



EUROPEISKA GEMENSKAPERNAS KOMMISSION

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Förslag till

RÅDETS FÖRORDNING (EG)

om Europeiska kommissionens genomförande av aktiviteter för att främja export till
Japan

(framlagt av Kommissionen)

EXPLANATORY MEMORANDUM

1. THIS PROPOSAL IS TO BE CONSIDERED IN PARALLEL WITH THE COMMISSION COMMUNICATION ON BILATERAL RELATIONS WITH JAPAN.

Three serious problems have been identified within Europe when promoting its exports to Japan :

- First, insufficient European companies are aware of the importance of the Japanese market, both in terms of its size but also because of the advantages it brings to a company which successfully establishes a presence on it. The Japanese market represents perhaps the largest single homogeneous market for European products (the US market being much more fractured and heterogeneous). In addition European firms which secure a foothold in Japan expose themselves to a climate of creativity and product innovation from which they can derive an increased competitive edge in other world markets. The development of relations with Japanese companies itself also provides an effective route into many Asian markets into which they are currently expanding. Too few European companies are aware of these opportunities, which need to be explained to them.
- Second, the peculiarities of the Japanese market are such that a specific programme devoted to assisting exporters to become familiar with them and to learn how to operate successfully in a Japanese business environment forms an essential ingredient of commercial policy towards Japan.
- Third, the level of entry costs into the Japanese market is high and thus the benefits to be gained through joint efforts by European companies are considerable. This leads to considerable economies of scale for many sectors if an European Community wide market penetration effort is undertaken.

For these reasons, a significant budget has been devoted by the European Community to the promotion of exports, particularly from small- and medium-sized companies, to Japan for many years. Much of it goes to the long-running and successful ETP programme (Executive Training Programme). In more recent years the Commission has developed, in close cooperation with representatives of Member State export promotion authorities, cost-effective, focused procedures for introducing European companies to the Japanese market in its "Gateway to Japan" programme.

As a conclusion, and because of the growing importance of the European Community programmes of promotion of exports to Japan in reinforcing European trade policy towards Japan on one hand, and on the other hand in complementing and adding value to the Member States' export promotion schemes, it is now necessary to take some formal action to consolidate those programmes.

[REDACTED]

2. A COUNCIL REGULATION IS NOW NEEDED TO PROVIDE THE PROGRAMMES PROMOTING EXPORTS TO JAPAN WITH A FIRM LEGAL BASIS.

This point is a direct consequence of the Commission Communication to the Budgetary Authorities "on legal basis and maximal amounts"¹ as all budget lines exceeding 5 MECU now need a specific legal basis.

3. THIS PROPOSAL INCLUDES THE FOLLOWING POINTS :

Articles 1 and 2 of the draft Regulation indicate the type of export promotion actions which the Commission is authorised to undertake. The Commission is also requested to ensure that such actions would be compatible with the various Community policies.

Article 4 lays down a consultative committee to assist the Commission in the performance of its duties under the Regulation.

The legal act chosen is in the form of a Regulation, as the type of export promotion activities that will be financed are likely to effect private natural and legal persons.

Finally, the legal basis of the act is Article 113 of the EC Treaty, since the object and purpose of the act is to influence the volume of exports to the Japanese market, which clearly forms part of the common commercial policy.

[REDACTED]

¹ SEC(94) 1106 final

RÅDETS FÖRORDNING

av den

om Europeiska kommissionens genomförande av aktiviteter för att främja export till Japan

EUROPEISKA UNIONSEN RÅD HAR ANTAGIT FÖLJANDE BESLUT

med beaktande av Fördraget om upprättandet av Europeiska gemenskapen och i synnerhet artikel 113 i detta,

med beaktande av kommissionens förslag¹, och

med beaktande av följande:

Kommissionen har förelagt rådet ett meddelande som behandlar de bilaterala förbindelserna med Japan.²

Den ihållande obalansen i handeln mellan Europeiska gemenskapen och Japan är en viktig källa till spänning mellan de båda sidorna.

På sitt sammanträde den 15 juni 1992 var rådet enigt om att det för att minska denna obalans bör vidtas lämpliga åtgärder för att direkt och indirekt uppmuntra och befästa den europeiska exportens utveckling.

Europeiska gemenskapens handelspolitik, som syftar till att förbättra arbetsförhållandena för företag i Japan, behöver kompletteras med praktiska och särskilda åtgärder som stöder de europeiska exportörernas ansträngningar och förbereder dem för att arbeta med framgång på en svår marknad med speciella krav och särskilda behov.

Bredaste möjliga deltagande av företag i alla medlemsstater bör uppmuntras. Erfarenheterna har visat att exportfrämjande åtgärder kan genomföras effektivt med grupper av företag från flera medlemsstater, vilket skapar avgörande genomslags- och besparingseffekter.

Aktiviteternas mål och kriterierna för verksamheten har definierats.

¹EGT nr C...

²EGT nr c....



