2017

# AQUITAINE

## SME INTERNATIONALISATION STUDY

SIE
Interreg Europe

European Union
European Regional Development Fund

CCI NOUVELLE-AQUITAINE

# Executive Summary

France has a long-term trade deficit that started in 1973 and was only positive during the 90's. These last years, the commercial balance reached historically low levels. The root cause of these results is an inadequate national commercial strategy. The initial purpose of this strategy was to stop the standard industrial activities to concentrate the country on the most added value activities. However, the tax and heavy administration system and government measures taken in the recent years, did not help enhance the French competitiveness. At a regional level, Aquitaine ranks 12th (out of 21 regions) regarding its export activity, with a deficit of €0.4 billion (0.3% of the national deficit).

The Aquitaine region is doing 60% of its foreign sales within the European Union. Amongst the top 3 export destinations, Spain and Germany are respectively representing 16% and 11% of the amounts exported. The USA accounts for 15% of overseas shipments destined for the American continent.

While aerospace manufacturing and chemistry are the two main export sectors at national level, in Aquitaine the leading export sectors are the Agriculture and food processing industry with €4.3 billion exports (35%) followed by Aerospace manufacturing (€1.7 billion), chemistry (€1.6 billion) and the Wood industry (€1.1 billion).

With regard to HR, the average number of employees in exporting companies is 9 while 43% of these companies have at least 1 employee dedicated to export.

To assist businesses in their internationalisation, several organisations are co-working and have set up a personalised support called “Parcours de l'export” (Export Pathway) which aims at identifying companies with an exporting potential, diagnosing them, helping them in order to define an export strategy and then set the right actions from training units to market targeting or even the sourcing of a market specialist to guide them. There is also a collective support programme aiming at the international development of specific sectors and financial services provided by other stakeholders.

For a good understanding and feedback of the support, CCI International Aquitaine sends each year a survey to each SME that has benefited from one of its services (diagnostic export, “ciblage marches” (Market Selection), business plan, and export audit). The 2016 results (i.e. which concern services delivered in 2015) show that 96% of the respondents were satisfied with the methodology (compared to 86% in 2014) and 59% said that the services impacted their international development (compared to 49% in 2014).

As for upcoming barriers or opportunities, two points are prominent.
On one hand, the Brexit: The United Kingdom is the 4th Aquitaine's export partner (8% of exports) and its decision of leaving the European Union will impact all the SMEs. Fortunately, procedures are complex which allows until April 2019 for the SMEs to adapt.
On the other hand, the negative interest rates. If the European Central Bank persists in using negative interest rates, it is very likely that it will become more and more difficult for SMEs to borrow money in order to develop their internationalisation as banks will be more averse to the risks posed by business investments.

In order to develop the SMEs' capacity to overcome current and future barriers we can suggest three types of supports including training, individual tailor-made support and complementary human resources dedicated to export markets.
We are also aiming at identifying export ready companies through business intelligence in order to improve the commercial balance.

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# Introduction

This study presents a picture of Aquitaine SMEs' environment toward internationalisation that has been realised by CCI International Nouvelle-Aquitaine in order to share situations and practices between members of the SME Internationalisation Research 2016 European programme.
It focuses on the support provided to these SME and explores upcoming threats, projects and points of interest such as the Brexit impact.

The CCIs are organisations commissioned by the State to defend the interests of commercial, industrial and services companies and provide assistance to help them grow. They are spread across the territory at a regional strategic level and local operational level. Thereby, the CCI Nouvelle-Aquitaine provides internationalisation services to companies under the brand CCI International Nouvelle-Aquitaine.

## Defining "SMEs" and "Internationalisation"

According to article 3 of the 'economic modernisation law decree' 2008-1354 from 2008, an SME has a turnover below €50 million[1], a balance sheet total below €43 million[2] and not more than 250 employees.

Internationalisation is considered in the same way as Kent's report did. It covers the whole spectrum that connects SMEs to the international including collaborative partnerships, export and import activities as well as networks.

## The Aquitaine Region

Located in the South-West of France, Aquitaine is the leading region for the aeronautics, spatial and defence area, the laser optic segment, wood, food and drink (agro-alimentary) industries and e-health technology. The Aquitaine Region is also well known for its wines, its gastronomy and its quality of life. Moreover, it benefits from a unique environmental richness with 300 kilometres on the Atlantic coast, the Pyrenees and the Landes forest and privileged relationship with Spain through the Basque territory.

[1] €50 million represents £38.3 in 2016 and £43.4 in 2017
[2] €43 million represents £32.9 in 2016 and £37.3 in 2017

The regional policy aiming at encouraging and promoting innovation puts the Aquitaine region at the first place for Investment in R&D and at the 4th place for job creation and business set up.

Following a governmental decision to reduce the number of regions, the Aquitaine region has merged with Limousin and Poitou-Charentes regions. Since January the 1st 2016, the new region is known as "Nouvelle-Aquitaine".

In terms of figures, "Nouvelle-Aquitaine" accounts for 22.2 billion exports and 20.4 billion imports in 2015, and ranked 8th biggest exporting region (out of 18 regions in total) and 9th biggest importing region, respectively 5% and 4.1% of national exports and imports. In terms of surface area, "Nouvelle-Aquitaine" is slightly bigger than the Czech Republic (80 000 km²).

However, as the Interreg programme was signed before the new regions were implemented; the scope of this study mainly focuses on policies applying in Aquitaine. For this reason and also because figures have not been gathered for this new perimeter, the study will mainly focus on the year 2014.

## Main trends in 2014[3]

| | Export 2014 €M | Evolution over 1 year (%) | | Import 2014 €M | Evolution over 1 year (%) | | 2014 Balance €M |
|---|---|---|---|---|---|---|---|
| Aquitaine | 12 271 | -5,8 | ↘ | 12 656 | -3,0 | ↘ | -385 |
| France | 428 923 | +0,1 | ↗ | 500 403 | -1,3 | ↘ | -71 480 |

[3] Source: 2015 Customs service (CIF-FOB military, equipment excluded), year 2014, data analysis by CCI Aquitaine, value in millions of euros

# 1. Aquitaine's export global picture in France

## 1.1 Current business internationalisation in France

**IN FRANCE, THE COMMERCIAL DEFICIT SHRINKS BUT STILL REMAINS IMPORTANT**

**The French commercial deficit** reduced to -71 Billion in 2014 for the third consecutive year, to reach its lowest level since 2010. This improvement, mainly driven by a lower energy bill, should not hide the structural weakness of the French trade balance: "apart from energy, the commercial deficit has increased by almost 35%".[4]

Exports remain stable (+ 0.1%) and imports decrease from 1.3% compared to 2013. Over 5 years, the trend is clearly rising, if we consider 2009 as a year of reference because of the impact of the world crisis on the French foreign trade. With a share of 3.1% of the world exchange, France's position in foreign trade is maintained.

After a 1.6% decrease between 2012 and 2013, **exports remain stable** as a result of the fall in the euro, which has lost more than 17% against the dollar since May 2014 after two years of increase.

At the national level, 2014 results in two opposite trends:

- Steady sales performance of the leader sectors such as aeronautics and luxury goods, followed by chemistry and the automotive industry;
- Decrease in the amount of agricultural products exported (–10.5% over one year) (in particular cereals) because of lower stock prices and severe global competition, as well as lower pharmaceuticals export amounts (-4.9% over one year) because of patent expiry.

**French imports shrinkage** (-1.3%) mainly driven by a lower energy bill, linked to lower imported quantities and constant drop in oil prices.

If we look back from 2009 we can notice that Aquitaine's imports value has increased by 30% while its export has slightly increased by only 1%. Our region is clearly on a bad evolution curve that must be reversed.

