



Position Paper

February 2015

European Economic Diplomacy

Executive Summary

The **need for developing a comprehensive strategy on European Economic Diplomacy** arises from the low number of EU SMEs active on international markets, the growing market opportunities in emerging economies, the challenges which companies face when exporting and investing and the shortcomings in the institutional architecture to support the internationalisation of SMEs.

European Economic Diplomacy should be geared towards strengthening the links between trade policy and trade promotion, between the European Commission and the Member States and between the private and public sector. It should be based not only on clearly defined principles (such as subsidiarity, non-duplication and complementarity, European value added and demand-driven actions) that have to be met at the same time. It should also capitalise on and **improve exchanges between the following areas of business support: Advocacy & Visibility, Market intelligence and Market access services.**

The **Coordination Platform for SME Internationalisation towards Asia** is for EUROCHAMBRES a practical tool in the implementation of European Economic Diplomacy. It will improve the exchanges between economic actors in Europe and Asia and can support policy processes.

Chambers of Commerce across Europe serve as a one stop shop for companies which want to go international. Thanks to their proximity to SMEs, their privileged connection to the bilateral Chambers in third markets and their involvement in several EU Business Support Initiatives, Chambers are well placed to support and carry out an ambitious strategy on European Economic Diplomacy.

The **EU and its Member States are invited to hold wide consultations and develop jointly the strategy on European Economic Diplomacy.** EU institutions, procedures and initiatives have to follow suit to adapt to this vision. Frequent structured dialogues should be organised between EU diplomats and other officials working in the field of foreign affairs on the one hand and business intermediary organisations on the other hand, both in third countries and in Brussels.

EU initiatives under European Economic Diplomacy should:

- Be demand-driven and ensure ownership by business intermediary organisations.
- Serve to fill gaps or reinforce existing support services and not duplicate or create new structures which compete with the already existing structures.
- Support more training activities, especially in Europe.
- Not underestimate the preparatory work which needs to be done in the EU.
- Consider internationalisation as a long-term process and avoid stand-alone or one-off missions without proper preparation and follow-up for the businesses.

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1 Introduction

While 25% of EU-based SMEs were involved in exports to the Internal Market and beyond, **only 13% of EU SMEs are internationally active outside the EU** through trade, investment or other forms of cooperation with foreign partners.¹ Whereas the EU's share in the world economy continues to shrink, **in the next 5 years, 90% of world growth is expected to be outside Europe**. At present, only about 9.7 % of the manufacturing SMEs export goods to countries outside the EU.² The recent economic and financial crisis has had a negative impact on the European economy and the business situation of entrepreneurs – especially SMEs.

Against this background, the need for a harmonised **European Economic Diplomacy** arises clearly. A better coordination of European policies and support tools is necessary in view of developing a coherent and effective response to the challenges and opportunities of globalisation. There is a **strong need for a common, clear and comprehensive vision with regard to the international expansion of EU businesses** that will strengthen the competitiveness of the EU economy. In general, exporting SMEs are more competitive, since they also tend to be more productive, more innovative and more skill intensive.³

When EUROCHAMBRES polled 750 entrepreneurs from 24 different EU Member States during the 2014 edition of the **European Parliament of Enterprises**, 95% voted positively in response to the question “Should the EU develop a stronger European Economic Diplomacy, advocating and defending our common economic interests on global markets?” With this resounding positive answer, companies accept the added value of a stronger European voice to defend and promote their economic interests around the globe.

¹ COM (2011) 702 final, ‘Small Business, Big World – a new partnership to help SMEs seize global opportunities’, p. 2.

² Public consultation on the Small Business Act (SBA) – A strong European policy to support Small and Medium-sized enterprises (SMEs) and entrepreneurs 2015-2020:

<http://ec.europa.eu/DocsRoom/documents/6761?locale=en> (page 9).