HÄRMED FÖRESKRIVS FÖLJANDE:

Artikel 1

Europeiska kommissionen skall utforma och stå för genomförandet av ett program för handelsfrämjande åtgärder gentemot Japan för att stödja de europeiska exportörerna i alla de olika stegen av uppbyggandet av europeiska företags närvaro på den japanska marknaden.

Artikel 2

1. Europeiska kommissionen skall i synnerhet direkt och indirekt ta ansvar för följande åtgärder, som skall utformas för att komplettera medlemsstaternas aktiviteter gentemot den japanska marknaden:

- seminarier, konferenser och nätverk både i Europa och i Japan,
- Europeiska gemenskapens deltagande som grupp i mässor och delegationer tillsammans med europeiska exportörer,
- utbildningsprogram för att bygga upp en reserv av affärsledare som kan kommunicera på japanska i en affärsmiljö, och
- andra aktiviteter utformade för att maximera de europeiska experternas förmåga att komma in på den japanska marknaden.

2. Under genomförandet av punkten ovan skall kommissionen se till att de olika aktiviteterna är förenliga med olika sidor av gemenskapens politik och sträva efter största möjliga nytta för gemenskapens exportörer till Japan.


3. Det årliga program för genomförande av de åtgärder som anges i punkt 1 skall anges enligt förfarandet i artikel 4.2.

Artikel 3

För att Europeiska kommissionen skall kunna genomföra programmet för främjande av handel och de särskilda aktiviteter som nämns i denna förordning skall den ha nödvändiga finansiella resurser till sitt förfogande. För den skull skall Europeiska kommissionen föra in ett förslag om de finansiella behoven för de verksamheter som avses i artikel 2 i det normala budgetförfarandet.

Artikel 4

Kommissionen skall biträdas av en kommitté av rådgivande karaktär, sammansatt av representanter för medlemsstaterna och under ordförandeskap av kommissionens representant.



Kommissionens representant skall inför kommittén lägga fram förslag till åtgärder att vidta. Kommittén skall uttala sin åsikt om förslaget inom en tid som ordföranden kan slå fast med hänsyn till hur brådskande saken är, om nödvändigt genom omröstning.

Kommitténs åsikt skall föras till protokollet, och dessutom skall varje medlemsstat ha rätt att få sin ståndpunkt förd till protokollet.

Kommissionen skall ta största möjliga hänsyn till den åsikt kommittén avger. Den skall informera kommittén om på vilket sätt dess åsikt har beaktats.

Artikel 5

Denna förordning träder i kraft dagen efter det att den har offentliggjorts i Europeiska gemenskapernas officiella tidning.

Denna förordning är bindande i sin helhet och direkt tillämplig i alla medlemsstater.

Utfärdad i Bryssel den

På rådets vägnar

Ordförande

Financial statement

Item B7-5022 : Promotion of Community exports to non-Community countries, notably Japan, Budget 1995

Article B7-851: Promotion of European Union exports to Japan, APB 1996

en MioEcus

credits authorised 1995 (1)		credits requested 1996 (2)		variation in %	
commitments 1	payments 2	commitments 3	payments 4	commit 5=3/1	pay. 6=4/2
9,140	8,540	13,000	12,500	42%	46%

(1) part of credits authorised for line B7-5022 intended for the action in question

(2) new line b7-851 (APB 96)

1. TITLE

Proposal for a Council regulation on the implementation by the European Commission of actions to promote exports to Japan

2. BUDGETARY HEADING

**B7-5022
B7-851 (1996)**

3. LEGAL BASIS

Article 113 of the EC Treaty

4. DESCRIPTION OF OPERATION :

4.1 General objective

To increase EU exports to Japan.

4.2 Duration of the action; means foreseen for its renewal

Indefinite. Medium-term programmes are subject to annual contracts, renewable in accordance with the availability of budgetary resources.

5. CLASSIFICATION OF EXPENDITURE/REVENUE

5.1 DO/DNO: DNO

5.2 CD/CND: CD

5.3 Type of revenue involved

Contribution from industry, notably for the Executive Training Programme.

6. TYPE OF EXPENDITURE/REVENUE

- *100% subsidy*

No.

- *Subsidy for co-financing with other sources in the public or private sector?*

Yes, subsidies not normally exceeding 50% are provided to professional associations and other responsible organisations for actions such as participation in trade fairs, missions and other promotional activities.

- *Interest subsidy*

No.

- *Others*

Financing of own initiatives, such as Executive Training Programme in Japan and the "Gateway to Japan" campaign, studies, market research and specific promotion campaigns.

- *Should the action prove an economic success, is there provision for all or part of the Community contribution to be reimbursed?*

All agreements include provision for the reimbursement of surplus funds.

- *Will the proposed operation cause any changes in the level of revenue?*

No.

- *Are receipts reallocated?*

Receipts from the Executive training Programme are used to offset the costs of future programmes.

