AQUITAINE

SME INTERNATIONALISATION STUDY

Executive Summary

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.