, and advocacy in China. This synergy allows Hungarian SMEs to receive local support from HEPA for internationalisation and specific, in-market assistance from the EU SME Centre in China.

3.3.3 *India*

In 2022, the EU and India have restarted free trade negotiations, focusing on removing trade barriers, opening service markets, and protecting geographical indications. The investment talks aim to create a secure environment with non-discrimination and fair treatment rules, supported by a dispute resolution mechanism.

The European Union ranks third as India's trading partner, representing €113 bn in traded goods in 2023. Conversely, India is the EU's 9th-largest trading partner, comprising 1.9% of the EU's total goods trade. In 2023, trade in services between the EU and India amounted to €51 bn.

The EU and India have increased their strategic partnership by establishing a new Trade and



Source: European Commission - DG TRADE (2024) EU trade relations with India. Facts, figures and latest developments.

[71] ECCP (2024) RESIST Eurocluster launches open call to fund networking and marketing activities for SMEs. Accessed at: https://www.clustercollaboration.eu/community-news/resist-eurocluster-launches-open-call-fund-networking-and-marketing-activities

[72] https://hepa.hu/en

Technology Council[73] (TTC). This TTC is designed to enhance strategic collaboration on trade and technology between the two partners in three main areas:

- Strategic technologies, digital governance and digital connectivity
- Green & clean energy technologies
- Trade, investment and resilient value chains

EU-India trade relations place significant emphasis on digital trade and clean energy technologies. At the Member State level, Sweden offers two instruments to support SME internationalisation in India within these sectors: the 6G International Research and Innovation Cooperation 2024 and the India-Sweden Innovation Accelerator.

The 6G International Research and Innovation Cooperation 2024[74], administered by Vinnova, aims to strengthen Sweden's leadership in the development of 6G wireless technology through international partnerships. This instrument targets Swedish enterprises, academic institutions, and research bodies, supporting collaborative activities focused on prototype development, research, and technology validation. Projects may receive funding up to €174 000, covering a maximum of 70% of eligible costs, with the initiative planned to continue through March 2027 to position Sweden at the forefront of 6G innovation.

The India-Sweden Innovations' Accelerator Programme (ISIA), launched by the Swedish Energy Agency in 2012, is an instrument developed in collaboration with Business Sweden and the Confederation of Indian Industries – Green Business Centre. Over an 18-month period, participating Swedish SMEs undertake three visits to India to engage with the market, establish connections with key business partners and investors, and receive expert export guidance from the Swedish Energy Agency, Business Sweden, and the Confederation of Indian Industry. The instrument is designed to **connect leading sustainable and innovative Swedish SMEs with India's goal of advancing its green transition**. The primary aim of ISIA is to assist Swedish companies in expanding their research, innovation, and business collaborations with key stakeholders in India. This is done through the transfer of innovative clean technologies and solutions from Sweden to India via established actors and proven channels, including B2B meetings, business workshops, and site visits. Participating companies are expected to: 1) Acquire insights into business opportunities in India, 2) Develop a market strategy tailored for India, 3) Access new customers, partners, and stakeholders in India, and 4) Expand their business network within the Indian market.

Table 9: Examples of policy instruments addressing India

Member State level instruments	**EU level instruments**
India-Croatia Start-up Bridge, Croatia	EU-India Resource efficiency initiative
Estonia-Asia Trade Agency	EU India Cooperation with the International Solar Alliance
Czech Trade India Mumbai	NDICI-Global Europe - India
Germany India Market Access Programme	EU-Asia Coop on (Phyto-) Sanitary (SPS) and Food Safety
India-Sweden Innovations' Accelerator Programme	India IP SME Helpdesk

Source: Technopolis Group mapping

[73] DG TRADE (2023) EU-India: new Trade and Technology Council to lead on digital transformation, green technologies and trade. Accessed at: https://ec.europa.eu/commission/presscorner/detail/en/ip_23_596

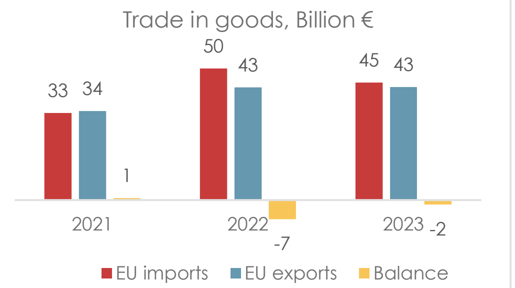
[74] https://www.vinnova.se/en/calls-for-proposals/ri-collaboration-projects/6g-international-ri-collaboration-projects-2024/

SMEs face a number of **challenges** when attempting to internationalise to India. These include tariffs and non-tariff measures that hinders market access, as well as legislation - including technical regulations – often adopted without prior announcement and proper consultation with stakeholders and is implemented with insufficient lead time or uncertainty around application date (it is sometimes postponed several times at a short notice). Other barriers include the need for in-person inspections at production facilities, high costs of licences (compared to small values of exports) and the need to renew them frequently. Furthermore, capacity constraints of auditors and laboratories from the Bureau of Indian Standards result in lengthy waiting times for inspections and testing, while cumbersome and time-consuming procedures add complexity to the export process. Finally, the use of domestic standards instead of international ones necessitates multiple testing and certification procedures, creating further obstacles for SMEs seeking to access the Indian market[75].

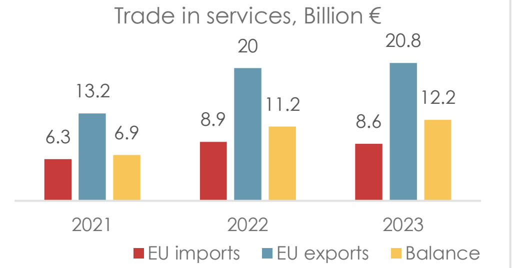
The main type of services that SMEs can access through the MS level instruments for their internationalisation to India, include information sharing; seminars & workshops; introduction to new market & networking. These services are comprehensively included in MS and EU level instruments. On the other hand, there are services that SMEs can hardly access either through Member States and EU level instruments, such as consortia formation at home market, Incoming missions & trade fairs, feasibility studies, Investment preparations, and international R&D activities (focused only on the development side). These areas represent gaps, where SMEs would need more services in order to successfully internationalise to India.

3.3.4 Brazil

In 2019 the EU and Mercosur reached a political agreement on EU-Mercosur Trade, encompassing Brazil, Argentina, Uruguay, and Paraguay[76]. Discussions have continued to reach a definitive conclusion of negotiations. According to the UN Economic Commission for Latin America and the Caribbean (ECLAC), Brazil is the largest economy in Latin America worth €3.4 trillion, followed by Mexico with €2.5 trillion. The EU ranks as Brazil's second-largest trading partner, representing 16% of Brazil's total trade. Conversely, Brazil is the EU's eleventh-largest trading partner. The EU is also the largest foreign investor in Brazil. In 2020, the EU's FDI in Brazil amounted to €263 bn, constituting nearly 49.5% of the total foreign investment stock in Brazil[77].



Source: European Commission - DG TRADE (2024) EU trade relations with Brazil. Facts, figures and latest developments.



Source: European Commission - DG TRADE (2024) EU trade relations with Brazil. Facts, figures and latest developments.

While the EU has a negative trade in goods balance with Brazil, it has a positive trade in services.

Brazil, along with other Mercosur countries, has relatively high tariff barriers. This has led to many EU

[75] Trade Sustainability Impact Assessment (SIA) in support of Free Trade Agreement and Investment Protection Agreement negotiations between the European Union and the Republic of India. Retrieved from: https://circabc.europa.eu/ui/group/09242a36-a438-40fd-a7af-fe32e36cbd0e/library/809883ba-4c8d-42a8-b06e-fb988861e55f/details?download=true
[76] European Commission (2019) Press release - EU and Mercosur reach agreement on trade. Accessible at: https://ec.europa.eu/commission/presscorner/detail/en/IP_19_3396
[77] Delegation of the European Union in Brazil (2021) RELATIONS WITH THE EU
The European Union and Brazil - Trade Relations

companies establishing subsidiaries in the country, a strategy that tends to favour larger companies over SMEs. Conclusion of the EU Mercosur Agreement would thus be especially helpful to improve SME's market access to Brazil. Beyond tariffs, Brazil has a complex regulatory environment (that also affects Brazilian SMEs). According to a report of the European Commission to the Parliament on trade and investment barriers, Brazil stands 5th in trade and investment restrictions in the world. The most important trade restrictions by Brazil relate to taxation, and IPR and geographical indications[78]. This calls for support for SMEs attempting to access the Brazilian market[79].

A limited number of SME internationalisation instruments aim to address these challenges with regard to Brazil. At Member States level, the German Accelerator addresses the need of SMEs understanding the Brazilian taxation system through two programmes, the South American Kickstart and the Market Discovery programmes. The first is open for any Pre-seed to Seed+-stage German startups and the second for any stage startup.

A notable instrument targeting the Brazilian market is the Sweden-Brazil Innovation Initiative[80]. This initiative aligns with Sweden's trade strategy and Vinnova's work on strategic partnerships. Vinnova, along with other Swedish agencies and chambers of commerce in Brazil, participate through specific calls. These calls and initiatives focus on aspects of digital and green transitions, and some of the key industrial ecosystems that benefit include Aerospace and Defence, Digital, Energy-Renewables, Health, and Agri-Food. The primary challenge addressed by this initiative is helping companies find partners and clients.

Overall, five Member States level instruments were identified targeting the Brazilian market, and five instruments at EU level are also opened for internationalisation to Brazil among other markets.

Table 10: Policy instruments addressing Brazil

Member State level instruments	EU level instruments
German Accelerator	Access2Markets portal
Insurance of micro and small enterprises by Bulgaria Export Insurance Agency	Enterprise Europe Network
Negotiation Exchange Insurance (Bpifrance)	European Cluster Partnership for Going International (ESCP-4i) and Euroclusters
Sweden Brazil Innovation Initiative	Global Europe – the neighbourhood, development and international cooperation instrument (NDICI – Global Europe)
Romania's Export Promotion Programme	The European Intellectual Property Helpdesk (European IP Helpdesk)

Source: Technopolis Group mapping

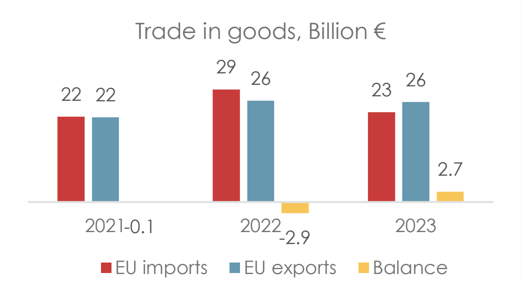
The main types of services that SMEs can access through Member State-level instruments for their internationalisation to Brazil include market research and information (providing insights

[78] Access2Markets (2024) Trade barriers by country. Accessible at: https://trade.ec.europa.eu/access-to-markets/en/barriers?isSps=false&table=countrymeasure#letter-b
[79] European Commission (2018) Report from the Commission to the Parliament and the Council on Trade and Investment Barriers. 1 January 2017 -31 December 2017. Accessible at: https://circabc.europa.eu/ui/group/7fc51410-46a1-4871-8979-20cce8df0896/library/7d17422c-197b-46cb-a8db-13a9ec088e1e/details
[80] https://www.sbii.org/

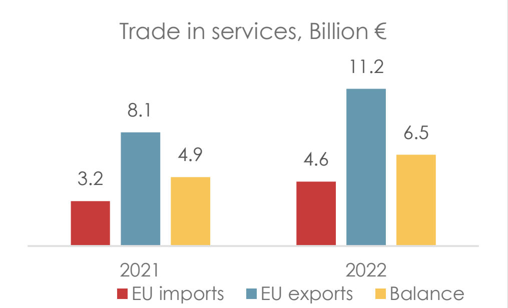
into Brazil's market dynamics, consumer behaviour, and regulatory environment to help SMEs make informed decisions) and trade missions and networking events facilitating connections.

On the other hand, there are services that SMEs can access less either through Member States and EU level instruments, such as market growth and expansion activities. These areas represent gaps, where SMEs would need more services in order to successfully internationalise to Brazil.

3.3.5 South Africa



Source: European Commission - DG TRADE (2024) EU trade relations with South Africa. Facts, figures and latest developments.



Source: European Commission - DG TRADE (2024) EU trade relations with South Africa. Facts, figures and latest developments.

The EU and South Africa trade relationships are formalised since the Trade, Development and Cooperation Agreement (TDCA) in 1999. Yet, in 2016, the EU, South Africa, and several Southern African countries signed the South Africa-European Union Strategic Partnership, replacing the trade-related components of the TDCA. This agreement allows 98.7% of South African imports to enter the EU with reduced or no customs duties and ensures full free access for other signatories. The EU is South Africa's largest trade and investment partner. South Africa has seen its exports to the EU diversify from primarily commodities to include more manufactured products. Key South African exports to the EU include fuels, mining products, machinery, and transport equipment, while the EU mainly exports machinery, transport equipment, and chemicals to South Africa.

The African-Austrian SME Investment Facility (AAIF+) instrument was established by the Austrian Federal Ministry of Finance in 2018. It provides funding or support for SME investment projects in Egypt, South Africa, Morocco, and other African countries through loans, equity investments, or guarantees. The Austrian Development Bank (OeEB) manages the facility. It offers mezzanine capital or loans ranging from €500,000 to €3 million at market rates to co-finance projects. Additionally, OeEB can provide Technical Assistance funds to help companies with environmental and social risk management, as well as technical, legal, and business-related matters to mitigate risks and build capacity.

It is important to note the risk-averse approach of the AAIF+, by selecting only viable project from well-established SMEs in the local market. Startups are not supported under this instrument due to the high-risk of potentially unviable projects[81]. Under this premise, the AAIF+ instrument can be complemented at the EU level with the Access2Markets portal and the IP Helpdesk for Africa, to identify and address trade restrictions and risks, and potential IPR issues.

Global Europe includes a geographic multi-annual indicative programme dedicated to South Africa[82]. EU cooperation, as part of the EU's external action, remains guided by the 2030 Agenda, the Sustainable Development Goals, the Addis Ababa Action Agenda, the Global

[81] OeEB (2024) African-Austrian SME Investment Facility (AAIF+). Accessible at: https://www.oe-eb.at/unsere-services/african-austrian-sme.html

[82] European Commission (2024) Global Europe – Programming. Geographic multi-annual indicative programmes (MIPs) – South Africa. REPUBLIC OF SOUTH AFRICA. Multi-Annual Indicative Programme 2021 – 2027. Accessible at: https://international-partnerships.ec.europa.eu/funding-and-technical-assistance/funding-instruments/global-europe-programming_en

Strategy for the EU's Foreign and Security Policy, the new European Consensus on Development, the European Green Deal, and the UNFCCC Convention and Paris Agreement on Climate Change. EU cooperation also addresses aspects of high importance for EU SMEs seeking the right conditions to internationalise in South Africa, such as local support for:

- Green alliances and partnerships (including climate change, environment, energy and food systems)
- Recovery and growth linked to a digital economy, innovation, skills development, economic inclusion of women and youth, and fight against corruption
- Sustainable growth and decent jobs (including trade and investment)
- Better management and governance of migration
- Governance, peace & security and human development.[83]

Global Europe's strategic objective '**to promote sustainable, job-intensive and greener economic growth**' for South Africa will allow SMEs to receive support towards a circular, low carbon and competitive economy. It will also support startups and SMEs to access and use innovation/technologies towards a goal of net zero carbon emissions by 2050 and climate resilient economy[84].

Opportunities for synergies between MS-level instruments and EU-level instruments are substantial for SMEs seeking to internationalise in the South African market. For instance, the Austrian AAIF+ supports Austrian and EU SMEs in their internationalisation to South Africa; however, this instrument favours low-risk projects due to the need to ensure value for money of public funds. Therefore, Global Europe instruments and Team Europe Initiatives enable SMEs to engage with local hubs and embed themselves in structured and institutionalised initiatives, thereby reducing the risk levels of internationalisation projects eligible for support under the AAIF+.

SMEs looking to internationalise in South Africa may encounter a number of challenges. One challenge that is less addressed by MS and EU-level instruments is the need for SMEs to develop a strategy for their internationalisation. This gap has received little attention. Additionally, only some Member States with South Africa as a target market have instruments to support SMEs with advisory services, feasibility studies, and investment preparations for internationalisation. At the EU level, there are no instruments that provide SMEs with access to these services for their internationalisation to South Africa, leaving a substantial gap at the EU level.

[83] Idem
[84] Idem

4 Internal and external coherence of SME internationalisation

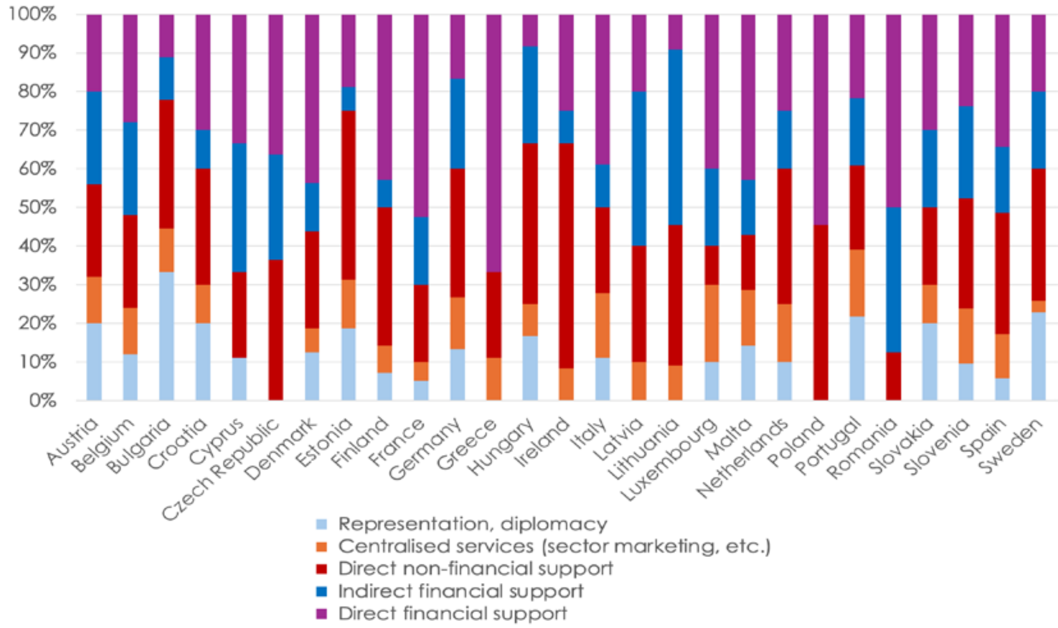
Policy coherence is a mainstay of effective policymaking and a key component of the EU's framework and goal of the Better Regulation[85]. This section delves deeper into the policy instruments outlined in the previous chapter, examining the extent of coordination, coherence, and alignment, and identifies areas where improvements can be made. First, it analyses the landscape of the Member States-level policy portfolios, followed by an analysis of coordination at EU level and between EU and Member States level. Finally, it investigates other EU policies that need to be taken into account for future SME internationalisation actions.

4.1 Coherence at national level: similar policy mixes but untapped opportunities to better coordinate

As the mapping of policy instruments shows, EU Member States often share overarching objectives in their internationalisation strategies, such as helping domestic companies increase their export volumes, diversify their markets and increase overall the number of exporting SMEs.

There is an alignment in the overall goals as most instruments focus on reducing barriers for SMEs to enter international markets, they provide advisory services, market insights, and facilitate networking opportunities.

Figure 18: Main type of SME internationalisation support across EU Member States (instruments active in 2024)



Source: Technopolis Group

In most countries, the SME internationalisation policy portfolio includes a mix of direct financial support, non-financial services such as advice, and to a lesser extent representation, diplomacy and marketing. Services designed to assist SMEs with obtaining advice and market information, establishing initial international contacts, and accessing export credit instruments are all a general part of national policy instruments. Some instruments offer comprehensive

[85] European Commission (2021) "Better Regulation Guidelines and Toolbox" available at: https://commission.europa.eu/law/law-making-process/planning-and-proposing-law/better-regulation/better-regulation-guidelines-and-toolbox_en (accessed 15/05/2024)

packages combining financial and non-financial support, while others focus on a single aspect such as advisory services or trade fairs.

Overlaps can be observed mainly regarding target markets, where more coordination could lead to efficiency gains. Although only 37 policy instruments have been identified that target any of the 15 markets of special interest, they show overlaps regarding the most popular countries as pointed out also in the previous Chapter. In addition, many national organisations maintain their own satellite offices in markets outside of the EU. Business Finland has 21 offices around the globe[86]. Business France has 54 offices in the USA, Canada, in the Middle East and Asia, in Africa, South America and Oceania[87]. Several countries have an accelerator programme in place targeting the Silicon Valley such as Lithuania, Czech Republic, Germany, France, Sweden, Finland. The Hungarian Export Promotion Agency has established offices in several countries globally such as China, Canada, Turkey and Serbia. However, there is currently no comprehensive overview or coordination among these policy instruments and their outreach in particular on markets of special interest. A lack of coordination leads to duplication of efforts and potential inefficiencies, as different national agencies might target the same markets without leveraging each other's resources or expertise even if good practices of coordination also exist (e.g. among the Nordic countries).

Enhanced collaboration and strategic alignment among these offices could optimise resource use, reduce redundancy, and strengthen the overall support for SMEs looking to internationalise. Sharing information and organising joint workshops would be one way to build synergies. Such actions could be also embedded or linked to EU-level programmes such as the EIC support services or the EEN local contact points. For instance, Member-states' instruments already active in the USA could be more effectively coordinated through the EEN's USA local contact point.

Figure 19: Examples of MS-level policy instruments targeting the USA active in 2024

Source: Technopolis Group

[86] Offices beyond the EU: https://www.businessfinland.fi/en/for-finnish-customers/contact/contact-us#offices
[87] https://world.businessfrance.fr/north-america/

A lack of coordination and, consequently, missed opportunities also persist with respect to sectors and industrial ecosystems. Although only 25% of the policy instruments address a specific sector or industry, the industrial focus can become also apparent when analysing the sectoral affiliation of the beneficiaries. A number of policy instruments target for example the topic/industrial ecosystem Energy/Renewables, but synergies could be explored among these instruments or the supported companies, for example in the format of a new targeted action as part of European Innovation Council actions, Eureka or the EEN.

Figure 20: Examples of MS policy instruments active in 2024 eligible for Energy-Renewables

Source: Technopolis Group

Differences emerge in how EU Member States target specific types of companies, sectors or topic (such as digitalisation or energy). Some countries put more focus compared to others on high-growth potential SMEs such as Sweden and Denmark, specific technologies, the green transition, or sectors such as energy-renewables and digitalisation/digital technologies.

Box 8 Targeted instruments vs horizontal support

Targeted instrument: Nopef - Financial support for Green Solutions (Denmark)

Nopef (the Nordic Project Fund) works to strengthen the international competitiveness of Nordic small and medium-sized enterprises (SMEs) by providing support for demonstration, scale-up and growth of Nordic green and sustainable solutions on global markets.

SMEs can apply for financing for feasibility studies aiming international business establishments, investments, or for demonstration projects or pilot installations in countries outside the EU. All projects supported by Nopef shall contribute to positive environmental or climate impacts. In addition, supported projects have a Nordic interest and added value contributing to increased Nordic co-operation between companies and stakeholders.

Horizontal support: OeKB Export Services (Austria)

The Austrian Control Bank (OeKB) offers export services aimed at facilitating international trade for Austrian companies. These services include financing for working capital and inventories, insurance and financing for exports, and investment support both domestically and internationally. Additionally, OeKB provides information on export conditions in various countries and collaborates internationally to secure favourable financing terms. The services are designed to mitigate risks and enhance financial accessibility for businesses engaging in export activities.

Source: Technopolis Group based on policy instrument fiches

In the context of promoting sustainable development and enhancing international competitiveness, various initiatives have been launched to support small and medium-sized enterprises (SMEs) in their efforts to implement green and sustainable solutions. These instruments aim to foster environmental and climate-friendly practices, facilitate market entry, and strengthen global cooperation.

Box 5 Instrument for green and energy solutions

Export Initiative Energy (Germany)

The Export Initiative Energy by the BMWK aids providers of climate-friendly energy solutions in entering foreign markets, focusing on renewable energies, energy efficiency, smart grids, and storage, with emerging technologies like power-to-gas and fuel cells gaining attention. Aimed at small and medium-sized enterprises, the initiative offers support through market entry preparation, exploration, development, and securing measures. It assists German companies in gathering market information, assessing export markets, avoiding risks, establishing business contacts abroad, saving time and costs during market entry, and becoming recognised as reliable providers of high-quality products under the "energy solutions – made in Germany" label. The funding strategy is updated annually based on a review.

Source: Technopolis Group based on policy instrument fiches

In certain countries (see below), **new policy measures have been developed to assist SMEs in their digital internationalisation efforts, whereas in others, such measures have not been introduced.** These measures provide critical resources and assistance in areas such as digital marketing, e-commerce, online networking, and digital trade practices. The following examples highlight key initiatives designed to facilitate the digital expansion of SMEs, empowering them to leverage technology for sustained global success.

Box 6 Instruments for E-internationalisation of SMEs

Internationalisation via E-commerce (Portugal) is part of the Empresas 4.0 initiative under the PRR. It aims to boost Portuguese SMEs' exports through digital channels by offering support in awareness, capacity building, and consultancy. This includes creating digital commercialisation channels and incorporating disruptive technologies into business models. The measure targets both new exporters and companies with established international experience.

Galicia Exports Digital (Spain): The grants under these instruments support Galician companies in digital internationalisation, leveraging digital technologies to enhance competitiveness in international markets. The goal is to develop and implement digital internationalisation plans to increase business opportunities, presence in foreign markets, customer access, and reduce transaction and advertising costs, thereby opening new commercial channels.

The XPande Digital programme (Spain) aims to enhance the competitiveness of Spanish SMEs through digital transformation, online promotion, and e-commerce, boosting their exports. The primary goals of XPande Digital are to promote Internationalisation, increase online sales, provide strategic orientation, improve competitiveness and provide the right tools for digital marketing.

Source: Technopolis Group based on policy instrument fiches

High-growth potential small and medium-sized enterprises (SMEs) are vital engines of innovation, productivity, and economic dynamism. Recognising their importance, numerous policy measures have been designed to support these enterprises in overcoming growth barriers and accelerating their expansion. These initiatives facilitate market entry and expansion, promote international competitiveness, and open up opportunities for international networking. In some cases, the initiatives focus on key sectors, in others they target start-up as high-growth potential SMEs. The following examples highlight key policies and programmes that effectively support high-growth potential SMEs in their journey towards international success and economic impact.

Box 7 Measures in support of the internationalisation of high growth potential SMEs

Areas of Strength and Growth Markets (Austria)

This instrument leverages Austria's strengths and targets emerging markets to boost international business success. It supports trade fair participation, industry-specific challenges, international project businesses, and strategic market expansion.

Participation of Cypriot Startups and/or other Innovative Businesses in the '4YFN Startup Event' (Cyprus) The Foundation for Research and Innovation (RIF) supports Cypriot startups and innovative companies in participating in the '4YFN (4 Years From Now) Startup Event' as part of the Mobile World Congress Barcelona. This event, targeting the information and communications technology, and other digital technologies sectors, attracts around 88 500 visitors globally. RIF selects companies through an annual call for expression of interest. The foundation secures eight booths for Cypriot startups to facilitate networking, promote their activities, and hold meetings with potential business partners or investors.

Scale US (Sweden) The SCALE US programme is a multi-company accelerator initiative developed by Business Sweden. It is tailored for founders, CEOs, and C-suite executives of Swedish small and medium-sized enterprises in the consumer goods sector. The programme is designed for companies that have already gained traction in the US market and are aiming to further localise their operations and scale up their business activities.

Source: Technopolis Group based on policy instrument fiches

Across Europe, targeted policy instruments have been developed to address specific challenges faced by SMEs, particularly in times of geopolitical or economic disruption. In response to the challenges posed by the Russian war in Ukraine, Latvia has implemented several policies under the innovative business development programme aimed at supporting small and medium enterprises (SMEs) in their internationalisation efforts. These instruments are specifically designed to mitigate the export challenges created by the conflict in Ukraine, ensuring that Latvian SMEs can continue to grow and expand their international presence despite the ongoing geopolitical instability.

Box 8 Measures for SMEs internationalisation to mitigate impact of the war in Ukraine

Finding Foreign Partners/Contacts

This measure aims to connect Latvian SMEs with foreign partners and contacts, enhancing their export capabilities and helping them navigate the challenges posed by the Russian war in Ukraine.

Participation in International Exhibitions and Digital Industry Platforms

By supporting SME participation in international exhibitions and digital industry platforms, this measure seeks to boost their global visibility and competitiveness, addressing export challenges resulting from the conflict in Ukraine.

Export Strategy and Market Research Support Services

This initiative provides Latvian SMEs with strategic export planning and market research services to overcome export barriers and seize new opportunities despite the geopolitical disruptions caused by the war in Ukraine.