7. FINANCIAL IMPACT ON APPROPRIATIONS FOR OPERATIONS

7.1 Method of calculating total cost of the operation

A. Measures aimed at improving knowledge of the Japanese market.

The costs of the Executive Training Programme are calculated on the basis of 50 participants and consist of allowances for participants and costs for language tuition and other services provided by outside contractors.

B. Measures aimed at developing the presence of EU industry in Japan.

The costs of the "Gateway to Japan" campaign are based on the result of a call to tender for the management of the campaign. The budget for the campaign is considered to be the minimum required to sustain an effective and meaningful campaign.

C. Measures to improve trade relations between the EU and Japan.

We receive more requests for support than we are able to meet. The current budget is the minimum which will allow the flexibility to respond to requests from several sources and enable us to support programmes in several Member States.

8. WHAT ANTI-FRAUD MEASURES ARE PLANNED IN THE PROPOSAL FOR THE OPERATION?

Methods of control (submission of reports, etc.) are included in all agreements or contracts between the Commission and beneficiaries of subsidies/contractors. We monitor closely the work of all contractors and all those given financial support. Wherever possible, a representative of the Commission participates in commercial fairs, seminars and conferences to ensure that activities are carried out as agreed. We verify all activities before payment are made and certain agreements also require organisations to submit of financial accounts certified by their auditors.

9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

9.1. Specific objectives of proposed operation, population targeted

- *Specific objectives : links with the general objective*

The overall objective of EXPROM is to promote exports from the EU to Japan with a view to reducing the substantial Japanese trade surplus. Medium term objectives are to improve knowledge of the Japanese market, to develop the presence of EU industry in Japan, to promote the image of the EU in Japan. Short term objectives are to train a cadre of managers with an intimate and useful knowledge of the Japanese language and business culture to carry out a range of promotional activities to aid industry already established in the Japanese market and those trying to penetrate the market.

- *Target population*

All actions are designed to be of direct benefit to EU exporters.

Is the operation incorporated in the financial programming of the DG for the years concerned? Yes

To which broader objective defined in the DG's financial programming does the objective of the proposed operation correspond?

The promotion of EU exports to Japan

9.2. Reasons for the operation

- *Need for intervention from the Community budget*

The reasons for this operation are closely linked to the Commission's role and responsibilities in EU/Japan trade relations. Currently these relations are dominated by the substantial Japanese trade surplus. This results partly from difficulties experienced by EU industry in penetrating the Japanese market and the Commission spends much time negotiating with the Japanese to reduce barriers to market entry. But the Japanese take an interest not just in the EU's requests for the reduction of barriers but also in what practical support we give to industry to help penetrate the market. They see our support for industry as evidence of our sincerity and commitment and of a coherent EU approach to the problem. The Commission's export promotion activities thus have an impact on the overall EU relationship with Japan. Member States programmes could not play this role.

The EU programme is able to target sectors which are important within the EU as a whole but not within individual Member States. For example, national trade promotion efforts concentrate heavily on consumer goods with capital goods somewhat neglected. Member States have explicitly welcomed EU action in this field. Similarly, it would not be cost effective for any one Member State to set up a programme to send young executives to Japan. But at EU level the Executive Training Programme has the critical mass necessary for it to work.

Three meetings a year between the Commission and export promotion experts from Member States ensure that the EU's activities complement and add value to those of Member States.

- *Choice of methods of intervention*
 - * *advantages over alternative measures (comparative advantages)*
 - * *analysis of similar operations at community or national level*
- * *main factors of uncertainty which could affect the specific results of the operation*

The economic situation within Member States is affecting the confidence and activity of EU industry

9.3 Monitoring and evaluation of the operation

- *Performance indicators selected*

** output indicators*

** indicators of impact, following the objectives chosen*

The Executive Training Programme.

Monitoring of profession activities of former ETP participants, monitoring of participants' progress throughout the programme, analysis of results obtained by firms who have participated in the programme.

Gateway to Japan campaign: objectives set for each market sector against which eventual results are evaluated, independent evaluation commissioned at the end of each campaign, monitoring of the views of participating companies and industries.

Individual actions: individual performance standards are selected for all actions.

- Details and frequency of planned evaluation

- Periodic review of the ETP programme, normally a full review every three years.
- Reports on each ETP participant during the programme and detailed reporting by participants after the conclusion of the programme.
- Continuous reporting by consultants managing EXPROM projects.
- Reports by external organisations organising activities supported by EXPROM.
- Independent evaluation of export campaigns.

- Evaluation of results

Executive Training Programme

Continues to produce good quality results, major problems having been resolved over the approximately fifteen years of its existence.

Gateway to Japan

The first year of the campaign is judged to have been successful, firmly establishing the campaign's identity in the EU and Japan.

Other activities

Shorter term activities are evaluated on termination. Actions undertaken to date are considered to have met objectives.

10. ADMINISTRATIVE EXPENDITURE (PART A OF THE BUDGET)

10.1. Will the proposed action involve an increase in Commission staff?

No.

10.2. Indicate the amount of staff and administrative expenditure involved in the proposed operation

Three officials (one A, two B), and one END work full-time on EXPROM activities.

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