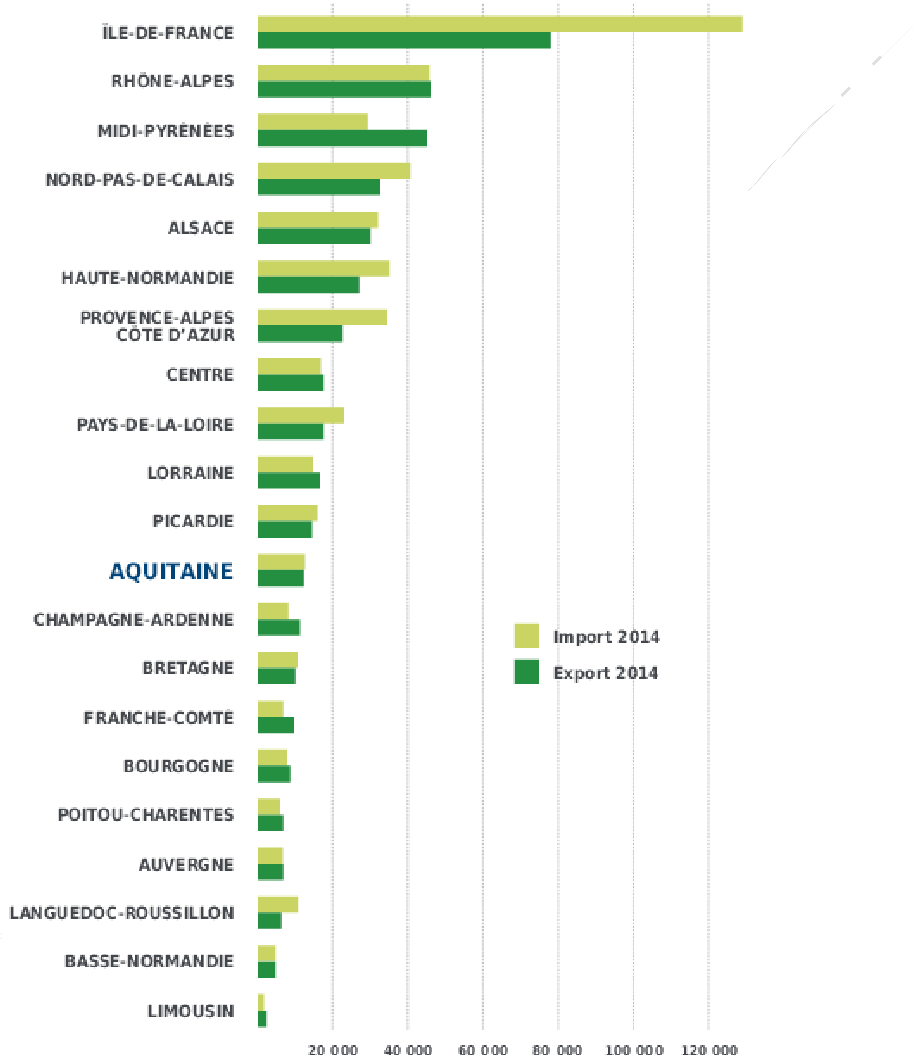
| EXPORT | Evolution 2009/2014 (%) | | IMPORT | Evolution 2009/2014 (%) | |
|---|---|---|---|---|---|
| Aquitaine | +1,2 | ↗ | Aquitaine | +29,6 | ↗ |
| France | +25,6 | ↗ | France | +24,5 | ↗ |

[4] COE-Rexecode "French competitiveness in 2014", working document n°51, January 2015, JF Ouvrard et A Jude

## 1.2 Aquitaine region current international business position/level in France

**AQUITAINE REGION: 12TH POSITION FOR EXPORTS AND IMPORTS**

In 2014, Aquitaine ranked 12th among the exporting and importing regions (€12.3 billion for exports and €12.7 billion for imports). In other words, Aquitaine represents 2.9 % of national exports and 2.5% of national imports.




**French customs 2015 (CAF-FAB without military material). Values in Billion € by Region**[5]

[5] Study "Commerce international de l'Aquitaine 2014" published by the Regional Observatory of international exchanges
http://nouvelle-aquitaine.cci.fr/var/testcciaquitaine/storage/original/application/343d1dcf55f4148dba317580ba8178a3.pdf

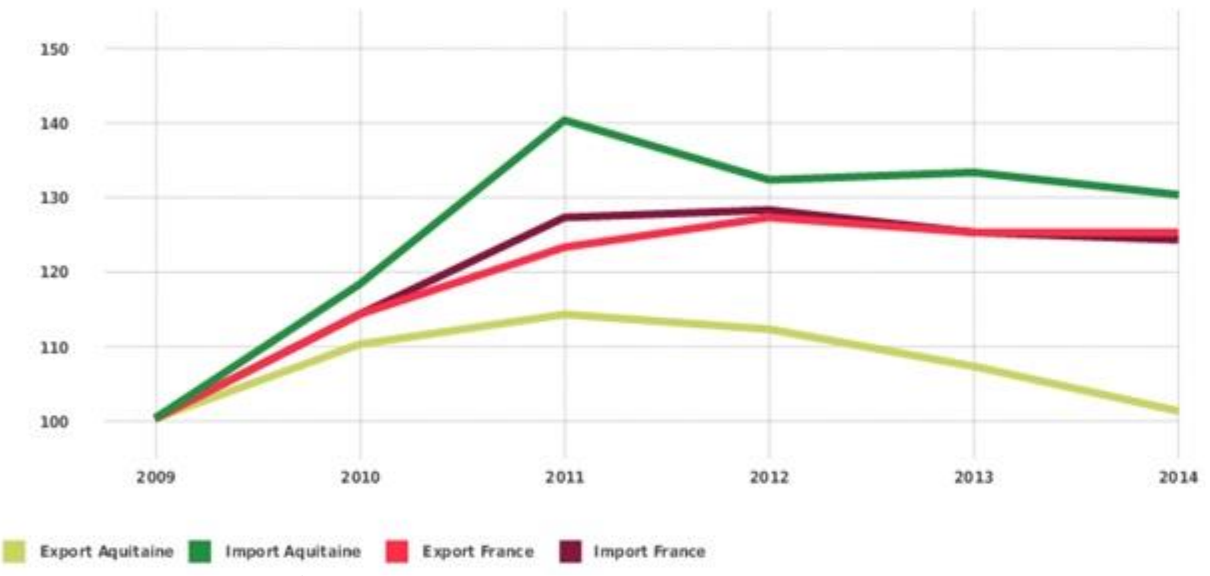
## IN AQUITAINE, CONFIRMED DOWNWARD TREND, TRADE IN THE RED

In 2014 **Aquitaine trade balance**, which has displayed a structural surplus for many years, enters in a turmoil period with a €385 billion deficit.

**Exports in Aquitaine** suffer from a more significant reduction (-5.8%) than the year before (- 4.3% over 2012/2013), mainly driven by lower export levels of the top 3 exported products (beverages, aeronautics and farming/animal breeding).

Over 5 years, export sales have increased for 1.2% and the 2014 level approaches the 2009 level, which was characterized by a commercial balance decrease.

**Imports in Aquitaine** also decrease (-3.0% between 2013 and 2014) more evidently than the national level after having very slightly increased in 2013 (+0.4%). So, as the national level, this reduction is mainly driven to the fall in oil prices.




**TREND IN IMPORTS AND EXPORTS (100 BASE IN 2009)**

## 13.7%: OPENNESS INDEX FOR THE AQUITAINE REGION

A region openness index measures, for a given zone, the proportion of the activity related to foreign trade in goods (total of exports and imports in relation to GDP).

Aquitaine is less outward-looking compared to the average of the French regions despite its better position. This can be explained by a diversified industrial structure and by a services oriented economy compared to the national level.

## 1.3 Impact and adaptation of French national policies in Aquitaine region

The French Regions[6] are committed by the French State to return to commercial balance (energy excluded). It confirms their pilot role for business internationalisation.

On 2012, September 12th, the Presidents of Regions met at the Élysée and made 15 commitments to foster economic growth and employment, among which figures **growing by 10.000 the number of exporting SMEs[7]/Mid-market businesses[8]**.

To this end, the French government has facilitated access at export financing to SMEs/Mid-market companies via Bpifrance, and has transferred to the Regions the coordination of the system which detects and monitors SMEs/Mid-market companies able to internationalise themselves successfully. The Regions are in charge of organising locally the system to support the international development of SMEs/Mid-market companies in liaison with other stakeholders like Chamber of commerce and Industry and Bpi France locally.

The Presidents of Regions and Ms Nicole Bricq, former Minister of Foreign trade, met on 2012, September 18th and confirmed they were willing to act together in order to reach the national target consisting in **cutting off the foreign trade deficit** (energy excluded) **– i.e. €26 billion – within 5 years**. To this purpose, the Minister appointed the Regions as **export leaders** locally.

Also, as stated in the National Pact for Growth, Competitiveness and Employment, voted on 2012, November 12th, the French Government took several measures to improve the trade balance (individual support for 1.000 Mid-market companies, international volunteering in enterprise (VIE) programme development, better access to export financing) which closely involve the Regions.

On this basis, **the Regions committed themselves to adopt regional plans for business internationalisation in 2013 (Plan Regional pour l'internationalisation des enterprise's – PRIE).** These plans set objectives and actions and organise locally public support package closely linked with other stakeholders concerned such as Business France, the Chamber of Commerce, Coface, Direccte, CCEF and Customs[9] competitiveness clusters, etc. in conjunction with Bpifrance.

[6] The Regions are in fact each Regional Councils. They are public institution in charge of their geographical region

[7] http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=URISERV:n26026 (in English)

[8] https://www.insee.fr/en/metadonnees/definition/c2034 (in English)

[9] Please refer to page 19 for a detailed presentation of each stakeholder.

