



European Union
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Interreg Europe

“SME Internationalisation Exchange” (SIE) Project

How has SME Internationalisation Changed since the Pandemic?

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#SIEProject



NBank

Wir fördern Niedersachsen



Torun Regional
Development Agency



CCI International
Nouvelle-Aquitaine

Cámara
Cantabria

6 SIE Partner Regions



SIE Project Extension: 2021-2022



Extra activities to investigate the impacts of the Covid-19 pandemic on SME internationalisation in SIE partner regions

- New regional surveys/studies
- Interregional exchange workshops
- Sharing good practice and planning future SME support interventions



Initial Observations: Early, impacts of the pandemic on Internationalisation

- Internationalisation much **lower priority** for SMEs - a luxury?, survival first?
- But export could help with long term growth & stability
- **Shifts in market focus** for companies (some markets less open due to lock downs, supply chain disruptions etc.)

SIE Partners & stakeholders revised export support offer to companies:

- Big shift to **online** (training, 1-2-1 advice, webinars, information etc.)
- Virtual trade missions & exhibitions (Kent)
- Virtual trade fair participation (Cantabria)
- Financial incentives (France)

Recent Survey Findings in Kent, UK

How did COVID affected SME exports?



Main findings from 300 SME questionnaires:

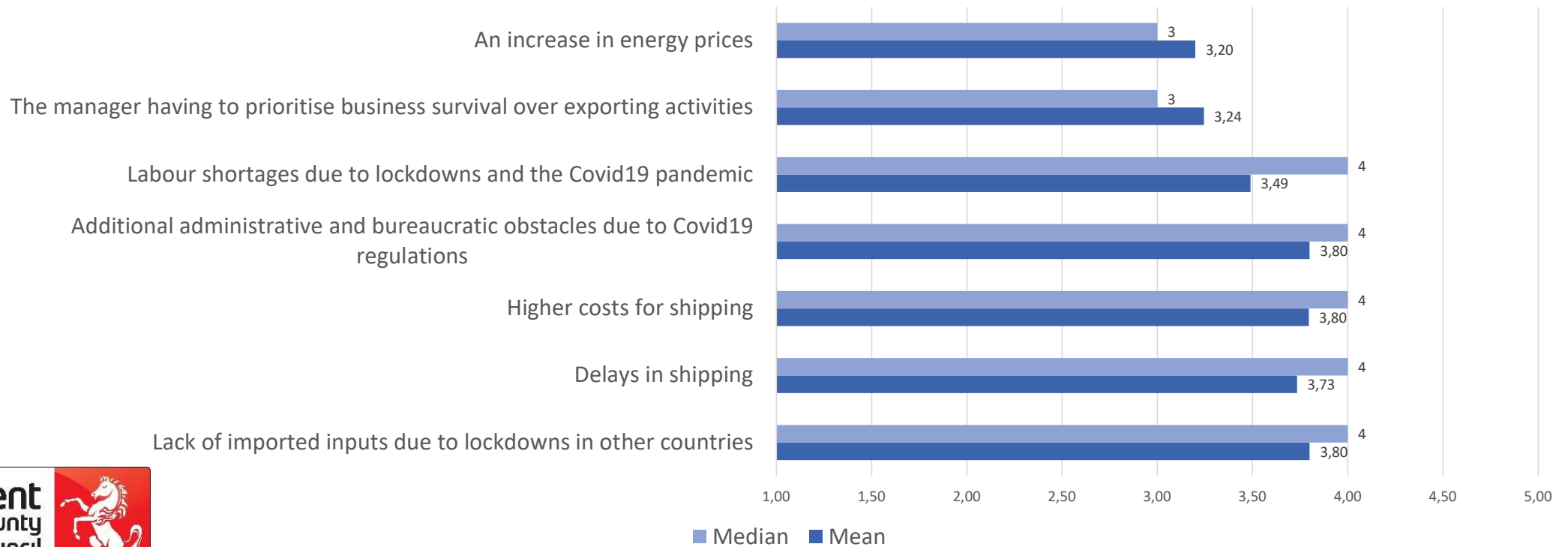
- Additional **administrative and bureaucratic delays** due to Covid-19
- Higher costs & delays with **shipping**
- Lack of **imported goods** due to lockdowns in other countries
- **Labour shortages** due to lockdowns