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As EUROCHAMBRES has been actively involved in this matter, both from a strategic/policy perspective and in the actual implementation of concrete EU initiatives on the ground, this Position Paper carries the vision of the European Chamber Network on European Economic Diplomacy, encouraging the EU to develop a coherent strategy to safeguard and promote the European economic interests around the world, within the framework of the Lisbon Treaty.

2 Rationale for European Economic Diplomacy

2.1 WHAT IS UNDERSTOOD BY EUROPEAN ECONOMIC DIPLOMACY?

This Paper does not focus on the promotion of trade and investment opportunities at home to companies, investors and public authorities in third countries because EUROCHAMBRES looks in particular at European Economic Diplomacy through the lens of a business expanding its activities internationally.

European Economic Diplomacy refers to the **use of political influence and policy measures** to:

- A. Support European economic interests abroad, advocating for the European interest and improving the visibility or image of the EU.
- B. Reducing barriers to trade and negotiating bilateral and multilateral trade agreements.
- C. Supporting European companies in internationalising to third countries.

The concept therefore includes **all aspects of business support**, from trade policy to trade promotion.

Trade policy and trade promotion go hand-in-hand and have to be considered as two sides of the same coin even if competences are divided between the EU and its Member States. Trade policy serves to bring down barriers and create opportunities for European businesses while trade promotion will ensure that those businesses can effectively tap into these new opportunities. Conversely, the best practices and market intelligence gathered by the provision of business support services via trade promotion should feed into trade policy so that obstacles identified can be removed and new opportunities created.

European Economic Diplomacy is not intended to be implemented by EU Institutions only; it is conceived as an overarching framework for action of the EU, its Member States as well as business organisations.

2.2 CHALLENGES FOR SMES

At all levels of the economy – local, regional, national and European – the Chamber of Commerce network is a key player in supporting Small and Medium sized Enterprises (SMEs) breaking into new markets. Over the last decades, Chambers have developed expertise and tools to provide concrete and effective support to SMEs in dealing with the challenges they face outside the EU.

In a 2014 survey to which **Chambers replied from 21 different EU countries, the question was asked: “What are the main obstacles for SMEs to internationalise?”**, a quarter of Chambers assesses the lack of financial resources as the main obstacle to the internationalisation of SMEs. Chambers also indicated as prime concerns the lack of time or interest to analyse potential opportunities in foreign markets and lack of information concerning foreign markets, the opportunities and the business environment.

This survey confirms once again that **SMEs do need support in their internationalisation efforts.** They need support to use various financial instruments to facilitate the process of internationalisation, to identify the international potential of their products as well as reliable partner companies to work with, to develop a market entry strategy to overcome obstacles present in the local business environment and to understand cultural and other non-technical barriers, etc. In other words, SMEs require assistance and support in training on internationalisation techniques in order to be more efficient and successful.

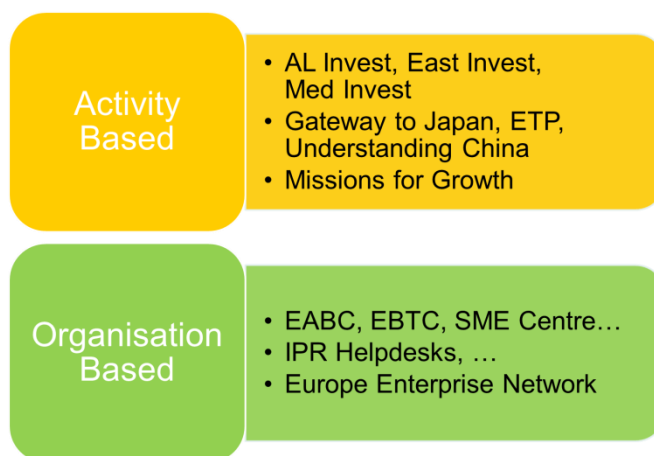
European Economic Diplomacy should take into account the challenges that SMEs face when penetrating foreign markets and thus put strong emphasis on the need to efficiently advocate for common European interests, bring down market obstacles and accompany the process of internationalisation.