Current policies in Aquitaine have been driven by this publication which formulated a plan of actions to develop the internationalisation of enterprises and aimed specifically at groups with high potential. These targeted groups of enterprises were innovative SMEs /mid-sized businesses, and also those parts of the region's strategic industrial sectors and those forming enterprise clusters.

The method to develop the internationalisation of these groups is centred on 3 main strategies:

- Individual coaching and support of enterprises
- Internationalisation of sectors as a whole
- Coordination through the CCI of all the exporting actors (including export partners and finance partners)

In the context of regional exporting, statistics and survey results show that the main policies and services of the region are reasonably effective at increasing internationalisation. However, there is still capability for improvement.

# 2. Current situation

In this first part, we are going to start with an overall analysis of internationalisation in Aquitaine. In order to tend to an accurate result, we will begin by measuring the value of internationalisation in the region and identify its main clients, then outline which sectors of activity are Aquitaine's core exports markets, and finally determine which companies are able to internationalise.

All the further terms, definitions and figures come from the "Commerce International de l'Aquitaine en 2014" study published in March 2015 by the CCI Aquitaine and the Aquitaine Regional Council in partnership with the French customs, CCI International Aquitaine and Business France.

## 2.1. Aquitaine's export picture and main export markets

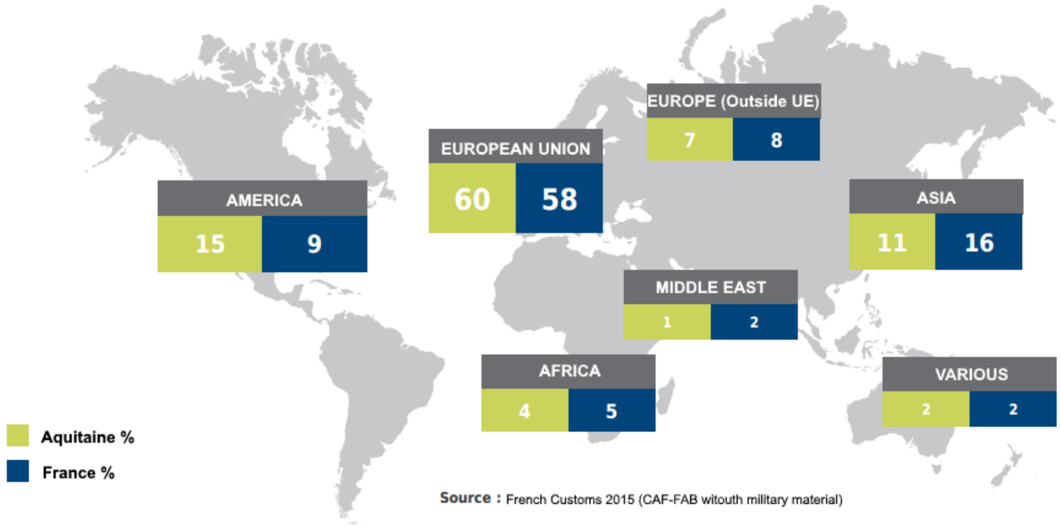
As introduced before, let's start with a useful piece of data which is the **opening rate**[10]. It has been calculated by the Chamber of Commerce and Industry of Aquitaine; it is measuring the importance held by the rest of the world in one area's economy. We find it by dividing the amount of exports and imports in goods and services by the GDP.

Aquitaine's opening rate is up to **13.7%** of Aquitaine's overall revenue, which is less than the average of France. Even though this is just mathematics, and does not represent anything about the international renown of the region, but it is still based on facts and accurate figures. It can be explained by the region's diversified industrial structure with an economy more focused on services than goods.

If we look at the top hundred exporters in Aquitaine, we observe that 50% of Aquitaine exports represent more than 3 billion euros. Among them, we count one third as wine merchants (approx. €1 billion) and two thirds as aeronautic manufacturers (€117 million).

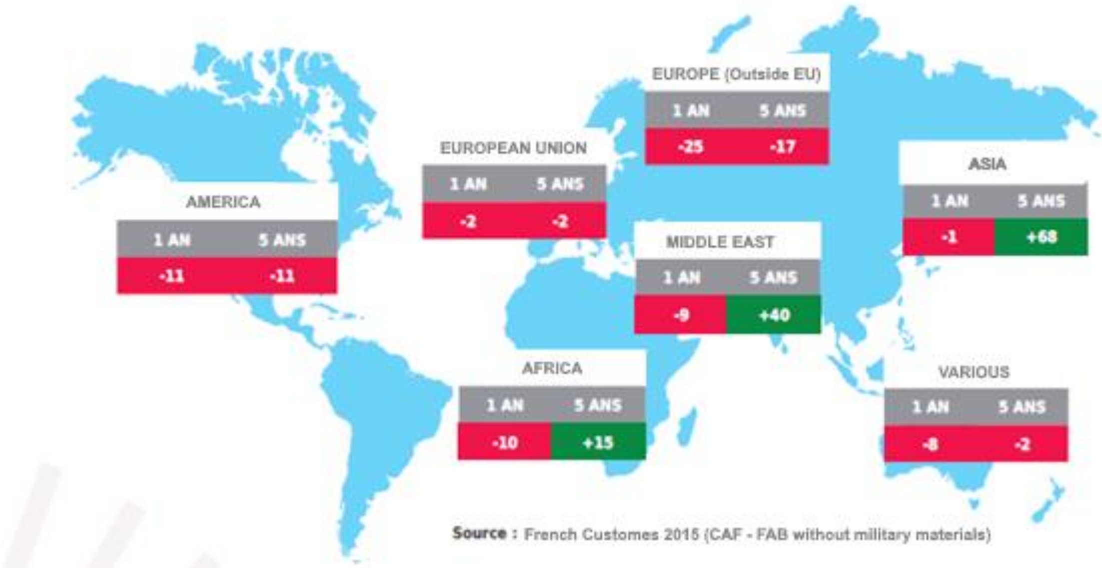
We can also notice that only 684 companies export more than 1 million euros of which 30export more than 50 million euros. 1,336 companies export between 100 thousand euros and one million euros.

[10] Opening rate = [(exports imports)/2]/GDP*100



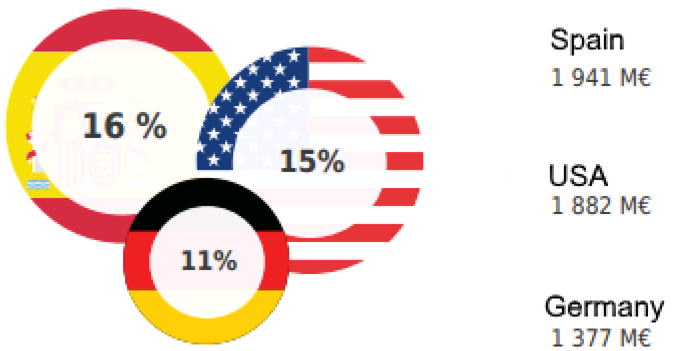

**Aquitaine Region and France areas of export (in %)**

Nearly 8 companies out of 10 export to one or more EU country. That is even more true for occasional (companies that have more than 5 years of export experience and have less than 20% of export revenue compared to total export) and regular exporters (companies that have more than 5 years of export experience and have between 20% and 50% of export revenue compared to total revenue). On the other hand, efficient companies (companies that have less than 5 years of export experience and have more than 50% of export revenue compared to total revenue) are only 54% to export to the European Union. Exports to Asia and Oceania are exactly correlated with the companies' export maturity level. Their part reaches 67 % for expert exporters (companies that have more than 5 years of export experience and have more than 50% of export revenue compared to total revenues), 57% for efficient exporters and 28 % for beginners (companies that have less than 5 years of export experience and have less than 20% of export revenue compared to total export). 45% of the companies export to at least one country of America. This proportion shrinks to one third for African countries and Europe (Outside of EU), 17% to Middle East. They mainly aim at the European Union, but also at America and Asia/Oceania. The USA remains the 2nd biggest client of Aquitaine, however their imports are significantly decreasing (-14% from 2013 to 2014).
China, Hong Kong, Japan and South Korea are still among the 20 best clients of Aquitaine. South Korea is a new Asian buyer, mainly of wine, due to a free trade agreement with EU. China and Hong Kong are strongly decreasing their beverage imports making overall Aquitaine exports to these countries slightly lower.
Over 5 years, we can notice a sharp evolution in Asia, Middle East and Africa. However, over the past year, the whole export sector has been decreasing.




**Aquitaine's exports evolution rate**

Decrease in exports to America is due to lower sales of beverages and aeronautics products. "Traditional" partners (Europe and America) seem to leave some place for other emerging areas: Asia, Middle East and Africa. These 3 areas represent 18% of Aquitaine exports.
Still, Europe will stay the major client importing not only beverages but also food & agricultural products, paper and cardboard. Spain is the biggest client of Aquitaine region, and Germany, the UK, Italy, Belgium, the Netherlands and Switzerland are in the top 10.