Source: Technopolis Group based on policy instrument fiches

4.2 Coherence at EU level: improved coordination but alignment needed among business cooperation networks, geostrategic investment programmes and trade finance instruments

As presented in Chapter 3, the landscape of EU-level SME Internationalisation instruments consists broadly speaking of two types: 1) larger instruments with long-term continuity providing direct support to SMEs and 2) often temporary instruments addressing framework conditions.

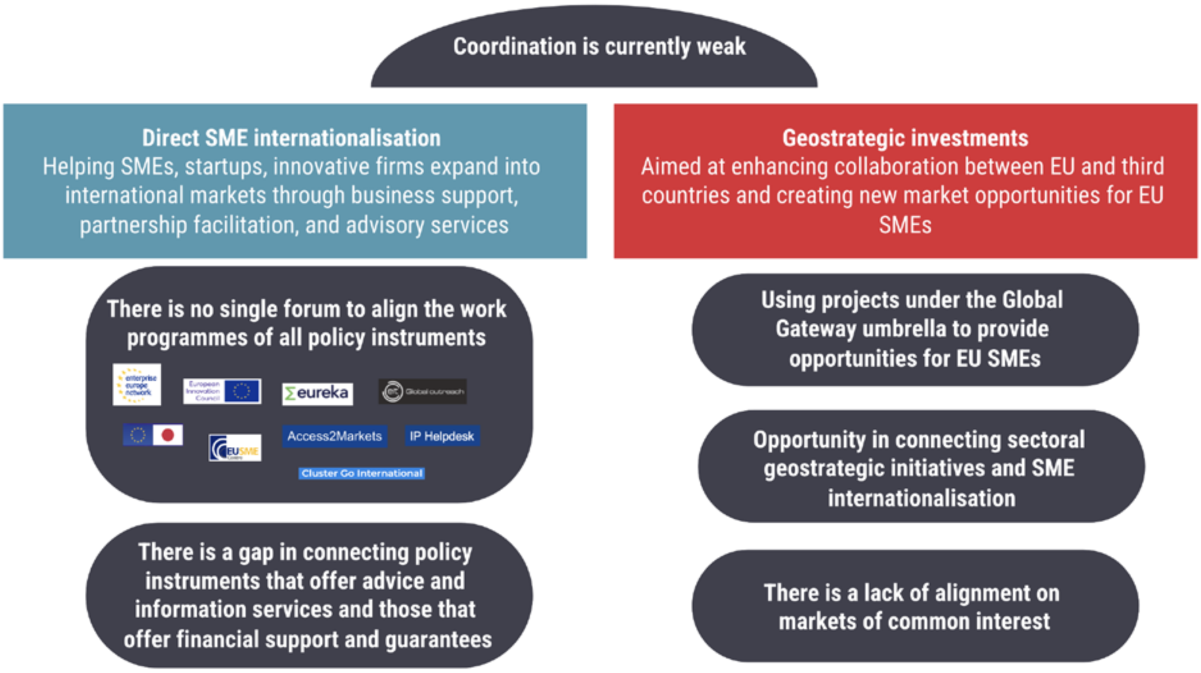
These two types of instruments serve quite different objectives, but there is an inherent synergy in addressing the challenges of internationalisation from both perspectives.

Coordination is already established among instruments such as the EEN, cluster initiatives, Eureka, Access2Markets, the IP Helpdesk, and the EU Japan and China Centres, demonstrating alignment in their efforts. These initiatives are key components of the EU's strategy to support SME internationalisation, and their coordinated efforts significantly enhance the overall effectiveness of the policy portfolio. Inter-service coordination has also proven effective in implementing the SME chapters under free trade agreements. An example of synergy is the link between Eurostars and the EIC Accelerator as companies participating in the Eurostars programme can access the fast track of the EIC Accelerator. For Eurostars 3, the first projects have been concluded, making them eligible for Fast Track review towards the end of 2023. Another example is the collaboration with the Enterprise Europe Network. The EEN Thematic Group Research & Innovation and Eureka share information and participate in events mutually.

We observe, however, limited coordination between the types of interventions that provide direct support to SME internationalisation and the geostrategic investment instruments. The EEN, cluster instruments or innovation support instruments depart from (innovative) EU SMEs searching for opportunities in many markets beyond the EU. At the same time, they are not well connected with instruments such as the EU-China Energy Cooperation Platform or IP Key Southeast Asia that aim at improving the business conditions within (specific) Asian countries. The lack of coordination means that efforts are not strategically concentrated on specific opportunities, such as addressing barriers for particular markets of interest and strategic industrial ecosystems. Ideally, there should be a focused effort to provide concentrated support for SMEs active there. For example, the significant investments and efforts directed toward the Eastern Partnership are currently mainly focused on SMEs from those target markets and are not well integrated with support instruments for EU SMEs. To this end, collaboration could be strengthened between DG GROW/RTD and DG NEAR/INTPA activities.

The knowledge about specific SME priorities and needs identified through the internationalisation instruments that directly support SMEs is currently not channelled adequately into other structures such as the EU-third market partnership programmes. SME needs can vary significantly across target sectors, each with specific regulatory challenges, and depending on their type, whether they are high-growth businesses, start-ups, or established SMEs. Direct instruments are usually structured by the target group they support: the EEN is close to the broad group of existing SMEs with international ambitions, instruments like the European Innovation Council (EIC), EUREKA, and Startup Europe focus on (highly) innovative firms and scaleups. This leads to a fragmented approach in addressing the comprehensive needs of SMEs across various stages of growth and market targets.

Figure 21: Coordination to be improved among types of policy instruments on the EU support landscape



Source: Technopolis Group

Enhancing a better alignment of instruments throughout the lifecycle of SMEs could provide significant benefits. First, SMEs need to identify what benefits internationalisation can bring to their company, followed by a need for exploration of opportunities and market research. In later stages SMEs will be looking for detailed sector specific market intelligence, introductions to key partners and clients within their specific field, support in strategic decision making, how to pitch their product/service within the (business) culture of the target market, investors that can value the business opportunity. Structuring support by SME target group is useful in the early stages of exploration, in later stages support should become more tailored to specific target markets, business fields, and ultimately, to the level of targeted matchmaking with specific business partners. Enhanced coordination of support in these later stages would allow SMEs to receive more integrated support: combining the efforts of various instruments for a specific SME, target market and clients. This approach can also potentially increase efficiency. Furthermore, it allows support to be provided more effectively at each stage of their lifecycle, bringing in the information, advice, funding, network contacts at the right time and place as they mature. Information provision instruments, such as Access2Markets and IP Helpdesks, and funding sources, including the European Investment Bank, benefit from a stronger coordination structure, as these sources can be utilised best when presented to SMEs at the right time and place.

The Enterprise Europe Network is centrally positioned within the SME support landscape. This leads to the EEN having multiple responsibilities, as their client base varies in size, development stage, sectoral focus, and interest in target markets. In addition to its general business support within the EU, the EEN also plays a crucial role in advancing various EU objectives, such as promoting women entrepreneurship and improving sustainability. Given these numerous responsibilities, coordinating internationalisation activities in specific markets beyond the EU would significantly increase the workload for the EEN. Nevertheless, the EEN is well-coordinated with many other direct instruments, including cluster and innovation instruments, key information sources such as Access2Markets and the IPR Helpdesks, as well as the EU centres in Japan and China.

The lack of centralised coordination mechanisms within direct support instruments, coupled with limited alignment with framework-focused instruments, means that much of the coordination depends on the proactive efforts of key actors to connect with one another. Interviews reveal that many actors are making significant efforts to engage with others and identify opportunities for developing synergies; however, the potential for more coordinated strategic efforts remains untapped. The absence of a coordinated EU presence at key trade fairs and events underscores a broader issue. Establishing partnerships through networking activities, such as trade fairs and missions, demands significant effort. While these events provide valuable opportunities for SMEs to connect with target markets, their coordination is often limited. Events differ in timing, attendee profiles, and sectoral focus, which affects their relevance to various SMEs. To address these challenges, creating a centralised trade platform and coordinating trade shows at the EU level in collaboration with local partners could enhance market presence in third countries. Additionally, addressing regulatory complexities should involve reallocating existing resources within EU Member States to provide SMEs with local technical guidance rather than creating new resources.

In many cases SMEs would need to adapt existing product/services to target market needs in order to be successful. While this is certainly a form of innovation, innovation instruments are often focused more strongly on developing completely new products/services. Many SMEs often require relatively quick results to rationalise strong investments into internationalisation. This emphasises the importance of concentrating SME support on adapting existing products/services to target markets or on identifying target markets for developed innovations. This will allow SMEs to more quickly generate return from internationalisation efforts. Support for international R&D and innovation collaboration have quite a different timeline compared to more business and export-oriented internationalisation support. While innovation collaboration can certainly strengthen ties, also for SMEs, the horizon is generally very long given the process of performing collaborative R&D.

4.3 Complementary EU and Member States level actions but a lack of synergy related to target markets and target sectors

The recent Letta Report[88] stressed that the combination of EU and domestic SME support measures, if not designed and executed coherently, runs the risk of being "*an obstacle rather than an opportunity*". While this refers to the wider EU Single Market rather than strictly SME Internationalisation, the point remains that instruments at EU and Member State level need to be as coherent as possible. The EU's SME internationalisation strategy, as part of its broader SME policy, relies heavily on strong collaboration and partnerships between the EU, Member States, and regional and local authorities[89]. The two guiding principles[90] include complementarity and additionality, the idea that any support being carried out at the EU/Member State level and private sector is not duplicated and that the overall support offer is greater than the its parts, and subsidiarity and appropriate division of labour, the idea that measures should be delivered and designed by the most appropriate entity from the closest possible level to the SME.

The EU and Member States-level policy instruments are overall well aligned and designed in a complementary way respecting subsidiarity. While the EU has a trade policy, export promotion in the EU primarily remains the responsibility of individual Member States. Each country within the EU has its own national agencies and programmes to promote exports, tailored to the

[88] Letta (2024) "More than a Market", available at: https://www.consilium.europa.eu/media/ny3j24sm/much-more-than-a-market-report-by-enrico-letta.pdf, (accessed 05/05/2024)
[89] European Commission (2020). SME Internationalisation Strategy
[90] European Court of Auditors (2022). SME Internationalisation Instruments, available at: https://www.eca.europa.eu/lists/ecadocuments/sr22_07/sr_internationalisation-smes_en.pdf

specific needs and strengths of its economy. Coordination has been put in place in particular through the Enterprise Europe Network that strongly builds upon its local members that are geographically well distributed among all EU regions and associated countries to the Single Market Programme, but also through the cluster instruments that has been channelled to the beneficiaries via the cluster collaboration platform and the national and regional cluster organisations. Coordination between the EEN and other EU, national and regional instruments is important to ensure there is a coherent, comprehensive and complementary range of support for SME internationalisation. In the call for proposals issued by EISMEA - the European Innovation Council and SMEs Executive Agency, EEN consortia are encouraged to include as members as many regional business support organisations as possible as a way of extending their reach into the business community. The interviews however stressed that the Enterprise Europe Network would need to work more closely with local business associations. Optimising support instruments at the local level is essential.

A lack of coordination is visible between EU-level policy instruments and MS-level funding schemes but also with regional level actions. While the EU level provides a lot of support in terms of representation, opening doors, provision of information about target markets, standards or Intellectual Property, direct funding instruments such as export loans can be better accessed at national level through structures such as export banks and trade/export councils. In this respect it is very important to ensure a better coherence at the EU and MS-, and regional level actions and clarity for SMEs how they can access funding when the doors are opened.

Once SMEs are ready to commit to internationalisation, accessing funding becomes essential. This funding is often more readily available at the national and regional levels through structures like export banks and trade/export councils. Additionally, adapting products or services to local needs (an often-overlooked form of innovation) should be addressed more explicitly in current instruments. Interviews also suggested reconsidering the reinstatement of successful projects that previously assisted EU SMEs in countries without trade promotion officers. Ensuring continuity of support, especially in markets of interest, could be achieved through a network of officers on each continent. This network would enable SMEs to receive direct input from delegations and targeted assistance, enhancing their internationalisation efforts.

Activities aimed at specific target markets are managed by a multitude of actors that could benefit from more EU-Member States level synergies. Fifteen Member States currently have instruments in place to support SMEs seeking to expand into markets of special interests as the analysis in this study found. Ideally, each of these Member States offers one or more instruments to help SMEs overcome internationalisation challenges specific to these markets. When a Member State's resources are insufficient to address all such challenges, EU-level instruments can complement national tools and create synergy to better support SMEs. If both Member State and EU-level instruments fail to address all challenges, lack certain types of support, or do not provide access to all necessary services for SME internationalisation, this constitutes a policy gap that the European Commission should address in collaboration with Member States.

There are significant gaps in addressing financial structure challenges, such as exchange rate fluctuations, which hinder the ability of businesses to navigate international markets. These gaps are linked to inadequate assistance in several key areas such as incoming trade fair missions, strategy development for market entry, feasibility studies, investment preparations for internationalisation, and support for international R&D focused on technological development. Furthermore, there are insufficient instruments at both levels to support high-growth SMEs, and women-led or owned SMEs.

A local contact point in the target market is crucial for SMEs, allowing them to ask questions and arrange matters from a distance. Currently, contact persons organised through EU instruments come in various forms, such as the Centres in Japan and China, European Chambers of Commerce, or the previously active ENRICH centres. While these dedicated centres demonstrate significant value, they are also perceived as relatively expensive solutions. Despite the cost, the value of having trusted, knowledgeable counterparts in the target market should not be underestimated. They provide essential services, such as soft-landing support, which can greatly benefit SMEs. In terms of networking, establishing strategic partnerships and finding clients is seen as crucial for success. Current instruments often support networking through facilitating visits to events, trade fairs, and missions. However, this approach can make connecting with the right people or organisations somewhat serendipitous. Organising high-quality, targeted matchmaking or maintaining a continuous presence at events could enhance this process.

The implementation of SME internationalisation policies involves a multi-level approach, with actors operating at the national, regional and local levels. National and regional administrations are primarily responsible for designing and managing SME internationalisation policy instruments, while chambers of commerce implement these policy actions at regional and more importantly at provincial/municipal levels. As discussions about the future of Cohesion Policy and the role of cities (e.g., the Urban Agenda) continue, it is crucial to recognise this multi-level dynamic. As highlighted by interviews and the expert workshop, the extensive network of 1 000 chambers can be leveraged to support internationalisation activities, starting locally where entrepreneurs are based and following a demand-driven approach. It is also noted that partnerships in foreign countries, already undertaken by Chambers of Commerce, play a key role and related actions at EU and MS level can be better aligned.

The European Commission has set overarching guidelines for SME internationalisation, ensuring a common framework that Member States can align with, but more could be done in the field of new SME challenges (digitalisation, the green transition) and in alignment of representation at markets of interest of the EU. The European Commission and Member States engage in regular dialogue through various committees and working groups, such as the Network of SME Envoys, however no SME internationalisation forum has been organised for a long time.

4.4 External coherence and alignment with other EU strategies such as industrial policy, strategic autonomy, digital services, the green transition

The EU's SME Internationalisation strategy and the landscape of EU and MS-level policy portfolio, as presented in Chapter 3, are strongly tied to other policies such as the EU's industrial policy and the industrial transition pathways, the EU's digital strategy, the European Green Deal, and the enlargement policy of the EU. The SME strategy builds on the long-standing foundations of the Small Business Act (published in 2008 and reviewed in 2011), the EU Startup Nation Standard of 2020, and SME support actions funded under the Horizon Europe programme and the European Structural and Investment Funds. The analysis of the SME internationalisation instruments shows that the overall landscape is coherent with other EU priorities such as those of the wider EU Single Market, research and innovation, regional development, neighbourhood and trade.

4.4.1 Industrial strategy

The EU's new industrial strategy[91], launched in 2020 and updated in 2021, supports the twin transition to a green and digital economy, aims to make EU industry more globally competitive, and enhances Europe's open strategic autonomy. The New Industrial Strategy for Europe identified 14 industrial ecosystems. Each ecosystem must transform its business models and value chains to form the foundation of a green, digital, and resilient European economy. This transformation requires the direct involvement of key stakeholders from the identified ecosystems in developing transition pathways for each one.

The industrial strategy pays special attention to SMEs currently facing a period of interlocking crises, requiring company managers to prioritise survival while also planning for the future. Expanding operations both domestically and internationally can open new sales opportunities, thereby reducing vulnerability and enhancing business resilience.

The transition pathways offer an in-depth, bottom-up understanding of the scale, cost, long-term benefits, challenges, and necessary actions to support the twin transition. They provide a one-stop-shop for all industrial ecosystems, allowing stakeholders to access a range of resources, tailored content, learning opportunities, funding, best practices, and collaborative solutions.

4.4.2 Digitalisation

Digitalisation offers unprecedented opportunities for companies to expand their operations globally. This has led to a growing body of research on the interconnected topics of digitalisation, digital services, and international business. Digital policies that promote infrastructure, such as broadband access and digital platforms, enable SMEs to reach international markets more easily. E-commerce platforms, online marketplaces, and digital marketing tools allow SMEs to showcase their products and services to a global audience without the need for a physical presence.

The current portfolio of SME internationalisation instruments has demonstrable synergies with the EU's digital strategy and the Digital Europe Programme such as European Digital Innovation Hubs network**.** The EEN signed a declaration of intent to cooperate with the European Digital Innovation Hubs (EDIH) in 2021 as pointed out in the interviews. Centrally organised collaboration between different networks, and specific collaboration between the EEN consortia, EDIHs and cluster initiatives have been initiated in order to offer a joint service to their customers, published in a guidance document[92]. Many European Digital Innovation Hubs (EDIH) include cluster organisations or support organisations that are part of an EEN consortia.

4.4.3 The green transition

The Green Deal Industrial Plan[93] is an initiative by the European Union designed to bolster the EU's industrial competitiveness while promoting sustainable practices in line with the European Green Deal. Announced in early 2023, the plan aims to accelerate the transition to a net-zero economy by 2050.

Many SMEs that export or internationalise are well equipped and committed to the values driving sustainability and the circular economy. As highlighted in the SME strategy for a

[91] https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/europe-fit-digital-age/european-industrial-strategy_en
[92] https://ec.europa.eu/newsroom/repository/document/2021-23/Guidance_note_EENEDIHclusters_12032021_FINAL_DGeWljbwe2VJd1pWb3UagT3oy8g_76992.pdf
[93] https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/green-deal-industrial-plan_en

sustainable and digital Europe[94], almost a quarter of SMEs in Europe already enable the transition by offering green products or services.

When exporting these green products, this aligns with the European environmental and climate objectives and can have an important contribution to drive sustainability not just within the EU but across the globe. Nonetheless, only a small share of SME internationalisation policy instruments has an explicit goal to foster the green transition.

A total of 139 projects (out of 636 projects approved for funding) in Call 1-6 were classified as 'green' in accordance with a text mining approach using a keyword dictionary developed on the basis of European Commission policy papers (COM/2019/640 final; Regulation (EU) 2021/241, 2021/694, 2021/695; Decision (EU) 2015/2240, 2022/2481). This study included a comparison of projects and their stated goals with the UN Sustainable Development Goals (SDGs) as they are stated by the participants.

4.4.4 Enlargement policy

Enlargement policy is an important area of need for coherence between internationalisation instruments[95]. Even since the 'Small business, Big world' Strategy[96], the European Commission has encouraged the convergence of enlargement countries with its SME-related priorities to the benefit of enterprises both inside and outside the EU. This includes principles such as the rule of law to "help to reinforce the confidence of EU SMEs to invest in these markets"[97]. In line with the 2019-2024 objectives of promoting a rules-based global order and promoting European values[98], closer commercial international ties can help support "the socio-economic transformation in that region and link up with the EU Neighbourhood Policy". More specifically, the new Growth Plan for the Western Balkans was launched in 2023 by the European Commission with the aim of bringing the Western Balkan partners closer to the EU through offering some of the benefits of EU membership to the region in advance of accession, boosting economic growth and accelerating socio-economic convergence[99].

The 2024 Single Market Report[100] also highlights the extensive work being undertaken on trade policy and foreign trade agreements for Ukraine and Moldova which will open new markets for all European countries but particularly Central Eastern European Member States. This type of macrolevel and multidimensional policy coherence is strongly advocated by the Letta Report which argues succinctly that "*European trade policy should take into account the competitiveness of European companies on the international stage and the need to maintain fair conditions both within the EU and externally to move away from a logic of imposing regulations that harm partners and our ability to negotiate strategic partnerships*"[101].

[94] https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX%3A52020DC0103

[95] European Commission (2024) "The 2024 Annual Single Market and Competitiveness Report" available at: https://single-market-economy.ec.europa.eu/publications/2024-annual-single-market-and-competitiveness-report_en (accessed 01/06/2024)

[96] European Commission (2011) "Small Business, Big World – a new partnership to help SMEs seize global opportunities", available at: https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0702:FIN:en:PDF (accessed 20/05/2024)

[97] European Commission (2011) "Small Business, Big World – a new partnership to help SMEs seize global opportunities", available at: https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0702:FIN:en:PDF (accessed 20/05/2024)

[98] European Commission (2019) "6 Commission priorities for 2019-2024), available at: https://commission.europa.eu/strategy-and-policy/priorities-2019-2024_en (accessed 15/06/2024)

[99] https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/new-growth-plan-western-balkans_en

[100] European Commission (2024) "The 2024 Annual Single Market and Competitiveness Report" available at: https://single-market-economy.ec.europa.eu/publications/2024-annual-single-market-and-competitiveness-report_en (accessed 01/06/2024)

[101] Letta (2024) "More than a Market", available at: https://www.consilium.europa.eu/media/ny3j24sm/much-more-than-a-market-report-by-enrico-letta.pdf, (accessed 05/05/2024)

5 Gaps in addressing external factors and emerging challenges

In this study, a gap analysis brought together the dimensions used in the analytical framework and the literature on barriers to SME internationalisation. This allowed pointing out the areas where SMEs benefit from support at national level to overcome the barriers to internationalisation. The analysis of gaps utilised the data collected in this study (Chapter 2) to investigate whether there are specific barriers where support instruments are lacking.

5.1 Fundamental internationalisation challenges unchanged

First, there is consensus that SMEs face proportionally more significant obstacles that prevent them from realising their full potential on international markets compared to large companies[102]. The analysis of MS-level policy instruments shows that 53% address SMEs (or SMEs and midcaps), while the majority is designed for all types of companies. At the EU level, one in three instruments is dedicated to SMEs (see Chapter 3).

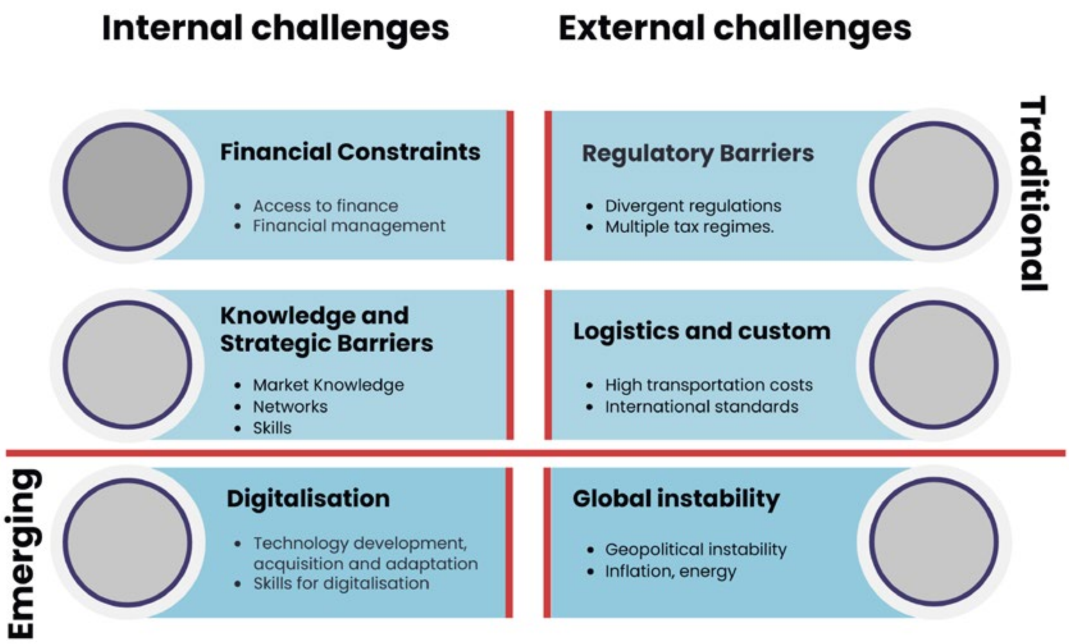
Policy instruments designed to support SMEs often adopt a broad approach, failing to account for the significant variation within these categories. SMEs encompass a wide range of businesses, from micro-enterprises with a handful of employees to larger, more established firms nearing the upper limits of SME classification. Similarly, startups vary widely, from early-stage ventures seeking seed funding to scaling companies with established market presence. However, many policy instruments do not differentiate between these diverse needs and stages of development. This one-size-fits-all approach may limit the effectiveness of addressing specific needs, underscoring the importance of more tailored instruments that support startups, high-growth companies or women entrepreneurs, thereby enhancing their potential for growth and internationalisation.

Evidence shows that the nature of barriers to SME internationalisation has not changed significantly over time.[103] Small and medium-sized enterprises still encounter a diverse range of challenges[104]. These challenges arise from both internal organisational limitations, where limited resources and knowledge constraint the action-range of the organisation, and external factors, to which SMEs cannot adapt and respond swiftly.

Figure 21 below visually categorises the main challenges identified, differentiating between internal and external factors, and further dividing them into traditional and emerging issues. These challenges and to what extent the current landscape is appropriate to address them are discussed in the subsequent sections.

[102] European Parliament (2016). Barriers to SME growth in Europe, page 7. Available at: https://www.europarl.europa.eu/RegData/etudes/BRIE/2016/583788/EPRS_BRI(2016)583788_EN.pdf (Accessed: 17/06/2024).
[103] Bpfrance et al. (2019). Internationalisation of European SMEs – Taking Stock and Moving Ahead, page 24. Available at: https://www.british-business-bank.co.uk/sites/g/files/sovrnj166/files/2024-04/internationalisation-of-european-smes-2018.pdf (Accessed: 20/06/2024).
[104] OECD (2009), Top Barriers and Drivers to SME Internationalisation, Report by the OECD Working Party on SMEs and Entrepreneurship, OECD. Available at: https://www.oecd.org/cfe/smes/43357832.pdf (Accessed 20/06/2024).

Figure 22: Key challenges to SME internationalisation



Source: Technopolis Group and IPSOS based on literature review

The gap analysis conducted in this study reveals that Internal challenges are addressed by more than 75% of Member States level policy instruments, as they focus on financing, market advice, information and networks. The importance of overcoming financial barriers is underscored by the fact that many SMEs identify access to finance as a primary challenge in their internationalisation efforts.[105,106] Without adequate financial backing, SMEs may find it challenging to compete with larger, better-resourced firms on a global scale. SMEs often face significant challenges related to resource constraints, which include also a lack of human resources and expertise necessary for navigating international markets[107].

SMEs also face challenges related to unstable revenues from international business due to demand fluctuations. Such fluctuations can lead to unpredictable cash flows, making financial planning and investment more complex and riskier.[108] This volatility is compounded by the inability of many SMEs to produce on a large scale, which would allow them to benefit from economies of scale and lower production costs.[109]

Once SMEs are able to raise sufficient internal resources to internationalise, one of the primary challenges that SMEs encounter in internationalisation is the inability to identify, attract, and engage suitable international partners. Many SMEs report difficulties in finding local business partners who can facilitate their entry into new markets.[110]

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[105] Bpfrance et al. (2019). Internationalisation of European SMEs – Taking Stock and Movign Ahead, page 22. Available at: https://www.british-business-bank.co.uk/sites/g/files/sovrnj166/files/2024-04/internationalisation-of-european-smes-2018.pdf (Accessed: 20/06/2024).

[106] European Committee of the Regions (2019). EU policy framework on SMEs: state of play and challenges, page 18. Available at: cor.europa.eu/en/engage/studies/Documents/EU-SMEs/EU-policy-SMEs.pdf (Accessed: 20/06/2024).