These barriers = decline in SME exports



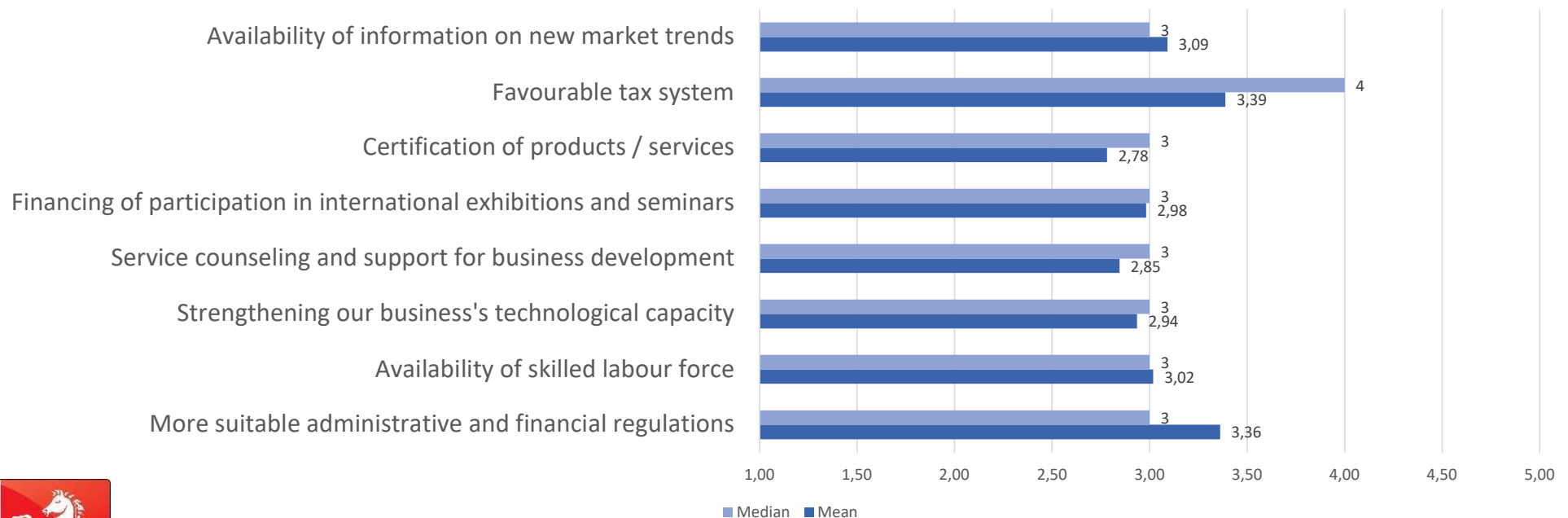
Covid-19-led decrease in Exports (Kent)

Since 2020 the Covid-19 pandemic has led to a decrease in our exports due to:
(1-Strongly disagree, 2-Disagree, 3-Neither agree or disagree, 4- Agree, 5-Strongly agree)



Opportunities to increase internationalisation activity & capacity

For each of the following, consider how much it could help enhance your exports:
(1-Strongly disagree, 2-Disagree, 3-Neither agree or disagree, 4- Agree, 5-Strongly agree)



Role of Digital Technologies in Internationalisation

- Access to **digital fairs** like the ones offered by Network Enterprise Europe would be a way to address the **lack of funding** that is a barrier for exporting, and provide the opportunity to **find distributors** in target markets
- Attending **digital fairs would also put less pressure on the time** of the managers who have been concentrating on the survival of the business since Covid-19
- Access to digital fairs may require a **mind-set change** from the managers' perspective, and some upskilling in the use of digital technologies may be necessary.

But

- SMEs are now telling us they are keen to return to real Trade Shows / Exhibitions
- Is the future hybrid?