**The three main countries of export of Aquitaine Region**

Even if companies are strong in America and Asia, they mainly focus on Europe. 79% of exporting companies sell to Europe for 7 billons € revenues.
Belgium and Germany are the first export destinations as 50% of the companies declare to have export activities with them. The leading position of Belgium is linked to the predominant place of agro-alimentary sector among the respondents[11].

[11] According to the 2014 study made by the CCI Aquitaine and administrated to its area of enterprises.

Between the 17th May and the 10th June 2016, the regional observatory of international exchanges (which is a service depending from the CCI Aquitaine whose objective is to collect information in order to guide internationalisation process) carried out a survey over the telephone with the CEOs of regional enterprises which had been identified by the CCI International and its partners as having exporting potential. There were 1245 respondents to the survey. According to them, the top 5 barriers to international trade were (ranked in order of importance):

1. Lack of financial resources.
2. Costs too high: transport, prospecting, manpower.
3. Cumbersome administrative processes.
4. Lack of human resources.
5. Knowledge of and adaption to norms and regulations.

In the following part of the report, the CCI's programmes for internationalisation will be analysed in relation to these barriers. This will enable us to see the extent to which the actions of the CCI are responding to these barriers. Furthermore, it will also be possible to analyse the extent to which the CCI's services are effective.

## 2.2. Aquitaine's companies profile and leader sectors

Thanks to surveys administrated each year to companies of its region, the Chamber of Commerce managed to pull accurate data which point out the companies with great potential towards export.

In Aquitaine, 33% of these companies are in Wine & Spirits, 20% in Food industry and 10% in Aeronautics, Space and Military.

## Leading export sectors

### Agriculture and food processing industry

- **4,3 billions euros exports in 2014 :** - 10% over a year / + 37% over 5 years
- **1st sector in Aquitaine in terms of export global value**
- **35 % of regional exports in 2014** versus 26% in 2009

### Aeronautical and spatial manufacturing

- **1,7 billions euros exports in 2014 :** - 21% over a year / - 26% over 5 years
- **2nd sector in Aquitaine in terms of export global value**
- **14 % of regional exports in 2014** versus 19% in 2009

### Chemistry

- **1,6 billions euros exports in 2014 :** + 3% over a year / + 20% over 5 years
- **3rd sector in Aquitaine in terms of export global value**
- **13 % of regional exports in 2014** versus 11% in 2009

### Wood industry

- **1,1 billions euros exports in 2014 :** stable over a year / + 31% over 5 years
- **4th sector in Aquitaine in terms of export global value**
- **9 % of regional exports in 2014** versus 7% in 2009

**Extract from the french regional public observatory of the international exchanges of 2015**

5 major sectors represent more than 80% of Aquitaine exports:

- Food and agricultural sector: 35%
- Space and Aeronautics sector: 14%
- Chemistry: 13%
- Wood industry: 9%
- Healthcare: 6%

A detailed look:

- In beverages: 2nd best exporting region = 15% of total French exports, turnover = €2 billion
- In fruits and vegetables: 2nd best exporting region = 14% of total French exports, turnover = €284.2 million
- In pulp paper, paper and cardboard: 1st best exporting region = 17% of total French exports, turnover = €727.4 million

Aquitaine's exports are dominated by wine and aeronautics. But these sectors' exports are plummeting. Beverages export dropped by 15% from 2013 to 2014 (due to a sharp decrease of sales to the UK and China). Aeronautics and Space exports dropped by 21% from 2013 to 2014 when national exports in this sector increased by 2.5% over the last 5 years.

On a human resources basis, these companies are very small. 73% of them are composed of less than 10 employees; however, 43% of them have at least 1 export-dedicated employee. In Aquitaine, the average number of employees in exporting companies is 9.

- 17% of these companies with good potential are already settled abroad, this is a huge step for such small companies.

- There is room for improvement especially with the support, provided by the government, to exporting companies.

## 2.3 Definition of basic competences and capacities for a company to engage in an export activity. Company assessments and selection process

The CCI International Aquitaine is the first contact for all enterprises amongst the various trade export partners. This means that the CCI can guide any enterprise to the appropriate partner depending on the service they require.

Current efforts in Aquitaine at increasing SME internationalisation activity and capacity stem from the *Plan Régional pour l'internationalisation des Entreprises* (PRIE, 2012). The PRIE was a report put together by the CCI and various other contributors with the goal of structuring the development of exporting companies in the region. Six sectors of Aquitaine manufacturers were specifically identified for international development.

The sectors highlighted were aeronautics Industry, food and wine industry, health industry, green energy and smart development, electrical and information technology, and the optical laser industry. These sectors were identified as keys to the commerce of the region. Internationalisation development in these sectors was identified as the best way to strengthen them. This PRIE direction has driven the development of 3 main strands of action which the CCI undertakes today:

- Individual coaching throughout the internationalisation process. The introduction of the 'Parcours de l'export' service is purely focused on providing a tailored level of accompaniment consulting for SMEs and Medium sized enterprises.
- Stimulation of internationalisation through collective action.
- Training of enterprises and supply of information in the region on the fundamentals of exports.

These three areas are clearly significantly interlinked. Accordingly, some services offered by the CCI address more than one of these areas at a time.

Before describing with more details in the following section of the report the services offered by the CCI to increase SME's internationalisation, we will review each partners of the Programme in order to give a global comprehension and view of the process.

### 2.3.1 Stakeholders of the upcoming process "Parcours de l'export"

**BPI France:** Located in each Region of France, BPI France is a public investment bank which offers solution to French companies' projects. It represents €14 billion of investment and helps 86 000 companies.

**COFACE:** The French Insurance Company for International Trade offers financial guarantees to French companies' internationalisation projects. It's now BPI France "Assurance Export".

**Direccte:** The Regional Direction of Enterprises, Competition, Work and Employment is a public interlocutor and facilitator for employees and entrepreneurs including international trade and economic intelligence.

**Business France:** (previously **UBIFrance**) a State Agency, depending from the French Ministry of Finances, the Ministry of Foreign Affairs and International Development, and the Minister of territorial Development has for goal to help SMEs and Middle Market companies to project themselves at the international (on a national level) and also attract foreign investors in France. It is also in charge of VIEs (International Volunteering in Enterprise).

**CCEF:** The International Trade Advisors of France are managers or business owners nominated by the prime minister and are in charge of helping French companies to develop themselves at the international in relation with the Region where they are based.

**CCIFE:** French Chamber of Commerce and Industry at the International are independent associations which regroup French and foreign companies of their geographical sector. Their aim is to animate a Network relating to your location including companies and authorities.

**OSCI:** Specialised Operators of the International Trade is an organisation regrouping various actors of trade and international mentoring.

**AANA: (**Which was formerly the **AAPrA** (The Aquitaine Association of Agro-food promotion)) is the Agence de l'Alimentation Nouvelle-Aquitaine and aims at developing the communication of this sector of activity.

**Interco:** It is the International Cooperation Agency of the Region working for networks through internationalisation and research.