[107] Urban, W., Krot, K., & Tomaszuk, A. (2023). A cross-national study of internationalisation barriers with reference to SME value chain. Equilibrium. Quarterly Journal of Economics and Economic Policy, 18(2), 523–549. doi: 10.24136/eq.2023.016

[108] Reim, W. et al. (2022) 'Tackling Business Model Challenges in SME internationalization through digitalization', Journal of Innovation & Knowledge, 7(3), p. 100199. doi:10.1016/j.jik.2022.100199

[109] Urban, W., Krot, K., & Tomaszuk, A. (2023). A cross-national study of internationalisation barriers with reference to SME value chain. Equilibrium. Quarterly Journal of Economics and Economic Policy, 18(2), 523–549. doi: 10.24136/eq.2023.016

[110] OECD (2023), OECD SME and Entrepreneurship Outlook 2023, OECD Publishing, Paris, https://doi.org/10.1787/342b8564-en

SMEs often face significant challenges in acquiring adequate market knowledge and information when attempting to internationalise. Understanding foreign markets is a critical component of successful internationalisation, yet many SMEs struggle with finding reliable and relevant market information. A typical example is fact that some firms may not be aware of consumer preferences in foreign markets, which can result in a mismatch between the product and the foreign customer base.[111]

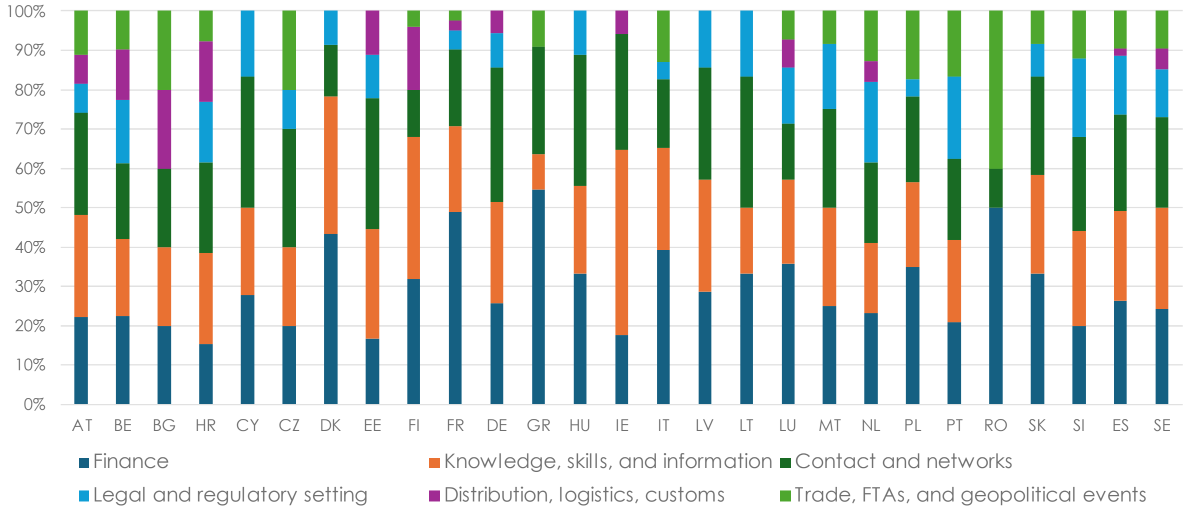
However, the gap analysis clearly indicates that support is less focused on external barriers, with less than 25% of efforts targeting these challenges. Additionally, areas such as standardisation remain not sufficiently addressed. This can be explained with the difficulty in having significant influence on exogenous factors that affect SMEs ability to internationalise. External barriers are in fact mostly beyond the influence of Member States or the European Commission and, whilst advisory services or guidance can be provided, there are limits to what EU governments and the European Commission can do to remove these barriers.

Regulatory barriers present significant challenges to the internationalisation of SMEs. These barriers include divergent regulations across different markets, different taxation regimes, and issues related to intellectual property protection. SMEs often lack the financial and human resources to navigate these intricate legal landscapes, making it difficult for them to compete on a global scale. Tax compliance across different tax regimes is another significant barrier for SMEs looking to internationalise. The complexity of tax regimes across different countries remains a considerable cost and a major obstacle.[112] SMEs often struggle with the varying tax laws and regulations, which require substantial financial and human resources to navigate effectively. This complexity can deter SMEs from entering new markets, as the cost and risk of non-compliance can be substantial.

Efficient distribution networks, logistics, and customs procedures are critical for the internationalisation of SMEs. However, these areas present significant barriers that can hinder SMEs from expanding into foreign markets. These barriers include logistical challenges, high transport costs, complex customs procedures, and compliance with international standards. Standardisation has been highlighted as particularly helpful for SMEs to expand internationally.

[111] Reim, W. et al. (2022) 'Tackling Business Model Challenges in SME internationalization through digitalization', Journal of Innovation & Knowledge, 7(3), p. 100199. doi:10.1016/j.jik.2022.100199
[112] Ibid

Figure 23: Barriers addressed by instruments active in 2024 per Member State



Source: IPSOS based on data collected

Figure 24: Barriers addressed by EU-level SME Internationalisation policy instruments (total) active in 2024

Source: IPSOS based on data collected

5.2 New challenges less addressed: new export risks, digital services, new industrial value chains

While the literature has long identified the above presented SME constraints, new challenges have also emerged in recent years that are less addressed. First, emphasising internationalisation through innovation is crucial, as the EU competes globally with knowledge-based products. Currently, there is less attention on fostering innovation linked to internationalisation.

More specifically, digitalisation demands substantial resources and skills, not always accessible to SMEs. As highlighted in the interviews, digitalisation and innovation are crucial factors profoundly influencing both the processes of internationalisation and the support needs of SMEs. Innovation through digitalisation provides potential solutions to some of the key barriers faced by SMEs, enabling improvements in business models and unlocking new value-generating opportunities.[113] However, the process of digitalising business operations comes with its own set of challenges – including in relation to staff skills and training. Additionally, addressing the challenges posed by artificial intelligence technologies is essential to ensure competitiveness and growth in this rapidly evolving sector.

The rise of online sales has triggered a fundamental transformation in business practices, reshaping everything from the types of products and services offered to the sales channels and consumer interactions. Consequently, digitalisation needs to be a central focus of policy support instruments.

Geopolitical events create new difficulties. Following the COVID-19 pandemic, the Russian invasion of Ukraine, the energy crisis, the financial landscape for SMEs has become increasingly challenging due to rising borrowing costs and inflation. Since the end of 2021, corporate borrowing costs have risen sharply, driven by increases in interest rates. By August 2023, borrowing costs had reached levels not seen since 2008, creating a more expensive credit environment for SMEs.[114] Such events complicate financial planning for SMEs. Alongside this, inflationary pressures (including rising energy costs) have put additional pressure on SMEs, potentially leading them to scale down internationalisation plans.

Interviews highlighted that inflated prices have put pressure on policymakers as well and meant that sometimes valuable instruments such as grants for attendance and travel to trade fairs have been reduced or even discontinued. Despite these challenges, SMEs that operate within global value chains (GVCs) have shown a remarkable ability to recover from supply chain disruptions more quickly than those not integrated into GVCs.[115] Increasing supply chain resilience may also transform SME relationships with multinational enterprises from transactional to cooperative, potentially increasing knowledge spillovers for integrated SMEs.[116] Moreover, trade agreements can widen businesses' supply and market opportunities, making them more adaptable and consequently more resilient to shocks.[117]

Gaps have been identified regarding the target group of SME internationalisation support. The policy instruments mapped in this exercise, are largely designed to support the internationalisation of SMEs primarily by providing direct support to individual firms. This approach operates under the implicit assumption that SMEs are isolated actors navigating an imperfect market, where policy interventions address market failures hence levelling the playing field. This approach overlooks the importance of industrial dynamics. As for the former, particularly the evolution and integration of value chains to which SMEs are connected, and the corresponding geography of trade and production. By not considering these broader industrial interdependencies, current policy instruments miss the opportunity to leverage the collective strength and potential synergies within value chains, which are crucial for the

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[113] Reim, W. et al. (2022) 'Tackling Business Model Challenges in SME internationalization through digitalization', Journal of Innovation & Knowledge, 7(3), p. 100199. doi:10.1016/j.jik.2022.100199

[114] Kraemer-Eis, H. Et al. (2023). The European Small Business Finance Outlook 2023, page 22. Available at: https://www.eif.org/news_centre/publications/eif_working_paper_2023_96.pdf (Accessed: 20/06/2024).

[115] OECD (2023). Future-Proofing SME and Entrepreneurship Policies, page 17. Available at: https://www.oecd.org/cfe/smes/key-issues-paper-oecd-sme-and-entrepreneurship-ministerial-meeting-2023.pdf (Accessed: 20/06/2024).

[116] OECD (2023). Future-Proofing SME and Entrepreneurship Policies, page 25. Available at: https://www.oecd.org/cfe/smes/key-issues-paper-oecd-sme-and-entrepreneurship-ministerial-meeting-2023.pdf (Accessed: 20/06/2024).

[117] SMEUnited (2024). European Elections: SMEs call for a fair access to (digital) markets. Available at: https://www.smeunited.eu/news/european-elections-smes-call-for-a-fair-access-to-digital-markets (Accessed: 20/06/2024).

sustained growth and international competitiveness of SMEs. This is an important avenue for development, as strengthening strategic value chains is an emerging priority at the EU level.

In addition, several instruments focus on information sharing and advisory services. However, as SMEs' internationalisation needs evolve, there is a growing necessity to complement these with additional instruments targeted at mature SMEs. Such instruments should include sector- and technology-specific services, B2B meetings, study visits, and more concrete exchange opportunities.

6 Visibility: increased efforts to raise awareness but landscape still difficult to navigate

The challenges surrounding the awareness and accessibility of internationalisation policy instruments for SMEs have been a persistent concern. Since 2011, the European Commission has actively called for greater awareness and accessibility, emphasising the need for SMEs to have better access to services, expertise, and appropriate programmes[118]. The special report from the European Court of Auditors concluded that the accessibility of information on available support measures for SME internationalisation has improved. However, awareness of the benefits of free trade agreements remains limited. Additionally, the report emphasised the need to increase the visibility of the Enterprise Europe Network (EEN). It also highlighted the pivotal role of regional and local business support organisations in effectively communicating with SMEs.

At the EU level, this study found that efforts to improve SMEs' access to information related to internationalisation and European policy support have increased in recent years. A notable milestone was the launch of the Access2Markets portal in 2020, which provides essential information for companies engaged in international trade. The portal offers product-specific data for all EU countries and over 135 export markets, covering areas such as: 1) tariffs and taxes, 2) customs procedures 3) rules of origin 4) trade barriers 5) product requirements and 6) statistics. Within Access2Markets, the **Commission launched the 'rules of origin' self-assessment tool (ROSA)** to help business, particularly SMEs, check whether their product complies with the rules of origin and, therefore, qualifies for preferential tariff treatment under a particular EU trade agreement. Additionally, the Single-Entry Point provides support with complaints related to market access barriers and non-compliance with sustainability rules.

In recent years, the portal has been updated to include information on the export of services, investment opportunities, and procurement opportunities for certain markets. The information is being expanded continuously. Although no evaluation was conducted yet and no numbers by company size are available, the portal has had over 10 million visitors since its launch and more than 12 000 SMEs and multipliers (such as trade promotion organisations, EEN network advisors) have been trained. The desk research and review found that **Access2Markets portal has been welcomed by SMEs and improved their awareness about trade related matters**.

The Enterprise Europe Network (EEN) has significantly expanded its outreach, offering a variety of awareness-raising, matchmaking events and informational tools, with an international network coverage of countries. Although the EASME communication audit of 2017-2018[119] highlighted that many EEN members' websites did not consistently meet visibility requirements, interviews conducted for this study indicate that substantial progress has been made since then. In addition, EEN consortia are required, as part of their grant agreement obligations, to map relevant stakeholders. This mapping process is a key deliverable that ensures consortia engage with organisations, businesses, and institutions and build effective partnerships, and better tailor their support services to the needs of SMEs.

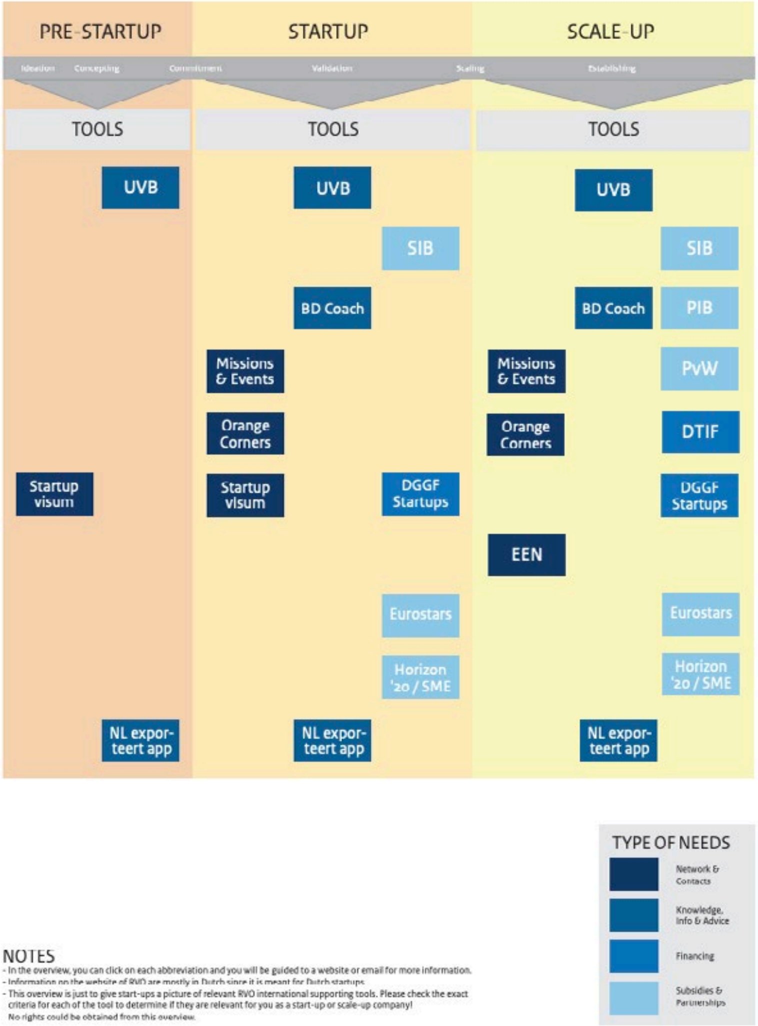
At the Member State level, some countries have launched national portals in recent years to streamline communication about export and trade matters for companies. Despite these efforts, interviewees highlighted that information on available support services for SMEs, including those beyond trade promotion, remains fragmented. This fragmentation often leads

[118] European Commission (2011). 'Small Business, Big World a new partnership to help SMEs seize global opportunities' https://ec.europa.eu/commission/presscorner/detail/en/MEMO_11_765
[119] https://www.eca.europa.eu/lists/ecadocuments/auditinbrief_agencies_2018/auditinbrief_agencies_2018_en.pdf

to a situation where "*neither SMEs nor individual business support agencies have a full overview of what support is available and where*" as highlighted in some interviews conducted at the national level. Despite the challenges, positive examples include the launch of the Team France Export in 2018 with the aim of guaranteeing a simplified customer path for exporting. Team France Export has been implemented in cooperation of Business France, Bpifrance, CCI France and the Regions of France. The German Trade and Invest has a specific portal called GTAI Export Guide[120] (revamped in 2022), which provides a large amount of information on international trade, going abroad, contact points and the support that is available for SMEs. Such portals provide a single access point for crucial information although not targeted at SMEs or opportunities beyond the EU specifically. Another example is the Hungarian Export.hu, a portal aimed at facilitating access to export-related resources and services for Hungarian businesses. Similarly, other countries have developed their own platforms to support their SMEs in navigating the complexities of international trade. A further example is presented in the Figure below, where the Netherlands Enterprise Agency (RVO) created a concise overview of the types of internationalisation support available for startups at different stages. Although not specifically focused on expansion beyond the EU, it still serves as a useful illustration of how the support landscape can be communicated easily to companies.

[120] http://www.gtai-exportguide.de/

Figure 25: Example of RVO's overview of internationalisation support

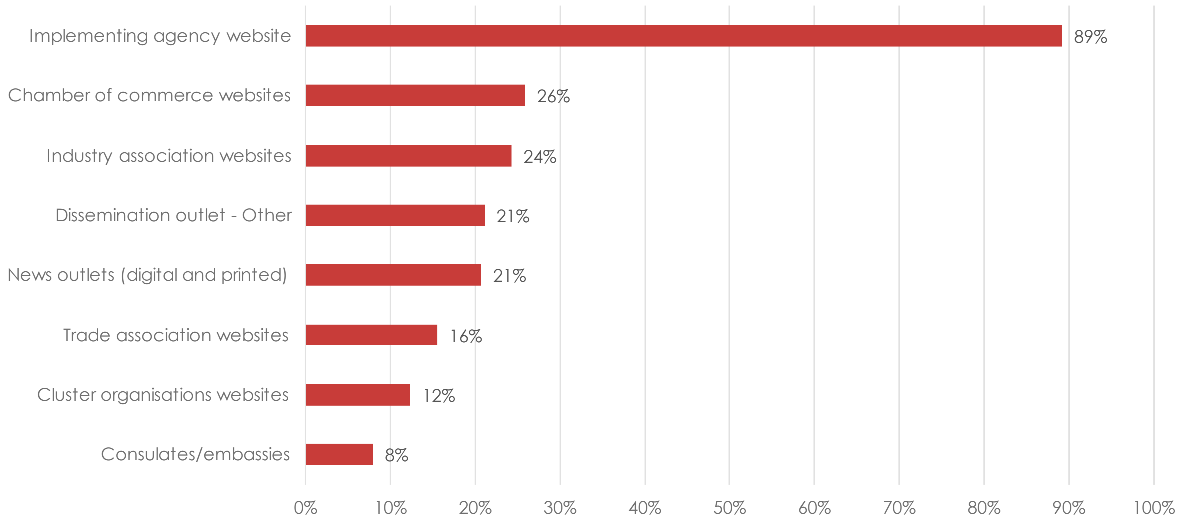


Source: https://english.rvo.nl/sites/default/files/2018/07/overview-of-rvo-international-supporting-tools-for-startups.pdf Note: the abbreviations in the diagram refer to national and EU policy instruments, e.g. UVB supports companies with (complex) questions about doing international business, SIB refers to Starters for International Business etc.

Although there have been calls for creating a comprehensive digital repository that consolidates accessible information for SMEs on all available services, including public and private support across the EU and Member States, previous attempts have not been successful. An earlier portal, which aimed to serve this purpose, was closed in 2017 due to several challenges. On the one hand, maintaining an up-to-date mapping of all individual support services has proven to be very complex. On the other hand, interviews stressed that from the perspective of SMEs, the landscape of support services and measures, including the various events, trade fairs and missions is very much opaque, and hard for SMEs to prioritise what to follow. A comprehensive overview and guidance for SMEs where to find what type of EU and Member State support is clearly missing. Additionally, the European Court of Auditors called for making available the information about existing instruments and projects receiving EU co-funding in the field of internationalisation, including from the European Structural and Investment Funds.

The mapping of Member State-level policy instruments shows that the most commonly used dissemination channel is the websites of implementing agencies, followed by chambers of commerce and industry associations. This underscores the key role these organisations play in supporting the dissemination of such instruments (see Figure below). Interestingly, the use of news outlets including digital platforms is still limited. For example, the Italian Trade Agency (ICE) leverages a wide range of media channels, including traditional news outlets, social media, and digital platforms. Its 'Made it Italy' programme includes targeted advertising campaigns, feature articles in international business publications, and the use of social media platforms like Facebook, Instagram, and LinkedIn to showcase Italian products. It also collaborates with digital influencers and content creators to reach broader audiences and engage potential buyers in key markets worldwide.

Figure 26: Share of policy instruments active in 2024 by dissemination outlet



Source: Technopolis Group based on the repository of SME internationalisation policy instruments

The interviewees emphasised the need for further advancements in digital marketing and outreach through new digital tools. There is a growing trend to leverage social media, videos, and other digital marketing strategies to increase visibility. While these tools have significantly improved outreach, they still require further refinement. In many countries, these strategies are relatively new and have only been recently implemented. In addition to visibility, accessibility is another key issue that should not be overlooked. The evaluation reports reviewed during this project highlighted that SMEs often face challenges in dedicating sufficient resources and investing in the available support instruments. If the application process is complex or the information is not easily accessible, SMEs may lack the human and financial resources needed to effectively utilise these services.

Interviews also indicated that awareness-raising efforts could be more effectively tailored to emphasise the broader business opportunities available to SMEs, rather than focusing solely on support instruments. This approach could better highlight the potential market benefits and growth prospects of internationalization, while also sharing case studies and success stories of SMEs that have successfully entered and thrived in international markets.

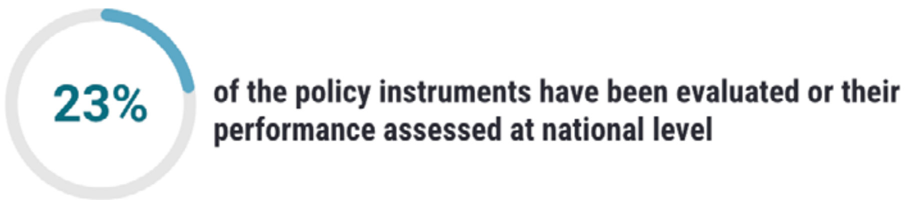
7 Effectiveness of SME internationalisation policy instruments

This section analyses the overall effectiveness of the SME internationalisation policy landscape across the EU, based on a review of existing evaluations and monitoring, as well as consultations with EU-level implementing agencies. However, it cannot assess the direct impact of the mapped policy instruments on SMEs. To achieve this, an additional large-scale survey and case studies involving SMEs would be necessary, along with a counterfactual analysis to investigate how the internationalisation outcomes of SMEs receiving support compare to those not receiving support.

7.1 Effectiveness of MS level SME internationalisation instruments

At the level of Member States, this study found that 23% of the SME internationalisation policy instruments have been evaluated or have performance indicators in place, marking a significant improvement from the 15% level reported in the study of the European Commission published in 2011[121]. This may also reflect that some of the policy instruments cover a longer time period, allowing for the evaluation of their results. In many countries, trade councils and export promotion agencies are key hubs for coordinating internationalisation support (e.g. Germany Trade and Invest - GTAI, Team Finland) and their annual reports provide further insights into the results and outcomes achieved. The annual ICEX report in Spain provides data on export volumes and the number of companies engaged in exporting[122].

Figure 27: Share of policy instruments active in 2024 evaluated at MS-level



Source: Technopolis Group

The policy actions that address the specific challenges of SMEs going beyond the EU (not only within the EU Single Market) are, however, often not sufficiently monitored. This is because national policy instruments typically have broad objectives targeting companies of various sizes and focusing on internationalisation both within and beyond the EU, rather than being specifically aimed at addressing the unique challenges faced by SMEs in third markets[123]. While there is potential for these SMEs to integrate into value chains outside the EU, SMEs face significant barriers to internationalisation when entering markets in third countries.

7.1.1 Lessons from evaluation and annual progress reports

The evaluations typically focus on the outcomes of the support measures rather than assessing the actual impact, as highlighted also in previous reports on SME internationalisation. Examples

[121] European Commission (2011). 'Opportunities for the Internationalisation of European SMEs

[122] Based on policy fiches but see also in the reports of EESC on Study on best practices on national export promotion activities available at: https://www.eesc.europa.eu/sites/default/files/files/qe-03-18-141-en-n.pdf

[123] Also see addressed in the Strategy to support SMEs in the Czech Republic 2021-2027 available here: https://www.mpo.gov.cz/assets/en/business/small-and-medium-sized-enterprises/studies-and-strategic-documents/2021/9/Strategy-to-support-SMEs-in-the-Czech-Republic-2021-2027.pdf

of evaluations include the assessment of the Austrian Go-International[124] or of the Dutch Partners for International Business programme (PIB)[125] (see *Table 11* for more examples). Most probably this is also due the fact that it is difficult to assess the broader impact such as on sales or competitiveness, since these become apparent long after SMEs have participated in the programmes.

The review of the evaluation reports shows that most conclude a positive implementation of the internationalisation measures and highlight several successful cases. Evaluations such as conducted in the Netherlands suggested to extend the programme's reach and explore opportunities in additional markets and specific sectors. Furthermore, the available evidence indicates a high level of client satisfaction, underscoring the relevance and effectiveness of these measures. The activities of MS-level SME internationalisation have been assessed as pertinent for the purpose of SME competitiveness. In particular, they have been well received by EU SMEs. As previously noted, SME internationalisation has been incorporated into the Recovery and Resilience Plans of various countries (Czech Republic, Cyprus, Greece, Portugal etc) due to the identified need to bolster new global value chains following the Covid pandemic.

Some evaluations, such as those conducted in France, highlighted the higher effectiveness of support programmes that are more customised and tailored to the specific needs of individual SMEs. These evaluations suggest that when support is targeted and addresses the unique challenges and opportunities of each SME, it results in better outcomes compared to one-size-fits-all approaches. Tailored support can help SMEs navigate complex international markets, identify the most relevant opportunities, and provide the right resources at the right time.

This positive feedback underscores the importance of continuing to support and expand these internationalisation initiatives for SMEs. The Table below provides a review of some of the evaluation reports.

Table 11: Examples of national level evaluations/ assessments and some of the key findings

Country, Policy Instrument	**Evaluation report and link**	**Main conclusions**
• Austria. The study evaluated the added value of all Go International support measures	• Economic importance of Go-International grant recipients	• The study found that the support provided by the instrument generated significant added value for both the participating companies and the Austrian economy. The grant contributed to total sales revenues (direct, indirect, and induced) of €342.5 million. The gross value added to society by Go-International recipients reached approximately €107 bn. This impact is further highlighted by the fact that the activities of the examined companies translated into around 1,197,000 full-time equivalents (FTEs).
• Finland. Team Finland	• World-class Ecosystems in the Finnish Economy 2/2021	• The internationalisation services provided by Business Finland and the Team Finland network were seen as valuable, especially as there are no large companies with existing international networks in the ecosystem. Business Finland and other public actors can help to provide access to other countries' public authorities. Business Finland can also continue to help actors identify potential

[124] https://iwi.ac.at/wp-content/uploads/2021/04/IWI-Studie-Go-.pdf
[125] https://open.overheid.nl/documenten/ronl-4f654e5e-5d66-4f1e-8aaf-4211913d4490/pdf

Country, Policy Instrument	Evaluation report and link	Main conclusions
		collaboration partners and other important actors, both in Finland and abroad. Besides funding, an important element of the Growth Engine initiative has been the company specific 'tailored' services and introduction of Business Finland (and Team Finland network) services for all Growth Engine platform companies. In the case of Kyyti Group, especially the internationalisation and go-to-market services have been important in opening doors for international markets
• France, FASEP	• Evaluation of FASEP	• Feedback on the Fasep-IV support system has been generally positive, particularly in terms of the institutional support provided to the projects. However, the evaluation revealed the need to improve the use of Fasep-IV resources for post-demonstration such as support, monitoring club, etc. to reach higher impact.
• Ireland. International selling programme	• Evaluation of Enterprise Ireland International Selling Programme	• The data on the international selling programme recipients demonstrates significant average increases in turnover and profitability with 95 percent confidence it can be claimed that these improvements will be seen in the full population of companies taking part in the programme over a similar time period. Overall, companies have reported a significant change in the following activities due to support received: a) The development of robust strategies for sustainability and growth; increased export capability; c) generation and sustaining of export sales.
• Italy, export services of the Italian Trade Agency (ITA)	• Impact assessment 2021-2023 – shared via interviews	• The impact assessment carried out for the period 2021-2023, shows a positive impact for client companies of the Italian Trade Agency in terms of export performance when compared with the variation observed for a group of non-client companies. In the two-year period 2022-2023, the enterprises which had benefitted from ITA support (participation in promotional activities and paid assistance services) increased their foreign sales by 12,02% (a growth that was 4,91 percentage points higher than that of the sample of non-customer enterprises with similar characteristics). The increase in foreign sales of the control sample was 7,11%. If only companies which benefitted of free services (the prevalent type of service) are considered, the results confirm a higher variation for exports of companies that benefited from ITA assistance than for non-customer companies (+13,03% vs. +10,99%).
• Netherlands - Dutch Partners for International Business programme	• https://open.overheid.nl/documenten/ronl-4f654e5e-5d66-4f1e-8aaf-4211913d4490/pdf	• The evaluation found that the PIB programme is generally effective in helping Dutch companies enter new international markets. The target in terms of network expansion and per market is reached overall. Companies that participate in the PIB are generally positive about the extent to which the instrument has helped them to establish a more extensive network and greater awareness in the target market.

Country, Policy Instrument	Evaluation report and link	Main conclusions
• Sweden. Regional export centres advisory services and internationalisation checks	• *Evaluation report is not public. The information was shared by the policy officer.*	• Swedish Agency for Economic and Regional Growth conducts evaluations of the benefits for companies that have received an internationalisation check for business development. Most recent analysis was based on 222 companies that received internationalisation checks and showed higher turnover (8.1 versus 2.2), higher value added (9.5 versus 4.0) and higher survival rate (97.3 versus 91.1) compared to a control group.