Recent Survey Findings in Cantabria, Spain

How did COVID affected SME exports?

- 66% of exporting SMEs affected negatively by Covid (activities & turnover)
- Biggest impact for international companies: export sales & supplies
- 42% of SMEs declared that the % of exports from their total sales declined
- 60% of companies said they would rather not look for new markets during this period.

How did SMEs adapt internally?

- 63% considered digitalisation to be key. Especially remote working. 84% declared that they will increase their digitalisation efforts.
- Despite the benefits, 97% of the companies think they will resume the traditional promotion efforts (trade fairs, travel) when they can.

Responses to the Pandemic on SME Internationalisation in Nouvelle-Aquitaine (FR)



National Export Recovery Plan in France:

1. Increased **Intelligence** - better information on foreign markets.
 - **Sectoral Webinars** :
 - **Live market information map** :

1. **Projections:** Facilitate export prospecting activities: “Le Chèque Relance Export.” covers 50% of eligible expenses (€500+) for an international support service, including digital, for French SMEs.
3. **Supporting Young People with international Work placements for SMEs:** (financial help)
4. **Reinforce Financial Export Tools:** Facilitate and maintain export projects
5. **Promote French Brand abroad:** communication campaign for French brand and key sectors

900 companies helped with recovery plan in Nouvelle-Aquitaine during 2020



Acting to reduce the impacts of the Pandemic on SME Internationalisation in Nouvelle-Aquitaine



The Nouvelle-Aquitaine Region and Team France Export reinforced support for companies towards dematerialised actions:

- 1. Prioritisation of export markets:** a personalised study to reposition the company's export markets.
- 2. Remote Prospecting:** Organising Remote Meetings with Future Business Partners through Video Conferencing.

2 DISPOSITIFS DE CRISE

proposés aux entreprises via leurs conseillers internationaux

1. Priorisation Marchés Export
Une étude personnalisée pour repositionner les marchés des entreprises à l'export

OBJECTIFS :

- > Identifier les pays dans lesquels l'activité export de l'entreprise pourra rebondir
- > Hiérarchiser les marchés à prospecter en fonction de leur potentiel post-crise

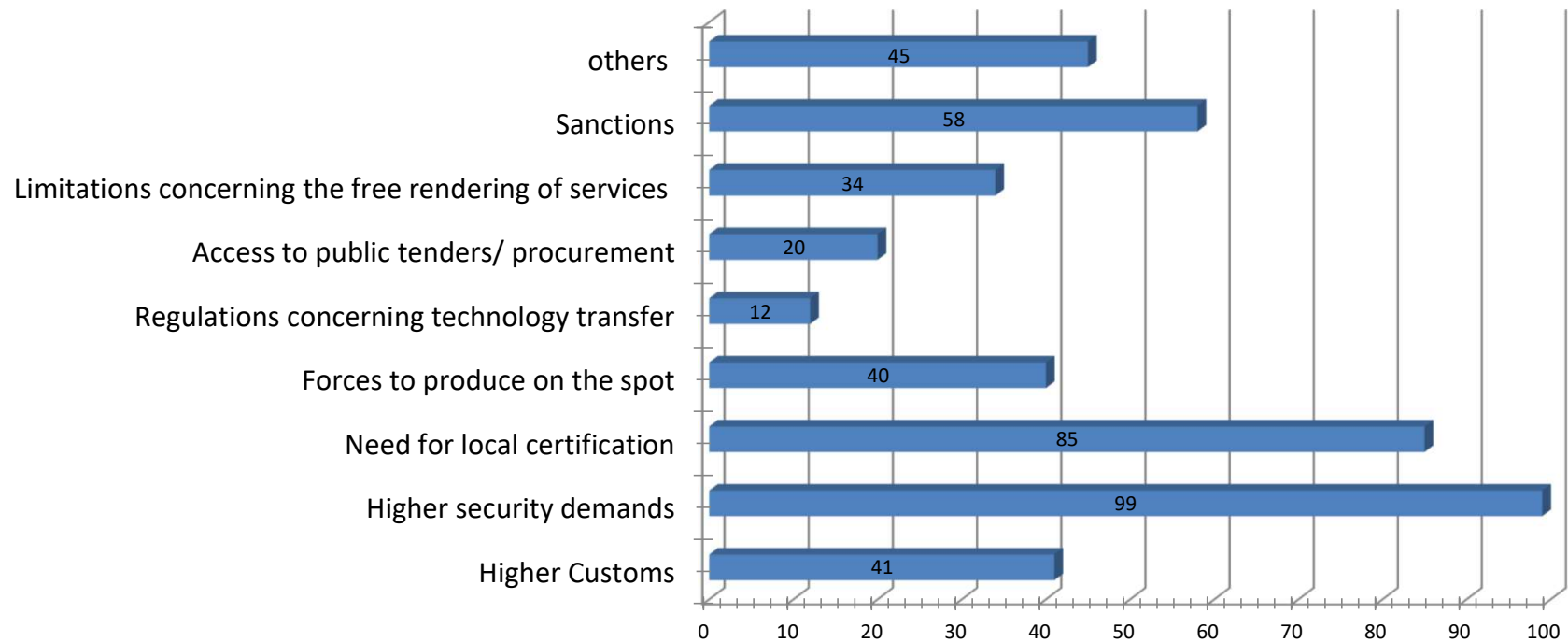
2. Prospection à distance
Organisation de rencontres à distance avec de futurs partenaires commerciaux grâce à des rendez-vous en visio-conférences.