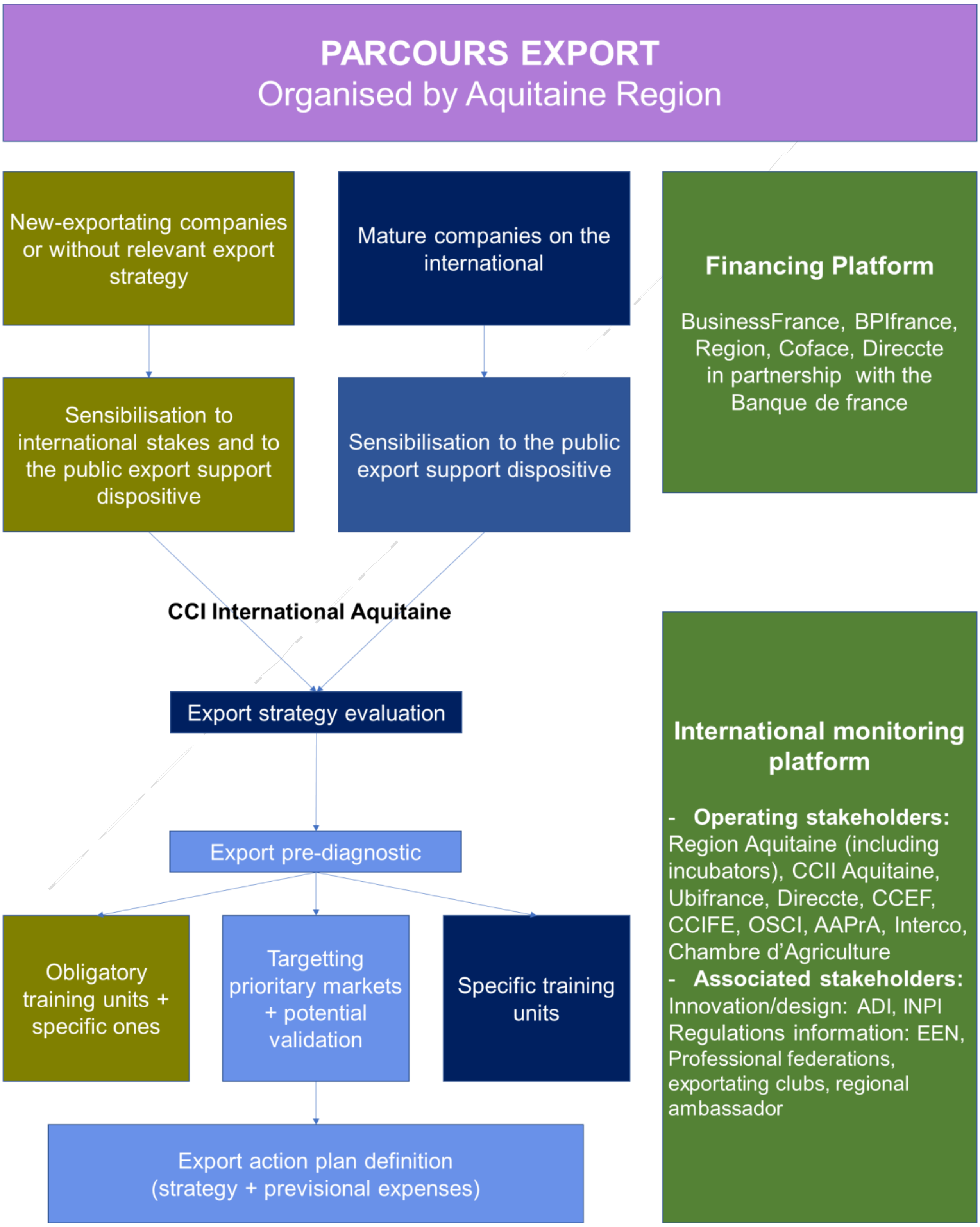
**Chambre d'Agriculture:** It's the equivalent of the CCI regarding to agriculture.

**ADI:** The Innovation and Development Agency is a service of the Region Aquitaine dealing with the regional development through economy and innovation.

**INPI:** The National Institute of Industrial Property works on law and industrial property security inside and outside France.

**EEN:** Enterprise Europe Network is a European tool dedicated to innovation and internationalisation of SMEs.

### 2.3.2 Personalised support: The "Parcours de l'export"



The "Parcours de l'export" is a pathway of services that support enterprises through all the steps of developing an exporting business. The primary objective of this service is to develop a reliable export business in enterprises identified as having significant exporting potential. The secondary objective is to train them and pass on good exporting habits as they complete the various steps of the process. Enterprises are not required to complete all steps of the process. They only partake in the steps relevant to the needs of their exporting business. This can either be full support through all the steps or access to one or two individual steps. The services that the "Parcours" is made of are designed to give companies the confidence to start the internationalisation process. International trade experts at each step of the 'Parcours' can identify changes needed and implement them together with the enterprise. The progressive steps of the 'Parcours' are shown below:

| Step 1: Awareness actions Information | Step 2: Project situation analysis - diagnosis | Step 3: Project structuring | Step 4: Markets targeting | Step 5: Export action Plan | Step 6: Monitoring/ Establishment abroad |
|---|---|---|---|---|---|
| SMEs with an international development project | SMEs with a pre-approved project | Priority to : Innovating SMEs with a strong growing potential | Priority to : Innovating SMEs with a strong growing potential | SMEs with an international development project | SMEs with an international development project |
| Awareness days on international development issues and/or individual meetings | Pre-export diagnosis for first-time exporters or companies without any strategy clearly defined<br>Or export audit for well-established companies | Compulsory courses for new exporters<br><br>Specific courses according to needs<br><br>Communications forms with other partners | Identification and prioritisation of markets :<br>- Market observatory<br>- Targeting priority market tool<br><br>Validation of the potential | Competition between services providers<br><br>Action plan and market strategy tool and associated financial plan | Support with regional incubators<br><br>Competition between services providers |

We will now explain each step of the "Parcours" along with the services it includes.

## Awareness and Information

This is the first step of the "Parcours". The goal of this step is purely to inform the enterprise of the objectives of the individual support services offered by the CCI. In a first meeting with a CCI trade advisor the "Parcours" is presented and explained alongside the CCI's support package as a whole. This allows enterprises to understand the objectives of the work that they will undertake with the CCI and also to have some understanding as to how it will pan out. The advisor will then adapt the following of the 'parcours de l'export' according to the needs of the enterprise.

**Project situation analysis**

At this point of the "Parcours" the enterprise's potential as an exporter is analysed.

i) "Diagnostic Export":

This is a free service aimed at SMEs which have not yet internationalized at all or for which export represents less than 10% of business.

Two interviews are held with an advisor 15 days apart and the company is evaluated in relation to exporting process. The strengths and weaknesses of the enterprise as an exporter are assessed through a series of key features such as product, production, organization, and finances. Using the CCI's diagnostic tool the company is given a rating for each key feature which represents the relative strength or weakness of the company. A comparison of the ratings generated by the tool allows the CCI to evaluate the readiness of the enterprise to export. Using the ratings generated, an action plan is formulated to address areas of improvement and reforms needed for the enterprise to be export ready. If needed, enterprises taking part in this service can be referred to a network of partners, such as BPI France or "les CCI Françaises à l'International", which could offer international opportunities for them. Eligible enterprises can also be referred to a network of partners, such as COFACE and the Regional Council which can offer financial help in the shape of loans and grants.

ii) "Audit Export":

This service is very similar to "Diagnostic Export" but it is aimed at enterprises which have an already developed international part of their business. The objective of this service is to organize the company to improve the expansion of their international business.

The strengths and weaknesses of the enterprise as an exporter are evaluated through a series of key features such as product, production, organization, and finances. Using the CCI's diagnostic tool the company's exporting strategy is evaluated by its advisor along with its implementation. With the results generated by the advisor, the enterprise will then receive improvements ideas and advice on its export strategy. The CCI international trade expert will also propose some corrective actions to be taken by the enterprise to improve the exporting capacity and success of the enterprise. If needed, enterprises taking part in this service can be referred to a network of partners, such as Business France or les CCI Françaises à l'International, which could offer international opportunities for them. Eligible enterprises can also be referred to a network of partners, such as COFACE, which can offer financial help in the shape of loans and grants.

**Project structuring**

Once a “Diagnostic Export” or an “Audit Export” is carried out, the enterprise will have been informed of the structural changes needed to support a development of exporting business. Following these recommendations, it is the company’s choice and responsibility to implement these changes so that they can successfully start to develop their exporting business. The previous auditing step of the ‘Parcours’ allows the CCI trade specialists to offer adapted structural recommendations specific to the need of the company and its product.

**Market targeting**

This step of the ‘Parcours’ aims to help enterprises target the appropriate market(s). An emphasis is put on using logic and market research to make business decisions. The purpose is also to transfer this method to the business director for him to carry it forward later on in his future export projects.

Market targeting or ‘Ciblage Marchés’ focuses on the identification of markets for export and potential markets for the future. The objective of this service is to identify potential markets for an exporter and then to rank them in order of importance using the CCI’s “Pack Objectifs” tool and its advisors. The “Pack Objectifs” tool, i.e. a country selection matrix, requires users to think about the characteristics a market must have as a fruitful destination for their products. Furthermore, it requires users to fully research a market and compare it in a methodical way to other potential markets. This service will help to build the basis of the export strategy for new exporters in the region but also provides a sort of training for exporters to fully research their markets and take a more logical and measured approach to exporting.

This is a 3-month long step with an International Development Consultant from the CCI. In a first meeting with their advisor the enterprise is trained to use the “Pack Objectifs” tool and understand the methodology for carrying out market analysis. The “Pack Objectifs” tool forces the enterprise to think about (and enter into the programme) its priorities (barriers, opportunities, required adaptations, etc.) for a market. Then, the company must properly research the extent to which the market fits with these priorities. The tool then ranks the potential markets in order of priority regarding to the criteria laid out by the enterprise and its advisor. Once this step is done a second interview takes place where the “Pack Objectifs” results are analysed. In this meeting, the next steps to take are discussed and strategic advice for the development of the enterprise’s exporting activity is also given.

**Export Action Plan**

Having identified the international markets to target, the next step of the ‘Parcours’ consists in putting in order a strategy for exporting. This involves planning for how the enterprise will look to penetrate the market and the steps it will take to do so. During this step efforts are also made to make sure that everything is in order for the smooth development of exporting business.

i) <u>“Regulation Assessment”:</u>

This service is aimed both at SMEs and larger enterprises. It is designed with the goal of ensuring regulation conformity for enterprises wishing to export products. The service will identify any certification needed for the product to be exported to a foreign market, furthermore it will identify any production methods and elements of the product which could affect whether the product will conform to necessary regulations or not. The overall goal of this service is to ensure total conformity with any regulations which may be needed for a certain product.