Source: Technopolis Group's review

7.1.2 Annual budgets and number of SMEs supported

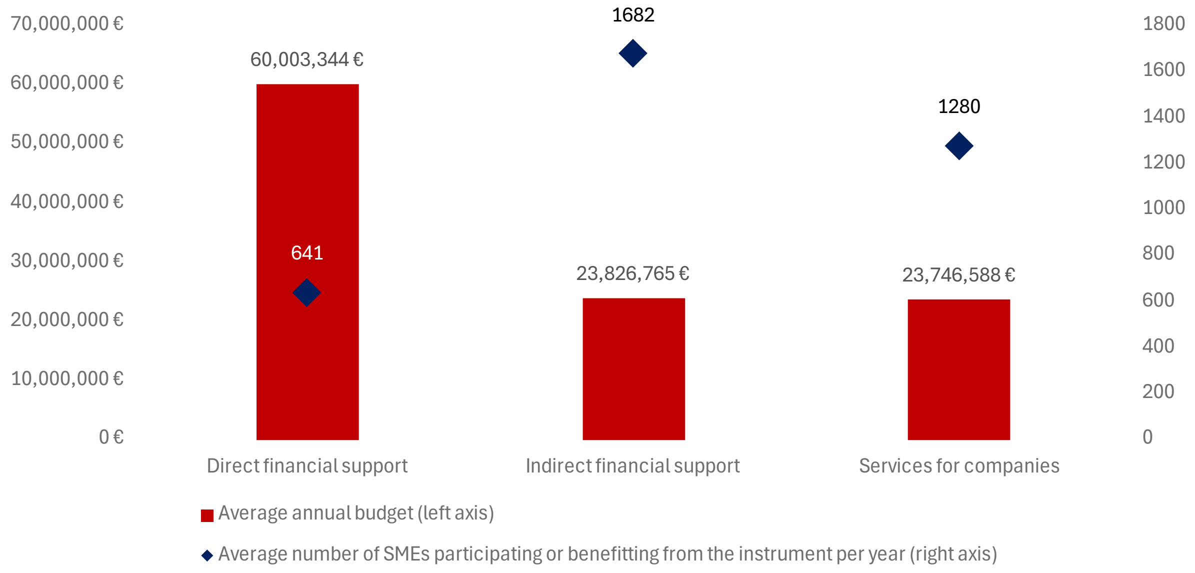
The number of SMEs supported per type of policy instrument is an important quantitative indicator that provides insight into the utilisation offering a basic measure of how many SMEs are benefiting from the various programmes. However, while this metric can illustrate the scale and coverage of support, it does not reflect the effectiveness or impact of these instruments.

The number of SMEs supported annually per policy instrument is diverse and varies between 7 and 22,602 companies as the data collected in this study suggest. For example, the Clean International Financing for SMEs supported 7 Danish SMEs developing water and environmental technologies in 2024[126]. The companies have received a grant of approx. EUR 13 000 to explore and develop international activities and partnerships. At the other end of the spectrum, the ICE Services in Italy supported 22 602 companies in 2023 to explore and deepen their knowledge on foreign markets[127]. The number of supported SMEs varies according to the type of policy instrument and depends on the country and specific agency offering the service. Trade promotion agencies usually support several thousand of SMEs per year such as in Austria, Netherlands, France or Italy. According to the data collected in this study, the average number of SMEs supported by direct financial support instruments is 600, however, there is a much larger average budget allocated to SMEs (in particular as a result of export credit and similar financial services). In the case of indirect financial support such as attending events and providing support, the number of SMEs benefitting from the service is much larger notably 2,500. In the cases of direct financial support and export credit, the average support per SME has been €2.78 m.

Literature indicates that different policy instruments reach various types of SMEs with different levels of maturity and operating in different sectors. In this sense, each action has its own logic and objective. For example, financing instruments and export insurance helps reduce SMEs' vulnerability to macroeconomic shocks, strengthen their capital assets, and provide varied growth opportunities.[128] Different forms of support benefit SMEs seeking to internationalise because they adapt to their specific needs.[129]

[126] https://www.cleancluster.dk/en/event/4860/
[127] Source: Memo on facts and figures of ITA services for business internationalisation
[128] OECD (2023). Future-Proofing SME and Entrepreneurship Policies, pages 29-30. Available at: https://www.oecd.org/cfe/smes/key-issues-paper-oecd-sme-and-entrepreneurship-ministerial-meeting-2023.pdf.
[129] European Parliament (2021). Challenges and concerns for small and medium-sized enterprises (SMEs) doing business in third countries. Available at: https://www.europarl.europa.eu/thinktank/en/document/EXPO_BRI(2021)653629

Figure 28: Average number of SMEs supported via Member States level policy instruments active in 2024 and average budget for SME internationalisation per main type of support (estimations)



Source: Technopolis Group

7.1.3 Effectiveness in addressing the needs of different types of SMEs

There is a direct link between internationalisation and increased SME performance. International activities reinforce growth and employment, enhance competitiveness and support the long-term sustainability of companies[130]. Moreover, a positive relationship between public support for marketing activities and the export performance of companies were identified by several studies[131]. For example, government's marketing assistance such as an arrangement for overseas trips and organisation of foreign trade missions and international trade exhibitions could provide the firms with the platform to be internationally recognised. For instance, they can use these resources to establish subsidiaries in foreign countries, allowing them to have a direct presence in key markets. This presence often leads to better control over operations, faster response times, and improved customer relations. With the financial flexibility, companies can invest in specialised services such as export consultation, which helps them navigate complex foreign regulations, customs requirements, and legal challenges. These financial resources can also be used to secure favourable trade terms, hire local experts or consultants, and establish joint ventures or partnerships with local firms.

More specifically, trade financing provided by export credit agencies proves to be effective in supporting the internationalisation of SMEs and serves as a key lever to achieve priority policy goals for the EU and its Member States. These goals include, among others, building a strong industrial base in Europe.[132] A recent study that discussed the effect of the shutdown of the Export–Import Bank of the US (EXIM) from 2015—2019 on firm outcomes found that firms which previously relied on EXIM support saw a 18% drop in sales after the agency closed. Firms

[130] European Commission (2015). Supporting the Internationalisation of SMEs. Retrieved from: https://s3platform.jrc.ec.europa.eu/documents/20125/253550/Supporting_Internat_SMEs.pdf/ccd964d2-3b6b-2f93-758d-85b7b513219e?t=1621268542393
[131] Mata, M. N., Falahat, M., Correia, A. B., & Rita, J. X. (2021). Impact of institutional support on export performance. *Economies*, 9(3), 101.
[132] Proposal for a Council Decision establishing the position to be adopted on the Union's behalf by the Participants to the Arrangement on Officially Supported Export Credits ("Arrangement") with regard to the modernisation of the Arrangement.

affected by the shutdown also laid off employees and curtailed investment[133]. Additionally, the study found that export credit subsidies can boost exports even in countries with well-developed financial markets, without necessarily leading to a misallocation of resources. **Overall, a meta-analysis of studies exploring the impact of the export promotion programmes indicated that the programmes have positive effect on new export destination markets**[134].

According to international trade literature, evidence on the impact of export promotion programmes on firm-level export performance is both inconclusive and widely debated. Studies vary significantly in the magnitude of the reported effects and their statistical significance, highlighting a lack of consensus on the effectiveness of these programmes. As a result, this topic remains an active area of discussion and research. For example, a study of 217 manufacturers and service sector companies in Malaysia found that the impact of public financial support on a company's export performance is minor.[135] One potential argument is the complexity and administrative burden related to the public trade financing instruments, in contrast with the lack of organisational resources to apply for the funding.

Within this study, the effectiveness of specific programmes supporting internationalisation of SMEs was assessed via interviews with policy officers.

Finding the right balance in supporting SMEs with high potential has been highlighted as a key success factor for effectiveness. Providing tailored support to established medium-sized enterprises and dynamic scaleups is crucial for fostering growth. Some interviewees emphasized the importance of focusing on companies that are capable of scaling internationally, as these businesses are more likely to benefit from internationalisation efforts.

There is an untapped potential in fostering peer-to-peer learning as pointed out in interviews and by the consulted experts. There is potential to strengthen support for inexperienced SMEs by linking them with larger, more experienced companies for joint activities outside Europe. The Eurocluster initiatives, for instance, have shown positive results in internationalisation efforts, with successful matchmaking events and SME interest in sustained collaboration abroad. However, better connectivity between clusters and other initiatives is needed to address current gaps. Including internationalisation as a core component in the EU's industrial transition pathways is suggested to improve strategic alignment. Additionally, clarifying roles and defining monitoring processes would provide more robust support for SME internationalisation efforts.

Well-trained, experienced human resources and mutual learning within implementing agencies are crucial. Agencies that support businesses in expanding internationally must possess a deep understanding of global markets, regulatory environments, and the challenges SMEs face when entering new territories. To effectively support companies, agencies need to continuously enhance their skills and knowledge, ensuring that their teams are up to date with the latest market trends, technological advancements, and international trade policies. In addition, fostering a culture of mutual learning among implementing agencies can be highly beneficial.

The support offered via regional centres and hubs to SMEs, or via local accelerators and incubators for startups has been also highlighted as support services with high relevance and further potential to foster internationalisation and reach specific target groups.

[133] Kabir, P, A Matray, K Müller and C Xu (2024). "EXIM's Exit: The Real Effects of Trade Financing by Export Credit Agencies", CEPR Discussion Paper 18795.
[134] https://repub.eur.nl/pub/135711/wp688.pdf
[135] Mata, M. N., Falahat, M., Correia, A. B., & Rita, J. X. (2021). Impact of institutional support on export performance. *Economies*, 9(3), 101.

7.2 Effectiveness of EU level SME internationalisation instruments

The effectiveness of EU-level instruments has been assessed in various evaluation reports, either at the level of instruments or at the level of overarching programmes. However, there is a lack of an evaluation that reviews the overall internationalisation results and in particular beyond the EU across the portfolio of instruments. Besides these evaluations, each instrument has its own monitoring mechanism in place. Agencies often rely on questionnaires, but these depend on self-assessments. The evaluations overall focus on the effectiveness of the provided services, and less so on the effectiveness of SME internationalisation beyond the EU. At the level of EU policy instruments, the Enterprise Europe Network has multiple evaluations available that show its overall strong added value[136]. The cluster instruments have been evaluated in 2021 as part of the European cluster initiatives[137]. The impact assessment of Eureka was conducted in 2017[138]. The Table below reviews each EU instrument and the available assessments.

Table 12: Results and outcomes of EU policy instruments

Policy Instrument	Budget	Number of SMEs supported	Evaluations	Main outcomes (advantages/ shortcomings)
Enterprise Europe Network (EEN)	€ 385 m (2015-2021)[139] € 365 m appx. (2022-2028)[140] .	4.4 million SMEs[141] appx. 50.000 SMEs[142] per year	2015 - Impact of the EEN (2008-2014)[143]. 2017 - EEN - part of the interim evaluation of COSME[144]. 2022 - The European Court of Auditors special report on SME internationalisation instruments[145].	Advantages: - High awareness and trust to the instruments amount SMEs/SMC, intermediaries and policy makers - Adaptability and flexibility (based on client journey approach) of the instruments in terms of services and support offered to SMEs Shortcomings: - Difference in service depending on the specific EEN partner organisation (although there is also the principle of applying the rules of the most appropriate EEN member)
Clusters Go Internation al (replaced by Euroclusters)	The amount spent for internationali sation activities in Euroclusters is about 9.5% of the total budget of Euroclusters (€42, 000,000)-resulting in	1st (2016-2017): 2000 SMEs 2nd (2018-2019): 17,000 SMEs; 3rd (2020-2021) and 4th (2021-2024): data not available	2017 - Part of interim evaluation of the COSME (2014-2016)[146]. 2022 - The European Court of Auditors special report on SME internationalisation [147]	Advantages: - High level of company preparedness for internationalisation due to partnership approach - Support to tailored activities presented by the partnership Shortcomings: - Low awareness among SMEs - Limitation since it is linked to call period

[136] https://op.europa.eu/en/publication-detail/-/publication/d4cf03ed-972c-11e5-983e-01aa75ed71a1
[137] https://www.prognos.com/en/project/evaluation-cluster-initiatives
[138] https://www.clustercollaboration.eu/news/impact-assessment-eureka-network-projects-and-cluster-projects
[139] https://www.eca.europa.eu/lists/ecadocuments/sr22_07/sr_internationalisation-smes_en.pdf
[140] https://www.eca.europa.eu/lists/ecadocuments/sr22_07/sr_internationalisation-smes_en.pdf
[141] https://een.ec.europa.eu/blog/enterprise-europe-network-turns-15-celebrate-us
[142] https://een.ec.europa.eu/blog/enterprise-europe-network-turns-15-celebrate-us
[143] https://op.europa.eu/en/publication-detail/-/publication/d4cf03ed-972c-11e5-983e-01aa75ed71a1
[144] https://op.europa.eu/en/publication-detail/-/publication/a7255ab4-a9d2-11e9-9d01-01aa75ed71a1
[145] https://www.eca.europa.eu/Lists/ECADocuments/SR22_07/SR_Internationalisation-SMEs_EN.pdf
[146] https://op.europa.eu/en/publication-detail/-/publication/a7255ab4-a9d2-11e9-9d01-01aa75ed71a1
[147] https://www.eca.europa.eu/Lists/ECADocuments/SR22_07/SR_Internationalisation-SMEs_EN.pdf

Policy Instrument	Budget	Number of SMEs supported	Evaluations	Main outcomes (advantages/ shortcomings)
	approx. €3,990,000.			
Access2 Markets	N/A (cost related to set up and running of the portal)	The portal has had over nine million visitors since its launch in October 2020 and more than 11 000 SMEs have been trained to use it[148].	2024 - EC report on Implementation and Enforcement of EU trade policy[149]	Advantages: - Detailed information on the market specific regulations, conditions, rules and restrictions, taxes, tariffs, etc. - User friendly and online accessibility to the tool, which is supported by local events and specialised trainings Shortcomings: - Low awareness among SMEs
EU SME Centre in China	€ 5 m set up[150] • Phase III (2020-2022) €1.2 m[151], Phase IV (2022-2025) €2.4 m[152].	No direct information on number of SMEs is available	Not available	Advantages: - Tailored information on the very specific market (via market research, trainings, material and networking opportunities Shortcommings: - Difficulty in supporting more mature SMEs, since has strong track and experience in supporting initial entry to the market
EU-Japan Centre	€ 7 m[153] (2024-2025)	No overall information Get Ready For Japan (training programme) supported 738 SMEs[154]	2017 - Briefly mentioned in the interim evaluation of the COSME programme (2014-2016)[155].	Advantages: - Comprehensive and in-depth support to matchmaking and technology transfer - Seen as a reliable contact point to reach out to Shortcomings: - Targets more advanced and technology mature companies, which could reduce accessibility of the instrument by less mature SMEs
Interreg Europe (projects targeting internationalisation)	(2021-27) €1.5 m, (2014-2020) had 9 projects with total budget: € 14.4 m	Estimations: 2021-27 at least 332 SMEs	Evaluation reports for the period 2014-2020 of Interreg Europe[156]	Advantages: - There is a lot of learning and information available from the previous and current programming period - The instrument is primarily aimed at supporting internationalisation within the EU Single Market, and less towards third countries Shortcomings:

[148] European Commission (2024). Report on the Implementation and Enforcement of EU Trade Policy
[149] https://ec.europa.eu/transparency/documents-register/detail?ref=COM(2024)385&lang=en
[150] https://www.eusmecentre.org.cn/the-centre/
[151] https://ec.europa.eu/research/participants/data/ref/other_eu_prog/cosme/wp-call/call-fiche_cos-smecc-2019-2-01_en.pdf
[152] https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/smp/wp-call/2021/call-fiche_smp-cosme-2021-smecc_en.pdf
[153] https://commission.europa.eu/document/download/a04ed17f-eca9-4ee7-b5a7-d895cf8bf270_en?filename=C_2023_8926_F1_ANNEX_EN_V3_P1_3119491.PDF
[154] From the achievements report FY2022
[155] https://op.europa.eu/en/publication-detail/-/publication/a7255ab4-a9d2-11e9-9d01-01aa75ed71a1
[156] https://www.interregeurope.eu/interreg-europe-2014-2020

Policy Instrument	Budget	Number of SMEs supported	Evaluations	Main outcomes (advantages/ shortcomings)
				- The instrument is indirectly supporting SMEs internationalisation, since the main target beneficiaries are policy makers or business support agencies
European IP Helpdesk	Budget China: €2.4 m[157] Budget South-East Asia: € 2.6 m Budget Latin America: € 2 m (2014-2020) €47.9 m[158]	200,000 SMEs participated in China IPR Helpdesk (since its launch)[159]	2013 – Report on Evaluation of the European IPR helpdesk 2020 - Study for the evaluation of the International Intellectual Property Rights SME Helpdesks[160]	Advantages: - Known among SMEs - Services is accessible in person and remotely Shortcomings: - SMEs and other stakeholders are not always clear on how to access the specific services under this instrument
Startup Europe	€ 30 m[161] (2014-2020) € 14.5 m (2024)	(2014-2020) more than 1,000 SMEs participated in 22 funded projects[162]	2022 - The European Court of Auditors special report on SME internationalisation instruments, including the Startup Europe[163]	Advantages: - Well known among startups and SMEs - Synergies with other EU instruments (such as the EIT, Digital Europe Programme) Shortcomings: - Available funding is quite limited and focuses on early stages leaving out the more advanced but not yet mature - Stronger focus on supporting startups in general rather than internationalisation
EIT Global Outreach	€95.5 b for Research and Innovation (as part of Horizon Europe)[164]	No information available	2017 – Partially mentioned in the Evaluation of the European Institute of Innovation and Technology[165]	Advantages: - Using networks and partners - Focus on technology and innovation - Good visibility and outreach Shortcomings: - Limitation in accessibility due to the need to meet specific requirements
Global Europe	€79.46 bn [166].	45 000 digital SMEs (through European Digital SME Alliance), as part of Global Europe (Global	2024 - External evaluation of the European Union's External Financing Instruments (2014-2020) & (2021-2027)[168] 2024 – The mid-term evaluation of NDICI-Global Europe[169]	Advantages: - Consolidated several instruments offering more coherence and coordination, as well as addressing several complementarities Shortcomings: - Due to unforeseen geopolitical developments the available budget has been already stretched - Allocation of funds for projects remains a heavy process leading to delays

[157] https://data.europa.eu/doi/10.2873/93777
[158] https://secure.ipex.eu/IPEXL-WEB/download/file/082d29088b19dc01018b47265d07226a
[159] https://www.insme.org/china-ipr-sme-helpdesk
[160] https://data.europa.eu/doi/10.2873/93777
[161] https://www.eca.europa.eu/lists/ecadocuments/sr22_07/sr_internationalisation-smes_en.pdf
[162] https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=COM:2024:49:FIN
[163] https://www.eca.europa.eu/Lists/ECADocuments/SR22_07/SR_Internationalisation-SMEs_EN.pdf
[164] https://eit.europa.eu/news-events/news/eit-hub-israel-boosting-innovation-ecosystems
[165] https://era.gv.at/public/documents/3373/EIT_external_eval_report.pdf
[166] https://single-market-economy.ec.europa.eu/system/files/2023-07/overview%20of%20EU%20instruments%20to%20support%20internationalisation%20of%20European%20Business.pdf
[168] https://international-partnerships.ec.europa.eu/publications/evaluation-european-unions-external-financing-instruments-2014-2020-and-2021-2027_en
[169] https://ecdpm.org/work/mid-term-evaluation-ndici-global-europe-instrument-fit-purpose

Policy Instrument	Budget	Number of SMEs supported	Evaluations	Main outcomes (advantages/ shortcomings)
		Gateway)[167]		
Innowide	€11 400 000 (2021-2024)	120 innovative SMEs	Evaluation report for Eurostars-3 – Part of the co-funded European partnership "Innovative SMEs" – Evaluation study of the European Framework Programmes for Research and Innovation for Innovative Europe, RTD/2021/SC/019, Denham, S.(editor), 2024	Advantages: - De-risking SME internationalisation - Each project was implemented in close cooperation with local stakeholders, all coming from non-EU or non-associated countries of Horizon 2020.

Source: Technopolis Group based on a review of evaluation reports and assessments of policy instruments collected in the framework of this project

EEN is widely recognised as an effective network with the ability to reach SMEs throughout Europe, and its services are widely used and appreciated by SMEs[170]. Interviewees also emphasised the overall well-developed monitoring and evaluation framework for EEN. For relatively newer programmes, taking into account the time required for impacts to become visible, such as Startup Europe, indicators are less well developed[171]. From a broader perspective, signs of effectiveness are generally positive regarding the available support for internationalisation. User feedback indicates that SMEs experience better performance when using internationalisation services. SMEs that utilise these services typically perform better in terms of turnover and profit compared to those that do not. Overall, SME internationalisation services contribute to improved growth and global presence, demonstrating enhanced market integration and competitiveness[172,173].

The INNOWWIDE pilot was evaluated, and an impact analysis published in 2021. The impact assessment consisted of three distinct layers: the impact on the European beneficiaries (and related economic effects), the impact on partners in the target partner countries, and the level of call implementation. Key motivations from participants included a better market access (85%) and an improved market knowledge of the target country (83.3%). **The ex-post impact assessment revealed significant benefits, such as the establishment of new international networks (95%) and formal collaborations (59%).**[174] According to the impact assessment of the pilot programme, 94% of the beneficiaries said that the project had an impact on their competitiveness, especially on local partnerships and their marketing strategy and channels.

The Eurostars-3 programme and the first call of the Innowwide programme within the European Partnership on Innovative SMEs have increased innovativeness of beneficiaries, improved

[167] https://www.digitalsme.eu/global-gateway-smes-voice-their-requests-to-the-commission/
[170] https://op.europa.eu/en/publication-detail/-/publication/a7255ab4-a9d2-11e9-9d01-01aa75ed71a1
[171] European Court of Auditors, 2022, SME internationalisation instruments
[172] https://single-market-economy.ec.europa.eu/smes/growing-and-scaling-sme/improving-smes-access-marktets/sme-internationalisation-beyond-eu_en
[173] https://www.interregeurope.eu/sites/default/files/inline/2021-08-01_Policy_brief_on_SME_internationalisation_TO3.pdf
[174] https://ec.europa.eu/research/participants/documents/downloadPublic?documentIds=080166e5e18187f7&appId=PPGMS

market competitiveness and acted as an interface between national and EU innovation policies as concluded by the impact assessment.

More specifically, the Eurostars-3 programme addresses two of the key issues of European innovation policy, namely supporting SMEs in their R&D efforts while simultaneously allowing for transnational research cooperation, which is often not supported by national funding authorities. Additionally, Eurostars is acting as an interface between national and EU innovation policies as quoted in "*When asked about the added value of the programme, most of the national funding bodies, as well as beneficiaries, answered that it was an accessible opportunity for SMEs to internationalise. For them, this is where the added value of the Eurostars programme lies. Almost all countries offer support for SMEs, but only at the national level. However, if a European SME wants to operate internationally, the only alternative is to apply to Horizon Europe. According to beneficiaries, **the administrative burden for the Eurostars programme is lower** than that of other Horizon Europe programmes addressing SMEs*."[175] While the majority of participants were not newcomers to internationalisation, they appreciate the **co-funded partnership for providing them with an opportunity for internationalisation that has a low administrative burden**, closing a funding gap that often exists at the national level for SMEs venturing beyond domestic markets.[176]

The Eurocluster initiatives focused on internationalisation have shown positive results despite being relatively small compared to member states' initiatives. These initiatives, organised through the European Cluster Partnership (ECP) and Euroclusters, have conducted successful matchmaking events, with SMEs keen to sustain relationships and collaborate on opportunities abroad.

At the level of monitoring tools, the effects are tracked using user surveys. For example, the European Innovation Council conducts a satisfaction survey immediately after the trade fair is organised, asking about satisfaction levels, the number of business meetings, and other immediate outcomes. Then, six months later, an impact survey is conducted to assess the number of new businesses, the number of deals signed, and jobs created.

Many of the services for both the earlier and later stages of internationalisation depend on key support organisations, for instance, provided through instruments like EEN or via clusters. Given the vast breadth of market-sector combinations, it cannot be expected that every support organisation is equally knowledgeable and well-positioned to support every SME that knocks on their door. This can also be a source of quality differences across these support organisations, about which concerns were expressed by experts. Within the EU, these organisations have strong counterparts from other EU regions that are funded to provide support and insights into their markets with similar EU values and objectives. Outside the EU this is less supported as non-EU members are not funded by the EU and act more from common interest and mutual benefit.[177] This emphasises the value of EU level offices/satellites/contact persons in target markets that can provide trusted advice, introductions, etc. from the side of the target market.

[175] European Commission: Directorate-General for Research and Innovation and Denham, S., *Evaluation report for Eurostars-3 – Part of the co-funded European partnership "Innovative SMEs" – Evaluation study of the European Framework Programmes for Research and Innovation for Innovative Europe, RTD/2021/SC/019*, Denham, S.(editor), Publications Office of the European Union, 2024, https://data.europa.eu/doi/10.2777/308203

[176] European Commission: Directorate-General for Research and Innovation and Denham, S., *Evaluation report for Eurostars-3 – Part of the co-funded European partnership "Innovative SMEs" – Evaluation study of the European Framework Programmes for Research and Innovation for Innovative Europe, RTD/2021/SC/019*, Denham, S.(editor), Publications Office of the European Union, 2024, https://data.europa.eu/doi/10.2777/308203

[177] EISMEA, 2022, Single Market Programme Call for expressions of interest for International Network Partners of the Enterprise Europe Network, https://eismea.ec.europa.eu/document/download/cef4d07a-43e3-491d-ad69-2864fbf20947_en?filename=EEN-CALL-FOR-INTERNATIONAL-PARTNERS-2022-2025-Version-3_1.pdf

The feedback collected during this study highlights that providing support close to SME (preferably at a regional or even local level) is crucial for effectiveness. As discussed in Chapter 3 on coherence, the overall landscape of numerous instruments can be quite opaque for SMEs. Service providers that are geographically closer to SMEs, such as the members of the Enterprise Europe Network (EEN), cluster organisations, can more effectively address needs in a tailored manner. While these instruments are praised for their localised approach, this area is identified as a key area for further improvement due to its significant importance.

7.3 Estimating the overall public funding dedicated to SME internationalisation

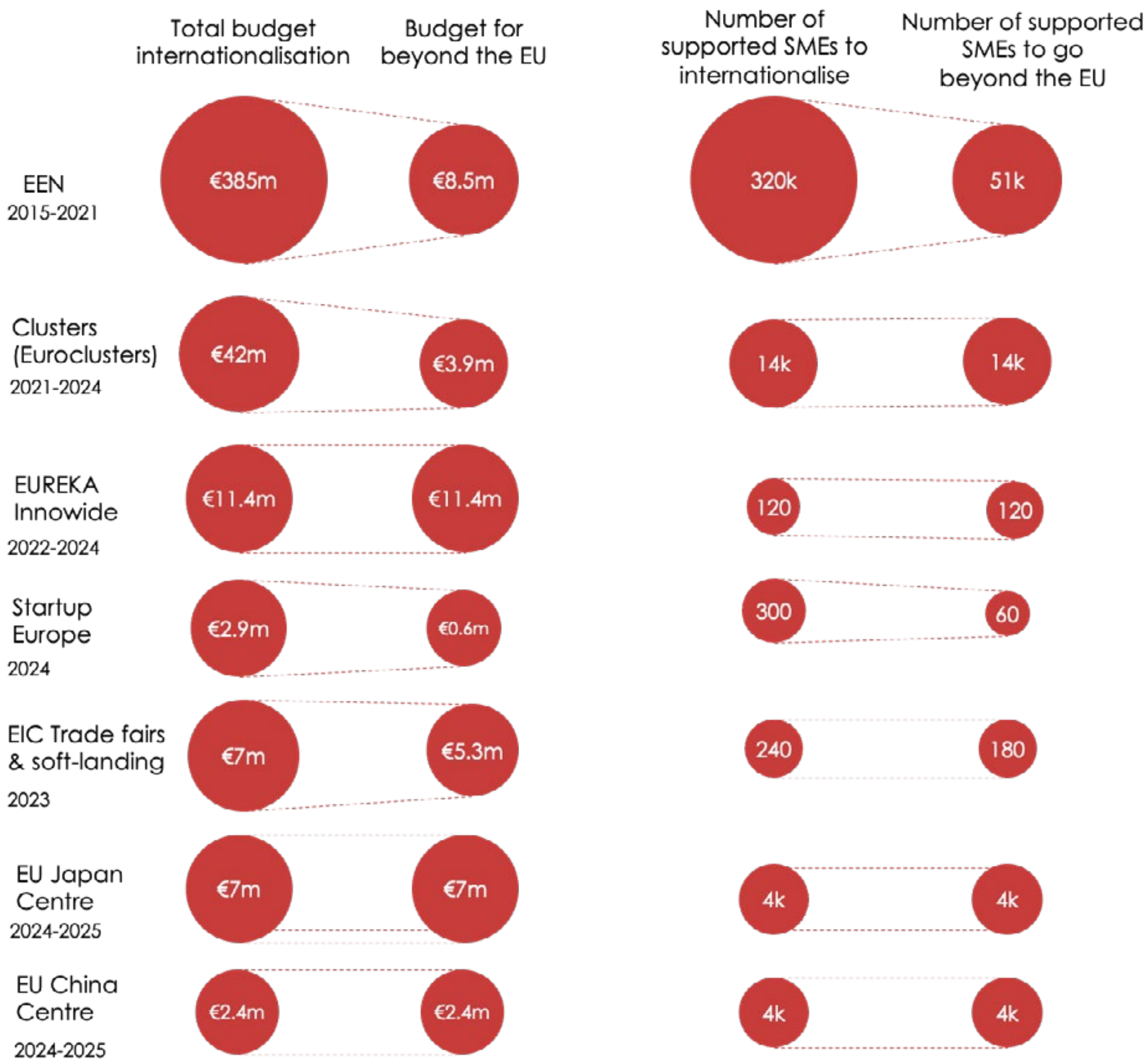
The budget structures and monitoring indicators at both the EU and Member State levels are not well-suited to provide specific insight into the support offered to SMEs for internationalisation beyond the EU. Some instruments, such as Startup Europe, have lump sum budgets that cover a range of activities, with internationalisation being just one of them. When internationalisation is specifically addressed, efforts within the EU Single Market are often combined with those targeting internationalisation beyond the EU. While the target groups are sometimes SME-specific, they can also include a mix of businesses of varying sizes. Unique visitors to key online portals and participants in webinars are prime examples of this mixed approach

To provide some insight into the overall scale of EU instruments concerning SME internationalisation beyond the EU, estimations had to be made. In many cases, this involved rough calculations that relied heavily on assumptions due to the lack of comprehensive data. When making these calculations, it is crucial to estimate the number of SMEs likely to focus on internationalisation beyond the EU. For this, we can use the ratios of SMEs currently active in international markets: number of EU SMEs internationally active (EU & Beyond): approximately 3 million (12.5%), number of EU SMEs internationally active beyond the EU: approximately 0.6 million (2.5% of total SMEs and 20% of internationally active SMEs)[178].

