

Centre for European Union Small and Medium Enterprises

Duration	3 years (2010-2013)	
EC Contribution	€ 5 000 000	
Location	China (Beijing and possibly other provinces)	
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Project Background

Following the rapid Chinese economic expansion, especially since the country's accession to the World Trade Organisation, trade between the European Union (EU) and China is growing faster than any other bilateral trade relationship in the world. While business opportunities for EU companies are abundant, the challenges faced by European businesses entering the Chinese market should not be underestimated. This particularly applies to Small and Medium Sized Enterprises (SMEs), which often pair dynamic entrepreneurship with relative unpreparedness when entering foreign markets.

According to the Small Business Act for Europe, which was adopted in June 2008, in the EU, SMEs account for 99.7% of all businesses and are acknowledged as a key source of growth, entrepreneurship, innovation, competitiveness and employment.¹ At the same time, SMEs are typically less resourced than larger firms to address the complexities and risks of entering global markets. Therefore the Small Business Act states that: "The EU and Member States should support and encourage SMEs to benefit from the growth of markets outside the EU, in particular through market-specific support and business training activities." As concrete actions the Small Business Act explicitly refers to establishing European Business Centres in selected markets, in particular in China and India.

For China, the European Union has decided to allocate EUR5million in the 2008 European Commission's budget pertaining to Preparatory Actions² to setting up an EU Centre for Support to European SMEs ("EU SME Centre"). A "Feasibility study on a European Centre in China for European SMEs and other activities" was conducted and confirmed that "EU SMEs would benefit from practical, hands-on business support solutions that will enable them to develop their international business in the Chinese market."³

While the primary target group of the EU SME Centre are European companies, the concept is also in line with the overall EU-China SME dialogue. The establishment of the EU SME Centre promotes EU-China trade and investment relations. For instance, matchmaking events sponsored by the Centre will facilitate partnerships between European and Chinese companies.

¹ "Think Small First" - A "Small Business Act" for Europe /* COM/2008/0394 final
http://ec.europa.eu/enterprise/entrepreneurship/sba_en.htm#aa

² Within the meaning of Article 49(2) of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 (OJ L 248, 16.9.2002).

³ The final report is available http://trade.ec.europa.eu/doclib/docs/2008/may/tradoc_138782.pdf



Europe Aid Project Objectives

The overall objective of the EU SME Centre is to contribute to improving the trade and economic relations between the EU and China and to further Europe's interests vis-à-vis China. The EU SME Centre intends to achieve this by helping European Small and Medium Sized Enterprises overcome barriers and constraints they face in their efforts to invest in or export to the Chinese market.

The EU SME Centre functions as a Support Service Provider for European SMEs. In this regard the Centre's core purpose is to assist European SMEs to establish and develop a commercial presence in the Chinese market – through export and/or investment – by providing support through the provision of information, advice, networking events and acting as a platform facilitating coordination amongst Member State and European public and private sector service providers to EU SMEs, particularly at the crucial early stages of their market penetration strategy.

Main Project Activities

The EU SME Centre provides free, practical and confidential advice and support services to assist SMEs business development needs, empowering them with the real knowledge and tools required to facilitate market entry and increase competitiveness in the Chinese market. The range of services cover:

- **Business Development** – provision of market information, business development and marketing advice
- **Legal** – legal information, ‘ask the expert’ initial legal consultations and practical manuals
- **Standards** – standards and conformity requirements when exporting to China, search tool for standard databases and guidelines on conformity assessment
- **Human Resource and Training** – industry and horizontal training programme, database on available training courses, advice on Human Resource issues
- Access to a **service providers directory** and **information databases**
- **Hot-desking** – free, temporary office space in the EU SME Centre to explore local business opportunities, benefit from the Centre's knowledge base and network
- Other practical, hands-on support services to EU SMEs wishing to export to or invest in China

The Centre on the one hand streamlines access to Member State and European public and private sector business support services providers already providing such services on the ground and on the other hand provides services directly to European SMEs, with special regards to those that do not have sufficient access to such services today.

Current Status

A service contract was signed between the European Union and the China-Britain Business Council (leading a consortium composed of European Member States Chambers of Commerce, the European Union Chamber of Commerce in China and Eurochambres) for the operation of the Centre. The project was inaugurated on 5th of November 2010 by Antonio Tajani, Vice President of the European Commission responsible for Industry and Entrepreneurship and opened its door to SMEs in March 2011.

Further information and Contacts

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