This service is carried out by investigating the product, its legal context, and the necessary regulations concerning that product in France, the EU and the targeted market. Once this has been analysed the conformity of the product to these regulations is evaluated. A report is then drawn up with a synthesis of the applicable regulations and a plan of action to bring the product in line with these regulations.

ii) <u>“Contract Reviews”:</u>

Aimed at both SMEs and larger enterprises, this service aims to mitigate the trade risk posed by contractual issues to exporters. This allows issues to draw up more favourable contracts for their exporting enterprise. Businesses also benefit from full comprehension of the risks encountered by their enterprise and business ensuing by the deal/ contract. This reduces the chances of being caught out by the manifestation of a risk which they did not expect as they did not fully understand the implications of a business contract.

A counsel of the CCI will re-read the contract drawn up by the enterprise. The legal setting of the contract will be analysed, elements that impact or could impact the contract are identified. A report is then made with annotations to the contract including explications and commentaries on the implications of various parts of the contract. The goal of this exercise is to highlight the consequences of the various clauses of the contract, to alert the enterprise of any grey areas. It will also distinguish areas which are open for negotiation with the other party from those which are dictated by law. In addition, the report will provide some examples of good practise for the enterprise.

iii) "Business Plan Export":

Business Plan export mainly helps SMEs to create a pertinent and realistic export strategy. It aims at promoting business expansion once an enterprise has taken the first step of initiating international activity and also to cement exports as an integral and profitable part of business strategy. The experience of using the "Pack-Objectifs" software is intended to give enterprises the experience of making fully considered and fully informed business decisions. Furthermore, the process trains enterprises to fully budget their activities and be conscious of all the costs associated with their product export.

Enterprises involved are appointed an International Development Consultant who accompanies them personally throughout the 3-month process. Using the "Pack Objectifs" tool available at the CCI, the enterprise finds appropriate target markets and formulates an accompanying business plan in conjunction with their trade consultant. Using again the tool the enterprise will plan the costs that will be incurred at each step of the business plan until it has been fully carried out. The enterprise will also plan the use and allocation of any grants for which they are eligible such as the Pass Export grant. The "Pack Objectifs" tool allows for the enterprises to track the progress of their business and finance plan until it is carried out.

**Action Plan Implementation**

When having completed all the phases of individual accompaniment available the company is now responsible for enacting the plan formulated in the "Export Action Plan" phase of the process. Once implanted there are some collective support services offered by the CCI designed to improve the exporting of specific sectors important to the region.

**Specific Services: Monitoring/Establishment -> “Cibl’Export”**

This service is designed to follow potential or new exporters through the entire process of setting up an exporting business during 18 months. The service aims to develop a stable exporting business with a clear strategy. Enterprises are guided through the whole process from initial export training to developing regular export transactions.

This service is tailored to meet the needs of each enterprise partaking in it. The basic structure of it, however, remains very similar throughout. Each enterprise is able to access all the CCI accompaniment tools described previously, in order to develop their exporting enterprise. This includes collective export training, and also individual exporting services such as “Ciblage Marchés” and “Business Plan Export”. In addition to this the enterprise will receive further information on all aspects of business including marketing, logistics of exporting, securing payments and much more.

### 2.3.3 Collective Work

The collective internationalisation of specific sectors of the Aquitaine region’s industry is focused on developing the international business of enterprises by providing a platform to make the sector of enterprises as a whole, more competitive on the international market. This is a response to some barriers faced by many enterprises wishing to expand their exporting business but finding it difficult to compete with more powerful and more developed companies already dealing heavily with international business.

Priority sectors have been identified by the CCI as ones with potential opportunities for development of internationalisation as a collective. The main goal of the work has been to present the Aquitaine industry as a collective and become a sort of shop window where the skills and services offered in the region are on show. In addition to this there have been efforts to develop an export strategy focused on the sector as a whole rather than individual enterprises.

**UrbAquitaine:**

The UrbAquitaine group is the most obvious and most successful result of these efforts. The CCI set up the group to collect the enterprises of the region in the sector of smart and sustainable cities. The group offers a clear commercial platform demonstrating all the skills and services that can be offered in this sector by Aquitaine companies. For example, through the group some companies have been asked to present their products and services to a Swedish delegation welcomed by the Bordeaux Metropole in September 2016. In addition to this objective the group also has a more proactive focus in directing a collective strategy towards developing internationalisation. This involves organizing trade missions with real potential of adding value to all the members of the group or for a specific part of it. An example of this would be the September 2016 trade mission to Morocco for those enterprises offering services and products in the energy sector. By presenting the Aquitaine industry in this unified way, potential clients may access a whole package of interlinked services and products rather than just individual ones. This stretches also into responses to Requests for Tender. The group administrators receive and also proactively find requests for tender and then pass them on to relevant enterprises in the group, including all the relevant information needed.

The group has also started to develop a more collective approach to international requests for tender after seeing some of the difficulties SME enterprises were experiencing in winning international contracts. UrbAquitaine is now encouraging enterprises to make joint responses to requests for tender in order to pool resources (allowing for companies to win contracts they previously couldn't have) and also to pool skills and services to make enterprises in the region more competitive against bigger and more powerful international ones.

### 2.3.4 Information and Training

Information and training services provided by the CCI are in place to maximize the reach of pertinent and relevant information to as many enterprises as possible. In this way, the CCI also step in this aspect.

**Training:**

The CCI has developed a training course for enterprises to come quickly up to speed with the fundamentals of exporting. Over the course of three and half days the enterprises taking part are guided through each step of the exporting process step by step, stretching from the theory of exporting including inherent risks of international exporting all the way through to dealing with customs regulations, different cultures, and securing payment for goods. The course is developed to inform enterprises of the risks and traps of exporting and also to start to provide the enterprises with the tools to deal with these.

**Information: market access, focus marché**

Half day meetings are put on through the CCI and supervised by a lawyer where either CCI team members or external experts such as lawyers provide information and advice on a particular topic. The price is 36 euros, and the presentations are concluded with a drink and the opportunity for networking for those who have attended.

These meetings concern 8 topics each year and are done 4 times each in different places of the Region for a better accessibility. It's important to notice that most of these meetings are organised in the frame of the Enterprise Europe Network.

Days are also organized to provide specific information on one or more particular markets. Market experts present the business opportunities etc. in the morning and then, in the afternoon, enterprises are allocated a half hour slot in which they can speak to the expert about their enterprise and the market in particular. This facilitates a very wide spread of information about key markets to the various exporters and sectors of the region.

### 2.3.5 Financial measures

In parallel with all the structuring actions, there are a few stakeholders in the internationalisation programmes that provide financial support.

**Prospection insurance by COFACE (now by BPI France’s “Assurance Export”)**

It covers the expenses engaged by the SME relating to the prospection of a targeted sector. It includes travels, language training, costs for exhibition participation marketing expenditures, and even employee’s wage working on the target country and more.

**Export credit**

BPIFrance offers the possibility to directly grant a loan to the international client of a French enterprise or re-buy the loan granted by the international client to the French enterprise.

**International growth loan**

BPIFrance can grant a credit between €30 000 and €5 million for a 7 years period in order to help financing external growth operations or other acquisitions.

**Development and Innovation contract**

BPIFrance can grant a credit between €40 000 and €300 000 without any caution. It’s only limited by the company’s capital stock.

**Exchange rate insurance**

This offer from BPI France aims at offering to the enterprises insurance for their projects of export contracts in highly competitive environments by assuring the evolution of the exchange rate.

**International projects guarantee**

In the case of the creation of a new branch at the international or a majority external growth, BPIFrance can guarantee 50% of any eventual loss limited at €1.5 billion.

**VIE**

In the frame of an International Volunteering in Enterprise, there is tax relief on the salary, 20% of the housing expenses are financed by Business France which also has the administrative and legal management of the contract, remuneration and social protection.

**Pass’Export**

For the enterprises from Aquitaine with an export turnover of less than 10% of their total turnover, the Aquitaine Regional Council can cover 80% of the structuration freights of the enterprise for internationalisation projects up to €20 000.