The Figure below provides an estimate for EU-level instruments that directly support SME internationalisation. As it can be observed from the figures, there is a significant difference in the depth of support provided, which is reflected in the large variations in budget spent per SME. For instance, through EUREKA Innowwide, SMEs are supported with €60 000 each, whereas a webinar for multiple participants incurs far lower costs per participant. This contrast is also evident in the two centres in Japan and China. Both offer large-scale webinars and training sessions with many participants, but the Japan centre additionally provides more resource-intensive services for individual SMEs, such as direct matchmaking and soft-landing support. The total budgets and the number of SMEs supported are presented in the Figure below.

[178] Source: Eurostat

Figure 29: Total budget dedicated to SME Internationalisation at EU-level (period of the budget figure indicated for each instrument)



Source: Technopolis Group's estimation based on the data collected on policy instruments through desk research and interviews with policymakers Note: more information is presented in Table 12 above.

7.4 Long-term sustainability

The mapping of the policy instruments shows that 42% of the policy instruments require co-funding from beneficiaries, with the required contribution ranging from 30% to 70% of the costs associated with internationalisation activities. This co-funding is primarily necessary for direct financial measures such as grants, subsidies, and loans, which are designed to support company growth and expansion. This demonstrates that close to half of the policy instruments rely on private sector investment to complement public funding, highlighting the importance of shared financial responsibility in fostering SME internationalisation.

Internationalisation is a complex challenge that demands specialised knowledge, experience, and a robust network. Policy instruments need to be refined continually to address evolving needs effectively. Continuity contributes to greater efficiency and effectiveness over time. We recognise that quite some EU level instruments have gone through this development, often starting with providing support for internationalisation within the EU before also addressing internationalisation beyond the EU. Key examples include the growth of the EEN, which initially covered all EU regions and has since expanded to include members from markets beyond the EU, as well as the IPR Helpdesk, which was first set up for the EU and later extended to markets in Asia, among others. The EU-level instruments encompass those with varying lifespans; some have a long history of refinement, while others are more recently introduced. For example, an instrument with a long-standing history and operational experience, like the EU-Japan Centre for International Cooperation (established in 1987), is inherently more refined than newer instruments like Clusters Go International (established in 2016).

The EU-Japan Centre, for instance, has demonstrated the benefits of long-term establishment, as local SMEs and other stakeholders have become familiar with the organisation's services, leading to the development of valuable contacts and trust. The true impact of such instruments becomes evident as these relationships mature. This process takes time and requires ongoing support to maintain and build upon these effects. According to the European Court of Auditors' report, survey results among EEN members show that cooperation is most effective with instruments that have been developed over time and maintain long-term continuity. This highlights the importance of continuity within instruments over an extended period to support overall coherence in the support landscape, allowing actors and initiatives to exchange insights and better tailor their efforts to work seamlessly together.

Short-term or temporary instruments (such as business-to-business meetings) are valuable for establishing relationships and lowering barriers to internationalisation. However, these should be followed by long-term support mechanisms to ensure trust, reliability, and scalability based on the results achieved through short-term measures. While short-term initiatives are important, there is a critical need for continuity beyond the conclusion of a project, as the discontinuation of many effective instruments has been a setback. Enhancing the transparency and predictability of involved actors is essential to ensure that successful aspects of projects are sustained and built upon. Linking new projects to existing successful initiatives can help ensure long-term sustainability.

Current efforts, such as Horizon Europe (HEU), address only a small number of SMEs. Therefore, it is recommended to intensify efforts to develop robust innovation ecosystems that can reach a larger number of entities, building on established transition pathways in industrial ecosystems. Leveraging existing clusters, which have proven effective, can provide continuous support, ensuring sustained progress and the persistence of successful initiatives across various projects.

The European Regional Development Fund (ERDF) is an important funding source for SME internationalisation instruments, particularly in countries that are the largest recipients. However, the delivery of support measures can be impacted by the administrative capacity constraints of regional and national governments. Its efficiency is further reduced by the lack of coordination with other institutions and agencies supporting SME internationalisation. Implementation bottlenecks may be exacerbated during transitions between programming periods and political cycles, affecting the smooth functioning of administrations.

8 Policy recommendations

Based on the analysis as presented in the above chapters, a set of policy recommendations have been put forward and grouped according to pivotal dimensions of the SME policy landscape. The recommendations are related to the 1) internal and external coherence; 2) the effectiveness and long-term sustainability of the instruments, and 3) visibility among SMEs. They are based on the analysis of the EU and MS-level data collected, interviews with EU-level organisations responsible for SME internationalisation, the findings of an expert workshop, desk research and a review of existing evaluation reports.

This report argues for **more efficiency and better use of existing resources both at EU and MS level but also by building stronger synergies across countries**. There is a need for more strategic approach to consolidate efforts.

The conclusions of this report have been formulated with consideration of the changed geopolitical and overall economic framework conditions, the EU's international positioning, and priorities related to strategic autonomy, which affect companies and SMEs when entering third markets. In addition, internationalisation policy and related support measures today cannot disregard the rapid shifts toward digitalisation, the evolving global digital connectedness, the realities of SMEs facing harsher conditions affecting their competitiveness, and the EU's priorities regarding the green transition.

Based on the discussions with EU and MS representatives of the policy instruments reviewed, this study puts forward four main recommendations as presented in the Table below.

Table 13: Overview of recommendations

1. Recommendation Create an EU level interservice working group in order to systematically coordinate EU policy instruments that foster SME internationalisation beyond the EU	**2. Recommendation** Use existing platforms such as the SME Envoy and SME Assembly for knowledge exchange on SME internationalisation among Member States and EU
3. Recommendation Create an Interactive Policy and Funding Map that presents the EU and MS level policy instruments available for SMEs to internationalise beyond the EU	**4. Recommendation** Initiate a process of coordination among EU and Member State actions

The key recommendations are further detailed in the Table below.

Table 14: Key recommendations for follow-up at EU and MS levels

Level/ timeline	Recommendation for action
EU level	**1. Create an EU level interservice working group in order to systematically coordinate EU policy instruments that foster the internationalisation of SMEs beyond the EU**
Short term	Action 1.1. Set up an EU-level interservice working group with policy officers from each of the identified EU-level policy instruments (including EEN, clusters, Eureka, EIC, EIT, Access2Markets, IP Helpdesk, Agri, EIB, Global Gateway, partnerships with third countries on different topics etc) that directly and indirectly address the internationalisation of SMEs beyond the EU. This group would ensure coordination with and among the relevant Commission services involved in the subject.
Short term/Mid term	Action 1.2. Organise meetings twice a year with this interservice working group and exchange on topics such as alignment of timetables, planning of joint networking events, on the experience in specific markets of interest.
Midterm/Long term	Action 1.3. Initiate concrete actions of coordination such as investigating which projects under the umbrella of the EU Global Gateway can best support the expansion of EU SMEs and how these can be linked to other ongoing SME internationalisation support projects funded under other EU policy instruments
EU/MS level	**2. Use existing platforms such as the Network of SME Envoys and the SME Assembly to foster knowledge exchange on SME internationalisation among Member States, business organisations and the European Commission services**
Short term	Action 2.1. Name a designated rapporteur among the SME Envoys to lead and coordinate the efforts, eventually with the establishment of a specialised sub-group focused on internationalisation within the Network of SME Envoys. This sub-group can serve as a platform for in-depth discussions on SME internationalisation strategies and challenges. The rapporteur should facilitate dialogue, share insights, and organise meetings with representatives from Member States to align national efforts, exchange best practices, and identify opportunities for collaboration. The goal is to foster coordinated support for SMEs seeking to expand into global markets and enhance cross-border cooperation on international trade policies and initiatives.
Short term	Action 2.2. Introduce an SME Internationalisation Forum as discussion topic of the annual SME Assembly inviting the representatives of organisations responsible for SME internationalisation support per MS, ideally also inviting representatives of key regional and local support measures.
Mid term	Action 2.3. Coordinate the representation of EU SMEs at international trade fairs by checking the EU agenda of planned events once per year with Member States' agendas via representative organisations such as Trade Promotion Europe
EU/MS level	**3. Create an Interactive Policy and Funding Map that presents the EU and MS level policy instruments available for SMEs to internationalise beyond the EU** on https://single-market-economy.ec.europa.eu/smes/growing-and-scaling-sme/improving-smes-access-marktets/sme-internationalisation-beyond-eu/internationalisation-support-tools_en
Short term	Action 3.1. Set up an online tool via a request to the Commission IT services to create an interactive map similar to https://monitor-industrial-ecosystems.ec.europa.eu/technology-centre/mapping where one could filter for country/EU, type of support, target market on the left side and click on the map and see the sheet of each policy instrument with detailed information about the objectives etc. The policy instrument sheet could be similar to this: https://culture.ec.europa.eu/funding/cultureu-funding-guide/discover-funding-opportunities-for-the-cultural-and-creative-sectors .
Mid term	Action 3.2. Invite the rapporteur responsible for internationalisation among the SME Envoys to help keep the information up to date by contributing with new details about new policy instruments or changes to existing policy instruments, together with the sub-group, if sat up.

Level/ timeline	Recommendation for action
EU/MS level	**4. Initiate a process of coordination among EU and Member State action**
Short term	Action 4.1. Organise a workshop that brings together key stakeholders from both the EU and Member States who are responsible for policy programmes that support the internationalisation of SMEs. This workshop would present results of study and explore ways to implement recommendations, identify common challenges, and present good practices for helping SMEs expand globally.
Mid term	Action 4.2. Initiate an information exchange among interested parties, including Member States and Trade Promotion organisations, on topics of common interest on third markets by setting up a work plan and identifying a coordinator (TPE or one selected MS). This could be at the occasion of the SME Assembly and should be in line with the work of the SME Envoys.

Source: Technopolis Group

In addition to the key recommendations, this study makes also a list of further observations that might be considered in order to improve policy coherence, effectiveness and visibility.

Coherence at MS level:

- Coordinate MS level actions on priority topics and sectors/industrial ecosystems such as for example energy, digitalisation, agri-food through knowledge exchange and joint projects.
- Better coordinate actions between trade promotion and innovation policy support instruments addressing internationalisation of companies in order to create more synergies. Create a task force that involves both trade and innovation policymakers with the objective to align programme design, timelines, and optimisation of support services.

Coherence at the EU/MS level:

- Connect SME Internationalisation support actions to the **European Digital Innovation Hubs** involving regional members. Coordinate actions between the EDIHs and public agencies responsible for SME internationalisation/trade promotion to prepare digital SMEs for global markets. Joint actions could entail digital transformation advice with international market research, and export readiness training.
- Consider adding EU values such as **environmentally sustainable products**, standard working conditions, safety rules as preferences in the award criteria into SME internationalisation policy instruments but without creating new obligations or bureaucracy.

Effectiveness:

- Encourage the **collection and sharing of best practices** among MS on SME internationalisation in particular on topics how to expand beyond the EU, on third markets of common interest or topics. This can be done for example through Interreg, as part of the publications of the EEN or organising workshops by Trade Promotion Europe.
- Improve the **selection criteria of SME internationalisation** policy instruments by strengthening the **requirements for export readiness** for example in the case of trade missions.

- Address gaps in **facilitating the advanced stages of SME internationalisation** for high potential SMEs by shifting the balance towards more specialised advisory services for SMEs and in particularly SME in advanced stages of international expansion.
- Put more efforts to stimulate **peer-to-peer learning between companies and large and small companies.**
- **Address the changing needs of SMEs** by adapting existing instruments and take into account trade in digital services, changing geopolitics, new economic conditions.
- Organise **trainings** for staff members of business agencies involved in supporting SME internationalisation beyond the EU in particular via Trade Promotion Europe or as part of the Enterprise Europe Network.

Visibility:

- Strengthen the **visibility of the available SME internationalisation support** measures at EU level, notably via the Access2Markets portal.
- Create **national policy support mapping tools** (or embed them in an existing portal) to communicate about all the policy support available for SMEs within the country when going international.
- Include more references and link to the **Access2Markets portal on the MS webpages devoted to SME internationalisation.**

Monitoring:

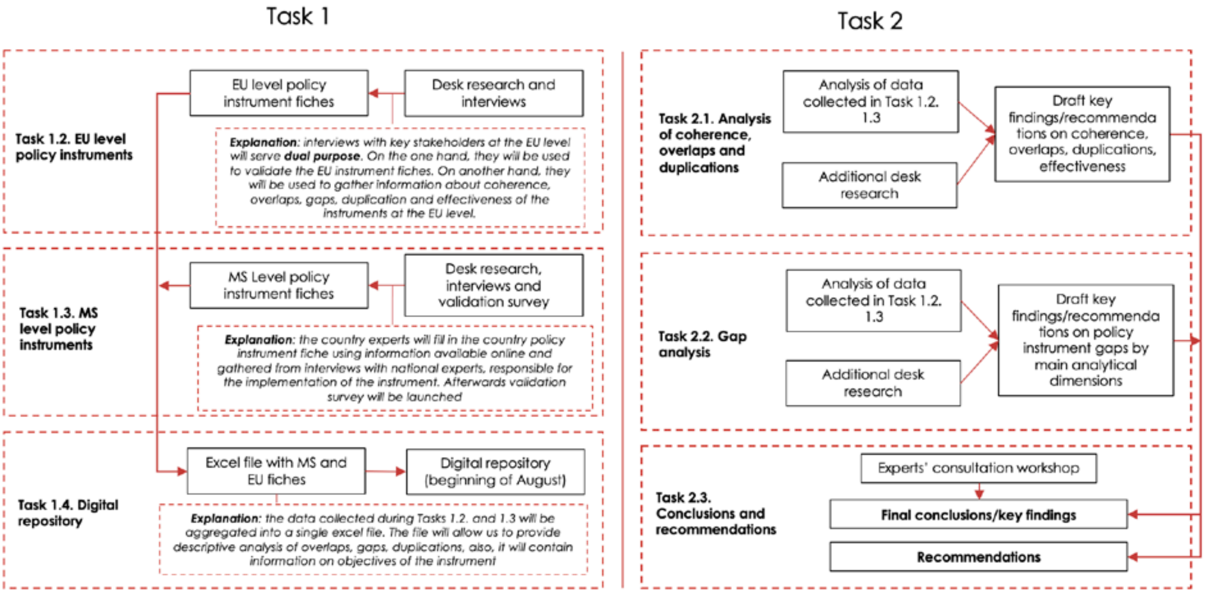
- Improve the monitoring of SME Internationalisation of policy instruments such as the **European Regional Development Fund by splitting the code 021** into support that is specific to SME internationalisation beyond the EU.
- Consider collecting data from supported **SMEs to track** whether they use the funding or support for actions aimed at expanding their operations beyond the EU.

Appendix A Methodological annex

A.1 Analytical framework

The Figure below provides an overview of methods and key activities to reach the Study's objective.

Figure 30: Methods and key activities to reach the study's objectives.



Source: Technopolis Group

Firm size and CAPs category definitions

Size category	Number of employees (annual work unit)		Turnover		Balance sheet total
Medium-sized	< 250		≤ € 50 m		≤ € 43 m
Small	< 50	**And**	≤ € 10 m	**Or**	≤ € 10 m
Micro	< 10		≤ € 2 m		≤ € 2 m
CAPs category	**Number of employees (annual work unit)**		**Turnover**		**Balance sheet total**
SMCs	< 500		≤ € 100 m		≤ € 86 m

Source: European Commission and the Inter-Secretariat Group

A.2 Literature sources

Table 15: List of documents for the desk review (EU level instruments and policies)

•	**List of policy document**
•	**1 EU policy documents and communications**

- European Commission / DG GROW (2023): Overview of EU instruments contributing to the internationalisation of European businesses[179]Interreg Europe (2021): Internationalisation of SME, A policy brief from the policy learning platform on SME competitiveness[180]
- European Commission (2022): SME Internationalisation instruments: a large number of support actions but not fully coherent or coordinated, Replies of European Commission to the European Court of Auditors' special report[181]
- European Committee of Regions (2019): EU policy framework on SME: state of play and challenges, Commission for Economic Policy[182]
- European Parliament (2023): Draft report on increasing innovation, industrial and technological competitiveness through a favourable environment for start-ups and scale-ups, Committee on Industry, Research and Energy[183]
- Business Europe (2020): The new EU SME strategy: 50 actions to make it work. Position paper[184]
- European Commission MEMO/11/765 "Small Business, Big World a new partnership to help SMEs seize global opportunities"[185]
- European Innovation Council (2021) Analysis of EIC beneficiaries' needs and challenges regarding geographic expansion. Final Report[186].

- **2 Programme / policy instrument specific documents and evaluations**

- The European Commission's online page on Support for SME Internationalisation beyond the EU187, which comprises all the key instruments made available to SMEs by DG GROW[188]
- COSME – Europe's Programme for Small and Medium-sized enterprises – programming, monitoring and evaluation[189]
- Single Market Programme 2024 - Performance[190]
- Evaluations:

  Single Market Programme (2024), interim evaluation – public consultation[191]

  COSME Programme (2017), interim evaluation, report[192]

- **3 Academic and market research:**

[179] Available online at: https://single-market-economy.ec.europa.eu/document/download/d39cb776-f63f-43e2-95ee-c09cf6f710bd_en?filename=overview%20of%20EU%20instruments%20to%20support%20internationalisation%20of%20European%20Business.pdf (Accessed: 05 April 2024).
[180] Available online at: https://www.interregeurope.eu/sites/default/files/inline/2021-08-01_Policy_brief_on_SME_internationalisation_TO3.pdf
[181] Available online at: https://op.europa.eu/webpub/eca/special-reports/sme-internationalisation-instruments-07-2022/en/
[182] Available online at: https://cor.europa.eu/en/engage/studies/Documents/EU-SMEs/EU-policy-SMEs.pdf
[183] Available online at: https://www.europarl.europa.eu/doceo/document/ITRE-PR-752629_EN.pdf
[184] Available online at: https://www.businesseurope.eu/sites/buseur/files/media/position_papers/smes/the_new_eu_sme_strategy_-_50_actions_to_make_it_work.pdf
[185] Available online at: https://ec.europa.eu/commission/presscorner/detail/en/MEMO_11_765
[186] Available online at: https://eic.ec.europa.eu/document/download/a71113af-02e4-4500-b6e4-99c9b0832b65_en?filename=Analysis%20of%20EIC%20beneficiaries%20needs%20and%20challenges%20-%20Final%20Study%20-%20Final.pdf
[187] Available online at: https://single-market-economy.ec.europa.eu/smes/sme-strategy/improving-smes-access-marktets/sme-internationalisation-beyond-eu/internationalisation-support-tools_en (Accessed: 05 April 2024).
[188] Available online at: https://single-market-economy.ec.europa.eu/smes/sme-strategy/improving-smes-access-marktets/sme-internationalisation-beyond-eu/internationalisation-support-tools_en
[189] Available online at: https://single-market-economy.ec.europa.eu/smes/cosme/programming-monitoring-and-evaluation_en
[190] Available online at: https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/programme-performance-statements/single-market-programme-performance_en#programme-in-a-nutshell
[191] Available online at: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14002-Single-Market-Programme-interim-evaluation_en
[192] Available online at: https://op.europa.eu/en/publication-detail/-/publication/a7255ab4-a9d2-11e9-9d01-01aa75ed71a1

- Steinhäuser et al (2021): Internationalisation of SMEs: a systematic review of 20 years of research, Journal of International Entrepreneurship, Vol. 19, pp. 164-195[193]
- Catagna et al. (2020) : Assessing SMEs' Internationalisation Strategies in Action, Appl Sci 10 (14)[194]
- Coudounaris, D. (2018): Typologies of internationalisation pathways of SMEs: what is new?, Review of International Business and Strategy[195]
- Olejnik, E and Swoboda, B (2012): SMEs' internationalisation patterns: descriptive, dynamics and determinants, International marketing review[196]
- Brochado et al 2020 Drivers of and barriers to the SME internationalisation process in small open economy[197]

Source: Technopolis Group

A.3 Markets of interest

To identify markets of interest, it was essential to understand the extent to which they can offer opportunities for high growth to EU SMEs and the extent to which they are of interest to the EU regarding strategic priorities.

The growth potential of markets was examined using **UNComtrade[198]**, **FDimarket data[199], Crunchbase[200], and World Bank's Easy of Doing Business Ranking**[201]. During the kick-off meeting, the countries with strategic priority were identified following the decision of the European Commission and its Inter-Secretariat Group. The selection criteria included geopolitical considerations, neighbouring countries, countries currently negotiating free trade agreements with the EU, and whether there are existing free trade agreements with the EU.

The following quantitative indicators were used to create the initial list of markets of interest based on their growth potential:

- Export value of the last five years (2018-2022).
- Export growth in the previous five years (2018-2022).
- EU foreign direct investment (FDI) flows abroad (2018-2022).
- EU foreign direct investment (FDI) flows growth abroad (2018 – 2022).
- Extra-foreign direct investment (FDI) flows in the EU over the last five years (2018-2022).
- Extra-foreign direct investment (FDI) flows in the EU growth, over the last five years (2018-2022).

[193] Available online at: https://link.springer.com/article/10.1007/s10843-020-00271-7
[194] Available online at: https://www.mdpi.com/2076-3417/10/14/4743
[195] Available online at: https://www.emerald.com/insight/content/doi/10.1108/RIBS-12-2017-0119/full/html
[196] Available online at: https://www.emerald.com/insight/content/doi/10.1108/02651331211260340/full/html
[197] Available online at: https://repositorio.iscte-iul.pt/handle/10071/21217
[198] Available online at: https://comtradeplus.un.org/
[199] Available online at: https://www.fdimarkets.com
[200] Available online at: https://www.crunchbase.com/
[201] Available online at: https://archive.doingbusiness.org/en/rankings

Figure 31: Top markets by EU export value, outward and inward FDI, and growth (2018 – 2022)

Export value of the last five years

Africa	America	Asia	Europe	Oceania
Morocco	USA	China	UK	Australia
South Africa	Canada	Japan	Switzerland	New Zealand
Egypt	Mexico	South Korea	Russia	
Algeria	Brazil	India	Turkey	
Nigeria	Chile	United Arab Emirates	Norway	
Tunisia	Argentina	Singapore	Ukraine	
Libya	Colombia	Saudi Arabia	Serbia	
Senegal	Peru	Hong Kong	Bosnia Herzegovina	
Ivory Coast	Panama	Israel	Belarus	
Angola	Ecuador	Thailand	North Macedonia	

Export growth over the last five years (2018-22)

Africa	America	Asia	Europe	Oceania
Liberia	Panama	Kazakhstan	Armenia	Australia
Congo	Costa Rica	Uzbekistan	Rep. of Moldova	
Libya	Guatemala	Iraq	Georgia	
Ivory Coast	Dominican Rep.	Israel	United Kingdom	
Morocco	Dominican Rep.	Indonesia	Ukraine	
Ghana	Mexico	Saudi Arabia	Serbia	
United Rep. of Tanzania	Colombia	South Korea	Turkey	
Gabon	Brazil	China Macao	Montenegro	
Cameroon	USA	Bahrain	Bosnia Herzegovina	
Ghana	Canada	Malaysia	Belarus	

EU outward FDI of the last five years

Africa	America	Asia	Europe	Oceania
Morocco	United States	China	United Kingdom	Australia
Ghana	Mexico	India	Russia	New Zealand
South Africa	Brazil	Malaysia	Turkey	
Egypt	Canada	UAE	Serbia	
Angola	Argentina	Singapore	Albania	
Nigeria	Paraguay	South Korea	Switzerland	
Cote d Ivoire	Chile	Vietnam	Ukraine	
Tunisia	Dominican Rep.	Indonesia	North Macedonia	
Kenya	Colombia	Japan	Montenegro	
Tanzania	Costa Rica	Thailand	Belarus	

Growth - EU outward FDI of the last five years

Africa	America	Asia	Europe	Oceania
Egypt	Uruguay	Cambodia	Albania	New Zealand
Botswana	Argentina	Qatar	Iceland	
Ethiopia	Bolivia	Malaysia	North Macedonia	
Tunisia	Paraguay	UAE	Belarus	
Zambia	Panama	India	Norway	
	Mexico	Saudi Arabia	United Kingdom	
	United States	Singapore		
		Taiwan		
		Indonesia		
		Bangladesh		

Extra-foreign FDI in EU of the last five years

Africa	America	Asia	Europe	Oceania
South Africa	United States	Singapore	United Kingdom	Australia
Morocco	Canada	Japan	Switzerland	New Zealand
	Argentina	China	Norway	
	Mexico	Israel	Turkey	
	Brazil	South Korea	Russia	
	Peru	India	Liechtenstein	
	Chile	UAE	Taiwan	
		Thailand	Ukraine	
		Hong Kong		
		Malaysia		

Growth - Extra-foreign FDI in EU of the last five years

Africa	America	Asia	Europe	Oceania
Morocco	Argentina	Hong Kong	Serbia	Australia
South Africa	United States	South Korea	Switzerland	
	Venezuela	Israel	Turkey	
	Brazil	India	Norway	
	Peru	Thailand	Liechtenstein	
	Chile	China	Ukraine	
	Mexico	Malaysia	Russia	
		Canada	United Kingdom	
		UAE		
		Japan		

Source: Technopolis Group.

Note: A country in red indicates no data in 1 or more years within 2018 – 2022. Thus, it has been assessed with incomplete information.

The quantitative data and strategic priorities discussed with DG GROW were used to finalise the list of countries to be investigated in this study as presented in the Table below.

Table 16: Selected priority markets of interest

• Asia	• America	• Africa	• Europe	• Oceania
• China	• United States	• Morocco	• Serbia	• Australia
• South Korea	• Canada	• South Africa	• Turkey	•
• India	• Brazil	• Egypt	• Switzerland	•
• Vietnam	•	•	•	•
• Indonesia	•	•	•	•

Source: Technopolis Group with inputs from the European Commission – DG GROW and the Inter-Secretariat Group.

A.4 Estimation of budget of EU-level policy instruments

Table 17: Estimates of budgets & number of supported SMEs

Policy Instrument	Considerations to assess budget dedicated to SME internationalisation
EEN[202]	EEN efforts for internationalisation were estimated at 80% (given other activities: innovation support, general management, etc.). Overall ratio was used for estimating 'beyond the EU' efforts.
Clusters[203]	All activities of Clusters GO International were aimed at markets beyond the EU
EUREKA Innowwide[204]	
Startup Europe[205]	Estimated 20% of services is related to internationalisation, with again 20% of these being aimed at markets beyond the EU.
EIC Int. Trade Fairs & Soft-landing[206]	Most activities are aimed at markets beyond the EU, with 8 out 12 trade fairs taking place outside the EU.
EU Japan Centre[207]	All activities of the EU Japan Centre are aimed at Japan.
EU China Centre[208]	All activities of EU China Centre are aimed at China.
Access2Markets[209]	Based on 70% of visitors being from the EU, estimated half would be companies, of which 80% would be SMEs.
International IPR Helpdesks	All activities of the international IPR Helpdesks are aimed at markets beyond the EU

Technopolis Group, 2024

A.5 EU-level interviews

The table below provides an overview of the interviews conducted at EU level.