Ces 2 dispositifs exceptionnels seront disponibles pour toute entreprise régionale éligible, jusqu'au 30 juin 2022.



SMEs and international business in Lower-Saxony post-Covid

Which barriers caused a reduction in exports?



Barriers to international business in Lower-Saxony post-Covid

- Limitations on shipping space, due to lock-downs
- Limitations on production on the spot and long delivery times
- Long transit times, limitations on transport capacities (air cargo)
- Closure of the hospitality sector
- Shortage of supplies
- Budget cuts for public tenders
- Confusing local regulations
- Fear
- Difficulties to organise freight / volatile prices (often only valid for one day)
- Limitations to travel / fewer contacts / quarantine regulations
- Global economic problems

Covid effects explicitly named: trade fairs/ meetings/ travel → personal contacts are important when it comes to internationalisation; supply and demand effects

Recomendations

- An important recommendation comes from the Notebook on the effects of covid-19 on internationalisation produced by ISTAT-ICE. The recommendation is to favour the development of internationalisation processes in the company, rather than simply favouring export activity. Companies seem to be more interested in networking mechanisms and in opening up new markets through the exchange of technology and culture, rather than becoming passive export actors.
- An important recommendation is to encourage human capital training and development within companies. Technological and cultural innovation is the key strategy for keeping companies competitive on the increasingly complex and dynamic international market.



Impacts of the Pandemic on SME Internationalisation in Ustí, CZ



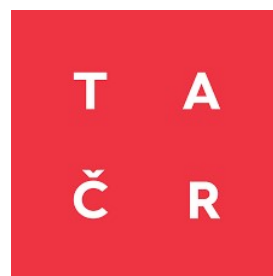
- Export branches affected badly - industrial production (automotive, chemistry)
- Sectors with high level of International connections (just in time, logistics) affected mostly
- Logistics problems – International transport, border lockdowns
- Limited access to international workforce
- Difficulties with international value chains (purchasing)



Business Support Organisations 'one stop shop' in Ústí Region



Bridge to national task force (Czechinvest, Ministry of Trade and Industry)
„Czech Export Team“ on regional level





New services „Team Czech“



- Free of charge screening in two or three territories
- Crisis assistance – pandemic, logistics, customs
- Free of charge presentation in export database
- Online territory-focused and professional workshops
- Daily email newsletter
- PresentiGO – development of virtual showroom



What's next for internationalisation?

- Mixed views from SMEs
- Common findings across different partner regions
- Lots of new challenges and barriers
- Digital technologies have proved useful
- Desire to return to face to face

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