# 3. Performance of Aquitaine's regional policies and

| | 2014 | 2015 |
|---|---|---|

# possible outcomes

## 3.1 Effectiveness of local international policies

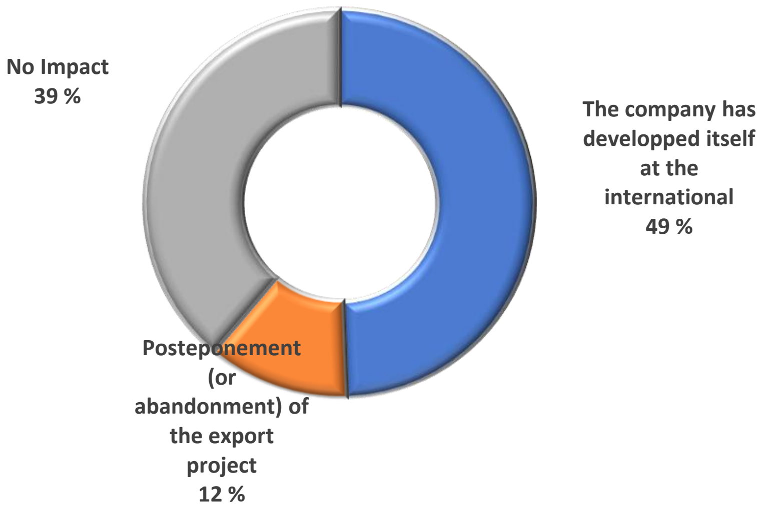
### 3.1.1 Individual support

In order to check its efficiency, the CCI International Aquitaine conducts an annual survey with each SME which has benefited from one of its services (diagnostic export, market selection, business plan, and export audit). The 2016 results (i.e. which concerns services delivered in 2015) showed that amongst the 67 companies, 88% of the respondents benefited from a "diagnostic export", 12% a "ciblage" and 6% an "audit". The results of these tools were positive for 48 companies) which had been judged ready to develop internationally and negative for 11 which had been judged not sufficiently mature to internationalise themselves.

In terms of satisfaction, SME's responded a 99% of satisfaction regarding to their exchanges with CCI International Aquitaine's advisors.

88% were satisfied about the methodology and 85% were satisfied with the answer given by the advisor to their needs. It means that even if some companies were given the advice that they are not export ready, they were still satisfied with the job done by the advisors which allowed them to identify their weaknesses or highlight and analyse in a better way their market.

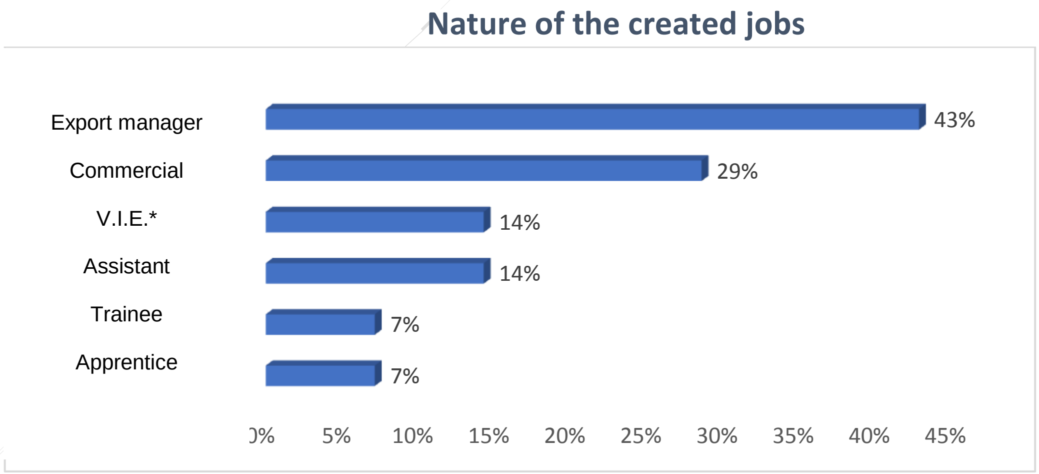
| COMPANIES | | | | | |
|---|---|---|---|---|---|
| Number of respondents | 85 | | 67 | | |
| Delivered Services | 82% "Diagnostic export"<br>18% "Audit export" | | 88% "Diagnostic export"<br>6% "Audit export"<br>12% Ciblage marchés | | |
| Export-ready companies | 63 companies (74%) | | 48 companies (72%) | | |
| **SATISFACTION LEVEL** | | | | | |
| | Satisfied | Very satisfied | Satisfied | Very satisfied | |
| Advisor capacity to listen | 40% | 59% | 29% | 71% | ↗ |
| | 99% | | 100% | | |
| Advisor Reactivity | 45% | 54% | 31% | 69% | ↗ |
| | 99% | | 100% | | |
| Methodology | 58% | 28% | 60% | 36% | ↗ |
| | 86% | | 96% | | |
| Tailored response to needs | 52% | 33% | 47% | 46% | ↗ |
| | 85% | | 93% | | |
| **IMPACT ON THE COMPANIES** | | | | | |
| Companies which go international | 49% | | 59% | | ↗ |
| Increase of the export turnover | 74% | | 63% | | ↘ |
| Job creation (export) | 40% | | 45% | | ↗ |
| Withdrawal or suspension of the export project | 12% | | 21% | | ↗ |




On a pure effective scale, 49% of the SMEs responded that their international activity had been developed by the “parcours de l’export”. Regarding the 39% who didn’t declare any impact, it must be stated that some of them are still on the early phases of their projects which means that a tangible and measurable impact will only materialise itself in the upcoming months or years.

If we take a closer look at these companies who have developed internationally, 74% of them found their turnover has increased in a year by an average of 20%.

Through these same companies, a third of them had recruited between one and four people.




***V.I.E.: 'International Volunteering in an Enterprise**

### 3.1.2 Collective action

The CCI has developed various services to unite sectors and a unified exporting plan to make Aquitaine enterprises stronger and more attractive in the face of international competition. The regional exporter clubs in Aquitaine look to address the issue of lack of knowledge and adapting to rules and regulations. The clubs have the primary function of supplying and sharing information and experience as widely as possible throughout the region. It is hoped that this will help reduce some of the gaps in knowledge enterprises might have about markets or regulations. In 2015, 256 regional enterprises attended an exporter club meeting during the year. This is an increase of 148 enterprises in two years from 2013. From this, we can assume that the development of regional exporter clubs is increasing the spread of useful information and expertise throughout the region. The UrbAquitaine group is an example of the success of collective support efforts in the Aquitaine region. The group aims at resolving some of the issues dealing with prospection costs and some finance issues. Through UrbAquitaine enterprises can go on organised group trade missions which are offered regularly to members. Furthermore, the group looks for solutions to help members win international contracts against bigger and more financially powerful companies. UrbAquitaine has helped members respond jointly to requests for tender to help companies circumnavigate the cost barrier. UrbAquitaine also enables members to access a network of international contacts through which they can obtain any information about markets, regulations or norms that they might need. Through export groups the CCI is addressing some of the barriers provided by costs and lack of information to exporters.

## 3.2 Trade export upcoming barriers and opportunities

Global overview:

The victory of the Brexit and Trump's accession to the US presidency can deeply modify, in 5 to 10 years, the world economic scenario. The main risk is a downturn on what has been set during 40 years (Beginning with Thatcher and Reagan during the 80's).

That's also the first time since the 50's, when the USA had largely contributed to the European unification, that an American president proclaims his indifference, or even his hostility, to the European integration project. Then, barriers and opportunities toward enterprise internationalisation will result in:

- Questioning of existing agreements in which the United States is a stakeholder (like the OMC)
- If the United States withdraws from the European military security (NATO), the political balance could switch in favour of Russia.
- Trans-Pacific Partnership abandon from the USA
- The Transatlantic Trade and Investment Partnership (TTIP): It is covering 45% of global GDP. It is contested by both the USA and some European countries.

For a closer look, here are the most obvious emerging barriers to trade in the next 5-10 years for our exporting companies:

- The UK leaving the European Union
- Negative interest rates

These factors present a risk for the development of internationalisation of enterprises in Aquitaine and Europe more generally. These factors are not completely independent of one another and could potentially have a cumulative effect on enterprises.

### 3.2.1 The Brexit

The threat posed by Brexit specifically to the Aquitaine region is particularly important in regards to the place Britain takes as one of the top export markets for our regional products. The UK is the fourth largest destination of regional exports and the largest destination for Aquitaine's biggest exporting sector, the food and drink industry. To add to the importance of the UK as a market for Aquitaine goods, between 2009-2014 the region's exports to the UK grew by 4%. Brexit is unlikely to sever all trade links between the region and the UK as there will always be demand for regional goods, such as wine in the UK. However, the political change in the relationship between Britain and France following Brexit has the potential to temporarily slow international exchanges between both nations whilst a new relationship is fully established. Therefore, the challenge for exporters will be to find a way to prepare their enterprise to deal with a potential temporary slowing of trade to the UK then to adapt to any changes.