Table 18: List of interviews

Policy instrument/topic	Organisation
Access2Markets	DG TRADE
Clusters International	DG GROW
Clusters International	DG GROW
Delegation - Australia	Delegation - Australia

[202] *"Since its creation in 2008, the Network has offered free support to 4,2 million small and medium-sized businesses"; "Over 50,000 European SMEs a year receive advice from Network members, around 120,000 get help in finding partners and investors, and nearly 190,000 benefit from tailored guidance and training sessions."* See EEN Source: https://een.ec.europa.eu/blog/enterprise-europe-network-turns-15-celebrate-us
[203] Data based on Cluster Go International Partnerships only / Number of SMEs estimated using this source for Clusters GO International, number SMEs are listed per partnership: https://www.clustercollaboration.eu/eu-cluster-partnerships/escp-4i
[204] Each SME is supported with €60.000.
[205] About 22 projects were funded, that benefitted more than 1000 businesses.
[206] Based on Call for Tenders: EIC International Trade Fairs and USA Soft-landing Programme 3.0
[207] SMEs supported by EU Japan Centre based on COSME 2020 monitoring report for the 2014-2020 programme period. Additional figures identified via: https://een.ec.europa.eu/blog/enterprise-europe-network-and-eu-japan-centre-ten-years-successful-partnership
[208] SMEs supported by EU China Centre based on received feedback (based on non-public information) and public sources, such as: https://eismea.ec.europa.eu/news/eu-sme-centre-china-launch-phase-iv-and-results-phase-iii-2022-07-06_en
[209] In total 5 million unique visitors, across all types of stakeholders, over three years. Source: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX%3A52023DC0740

Policy instrument/topic	**Organisation**
• Delegation - Brazil	• Delegation - Brazil
• Delegation - China	• Delegation - China
• Delegation - Egypt	• Delegation - Egypt
• Delegation - India	• Delegation - India
• Delegation - Serbia	• Delegation - Serbia
• Delegation - South Africa	• Delegation - South Africa
• Delegation - South Korea	• Delegation - South Korea
• Delegation - Turkey	• Delegation - Turkey
• Delegation - US	• Delegation - US
• EBO China	• China IP SME Helpdesk
• EEN Serbia	• EEN Belgrade contact point- Serbia Chamber of Commerce and Industry
• EEN Turkey	• EEN Istanbul contact point- EU & International relations at Chamber of Industry and Technology
• EEN USA	• EEN New York contact point) - European American Chamber of commerce
• EIB instruments	• EIB
• EIC International Trade Fairs and USA Soft-landing Programme 3.0	• EIC
• Enterprise Europe Network	• DG GROW
• Enterprise Europe Network	• EISMEA
• EU-Japan Centre	• DG GROW
• EU-Japan Centre | General	• DG GROW
• EU-SME Centre China	• DG GROW
• EU-SME Centre China	• DG GROW
• Eureka Secretariat	• Eureka Secretariat
• Global Gateway	• DG INTPA
• Interreg Europe	• Interreg Europe
• Interreg Europe	• DG REGIO
• IP Helpdesk	• EISMEA
• SME representative consultation	• SME Sweden
• SME representative consultation	• Italy CNA

Policy instrument/topic	Organisation
• SME representative consultation	• Estonian Association of SMEs
• SME Trade Helpdesk	• DG INTPA
• SME United	• SME United
• Trade Promotion Europe	• Trade Promotion Europe

The Table below presents the interview questionnaire for the EU-level interviews with policy officers, EU delegations, and SME representatives (including trade promotion agencies and enterprise support organisations).

Table 19: Interview questionnaire

Interview section and categories	Questions
1 General information	
• Information about the stakeholder	• Name, surname (Validation of the main contact details). • What is your position? What is your area of responsibility? • For EC: And especially in relation to the policy instrument?
• Information about the institution	• Briefly describe the work of your organisation in relation to internationalisation of SMEs/SMCs? • Are there multiple divisions that are working on SME/SMCs internationalisation? What is their role?
2 Specific questions to validate and/or fill in information gaps related to the EU instrument fiches (only for stakeholders responsible for the implementation/management of the EU level instrument)	
• Information about the instrument	• *Tailored questions to validate EU policy instrument fiches & fill in any information gaps*
3 Relevance of the EU level instruments	
• General question on the programmes related to internationalisation of SMEs and the relevance of related instruments	• To what extent are the **objectives/activities** of the instruments clearly defined and **aligned with SMEs'/SMCs' needs and challenges**? • In your area of expertise, what are **the main policy instruments that support the internationalisation of SMEs/SMCs**? How are these instruments supporting internationalisation of SMEs/SMCs? • To the best of your knowledge, **what are the policy trends** in the near future that can affect SME/SMC internationalisation policy?
4 Effectiveness	
• Effectiveness of instrument(s)	• What **tangible qualitative and/or quantitative** results have SMEs/SMCs reached by using these instruments? To what extent do the observed effects correspond to the objectives of the instruments? • *(For EU policy officers only)* Did you conduct an **evaluation or any assessment** of the policy instrument in the past that you can share with us? • *(For EU policy officers only)* Do you have a **monitoring framework and KPIs** in place for the policy instrument and can you share any recent analysis?

Interview section and categories	Questions
	• To the best of your knowledge, **to what extent SMEs are satisfied** with the **quality** and **relevance** of the support received? What are the primary reasons for any dissatisfaction they might have? • Based on your experience, to what extent are **EU policy instruments** contributing to the **increase of SME's global presence**? • To what extent instruments **contributed to growth, competitiveness and sustainability of SMEs**? • What lessons can be drawn from your experience/knowledge about the SMEs/SMCs internationalisation instruments? Did the instruments produce any unexpected or unintended effects? • How would you **enhance the financial sustainability** of these instruments? Do you have any examples about how specific instruments became financially sustainable?
5 Coherence	
• Coherence of instrument(s)	• To the best of your knowledge, are **sufficient efforts dedicated to the coordination** between the European Commission and Member States authorities **to increase complementarity and avoid overlaps** between EU and national instruments for SME internationalisation? • Could you share your opinion on **how to improve the coordination between the EU level instruments** supporting SME internationalisation? • Could you share your opinion on **how to improve the coordination between the EU-level and MS-level instruments** supporting SME internationalisation?
6 Accessibility & promotion	
• Awareness and Accessibility	• What efforts have been made to **promote** these **instruments** among EU SMEs/SMCs? Is the promotion effective? • What can be done to **improve the accessibility and awareness** of these instruments among SMEs/SMCs? • Are there **good practices** from other regions or countries in terms of ensuring accessibility and visibility of the SME internationalisation support instruments?

Source: Technopolis Group

A.6 Validation survey

This Annex presents an overview of the organisations that provided feedback on the country fiches, either through written responses or during a follow-up call.

Austria

Organisation	Feedback
• Austrian Control Bank	• Yes
• Go-International	• Yes

Belgium

Organisation	Feedback
• Wallonia Export and Foreign Investment Agency (AWEX)	• Yes
• Credendo	• Yes
• Finexpo	• Yes

Bulgaria

Organisation	Feedback
• Bulgarian Small and Medium Enterprises promotion Agency (BSMEPA)	• Yes
• Bulgarian Industrial Association	• Yes
• Bulgarian Chamber of Commerce	• Yes

Croatia

Organisation	Feedback
• HAMAG-BICRO	• Yes
• HBOR	• Yes

Cyprus

• Organisation	• Feedback
• Ministry of Finance	• Yes
• Foundation for Research and Innovation	• Yes
• Ministry of Energy, Trade and Industry	• Yes

Czech Republic

Organisation	Feedback
• Export Guarantee and Insurance Corporation (EGAP)	• Yes

Denmark

Organisation	Feedback
• Danish Business Authority	• Yes
• Export and Investment Fund of Denmark (EIFO)	• Yes
• Nordic Environment Finance Corporation (NEFCO) – Nordic Green Bank	• Yes
• Trade Council Denmark	• Yes

Estonia

Organisation	Feedback
• Enterprise Estonia	• Yes

Finland

Organisation	Feedback
• Business Finland	• Yes
• Finnvera	• Yes

France

Organisation	Feedback
• AD Normandie	• Yes
• Bpifrance	• Yes
• Business France	• Yes
• Ministry of Finance	• Yes

Germany

Organisation	Feedback
• Federal Ministry for Economic Affairs and Climate Protection	• Yes
• Federal Ministry of Food and Agriculture	• Yes

Greece

Organisation	Feedback
• Managing Authority for the "Fair Development Transition" Programme	• Yes

Hungary

Organisation	Feedback
• Hungarian Export Promotion Agency (HEPA)	• Yes

Ireland

Organisation	Feedback
• Enterprise Ireland	• Yes

Italy

Organisation	Feedback
• ICE	• Yes
•	•

Latvia

Organisation	Feedback
• Altum	• Yes
• Investment and Development Agency of Latvia	• Yes

Lithuania

Organisation	Feedback
• INVEGA	• Yes

Luxembourg

Organisation	Feedback
• Luxembourg Aid and Development	• Yes
• Luxembourg Export Credit Agency (ODL)	• Yes

Malta

Organisation	Feedback
• Government of Malta	• Yes
• Malta Enterprise	• Yes

Netherlands

Organisation	Feedback
• Netherlands Enterprise Agency (RVO)	• Yes

Poland

Organisation	Feedback
• Polish Investment and Trade Agency	• Yes

Portugal

Organisation	Feedback
• IAPMEI	• Yes
• AICEP	• Yes

Romania

Organisation	Feedback
• Enterprise Europe Network - PROSME Project	• Yes
• Ministry of Economy, Entrepreneurship and Tourism	• Yes

Slovakia

Organisation	Feedback
• SARIO	• Yes

Slovenia

Organisation	Feedback
• Slovenia Business Agency (SPIRIT)	• Yes
• Slovenian Export and Development Bank (SID Bank)	• Yes

Spain

Organisation	Feedback
• Agency for Business Competitiveness of Catalonia (ACCIO)	• Yes
• Spain Exportation and Investment - ICEX (Instituto Español de Comercio Exterior)	• Yes
• Basque Trade & Investment	• Yes
• Institution for Competitiveness Castilla y León	• Yes

Sweden

Organisation	Feedback
• Business Sweden	• Yes
• Regional export centres together with Team Sweden	• Yes
• Ministry of Climate and Enterprise	• Yes

A.7 Expert workshop

An expert workshop took place on the 15 July 2024 that discussed the results and recommendations of the analysis.

The Table below provides a list of experts who have participated in the workshop.

Table 20: List of experts participating at the expert workshop

Name	Institution	Role	Comment
Expert			
• Sophia Zakari	• SMEunited	• Director of Enterprise & Legal Affairs	• Sophia Zakari represented the point of view of the beneficiaries of the support instruments.
• Geraldine Smeets	• European Business Organisation Worldwide Network	• Secretary General	• EBO Worldwide represents an active network in more than 54 key markets that serves European multinationals, as well as micro, small, medium and large companies
• Antonio Novo	• European Cluster Alliance	• President	• Mr. Antonio Novo holds the presidency of the European Cluster Alliance (ECA) and Clusters.es, the

Name	Institution	Role	Comment
			Spanish Federation of Clusters. He has expertise in the field of cluster internationalisation
• Natasha Evers	• Trinity Business School	• Programme Director of Trinity Business School's MSc. in Management	• Prof. Natasha Evers is expert on knowledge of challenges and needs of SMEs with specific type of instruments, such as trade shows, as well as the expected role of institutions in supporting SMEs internationalisation.
• Dominic Boucsein	• Eurochambers	• Head of International Trade Policy	• Eurochambers stand for free, fair and inclusive trade, providing 1.200.000 businesses annually with Chamber internationalisation services.
• Stefan Moritz	• European Entrepreneurs CEA-PME	• Secretary General	• European Entrepreneurs CEA-PME (Confédération Européenne des Associations de Petites et Moyennes Entreprises) is the largest confederation of voluntarily associated small and medium-sized enterprises (SME) and Mid-Caps.
• Jon Salegi	• Trade Promotion Europe	• Deputy Secretary General	• Trade Promotion Europe is an association representing the Trade Promotion Organisations and Agrifood Promotion Organisations of Member States. During the discussion TPE shared the insights gathered from trade promotion organisations across EU-27
European Commission			
• BONVISSUTO Barbara	• EC DG GROW	• Presenter	•
• GONZALEZ SANCHEZ Serafin	• EC DG GROW	• Discussant	•
• JOANNESSE Amandine	• EC DG GROW	• Discussant	•
• RAISUOTIS Vilius	• EC DG GROW	• Discussant	•
• GLASER Leonie	• EC DG INTPA	• Discussant	•
• GONZALEZ DE CHAVES Jose	• EC DG TRADE	• Discussant	•
Study team			
• Anastasiia Konstantynova	• TG	• Presenter	•
• Elisabetta Marinelli	• TG	• Support	•
• Hélène Pétré	• TG	• Support	•
• Leonardo Zanobetti	• Ipsos	• Support	•

Name	Institution	Role	Comment
• Orestas Strauka	• TG	• Presenter	•
• Yari Borbon	• TG	• Chair	•

Workshop's agenda

Time	Item
• **9:00**	• Welcome & agenda
• **9:10**	• Introductory session • Ms Barbara Bonvissuto, DG GROW-Head of Unit, Strategy and Economic Analysis. A.3 – International Value Chains]
• **9:20**	• Overview of the workshop process, the study & preliminary findings • Anastasiia Konstantynova & Orestas Strauka
• **9:30**	• Session 1 – Reflection on relevance and effectiveness • Key points – Anastasiia Konstantynova • Discussion and Q&A with Experts
• **10:00**	• Session 2 – Reflection on coherence • Key points – Yari Borbon • Discussion and Q&A with Experts
• **10:20**	• Coffee break
• **10:30**	• Session 3 – Reflection on financial sustainability • Key points – Yari Borbon • Discussion and Q&A with Experts
• **11:00**	• Session 4 – Reflection on awareness and Visibility • Key points – Yari Borbon • Discussion and Q&A with Experts

A.8 Policy fiche template

Section	***Explanation***	***Detailed content***
• Name, country of origin of the policy instrument	• Include the name of the instrument	• Insert text here
	• Include the country where the support is provided	• Insert text here
General overview on the instrument		
• Brief description	• Include a brief description of the instrument – max 500 words	• Insert text here

Section	***Explanation***	***Detailed content***		
• Start Year – (End Year if applicable)	• Include the year when the policy instrument was launched and indicate for which period it is planned if available	• Insert text here		
• Exclusive support to SME internationalisation or broader	• Indicate if the instrument is exclusively focused on SME internationalisation	• ☐ Yes	• ☐ No	
	• Are SMCs eligible for the support?	• ☐ Yes	• ☐ No	
• Link to any other policy/ being part of a broader policy/programme	• Indicate if the instrument is part of any broader policy and programme and it is linked to any other programme	• ☐ Yes	• ☐ No	• ☐ N/A
	• If yes, please specify	• *Insert text here*		
Main features and classification				
• Objective of the instrument	• Include the main goal and objectives of the instrument	• *Insert text here*		
• Eligibility criteria to receive the support	• Indicate any eligibility requirements/criteria that are considered when selecting the beneficiaries	• *Copy-paste the eligibility criteria from the information provided*		
	• Based on the eligibility requirements/criteria, please select the following that apply • *Multiple choice*	• ☐ Eligibility based on the size of enterprise[210] • ☐ Eligibility based on the sector • ☐ Eligibility based on the national (regional) origin of the company • ☐ Eligibility based on the language • ☐ Eligibility based on the specific focus on Fast Growth SMEs with high potential • ☐ Eligibility based on the specific focus on women in exporting SMEs • ☐ Eligibility based on the specific focus on specific technologies adopted by the SMEs • ☐ Other, please specify ___________ text		

[210] As a reminder we are looking only at SMEs or SMCs. Criteria can be found under the scope section.

Section	***Explanation***	***Detailed content***
• Target market	• Select the continents addressed by the instrument • *Multiple choice*	• ☐ Africa • ☐ America • ☐ Asia • ☐ Europe • ☐ Oceania
	• Include the countries (including the priority markets) addressed by the instrument addressed by the instrument	• Insert text here • *Otherwise:* • ☐ All countries • ☐ Not specified
• Target industrial ecosystems	• Include the industrial ecosystem[211] that the instrument targets if any in particular • *Multiple choice*	• ☐ Aerospace and Defence • ☐ Agri-food • ☐ Construction • ☐ Creative and Cultural Industries • ☐ Digital • ☐ Electronics • ☐ Energy Intensive Industries • ☐ Energy-Renewables • ☐ Health • ☐ Mobility, Transport, Automotive • ☐ Proximity and Social Economy • ☐ Retail • ☐ Textiles • ☐ Tourism • ☐ All the above • ☐ Not applicable/not specified • ☐ Other, please specify ______
	• Any additional comments	• Insert text here
• Type of support/services provided	• Indicate the **type of support** provided by the instrument • *Multiple choice*	• ☐ Direct financial support (subsidies, loans, credit guarantees, tax incentives, insurances, etc.) • ☐ Indirect financial support (attending events, promotional material etc.) • ☐ Services for companies (advice, providing information, etc.)[212] • ☐ Centralised services (sector marketing, etc.)[213] • ☐ Representation, diplomacy and opening doors (sector marketing, etc.)

[211] Available online at: https://monitor-industrial-ecosystems.ec.europa.eu/
[212] "Services for companies" are more focused on concrete services that are individual and specific to each company.
[213] "Centralised services" are general to a group of companies, providing the same insights to all.

Section	***Explanation***	***Detailed content***
	• Please provide additional information about the type of support	• Insert text here
	• Indicate the **type of services** provided by the instrument • *Multiple choice*	• ☐ Information sharing • ☐ Seminars & workshops • ☐ Introduction to new market & networking[214] • ☐ Consortia formation: home market[215] • ☐ Visibility & promotion • ☐ Incoming missions & trade fairs • ☐ Outgoing missions & trade fairs • ☐ Advisory services[216] • ☐ Soft landing services[217] • ☐ Addressing trade barriers • ☐ Feasibility studies • ☐ Investment preparations • ☐ International R&D activities (focus only on development side) • ☐ Non-company relationships[218]
	• Please provide additional information about the type of services	• Insert text here
• Internationalisation challenge	• Indicate the internationalisation challenges that the instrument targets • *Multiple choice*	• ☐ Rules / regulations / tax • ☐ IPR aspects • ☐ Strategy development • ☐ Insight into market opportunities • ☐ Culture / communication • ☐ Finding partners / clients • ☐ Financial structures (exchange rates, fluctuations, etc.) • ☐ Available support (financial/non-financial) • ☐ Practical aspects (logistics, etc) • ☐ Innovation (adapting to market needs)

[214] "Introduction to new market and networking" refers to support given to companies to enter new markets by providing market information or helping with networking activities. This specifically includes introductions to potential collaboration and trade partners.

[215] "Consortia formation: home market" refers to the support given to SMEs to help them create or join consortia with other companies in their home market, before entering internationalisation activities.

[216] "Advisory services" refers to any advice or guidance that the companies receive to facilitate their internationalisation.

[217] "Soft landing services" revolve around connecting startup founders with one or more experts to help them get domain- and market-specific insights and introductions, fitted to their business. These experts are there to welcome and introduce them to the local market.

[218] "Non-company relationships" refer to being embedded into networks/relationships in the target market beyond direct private business partners (links to knowledge institutions, clusters, hubs, governments, market experts, etc.)

Section	Explanation	Detailed content
		• ☐ Other, please specify ______
• Internationalisation stage	• Indicate the internationalisation stage that the instrument targets	• ☐ Exploring markets (not yet present in the market) • ☐ Market entry (at the moment of entering) • ☐ Market growth (increasing market presence)
Access to service		
• Provision of the service	• *Indicate how the service is provided regarding* the channel and the audience	• *Channel:* • ☐ Online • ☐ In person • ☐ Hybrid • *Audience:* • ☐ Individually • ☐ In a group
• Level of support	• Indicate **the level of financial support** that is provided to the target beneficiaries)	• Insert text here
	• If the instrument is also available to **SMCs**, is the level of support identical for both groups? What is the difference in support?	• Insert text here
• Fees (if applicable)	• Indicate whether the service is free or fee paying	• ☐ Free-of-charge service • ☐ Service requires co-funding/contribution from beneficiary
	• If it requires a contribution, please indicate the amount and the frequency of the payments if relevant	• Insert text here
• How to access the instrument or project (including whether it is a digital service or not)	• Indicate the following information on how to access the instrument or the project: Website; Link to any relevant brochure or report; Language(s) in which the service is available	• ☐ Website: *add link* • ☐ Brochure or report: *add link* • ☐ Languages in which the information about the service is available: please specify _______
	• Indicate also if the support is accessible digitally	• ☐ Yes • ☐ No
• Main dissemination outlets	• Indicate the main dissemination outlets where the policy	• ☐ Implementing agency website • ☐ News outlets (digital and printed)

Section	***Explanation***	***Detailed content***
	instrument has been made public	• ☐ Industry association websites • ☐ Trade association websites • ☐ Chamber of commerce websites • ☐ Industry association websites • ☐ Cluster organisations websites • ☐ Consulates/embassies • ☐ Not applicable/not specified • ☐ Other, please specify _____
Information on the organisation providing the service and budget		
• Description of service provider[219]	• Name of the organisation providing the service	• Insert text here
	• Type of the organisation providing the service	• ☐ Public • ☐ Private • ☐ Non-profit • ☐ Other, please specify _____
• Executing agent[220] (if executing agent is different from service provider)	• Indicate the name of any other agent/institution executing the support	• Insert text here
	• Indicate the type of the executing agency	• ☐ Government • ☐ Special agency • ☐ Chamber of Commerce • ☐ Trade Association • ☐ Other, please specify _____
• Contact information of service provider	• Indicate the following information on the service provider	• Address: _____ • Website: _____ • Phone: _____ • Email: _____
• Budget	• Indicate the **overall budget** of the instrument (if available). Please use Euro as the reporting currency. If needed, please use the foreign exchange rates available here and indicate the reference date	• €_____

[219] "Service Provider" refers to the actual provider of the service, who is implementing it.
[220] The "Executing agent" refers to the one funding the service.

Section	***Explanation***	***Detailed content***
	• *Indicate the annual budget* ***annual budget*** *of the instrument (if available)* Please use Euro as the reporting currency. If needed, please use the foreign exchange rates available here and indicate the reference date	• € _____
Assessment of the policy instrument		
• SMEs/SMCs participating or benefitting from the instrument	- If available, indicate the total number of SMEs participating or benefitting from the instrument **during the total period** of the Instrument	- Insert number here
	- If available, indicate the number of SMEs participating or benefitting from the instrument **per year**	- Insert number here
	- If available, please indicate the **total number** of SMCs supported **during the total period** of the Instrument	- Insert number here
	- If available, indicate the number of SMCs participating or benefitting from the instrument **per year**	- Insert number here
• Existing evaluation, impact assessment	- Indicate if there is any existing evaluation or impact assessment of the instrument	• ☐ Yes • ☐ No • ☐ Not applicable/not specified
	- If yes, please insert the link to the evaluation	• Insert text here
• Contribution to twin digital and green transitions	- Please indicate if there is a link between the instrument and twin transitions?	• ☐ Yes • ☐ No
	- Please provide more details if available	• Insert text here
• User reviews/ SME feedback	- Indicate if there is any existing user reviews/feedback from the instrument	• ☐ Yes • ☐ No

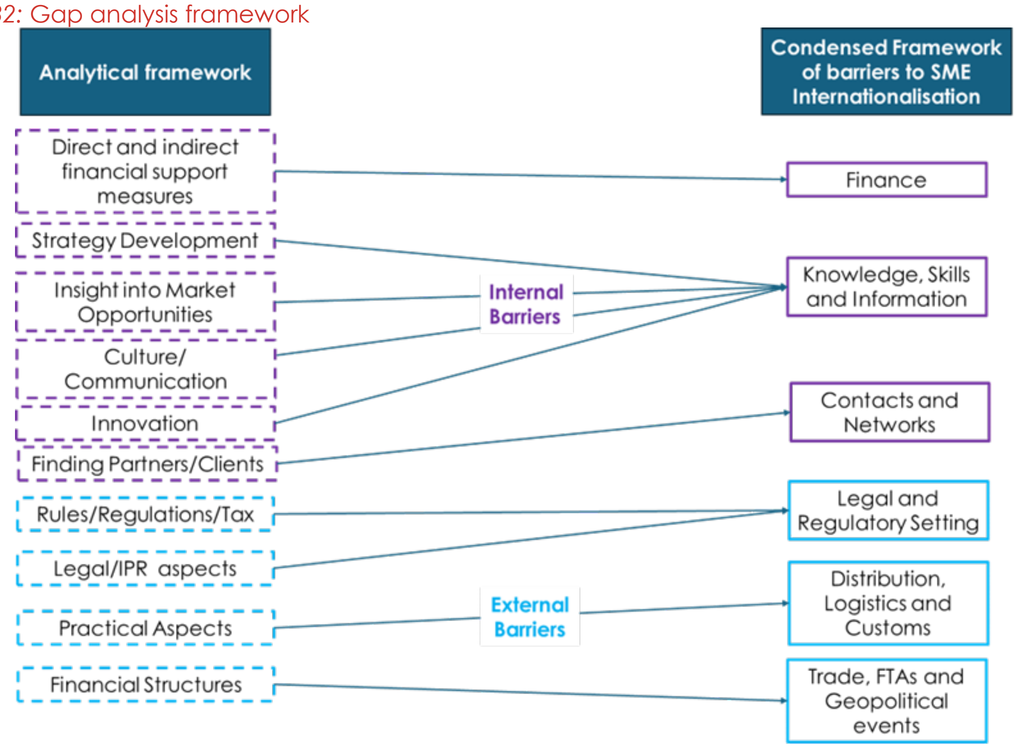
Section	*Explanation*	*Detailed content*
	- if yes, include the material, information about the client satisfaction rate if available	• Insert text here
• Other indicators available	- Indicate additional performance indicators if available, e.g., number of international partnerships created	• Insert text here
• Existence/focus on the long-term sustainability of the activities supported by the instrument	- Indicate if the policy instrument has explicit objectives about long-term sustainability either at the instrument level or encouraging the self-sustainability of supported projects, cooperation etc.	• ☐ Yes - ☐ No
	- Provide any additional information, if available	• Insert text here
• Explicit coordination/ collaboration or alignment with other instruments	- Indicate if the policy instrument considers explicitly other support programmes/instruments at any level – e.g., complementing EU MS actions, other development programme or trade policy	• Insert text here
	- Indicate if the policy instrument is coordinated with any other schemes	• Insert text here

A.9 Gap analysis

For analysing the gaps in the overall European SME internationalisation portfolio, the analytical framework was linked to the framework on barriers to SME internationalisation developed by the OECD.[221]

[221] Source: Technopolis Group' elaboration based on OECD (2012). Glossary for Barriers to SME Access to International Markets and OECD (2024). OECD SME and Entrepreneurship Outlook 2023.

Figure 32: Gap analysis framework



Source: Technopolis Group

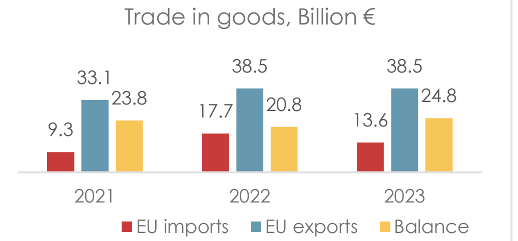
Appendix B SME internationalisation support in markets of special interest

Australia

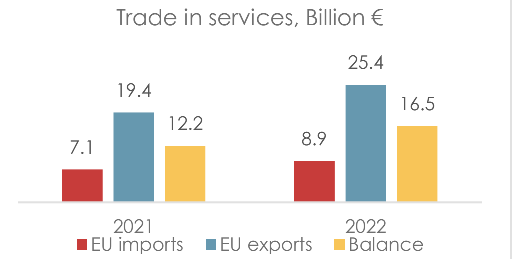
To date, the **trade and economic relations** between the European Union and Australia have been framed by the 2008 EU-Australian Partnership Framework[222]. This framework is designed to enhance the facilitation of trade in industrial products by diminishing technical barriers and to advance the exchange of services and investment between the EU and Australia.

In 2022, the European Union and Australia have successfully concluded negotiations for a political Framework Agreement, including economic and trade cooperation arrangements. Bilateral trade relations are regularly addressed through the annual senior official-level Trade Policy Dialogue. A Mutual Recognition Agreement exists between the EU and Australia, aimed at facilitating trade in industrial products by minimising technical barriers. This agreement establishes mutual recognition of conformity assessment procedures, thereby reducing the costs associated with testing and certifying exports and imports. Additionally, Australia is a participant in the Asia-Pacific Economic Cooperation (APEC), the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), and the Regional Comprehensive Economic Partnership (RCEP)[223].

Trade statistics show that in 2023, Australia was ranked as the European Union's 21st largest partner for trade in goods. The EU, on the other hand, stood as Australia's third-largest trading partner, following China and Japan and preceding the United States. The total trade in goods between the EU and Australia amounted to €52.1 billion in 2023, with the EU showing a positive trade balance of €24.8 billion. Moreover, total trade in services reached €34.3 billion in 2022, with the EU again achieving a positive trade balance, this time of €16.5 billion. Regarding foreign direct investment in 2022, the EU's investment stock in Australia was valued at €125.8 billion, whereas Australia's investment in the EU amounted to €20.2 billion[224].



European Commission - DG TRADE (2024) EU trade relations with Australia. Facts, figures and latest developments



European Commission - DG TRADE (2024) EU trade relations with Australia. Facts, figures and latest developments

To support the internationalisation of SMEs to Australia, the EU offers several instruments, complemented by initiatives from individual Member States such as France, Italy, and Latvia among others.

[222] https://www.eeas.europa.eu/sites/default/files/partnership_framework2009eu_en.pdf
[223] European Commission - DG TRADE (2024) EU trade relations with Australia. Facts, figures and latest developments. Accessible at: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/australia_en
[224] Idem.

Figure 33: Examples of policy instruments

Member State Level Instruments	EU Level Instruments
• Italy's Support to Internationalisation by Italian Chambers of Commerce operating outside the EU	• Access2Markets portal
• France's Negotiation Exchange Insurance (Bpifrance)	• European Cluster Partnership for Going International (ESCP-4i) (Clusters Go International)
• Latvia's Export support consultations	•

Source: Technopolis Group

The instruments above that support EU SMEs to internationalise to Australia, cover the following key challenges, support and service types, and SME focus as presented in the Figure below.

Figure 34: Overview of challenges and types of support services addressed

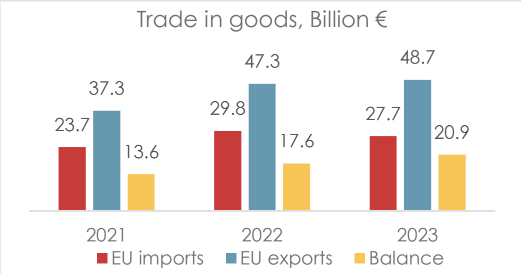
Dimension		***Covered by instruments at EU or MS levels***
• Challenges	• Rules / regulations / taxes	• MS
	• IPR aspects	• GAP
	• Strategy development	• GAP
	• Insight into market opportunities	• EU & MS
	• Culture / communication	• MS
	• Financial structures (exchange rates, fluctuations, etc.)	• MS
	• Available support (financial/non-financial)	• MS
	• Practical aspects (logistics, etc)	• MS
	• Innovation (adapting to market needs)	• MS
	• Finding partners / clients	• EU & MS
	• Other	• GAP
• Support	• Direct financial support (subsidies, loans, credit guarantees, tax incentives, insurances, etc.)	• MS
	• Indirect financial support (attending events, promotional material etc.)	• GAP
	• Services for companies (advice, providing information, etc.)	• EU & MS
	• Centralised services (sector marketing, etc.)	• EU & MS
	• Representation, diplomacy and opening doors (sector marketing, etc.)	• MS
• Services	• Information sharing	• EU & MS
	• Seminars & workshops	• MS
	• Introduction to new market & networking	• EU & MS
	• Consortia formation: home market	• GAP
	• Visibility & promotion	• MS
	• Incoming missions & trade fairs	• GAP
	• Outgoing missions & trade fairs	• MS
	• Advisory services	• EU & MS
	• Soft landing services	• MS
	• Addressing trade barriers	• MS

Dimension		***Covered by instruments at EU or MS levels***
	• Feasibility studies	• MS
	• Investment preparations	• MS
	• International R&D activities (focus only on development side)	• GAP
	• Non-company relationships	• MS
• SME Focus	• Fast-growth	• GAP
	• Women	• GAP
	• Technological	• GAP

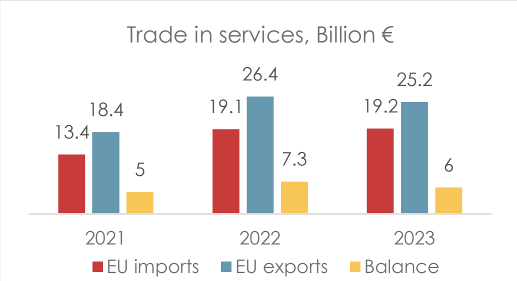
Source: Technopolis Group

Canada

On 21 September 2017, the EU-Canada Comprehensive Economic and Trade Agreement (CETA)[225] provisionally entered into force. The CETA includes strong commitments to labour rights, environmental protection, and sustainable development, integrating international standards in these areas with binding obligations. Key benefits include the elimination of duties on 99% of all import goods, protection of the EU's geographical indications, and improved access for EU companies to the Canadian services market. CETA supports the expansion of EU SMEs into the Canadian market also leveraging Canada's geographic and strategic position to access other markets, such as the USA, through their Free Trade Agreement.



European Commission - DG TRADE (2024) EU trade relations with Canada. Facts, figures and latest developments



European Commission - DG TRADE (2024) EU trade relations with Canada. Facts, figures and latest developments

Trade statistics show that the EU and Canada are major global traders in goods and services. In 2023, Canada ranked as the EU's 10th largest export partner for goods and the 19th largest import partner. In 2023, trade in goods between the EU and Canada was valued at €76.4 billion, with the EU having a positive trade balance of €20.9 billion in goods and €6 billion in services. The EU market is Canada's second-largest global trading partner for goods and services, and second-largest partner for two-way direct investment, after the United States. Machinery and chemical/pharmaceutical products were the top traded goods, making up significant portions of exports and imports for both parties. Trade in services, including telecommunications, transport, and intellectual property, totalled €44.4 billion[226].

In the EU, SMEs can rely on four instruments managed at the EU level to facilitate entry into the Canadian market. Additionally, five instruments are available at the Member State (MS) level, provided by France, Hungary, Italy, Latvia, and Sweden.

[225] https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/canada/eu-canada-agreement_en
[226] European Commission - DG TRADE (2024) EU trade relations with Canada. Facts, figures and latest developments. Accessible at: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/canada_en

Figure 35: Examples of policy instruments

Member State Level Instruments	**EU Level Instruments**
• Sweden's 6G International Research and Innovation Cooperation 2024	• Access2Markets portal
• Hungary's Hungarian Export Promotion Agency's (HEPA) services	• European Cluster Partnership for Going International (ESCP-4i) (Clusters Go International)
• France's Negotiation Exchange Insurance (Bpifrance)	• Eurostars - (EUREKA)
• Latvia's Participation in international exhibitions and participation in international digital industry platforms	• Enterprise Europe Network
• Italy's Support to Internationalisation by Italian Chambers of Commerce operating outside the EU	

Source: Technopolis Group

The instruments above that support EU SMEs to internationalise to Canada, cover the following key challenges, support and service types, and SME focus:

Figure 36: Overview of challenges and types of support services addressed

Dimension		***Covered by instruments at EU or MS levels***
• Challenges	• Rules / regulations / taxes	• EU & MS
	• IPR aspects	• EU
	• Strategy development	• EU & MS
	• Insight into market opportunities	• EU & MS
	• Culture / communication	• EU & MS
	• Financial structures (exchange rates, fluctuations, etc.)	• MS
	• Available support (financial/non-financial)	• EU & MS
	• Practical aspects (logistics, etc)	• EU & MS
	• Innovation (adapting to market needs)	• EU & MS
	• Finding partners / clients	• EU & MS
	• Other	• MS
• Support	• Direct financial support (subsidies, loans, credit guarantees, tax incentives, insurances, etc.)	• EU & MS
	• Indirect financial support (attending events, promotional material etc.)	• EU & MS
	• Services for companies (advice, providing information, etc.)	• EU & MS
	• Centralised services (sector marketing, etc.)	• EU & MS
	• Representation, diplomacy and opening doors (sector marketing, etc.)	• EU & MS
• Services	• Information sharing	• EU & MS
	• Seminars & workshops	• MS
	• Introduction to new market & networking	• EU & MS
	• Consortia formation: home market	• EU
	• Visibility & promotion	• EU & MS

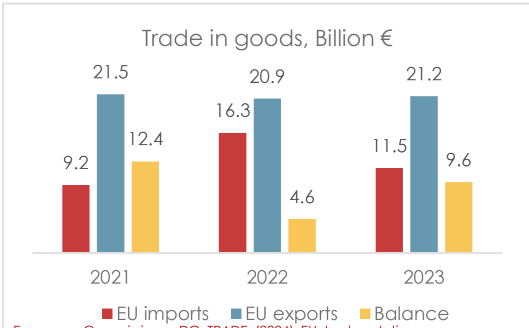
Dimension		***Covered by instruments at EU or MS levels***
	• Incoming missions & trade fairs	• MS
	• Outgoing missions & trade fairs	• EU & MS
	• Advisory services	• MS
	• Soft landing services	• EU & MS
	• Addressing trade barriers	• EU & MS
	• Feasibility studies	• MS
	• Investment preparations	• MS
	• International R&D activities (focus only on development side)	• EU & MS
	• Non-company relationships	• MS
• SME Focus	• Fast-growth	• GAP
	• Women	• GAP
	• Technological	• EU & MS

Source: Technopolis Group

Egypt

Trade relations between the EU and Egypt have been significantly enhanced by the entry into force of the **EU-Egypt Association Agreement**[227] in 2004. This agreement established a free-trade area by eliminating tariffs on industrial products and facilitating trade in agricultural goods. Furthermore, trade relations have been bolstered by the agreement on agricultural, processed agricultural, and fisheries products, which has been in effect since 2010[228].

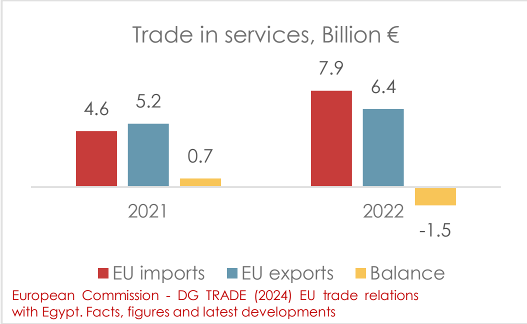
Since January 2014, Egypt no longer benefits from EU market preferences under the Generalised Scheme of Preferences (GSP) due to its Association Agreement with the EU. Partnership Priorities focus on democracy, human rights, and Egypt's Sustainable Development Strategy – Vision 2030. Between 2017 and 2020, the EU committed €756 million in aid to support Egypt's economic modernisation, social development, and governance.



European Commission - DG TRADE (2024) EU trade relations with Egypt. Facts, figures and latest developments

Under the new Multiannual Financial Framework, the EU will implement the Global Europe – Neighbourhood, Development, and International Cooperation Instrument (NDICI – Global Europe) for future collaboration. As part of the EU's Southern Neighbourhood, Egypt joined the regional PEM Convention in 2013 and participates in trade-facilitating initiatives such as the Agadir Agreement and the pan-Euro-Mediterranean cumulation system of origin[229].

[227] https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/egypt_en
[228] European Commission - DG TRADE (2024) EU trade relations with Egypt. Facts, figures and latest developments. Accessible at: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/egypt_en
[229] Idem.



In 2023, Egypt ranked as the EU's 25th largest export partner. Specifically, 25.8% of Egypt's imports originated from the EU, while 21.8% of its exports were directed to the EU. The total trade in goods between the two partners reached €32.7 billion in 2023.

The EU's imports from Egypt totalled €11.5 billion, primarily comprising fuel and mining products, chemicals, agriculture and raw materials, as well as textiles and clothing. Meanwhile, the EU's exports to Egypt amounted to €21.2 billion, dominated by machinery and transport equipment, chemicals, agriculture and raw materials, and fuel and mining products.

In 2022, bilateral trade in services was valued at €14.3 billion, with EU imports from Egypt at €7.9 billion, mainly in travel and transport services, and EU exports to Egypt at €6.4 billion, primarily in business services[230]. Overall, businesses from Egypt and from the European Union have the potential to create jobs and drive economic growth for mutual benefit. According to the Euromed Trade Helpdesk, there is around € 4.13 bn in unrealised trade potential with Egypt.

To access the Egyptian market, EU SMEs can benefit from five EU-level instruments and four Member State (MS)-level instruments provided by Austria, Bulgaria, Germany, and Italy.

Figure 37: Examples of policy instruments

Member State Level Instruments	**EU Level Instruments**
• Austria's African-Austrian SME Investment Facility (AAIF+)	• Access2Markets portal
• Bulgaria's Insurance of micro and small enterprises by Bulgaria Export Insurance Agency	• The European Intellectual Property Helpdesk (European IP Helpdesk)
• Germany's Consulting Vouchers Africa	• Global Europe – the neighbourhood, development and international cooperation instrument (NDICI – Global Europe)
• Italy's Support to Internationalisation by Italian Chambers of Commerce operating outside the EU	• European Cluster Partnership for Going International (ESCP-4i) (Clusters Go International)
•	• Enterprise Europe Network

Source: Technopolis Group

The instruments above that support EU SMEs to internationalise to Egypt, cover the following key challenges, support and service types, and SME focus:

Figure 38: Overview of challenges and types of support services addressed

Dimension		***Covered by instruments at EU or MS levels***
• Challenges	• Rules / regulations / taxes	• EU & MS
	• IPR aspects	• EU & MS
	• Strategy development	• EU & MS

[230] Idem.

Dimension		*Covered by instruments at EU or MS levels*
	• Insight into market opportunities	• EU & MS
	• Culture / communication	• EU & MS
	• Financial structures (exchange rates, fluctuations, etc.)	• MS
	• Available support (financial/non-financial)	• EU & MS
	• Practical aspects (logistics, etc)	• EU & MS
	• Innovation (adapting to market needs)	• EU & MS
	• Finding partners / clients	• EU & MS
	• Other	• MS
• Support	• Direct financial support (subsidies, loans, credit guarantees, tax incentives, insurances, etc.)	• EU & MS
	• Indirect financial support (attending events, promotional material etc.)	• EU
	• Services for companies (advice, providing information, etc.)	• EU & MS
	• Centralised services (sector marketing, etc.)	• EU & MS
	• Representation, diplomacy and opening doors (sector marketing, etc.)	• EU & MS
• Services	• Information sharing	• EU & MS
	• Seminars & workshops	• EU & MS
	• Introduction to new market & networking	• EU & MS
	• Consortia formation: home market	• EU
	• Visibility & promotion	• EU & MS
	• Incoming missions & trade fairs	• GAP
	• Outgoing missions & trade fairs	• EU & MS
	• Advisory services	• EU & MS
	• Soft landing services	• EU & MS
	• Addressing trade barriers	• EU & MS
	• Feasibility studies	• MS
	• Investment preparations	• MS
	• International R&D activities (focus only on development side)	• EU
	• Non-company relationships	• MS
• SME Focus	• Fast-growth	• EU
	• Women	• EU
	• Technological	• EU

Source: Technopolis Group

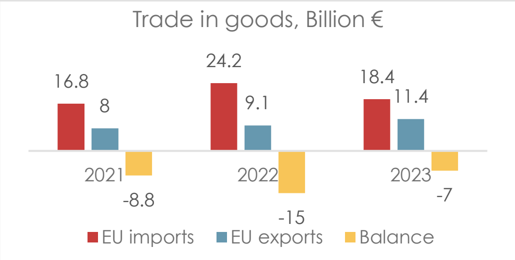
Indonesia

Imports of goods from Indonesia to the EU are currently governed by the EU's Generalised Scheme of Preference[231]. To build stronger, bilateral trade ties for the future, an EU - Indonesia

[231] https://www.iea.org/policies/18029-eu-generalised-scheme-of-preferences-gsp

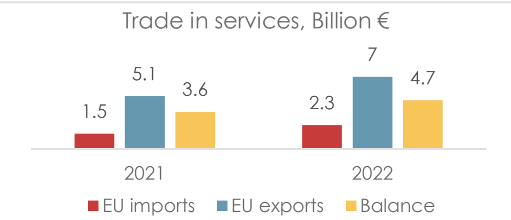
Free Trade Agreement (FTA) [232] is under negotiation, to enhance market access for goods and services, create a more attractive and stable environment for investment, and promote sustainable development. Following a successful scoping exercise in April 2016, negotiations officially began in July 2016, with the 19th round held in July 2024. The future FTA aims to build on the framework provided by the Partnership and Cooperation Agreement[233], which has been in effect since May 1, 2014. The Framework Agreement focuses on strengthening economic ties between the EU and Indonesia. It emphasises promoting trade and investment, removing barriers to both, and facilitating the flow of goods and capital between the two parties. The agreement also outlines **cooperation plans for various sectors, including tourism, financial services, energy, transportation, health, and industrial policy**. A key aspect is supporting the competitiveness of small and medium-sized enterprises (SMEs) through cooperation. Indonesia and the Indo-Pacific region are of strategic importance to the EU[234]. Ultimately, the goal is to strengthen bilateral trade relations and foster economic growth for both regions.

Trade statistics show that Indonesia is the largest economy within the Association of Southeast Asian Nations (ASEAN), accounting for about one-third of the region's GDP and housing the largest population, totalling 275.5 million in 2022. In 2023, trade in goods between the EU and Indonesia reached €29.8 billion, with €11.4 billion in exports from the EU and €18.4 billion in imports. The EU ranks as Indonesia's fifth-largest trading partner, while Indonesia stands as the EU's 33rd largest trading partner and fifth largest ASEAN partner for 2023. In terms of services, in 2022, trade between the EU and Indonesia was valued at €9.3 billion, with the EU exporting €7 billion and importing €2.3 billion.



European Commission - DG TRADE (2024) EU trade relations with Indonesia. Facts, figures and latest developments

The Global Europe (Global Gateway) has several projects in Indonesia aiming to strengthen university teaching hospitals, contribute to the Indonesia-International Partners Group Just Energy Transition Partnership (JETP), mobilise policy loans through the Indonesia Policy Dialogue Fund (IPDF), and finance infrastructure projects with climate and SDG benefits through the SDG Indonesia One platform. Global Europe also contributes with soft measures to improve the policy, regulatory and business environment, develop skills, foster innovation and transfer technology[235].



European Commission - DG TRADE (2024) EU trade relations with Indonesia. Facts, figures and latest developments

The Table below presents some of the instruments that target Indonesia as a market.

[232] European Commission – DG TRADE (2024) EU trade relationships. EU-Indonesia Free Trade Agreement. Accessible at: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/indonesia/eu-indonesia-agreement_en
[233] Official Journal of the European Union (2014) FRAMEWORK AGREEMENT on comprehensive partnership and cooperation between the European Community and its Member States, of the one part, and the Republic of Indonesia, of the other part. Accessible at: https://eur-lex.europa.eu/EN/legal-content/summary/eu-indonesia-framework-agreement-on-comprehensive-partnership-and-cooperation.html
[234] https://www.eeas.europa.eu/eeas/joint-communication-indo-pacific_en
[235] European Commission – EEAS (2024) Delegation of the European Union to Indonesia and Brunei Darussalam. Examples of Global Gateway projects in Indonesia. Accessible at: https://www.eeas.europa.eu/delegations/indonesia/examples-global-gateway-projects-indonesia_en?s=168

Figure 39: Examples of policy instruments

Member State Level Instruments	**EU Level Instruments**
• Germany's German Accelerator	• Access2Markets portal
• Bulgaria's Insurance of micro and small enterprises by Bulgaria Export Insurance Agency	• Global Europe – the neighbourhood, development and international cooperation instrument (NDICI – Global Europe)
• France's Negotiation Exchange Insurance (Bpifrance)	• The European Intellectual Property Helpdesk (European IP Helpdesk)
• Estonia's Services offered by Estonia-Asia Trade Agency	•

Source: Technopolis Group

The instruments above that support EU SMEs to internationalise to Indonesia, cover the following key dimensions of the analytical framework:

Figure 40: Overview of challenges and types of support services addressed

Dimension		***Covered by instruments at EU or MS levels***
• Challenges	• Rules / regulations / taxes	• EU & MS
	• IPR aspects	• EU
	• Strategy development	• MS
	• Insight into market opportunities	• EU & MS
	• Culture / communication	• MS
	• Financial structures (exchange rates, fluctuations, etc.)	• MS
	• Available support (financial/non-financial)	• MS
	• Practical aspects (logistics, etc)	• EU & MS
	• Innovation (adapting to market needs)	• EU & MS
	• Finding partners / clients	• MS
	• Other	• MS
• Support	• Direct financial support (subsidies, loans, credit guarantees, tax incentives, insurances, etc.)	• EU & MS
	• Indirect financial support (attending events, promotional material etc.)	• MS
	• Services for companies (advice, providing information, etc.)	• EU & MS
	• Centralised services (sector marketing, etc.)	• EU & MS
	• Representation, diplomacy and opening doors (sector marketing, etc.)	• MS
• Services	• Information sharing	• EU & MS
	• Seminars & workshops	• EU & MS
	• Introduction to new market & networking	• EU & MS
	• Consortia formation: home market	• GAP
	• Visibility & promotion	• EU & MS
	• Incoming missions & trade fairs	• GAP
	• Outgoing missions & trade fairs	• MS

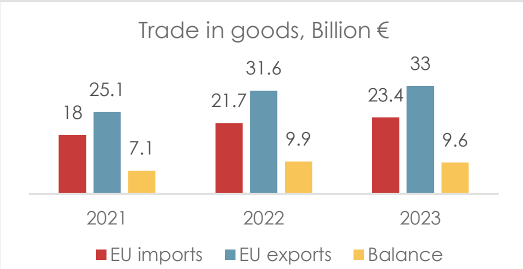
Dimension		Covered by instruments at EU or MS levels
	• Advisory services	• MS
	• Soft landing services	• MS
	• Addressing trade barriers	• EU & MS
	• Feasibility studies	• GAP
	• Investment preparations	• MS
	• International R&D activities (focus only on development side)	• EU
	• Non-company relationships	• MS
• SME Focus	• Fast-growth	• EU & MS
	• Women	• EU
	• Technological	• EU & MS

Source: Technopolis Group

Morocco

Trade relations and investment ties between the EU and Morocco are significant. The EU is Morocco's main trading partner and ranks as the EU's largest trade partner in the Southern Neighbourhood countries, which include Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Palestine[236], Syria, and Tunisia. Additionally, the EU is the largest foreign investor in Morocco[237].

The EU and Morocco established a Free Trade Area under the EU-Morocco Association Agreement, effective since 2000, with further liberalisation of agricultural and fishery products in 2012. Industrial products enjoy complete liberalisation. An amendment in 2019 extended tariff preferences to products from Western Sahara. In 2021, the EU proposed modernising their trade and investment relations. The EU provided €1.4 billion in financial support to Morocco from 2014-2020 under the European Neighbourhood Policy, and the Global Europe – the neighbourhood, development and international cooperation instrument (NDICI – Global Europe) was introduced for 2021-2027. Morocco participates in regional agreements like the Agadir Agreement and the pan-Euro-Mediterranean cumulation system, which supports duty-free trade through common rules of origin. The EU's partnership with Morocco is part of the broader Euro-Mediterranean Partnership established in 1995.

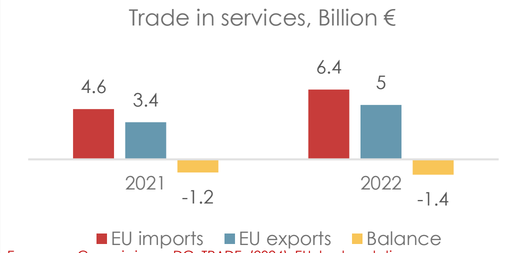


European Commission - DG TRADE (2024) EU trade relations with Morocco. Facts, figures and latest developments

[236] This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue. European Commission DG TRADE (2024) EU trade relations with Morocco. Facts, figures and latest developments. Accessible at: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/morocco_en

[237] European Commission - DG TRADE (2024) EU trade relations with Morocco. Facts, figures and latest developments. Accessible at: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/morocco_en

Trade statistics show that Morocco was the EU's 18th largest trading partner in 2023, accounting for 1% of the EU's total global trade in goods. The EU was Morocco's top trading partner, encompassing 49% of Morocco's goods trade. 56% of Morocco's exports were directed to the EU, while 45% of its imports originated from the EU. The total trade in goods between the EU and Morocco reached €56.4 billion. The EU imported €23.4 billion worth of goods from Morocco, primarily in transport equipment, machinery and appliances and textiles. The EU's exports to Morocco amounted to €33 billion, led by machinery and appliances, mineral products and transport equipment. In 2022, the two-way trade in services amounted to €11.4 billion, with EU imports of services at €6.4 billion and exports at €5 billion[238]. According to the Euromed Trade Helpdesk, there is around € 1.18 bn in unrealised trade potential with Morocco.



European Commission - DG TRADE (2024) EU trade relations with Morocco. Facts, figures and latest developments

To access the Morocco market, **EU SMEs can benefit from three EU level instruments and several MS level instruments**, namely from: Austria, France and Germany.

Figure 41: Examples of policy instruments

Member State Level Instruments	**EU Level Instruments**
• Austria's African-Austrian SME Investment Facility (AAIF+)	• Access2Markets portal
• Italy's Support to Internationalisation by Italian Chambers of Commerce operating outside the EU	• The European Intellectual Property Helpdesk (European IP Helpdesk)
• Germany's Consulting Vouchers Africa	• Global Europe – the neighbourhood, development and international cooperation instrument (NDICI – Global Europe)
•	•

Source: Technopolis Group

The instruments above that support EU SMEs to internationalise to Morocco, cover the following key challenges, support and service types, and SME focus:

Figure 42: Overview of challenges and types of support services addressed

Dimension		***Covered by instruments at EU or MS levels***
• Challenges	• Rules / regulations / taxes	• EU & MS
	• IPR aspects	• EU & MS
	• Strategy development	• MS
	• Insight into market opportunities	• EU & MS
	• Culture / communication	• MS
	• Financial structures (exchange rates, fluctuations, etc.)	• MS
	• Available support (financial/non-financial)	• MS
	• Practical aspects (logistics, etc)	• EU & MS
	• Innovation (adapting to market needs)	• EU & MS

[238] Idem.

Dimension		**Covered by instruments at EU or MS levels**
	• Finding partners / clients	• MS
	• Other	• MS
• Support	• Direct financial support (subsidies, loans, credit guarantees, tax incentives, insurances, etc.)	• EU & MS
	• Indirect financial support (attending events, promotional material etc.)	• GAP
	• Services for companies (advice, providing information, etc.)	• EU & MS
	• Centralised services (sector marketing, etc.)	• EU & MS
	• Representation, diplomacy and opening doors (sector marketing, etc.)	• MS
• Services	• Information sharing	• EU & MS
	• Seminars & workshops	• EU & MS
	• Introduction to new market & networking	• EU & MS
	• Consortia formation: home market	• GAP
	• Visibility & promotion	• EU & MS
	• Incoming missions & trade fairs	• GAP
	• Outgoing missions & trade fairs	• MS
	• Advisory services	• MS
	• Soft landing services	• MS
	• Addressing trade barriers	• EU & MS
	• Feasibility studies	• MS
	• Investment preparations	• MS
	• International R&D activities (focus only on development side)	• EU
	• Non-company relationships	• MS
• SME Focus	• Fast-growth	• EU
	• Women	• EU
	• Technological	• EU

Source: Technopolis Group

Serbia

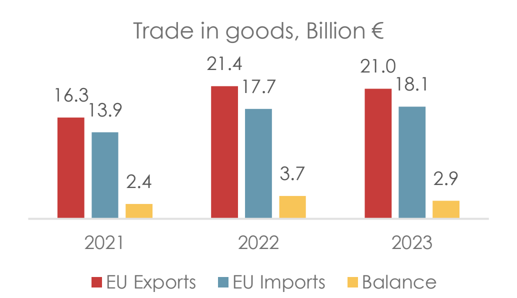
The **trade relations** between Serbia and the EU have improved since 2000, when Serbian producers began benefitting from duty-free access to the EU, after the entry into force of the EU's Autonomous Trade Measures (ATMs) for the Western Bakans. which abolished customs duties on industrial and agricultural products from Serbia, with only a few agricultural products subject to preferential tariff quotas. At the time, this **regime marked the EU's most comprehensive trade concession granted to a country or group of countries**, eliminating customs duties and import restrictions on nearly all agricultural goods, except certain protected products such as sugar, baby beef, and wine. In 2009, Serbia began gradually removing customs protections for EU-originating goods under the trade-related provisions of the Stabilisation and Association Agreement through the Interim Agreement. This asymmetric trade liberalisation favoured Serbia and involved a predictable six-year schedule that acknowledged product sensitivity for Serbian producers. Concurrently, a level playing field was being established through measured customs policies, anti-trust, and state aid rules, alongside intellectual and industrial property protection, allowing Serbian businesses to adjust to increasing competition from the EU. In 2014, Serbia and the EU completed the trade liberalisation schedule. However, Serbia retained customs duties on its most sensitive agricultural products, for protection until Serbia's potential EU accession. These include meat, dairy products, honey, and select vegetables, with tariff protections maintaining 20% to 50% of the most favoured nation (MFN) duties applicable globally. The full entry into force of the SAA in 2013 amplified the economic advantages initially realized under the Interim Agreement. It introduced new provisions enhancing the business climate in Serbia, such as free capital movement and improvements in public procurement, standardization, and service provision rights. These reforms established a secure framework, catalysing investment and fostering economic momentum. For Serbian businesses, the Agreement has elevated operational standards, adequately preparing them for competition within the EU Single Market and bolstering long-term competitiveness. For Serbian consumers, the increased market openness promises greater product choices and reduced costs. **The expanded access to public tenders for EU companies is expected to enhance competition in procurement**, improving public sector offerings and cost efficiency, ultimately benefiting Serbian taxpayers with better services at reduced expenditure[239].

SMEs in Serbia and EU SMEs seeking to enter Serbia's market can benefit from the European Union's Single Market Programme (SMP), following an agreement signed by Serbia's Finance Minister in collaboration with the European Commission. Supported by the EU's long-term backing, the SMP aims to enable Serbian SMEs and EU SMEs operating in Serbia to thrive internationally through EU-funded programs that facilitate networking, tailored guidance, and reliable business partnerships, as well as providing essential equipment.

The success of Serbian participation in the Single Market Programme largely depends on the proactive engagement of Serbian and EU entrepreneurs in submitting strong proposals for program calls. For example, the Enterprise Europe Network (EEN) supports European and Serbian entrepreneurs in expanding their businesses and forming reliable cross-border partnerships.