The threat Brexit represents, is not just linked to the potential new difficulties of exporting to the UK when it will be no longer part of the European Union. The biggest threat is in the reaction caused throughout Europe by the potential devaluation and consequent instability of the Pound and the Euro. As seen with the Pound loss of value against the euro following the referendum result, the secession of the UK from the EU would likely trigger another more serious collapse of the Pound. This is also highly likely to cause a devaluation of the Euro, due to the uncertainty of the Eurozone in the wake of a British exit. Some economic experts believe that this will hinder the growth of Europe collectively. Whilst usually a devaluation of currency is likely to induce a growth in exporting for manufacturers, the unstable political situation of the Eurozone will likely affect SME exporters negatively. Political and economic uncertainty present a very high risk of a "flight to quality" being triggered with banks and investors looking to reduce investment risk and invest in stable assets. This will affect the ability for SMEs to internationalise as credit is likely to become less available. Furthermore, the uncertainty of the Brexit situation is likely to affect exporters directly. Whilst it is likely they

will be held back in their internationalisation by a lack of available credit, political and economic uncertainty also bring the risk of spreading a lack of enterprises amongst exporters who themselves will be seeking to reduce the risk of their business. Therefore, it is important to be aware that following Brexit there is likely to be a change in the challenges faced in internationalisation. Although these predictions are by no means a certainty, they are very likely. It would therefore be a wasted opportunity not to give them some thought in advance.
There is a strong chance that the CCI will have to find a way to deal with a drop in funding from banks for SMEs to internationalise. The CCI will also have to be prepared to develop a new strategy to keep confidence levels high and convince SMEs to take the risk of internationalisation. This must all be considered whilst keeping in mind that Brexit is unlikely to cause a massive collapse in international trade in general for the region. It is just likely that it will affect SME internationalisation quite strongly.

Following the British Prime Minister's European withdrawal procedure of the 29th March received by the European Council, we can affirm that there won't be so much change for the companies until April 2019.
The real impact on the companies only depends on what will be negotiated between each party. But, according to the fact that the UK will be a third party from the European point of view we can state on the following fields:

- Customs:

  Goods trade will be achieved within the frame of a trade agreement. It means that customs procedures will be set. There will be an origin of goods control between each stakeholder in order to define tariffs. Additional administrative and logistics costs must be forecasted by the companies
- Fiscal:

  If no agreement is signed, subsidiaries and branches in UK will be subject to specific laws of each party (UK and EU).

  VAT:

  UK and EU will become export territories for each other. It means that companies will have to pay import VAT. In consequence, they will face an increase cashflow needs.

  Intellectual property:

  Trademarks operated in UK won't be protected anymore by the European brand. Companies will have to register a national trademark or an international one with a UK extension.
- Workers flow:

Without an agreement, workers from both countries working in another will be considered as expatriate workers. Thus, they will be submitted to destination's social system and dependant of immigration rules.

- Movement of capital:

  A relocation of financial exchanges within the EU is predicted for the EU market.

### 3.2.2 Negative Interest Rates

The current developing trend of central banks using negative interest rates could cause some barriers to international trade in the immediate future. The most significant potential effect is the possible tightening of credit over the next few years. If the European Central Bank persists with its use of negative interest rates it is very likely that it will become more and more difficult for SMEs to borrow money to develop their internationalisation as banks will be more averse to the risks taken by business investments. There are already some indicators that negative interest rates are having the reverse of their intended effect and are already causing a "flight to quality" and a "flight to liquidity" due to the wealth effect felt by banks subject to these rates. Furthermore, even if negative interest rates are abolished the lack of confidence shown in the market by the ECB and other central banks is unlikely to reverse the tightening of credit which is starting to develop now.

## 3.3 Policies adaptability

The most obvious opportunities to improve trade development policies lie in the collective sphere of work. This type of work has great opportunity to develop the internationalisation of a whole sector. This will have the effect of both increasing the number of internationalized enterprises in the sector and also help drive forward international business in those enterprises who have already internationalized. The only real barriers holding back progress are a lack of resources to carry out the necessary work and the presence of other organisations in the sectors.

## 3.4 How to overcome the current and future identified barriers, boost regional export levels and help companies to take advantage of arising opportunities

### 3.4.1 For already exporting companies

**Key enablers to boost companies export level.**

Better prepare the enterprises in their export process while using already existing support mechanisms in Nouvelle-Aquitaine:

- **Policies:** Improvement priorities for support packages in order to better follow the progress of enterprises and overcome any barriers.
  Enabling to cover all the aspects of export through information sessions: from markets' regulations and importing procedures to mastering the market access.
- **Market targeting:** Coaching to define a market
- **Market access:** Coaching to the market access (marketing improvement and barriers)
- **Complementary services**: Definition of complementary services in order to improve mentoring.

Most companies have heard of or even know about New Aquitaine regional export policy. Though we should expect a better understanding or better use of all the policies' but we find a lack of preparation, strategic plans or even of follow-up.

**We can suggest several types of training to sharpen the companies' knowledge on export markets through 3 supports:**

Training:

- Market/activities training: propose to give the detailed keys and data of one sector of activity on a targeted market
- Intercultural keys access: how to close a deal when in face to face with a targeted market's operator, but also how to understand the negotiation advantages such as USP for a given market.

Individual tailor made support:

- Exchange with an advisor about the company project
- Detailed analysis of the already existing export process
- Project strategy and structuration setting up support
- Targeting market support, defining the exporting offer, exhibitions…
- Coaching sessions on negotiation, management and partners network animation
- Identification, qualification and selection of contractors in order to organise a focused programme on the targeted market

Complementary human resources dedicated to export markets to support companies such as:

- Externalised resources offered by a structure offering standard services for a periodic need.
- Tailor-made human resources for a set period: part-time collaboration, (covering wage costs), long term trainees, VIE (International Volunteering in Enterprise)
- Internal resources: the recruitment of human resources for long-term export plans to could be sustained financially by regional council

### 3.4.2 For non-exporting companies

**How to identify companies which are export ready?**

Here are some suggestions that may help to detect companies which are export ready:

- Perform an "export diagnostic" to assess all the aspects required to export: HR, finances, production, marketing, export service, etc.
- Through clubs and clusters to which the company belongs to;
- Through other services from the CCI;
- Through other organisations which are in contact with the companies (accountants, banks, regional and departmental councils, etc.);
- Through the press;
- Through awareness-raising campaigns.

**How can they be encouraged to start the internationalisation process?**

After being identified, companies can be encouraged to start the internationalisation process by:

- Having a meeting with an international business advisor from CCI International Aquitaine who will confirm the positive results of the "diagnostic export" and make some recommendations;
- Receiving some financial contributions to start the first investments;
- Being collectively accompanied abroad at first by a partner (international Chamber of Commerce, Business France or other international support service companies (OSCI), etc.
- Recruiting an international volunteer internship (VIE);
- Choosing an export market which is near and easy to access (priority given to EU countries);
- Having access to practical tools (for example, our tool kit sheets);
- Participating in export training sessions;
- Participating in half-day information meetings on international commerce techniques (for example, customs, incoterms, payment methods, etc.);
- Participating to focus-meeting on specific market;
- Simplifying the access to financial and technical solutions (one advisor who is in contact with the company and establishes the link with all partners).

## Conclusion

As seen above, the main expected barrier in the future for Aquitaine enterprises is the likely tightening of credit. SMEs will be hit hardest by this as they will experience a shortage of funding to initiate and sustain the internationalisation process. This could be a serious hindrance to growth of the region as it could result in the stagnation of the number of exporters and could also stunt the growth of SMEs who have already internationalised but cannot borrow more money to expand their exporting business.

But, through the frame of the regional work and our new organisation as the Nouvelle-Aquitaine region regrouping Aquitaine, Limousin and Poitou-Charentes, the situation has evolved.

Between 2014 and 2016, the increase of exports has overtaken the imports leading to a positive commercial balance

The United States is the most important client of the new region in 2015 with €2.71bn of exports mainly driven by the aerospace sector (€1.617bn). Spain and Germany are respectively second and third on the export podium of the region Nouvelle-Aquitaine with 9 other EU countries in the top 20.

With a light impact of the Brexit on the business following the complexity of the procedure, Trump's presidency is still a cause for concern. However, the European Union and more precisely France are still not concerned by any regulation on the US imports. The experts agree that commercial exchange treaties between France and the USA won't be cancelled. As a reminder, the USA is the 2nd commercial partner for France and, reciprocally, France is the 8th commercial partner for the USA

For a long time, the biggest uncertainty was residing in our presidential elections from which there was no predictable winner. In the end, our new president, Mr Macron, was the most wanted for our economy and for now, he represents a good point as worldwide markets are confident with his nomination.

On a much more regional scale, authorities are developing the local economy through improving attractiveness and improving the SMEs development support. It is set by the SRDEII (Internationalisation, Innovation and Economic Development Plan of the Region) and the CCI International Nouvelle-Aquitaine is designated by the Region as the go-to specialist for internationalisation.

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