The EEN in Serbia offers services such as advice on Single Market regulations, access to finance, innovation support, and networking opportunities to connect with investors and commercial partners. EEN supports a diverse range of sectors for EU SMEs entering or operating in Serbia, including agriculture, artificial intelligence, textiles, aerospace, maritime, and creative industries[240].

Trade statistics show that Serbia has obtained significant benefits from its trade and economic integration with the European Union (EU). The EU consistently remains Serbia's primary trading partner, accounting for 60% of the country's total trade in 2023. Serbian exports to the EU have increased more than fivefold, rising from approximately €3.2 billion in 2009 to just over €18 billion in 2023. This record export value in 2023 surpasses the pre-pandemic record of €11.4 billion in 2019. The growth rate of Serbia's exports to the EU has outpaced that of imports, improving



EU Delegation to the Republic of Serbia (2024) EU in Serbia – Trade.

[239] EU Delegation to the Republic of Serbia (2024) EU in Serbia – Trade. Accessible at: https://europa.rs/trade/?lang=en
[240] Idem.

the coverage of imports by exports from 48% in 2009 to 83% in 2023. EU Member States, particularly Germany, Italy, Hungary, and Romania, are Serbia's most significant trading partners. In 2022, exports to Germany constituted almost 14% of Serbia's total exports, while Italy accounted for 8%. Similarly, on the import side, Germany and Italy were responsible for over 11% and nearly 7% of Serbia's total imports, respectively. The EU is also the primary destination for Serbian agricultural exports, with over half directed there. Serbian agricultural exports to the EU have quadrupled over the last decade, rising from €640 million in 2009 to €2.4 billion in 2023. During the same period, imports of agricultural products from the EU increased from EUR 440 million in 2009 to over €2.4 billion in 2023. In terms of investment, the EU has been Serbia's dominant source of foreign direct investment (FDI), contributing 58% of total FDI from 2010 to 2023, amounting to €22.3 billion. EU-based companies have been the leading investors, introducing modern technologies, corporate culture, and EU values, which have transformed Serbian business practices and society. This influx has significantly enhanced productivity and competitiveness, boosted export potential, increased government revenues, and fostered economic growth. Consequently, the presence of EU companies in Serbia has broadened consumer choices and reduced prices.

Figure 43: Examples of policy instruments

Member State Level Instruments	**EU Level Instruments**
• Bulgaria's Insurance of micro and small enterprises by Bulgaria Export Insurance Agency	• Access2Markets portal
• Italy's Support to Internationalisation by Italian Chambers of Commerce operating outside the EU	• The European Intellectual Property Helpdesk (European IP Helpdesk)
• Nopef, Financial support for Green Solutions	• Global Europe – the neighbourhood, development and international cooperation instrument (NDICI – Global Europe)
• Danish SBA programme for the internationalisation of small and medium sized enterprises (SMEs)	• European Cluster Partnership for Going International (ESCP-4i) (Clusters Go International)
•	• Enterprise Europe Network

Source: Technopolis Group

The instruments above that support EU SMEs to internationalise to Serbia, cover the following key challenges, support and service types, and SME focus:

Figure 44: Overview of challenges and types of support services addressed

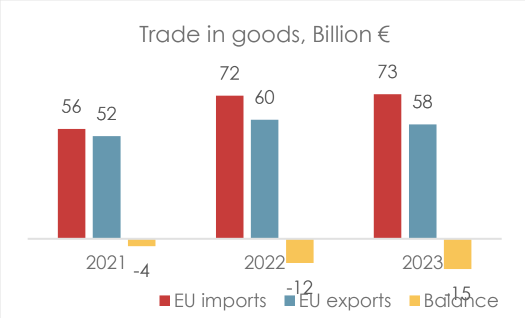
Dimension		***Covered by instruments at EU or MS levels***
• Challenges	• Rules / regulations / taxes	• EU & MS
	• IPR aspects	• EU & MS
	• Strategy development	• EU & MS
	• Insight into market opportunities	• EU & MS
	• Culture / communication	• EU & MS
	• Financial structures (exchange rates, fluctuations, etc.)	• MS
	• Available support (financial/non-financial)	• EU & MS
	• Practical aspects (logistics, etc)	• EU & MS
	• Innovation (adapting to market needs)	• EU & MS

	• Finding partners / clients	• EU & MS
	• Other	• MS
• Support	• Direct financial support (subsidies, loans, credit guarantees, tax incentives, insurances, etc.)	• EU & MS
	• Indirect financial support (attending events, promotional material etc.)	• EU
	• Services for companies (advice, providing information, etc.)	• EU & MS
	• Centralised services (sector marketing, etc.)	• EU & MS
	• Representation, diplomacy and opening doors (sector marketing, etc.)	• EU & MS
• Services	• Information sharing	• EU & MS
	• Seminars & workshops	• EU & MS
	• Introduction to new market & networking	• EU & MS
	• Consortia formation: home market	• EU
	• Visibility & promotion	• EU & MS
	• Incoming missions & trade fairs	• GAP
	• Outgoing missions & trade fairs	• EU & MS
	• Advisory services	• EU & MS
	• Soft landing services	• EU & MS
	• Addressing trade barriers	• EU & MS
	• Feasibility studies	• MS
	• Investment preparations	• MS
	• International R&D activities (focus only on development side)	• EU
	• Non-company relationships	• MS
• SME Focus	• Fast-growth	• EU
	• Women	• EU
	• Technological	• EU

Source: Technopolis Group

South Korea

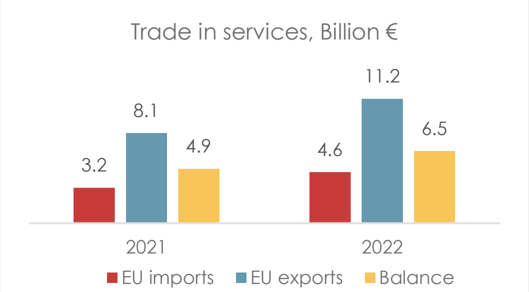
The **trade relationships** between the EU and the Republic of Korea are governed by the Free Trade Agreement (FTA), which was provisionally applied in July 2011 and ratified in December 2015. It was the EU's first FTA with an Asian country and the first to incorporate a chapter on trade and sustainable development. To complement this FTE and the EU and South Korea relationships, they began negotiations on 2023 for a **digital trade agreement**. This new negotiation aims to establish ambitious and modern digital trade rules, expanding on the existing trade framework and the Digital Trade Principles agreed upon in 2022[241].



European Commission - DG TRADE (2024) EU trade relations with South Korea. Facts, figures and latest developments

[241] European Commission - DG TRADE (2024) EU trade relations with South Korea. EU-South Korea Free Trade Agreement and Digital Trade Agreement. Accessible at: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/south-korea/eu-south-korea-agreements_en

Trade statistics show that South Korea is the EU's 8th largest trade partner in goods, while the EU ranks as Korea's 3rd largest. Since the FTA's implementation in 2011, their bilateral trade and investment have significantly increased, with total goods trade reaching approximately €130 billion in 2023, up by 106% from 2011. The trade in **industrial products make up 96% of goods trade in 2023**, including machinery (32%), transportation equipment (21%), and chemicals (18%). Agricultural and fishery products account for nearly 4% of this trade, with EU exports of these goods making up about 9%. Trade in services has grown by 63% from 2012 to 2022, amounting to €31 billion in 2022, focusing on transport, business services, and IT. The EU is Korea's largest foreign direct investor, with a stock of €54 billion in 2022, led by the Netherlands, Germany, and Luxembourg in sectors like financial services. Conversely, Korean investments in the EU reached €40.6 billion in 2022, focusing on the electric vehicle sector, with Hungary, Poland, and Germany as key destinations[242].



European Commission - DG TRADE (2024) EU trade relations with South Korea. Facts, figures and latest developments

EU **SMEs count on seven support instruments for their internationalisation to South Korea** from Austria, Estonia, France, Germany, Italy, Latvia, and Romania, and at EU levels, they count on **five instruments**. See table below presents the available instruments.

Figure 45: Examples of policy instruments

Member State Level Instruments	EU Level Instruments
• Latvia's Export support consultations	• Access2Markets portal
• Germany's German Accelerator	• European Cluster Partnership for Going International (ESCP-4i) (Clusters Go International)
• Austria's Global Incubator Network Austria (GIN Austria)	• Eurostars - (EUREKA)
• France's Negotiation Exchange Insurance (Bpifrance)	• Global Europe – the neighbourhood, development and international cooperation instrument (NDICI – Global Europe)
• Estonia's Services offered by Estonia-Asia Trade Agency	• Enterprise Europe Network
• Romania's The Export Promotion Programme 2024	•
• Italy's Support to Internationalisation by Italian Chambers of Commerce operating outside the EU	•

Source: Technopolis Group

The Table below, shows the framework dimensions covered by the policy instruments mapped in this project that have South Korea as a target market.

242 European Commission - DG TRADE (2024) EU trade relations with South Korea. EU trade relations with the Republic of Korea. Facts, figures and latest developments. Accessible at: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/south-korea_en

Figure 46: Overview of challenges and types of support services addressed

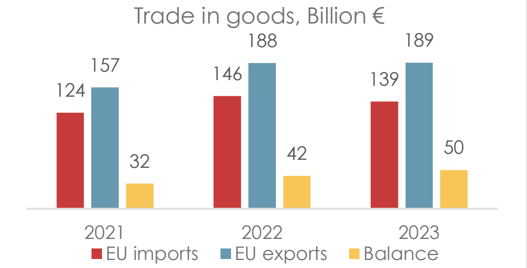
Dimension		***Covered by instruments at EU or MS levels***
• Challenges	• Rules / regulations / taxes	• EU & MS
	• IPR aspects	• EU
	• Strategy development	• EU & MS
	• Insight into market opportunities	• EU & MS
	• Culture / communication	• EU & MS
	• Financial structures (exchange rates, fluctuations, etc.)	• MS
	• Available support (financial/non-financial)	• EU & MS
	• Practical aspects (logistics, etc)	• EU & MS
	• Innovation (adapting to market needs)	• EU & MS
	• Finding partners / clients	• EU & MS
	• Other	• MS
• Support	• Direct financial support (subsidies, loans, credit guarantees, tax incentives, insurances, etc.)	• EU & MS
	• Indirect financial support (attending events, promotional material etc.)	• EU & MS
	• Services for companies (advice, providing information, etc.)	• EU & MS
	• Centralised services (sector marketing, etc.)	• EU & MS
	• Representation, diplomacy and opening doors (sector marketing, etc.)	• EU & MS
• Services	• Information sharing	• EU & MS
	• Seminars & workshops	• EU & MS
	• Introduction to new market & networking	• EU & MS
	• Consortia formation: home market	• EU
	• Visibility & promotion	• EU & MS
	• Incoming missions & trade fairs	• MS
	• Outgoing missions & trade fairs	• EU & MS
	• Advisory services	• MS
	• Soft landing services	• EU & MS
	• Addressing trade barriers	• EU & MS
	• Feasibility studies	• MS
	• Investment preparations	• MS
	• International R&D activities (focus only on development side)	• EU & MS
	• Non-company relationships	• MS
• SME Focus	• Fast-growth	• EU & MS
	• Women	• EU
	• Technological	• EU & MS

Source: Technopolis Group

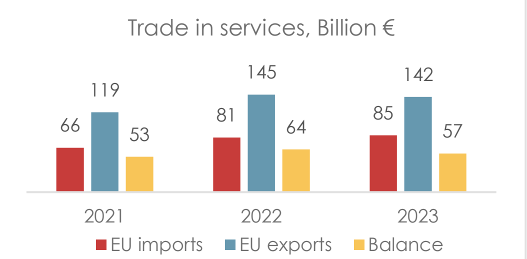
Switzerland

Trade relations and multiple socio-economic relations between the EU and Switzerland are structured through a series of bilateral agreements, with the 1972 Free Trade Agreement being a foundational one. After Switzerland declined membership in the European Economic Area in 1992, seven sectoral agreements, known as 'Bilaterals I,' were signed in 1999. These include agreements on the free movement of persons, mutual recognition in conformity assessment, public procurement, and trade in agricultural products. A second set of agreements, 'Bilaterals II,' was signed in 2004, covering areas like Schengen participation and taxation of savings. To recognise structural issues in these agreements, the EU and Switzerland began negotiating an Institutional Framework Agreement (IFA) in 2014 to streamline internal market access and enforcement rules. However, negotiations broke down in 2021. In November 2023, after extended exploratory talks, the EU and Switzerland reached a Common Understanding on addressing structural issues within these agreements and any future agreements. Both governments adopted negotiating directives in March 2024 with the aim to conclude negotiations by the end of 2024, likely subject to a referendum in Switzerland by 2026. Overall, where Switzerland agreed to take over certain aspects of EU legislation in exchange for accessing part of the EU's Single Market[243].

The **trade statistics** show that the EU stands as Switzerland's primary trading partner, while Switzerland ranks as the EU's fourth-largest trading partner, following the United States, China, and the United Kingdom. In 2023, the bilateral trade in goods between the EU and Switzerland amounted to €327 billion, representing 6.4% of the EU's total trade in goods. Swiss exports to the EU are predominantly concentrated in a few key sectors, primarily chemicals and pharmaceuticals, along with medical products (€65.3 billion, 45.4%), machinery and appliances (€18.4 billion, 13.2%), optical and photographic instruments (€14.5 billion, 10.4%), and pearls and precious metals (€12.2 billion, 8.8%). Moreover, Switzerland holds significant importance for the EU in the trade of services, particularly commercial services. In 2023, the total trade in services between the two entities reached €227 billion. Both the EU and Switzerland are also among the top destinations for each other's foreign investments[244].



European Commission - DG TRADE (2024) EU trade relations with Switzerland. Facts, figures and latest developments



European Commission - DG TRADE (2024) EU trade relations with Switzerland. Facts, figures and latest developments

Examples of policy instruments targeting Switzerland are presented in the Figure below.

Figure 47: Examples of policy instruments

Member State Level Instruments	EU Level Instruments
• Italy's Support to Internationalisation by Italian Chambers of Commerce operating outside the EU	• Access2Markets portal
• France's Negotiation Exchange Insurance (Bpifrance)	• Global Europe – the neighbourhood, development and international cooperation instrument (NDICI – Global Europe)

[243] European Commission - DG TRADE (2024) EU trade relations with Switzerland. Facts, figures and latest developments. Accessible at: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/switzerland_en
[244] Idem.

Member State Level Instruments	**EU Level Instruments**
• Latvia's Export support consultations	• Interreg Europe
• Romania's Export Promotion Programme 2024	• Eurostars - (EUREKA)

Source: Technopolis Group

The instruments above that support EU SMEs to internationalise to Turkey, cover the following key challenges, support and service types, and SME focus:

Figure 48: Overview of challenges and types of support services addressed

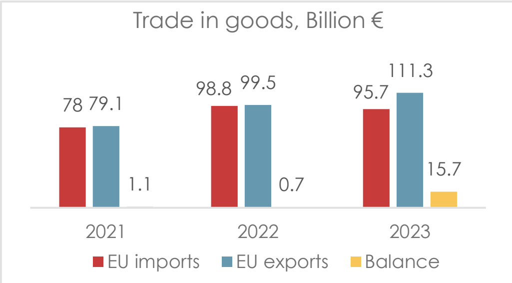
Dimension		***Covered by instruments at EU or MS levels***
• Challenges	• Rules / regulations / taxes	• EU & MS
	• IPR aspects	• EU
	• Strategy development	• GAP
	• Insight into market opportunities	• EU & MS
	• Culture / communication	• EU & MS
	• Financial structures (exchange rates, fluctuations, etc.)	• MS
	• Available support (financial/non-financial)	• EU & MS
	• Practical aspects (logistics, etc)	• EU & MS
	• Innovation (adapting to market needs)	• EU & MS
	• Finding partners / clients	• EU & MS
	• Other	• GAP
• Support	• Direct financial support (subsidies, loans, credit guarantees, tax incentives, insurances, etc.)	• EU & MS
	• Indirect financial support (attending events, promotional material etc.)	• EU & MS
	• Services for companies (advice, providing information, etc.)	• EU & MS
	• Centralised services (sector marketing, etc.)	• EU & MS
	• Representation, diplomacy and opening doors (sector marketing, etc.)	• EU & MS
• Services	• Information sharing	• EU & MS
	• Seminars & workshops	• EU & MS
	• Introduction to new market & networking	• EU & MS
	• Consortia formation: home market	• EU
	• Visibility & promotion	• EU & MS
	• Incoming missions & trade fairs	• GAP
	• Outgoing missions & trade fairs	• MS
	• Advisory services	• MS
	• Soft landing services	• MS
	• Addressing trade barriers	• EU & MS
	• Feasibility studies	• EU & MS
	• Investment preparations	• MS
	• International R&D activities (focus only on development side)	• EU

Dimension		*Covered by instruments at EU or MS levels*
	• Non-company relationships	• EU & MS
• SME Focus	• Fast-growth	• EU
	• Women	• EU
	• Technological	• EU

Source: Technopolis Group

Turkey

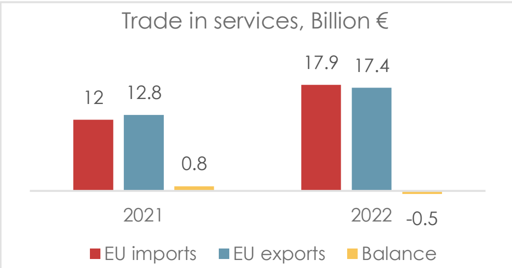
Since 1963, the European Economic Community (now the EU) and Turkey have engaged in **extensive economic cooperation and trade relations**, formalised through the Ankara Agreement. This agreement laid the groundwork for the Customs Union, fully established in 1996. This Customs Union facilitated a liberalised trade regime abolishing tariffs and quotas on industrial goods, and requiring Turkey's alignment with EU customs tariffs, commercial policies, competition standards, intellectual property rights, and related technical legislation. Complementing the Customs Union, two additional bilateral preferential agreements were concluded. The first involves a Free Trade Agreement with Turkey for coal, iron, and steel products, stemming from the European Coal and Steel Community's agreement (ECSC), effectively transitioned to the EU following the ECSC Treaty's expiration. The second, set by Association Council Decision No 1/98 and amended by Decision No 2/2006, offers preferential trade concessions on specific agricultural and fishery products. **In 2016, the European Commission advocated for modernising the Customs Union and expanding trade relations to encompass services, public procurement, and sustainable development**. However, the Council has yet to approve the negotiating directives[245].



European Commission - DG TRADE (2024) EU trade relations with Turkey. Facts, figures and latest developments

A new EU-Turkey High-Level Dialogue on Trade was set up in July 2024, in Brussels. This meeting aimed to address **bilateral trade challenges and explored potential cooperation** enhancements, including measures to prevent circumvention of EU sanctions. Turkey's participation extends to the Union for the Mediterranean (UfM), comprising 42 members of the Euro-Mediterranean region, established in 2008. The UfM promotes regional stability, human development, and economic integration, ultimately fostering peace, stability, and prosperity. This partnership involves all 27 EU member states and select countries from the Southern and Eastern Mediterranean[246].

Trade statistics show that The EU-Turkey Customs Union has substantially boosted bilateral trade, culminating in a record €206 billion in 2023. Turkey emerged as the EU's 5th largest trading partner, accounting for 4.1% of the EU's total global goods trade, up from 3.3% in 2022. In 2023, EU exports to



European Commission - DG TRADE (2024) EU trade relations with Turkey. Facts, figures and latest developments

[245] European Commission - DG TRADE (2024) EU trade relations with Turkey. Facts, figures and latest developments. Accessible at: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/turkiye_en
[246] Idem.

Turkey reached €111 billion, while imports totalled €95.5 billion, with motor vehicles, machinery, and electrical equipment dominating trade on both sides. Turkey relies heavily on the EU as its most significant partner for both imports and exports of goods. In 2023, 41% of Turkey's exports were directed to the EU, and 29% of its imports were sourced from the EU. In services, total trade between the EU and Turkey increased to €35 billion in 2022, rising from €24.2 billion in 2021, comprising 1.4% of the EU's total global trade in services. Transport and travel services are the principal services imported by the EU from Turkey, while transport and ICT services lead EU exports to Turkey[247].

Figure 49: Examples of policy instruments

Member State Level Instruments	**EU Level Instruments**
• Italy's Support to Internationalisation by Italian Chambers of Commerce operating outside the EU	• Access2Markets portal
• France's Negotiation Exchange Insurance (Bpifrance)	• Global Europe – the neighbourhood, development and international cooperation instrument (NDICI – Global Europe)
•	• Enterprise Europe Network
•	• Eurostars - (EUREKA)

Source: Technopolis Group

The policy instruments mapped in this project cover the following key challenges, support services and focus:

Figure 50: Overview of challenges and types of support services addressed

Dimension		***Covered by instruments at EU or MS levels***
• Challenges	• Rules / regulations / taxes	• EU & MS
	• IPR aspects	• EU
	• Strategy development	• GAP
	• Insight into market opportunities	• EU & MS
	• Culture / communication	• EU & MS
	• Financial structures (exchange rates, fluctuations, etc.)	• MS
	• Available support (financial/non-financial)	• EU & MS
	• Practical aspects (logistics, etc)	• EU & MS
	• Innovation (adapting to market needs)	• EU & MS
	• Finding partners / clients	• EU & MS
	• Other	• GAP
• Support	• Direct financial support (subsidies, loans, credit guarantees, tax incentives, insurances, etc.)	• EU & MS
	• Indirect financial support (attending events, promotional material etc.)	• EU
	• Services for companies (advice, providing information, etc.)	• EU & MS
	• Centralised services (sector marketing, etc.)	• EU & MS

[247] Idem.

Dimension		***Covered by instruments at EU or MS levels***
	• Representation, diplomacy and opening doors (sector marketing, etc.)	• MS
• Services	• Information sharing	• EU & MS
	• Seminars & workshops	• EU & MS
	• Introduction to new market & networking	• EU & MS
	• Consortia formation: home market	• EU
	• Visibility & promotion	• EU & MS
	• Incoming missions & trade fairs	• GAP
	• Outgoing missions & trade fairs	• MS
	• Advisory services	• EU & MS
	• Soft landing services	• MS
	• Addressing trade barriers	• EU & MS
	• Feasibility studies	• MS
	• Investment preparations	• MS
	• International R&D activities (focus only on development side)	• EU
	• Non-company relationships	• MS
• SME Focus	• Fast-growth	• EU
	• Women	• EU
	• Technological	• EU

Source: Technopolis Group

Vietnam

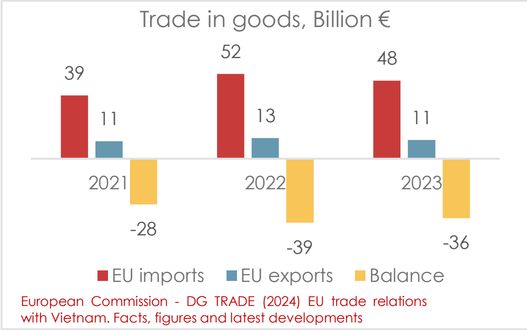
The **trade relations** between the EU and Vietnam are governed under the EU-Vietnam Trade Agreement and Investment Protection Agreement, and the EU-Vietnam Framework Agreement on Partnership and Cooperation (PCA). The EU-Vietnam Trade Agreement offers significant benefits for SMEs[248], including:

- Elimination of tariffs: EU SMEs exports to Vietnam without paying tariffs on most products, making it more affordable to do business.
- Reduced non-tariff barriers: Regulatory practices in Vietnam is simplified and aligned with international standards, making it easier for SMEs to navigate.
- Enhanced intellectual property protection: Stronger legal protection is offered for intellectual property rights, giving SMEs certainty in protecting their innovations.

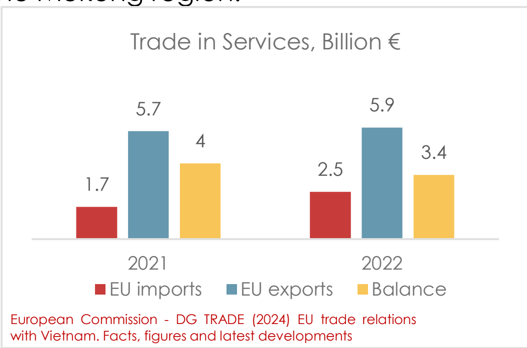
Overall, the agreements make it easier and more attractive for EU SMEs to do business in Vietnam, contributing to their growth in this rapidly developing market. It offers providing information and stimulating innovation and exchanging good practices on access to finance and market, including auditing and accounting services particularly for micro- and small enterprises. The sectors that may benefit the most from the agreements are[249]:

[248] European Commission – DG TRADE (2022) EU-Vietnam agreement: Factsheets and guides. Benefits for SMEs. Accessible at: https://circabc.europa.eu/ui/group/09242a36-a438-40fd-a7af-fe32e36cbd0e/library/d2eb8a95-43ac-499a-afee-732f5db33628/details
[249] Idem

- Manufacturing: The agreement includes the liberalisation of Foreign Direct Investment (FDI) in manufacturing sectors, which means that SMEs in manufacturing find it easier to set up operations in Vietnam and benefit from the growing market.
- Retail Liberalisation of FDI is also included, allowing EU SMEs to open more retail outlets in Vietnam, presenting opportunities for SMEs involved in retail operations.
- Agri-Food Exports: The agreement promises streamlined procedures for the approval of EU agri-food exports, facilitating easier export of agricultural products to Vietnam for SMEs.
- Services Trade: The agreement improves market conditions in various service sectors, opening doors for SMEs to expand their operations in areas like tourism, consulting, and professional services. .



Vietnam, a member of the Association of Southeast Asian Nations (ASEAN), is the EU's most significant partner in the region for trade in goods and the second-most important for combined trade in goods and services after Singapore. Many European companies are establishing operations in Vietnam as hubs to serve the Mekong region.



Trade statistics show that in 2023, Vietnam was the EU's 17th largest trade partner in goods and its largest within the Association of Southeast Asian Nations (ASEAN), with a total trade flow of €64.2 billion. The EU primarily exports high-tech products to Vietnam, such as electrical machinery, aircraft, vehicles, and pharmaceuticals. Vietnam's main exports to the EU include telephone sets, electronics, footwear, textiles, coffee, rice, seafood, and furniture. With €13.8 billion in foreign direct investment outflows in 2022, the EU ranks among the largest foreign investors in Vietnam, particularly in industrial processing and manufacturing[250]. The removal of tariffs and the reduction of non-tariff barriers create a more favourable environment for SMEs across the board. Examples of policy instruments are presented in the Figure below.

Figure 51: Examples of policy instruments allowing EU SME internationalisation to Vietnam

Member State Level Instruments	**EU Level Instruments**
• Germany's German Accelerator	• Access2Markets portal
• Bulgaria's Insurance of micro and small enterprises by Bulgaria Export Insurance Agency	• European Cluster Partnership for Going International (ESCP-4i) (Clusters Go International)
• France's Negotiation Exchange Insurance (Bpifrance)	• Global Europe (NDICI – Global Europe)
• Latvia's Participation in international exhibitions and participation in international digital industry platforms	• The European Intellectual Property Helpdesk (European IP Helpdesk)

[250] European Commission – DG TRADE (2022) EU trade relations with Vietnam. Facts, figures and latest developments. Accessible at: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/vietnam_en

Member State Level Instruments	EU Level Instruments
• Estonia's Services offered by Estonia-Asia Trade Agency	• Enterprise Europe Network
• Italy's Support to Internationalisation by Italian Chambers of Commerce operating outside the EU	•

Source: Technopolis Group

The instruments that support EU SMEs to internationalise to Vietnam cover the following key dimensions of the analytical framework:

Figure 52: Overview of challenges and types of support services addressed

Dimension		***Covered by instruments at EU or MS levels***
• Challenges	• Rules / regulations / taxes	• EU & MS
	• IPR aspects	• EU
	• Strategy development	• EU & MS
	• Insight into market opportunities	• EU & MS
	• Culture / communication	• EU & MS
	• Financial structures (exchange rates, fluctuations, etc.)	• MS
	• Available support (financial/non-financial)	• EU & MS
	• Practical aspects (logistics, etc)	• EU & MS
	• Innovation (adapting to market needs)	• EU & MS
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	• Other	• MS
• Support	• Direct financial support (subsidies, loans, credit guarantees, tax incentives, insurances, etc.)	• EU & MS
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	• Centralised services (sector marketing, etc.)	• EU & MS
	• Representation, diplomacy and opening doors (sector marketing, etc.)	• EU & MS
• Services	• Information sharing	• EU & MS
	• Seminars & workshops	• EU & MS
	• Introduction to new market & networking	• EU & MS
	• Consortia formation: home market	• EU
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	• Incoming missions & trade fairs	• GAP
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	• Advisory services	• EU & MS
	• Soft landing services	• EU & MS
	• Addressing trade barriers	• EU & MS
	• Feasibility studies	• MS
	• Investment preparations	• MS
	• International R&D activities (focus only on development side)	• EU

Dimension		***Covered by instruments at EU or MS levels***
	• Non-company relationships	• MS
• SME Focus	• Fast-growth	• EU & MS
	• Women	• EU
	• Technological	• EU & MS

Source: Technopolis Group

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