2.3 SHORTCOMINGS IN THE CURRENT INSTITUTIONAL ARCHITECTURE

The European Union has taken initial steps towards a European Economic Diplomacy. However, so far, most efforts remain fragmented and lack coherence.⁴ Most importantly, the “new EU strategy” which the latest Communication on ‘Small Business, Big World’ (dating from 2011) was claiming to initiate is still absent.

To elaborate a comprehensive strategy on European Economic Diplomacy is therefore of utmost importance. It should among others **address the following shortcomings:**

1. The **limited coordination and physical meetings** between the European Commission and representatives of the business community.
2. The **lack of systematic gathering of market intelligence to feed FTA negotiators** as well as the Market Access Teams in the EU Delegations. In other words, there is a lack of exchange between the public and the private sector.
3. The **mushrooming of different EU initiatives which are not necessarily emanating from one coherent vision** and therefore partly undermining their own sustainability or effectiveness. Several of these EU initiatives are ‘activity based’ whereas others are ‘organisation based’, as visually represented in the accompanying image.
4. The **plethora of different European Commission services** and other institutions which are dealing with the above mentioned instruments and other matters pertaining to European Economic Diplomacy.
5. The **Missions for Growth have not been sufficiently focused and policy-oriented**. The advocacy goals were not always prominent on the agenda and advance planning as well as follow-up have not consistently happened in close cooperation with relevant actors of EU Member States which provide concrete services to businesses.



3 Pillars of European Economic Diplomacy

Foreign policy needs to be complemented by economic diplomacy to be meaningful. The EU is still too often perceived as a political dwarf by its partners around the world and should better leverage its weight as an economic giant in order to gain more influence. **Foreign policy becomes more effective and impactful if diplomats receive inputs and feedback from the business community. In turn, the European economy benefits when businesses can accompany high-level political delegations to non-EU markets and when diplomats as well as trade negotiators can reduce market access obstacles to open-up new opportunities.** In order to forge a greater synergy and systematic cooperation between private and public actors in foreign policy, European diplomacy needs to involve the business community on a permanent basis and actively support it. The pillars of the vision on European Economic Diplomacy are therefore outlined in the following chapters.

⁴ More information on the different policy documents, actors involved and initiatives taken can be found via the links below:

- The 2006 [Global Europe strategy](#), the 10th principle of the 2008 [Small Business Act](#)⁴ and the 2011 [‘Small Business, Big World’ Communication](#). DG DEVCO elaborated in 2014 a Commission Communication on “A stronger role of the private sector in achieving inclusive and sustainable growth in developing countries” which was followed by [Council Conclusions](#) in June 2014.
- [The Partnership Initiative for cooperation with third countries](#) is managed by the service for Foreign Policy Instruments (FPI) and the new [COSME programme](#) is managed by the Executive Agency for Small and Medium-sized Enterprises (EASME).
- Different [studies and tools of the European Commission and EU initiatives providing support](#).
- The European Investment Bank (EIB) is also [supporting the EU’s external action](#) and [financing projects outside of Europe](#) supporting among others the infrastructure and private sector in Asia and Latin-America.

3.1 PRINCIPLES

3.1.1 Subsidiarity

As trade promotion is a competence of the Member States, any action that is taken by the EU should respect the **principle of subsidiarity**. When assessing a measure, the EU should refer first to those Member States that offer the most extensive set of services and dispose of the biggest international network. Trade policy, on the other hand, is a competence of the EU. The EU and Member States should leverage each other's strengths and synergize in order to establish a closer linkage between both policy fields.

3.1.2 Non-duplication and complementarity

The EU should **not duplicate** the existing structures, activities and services that are already successfully provided for by Member States, trade promotion organisations and national chambers. Duplication would mean an inefficient use of resources. It is of prime importance that the support provided by the EU to European SMEs is **complementary** to the existing structures in the target market as well as in the home base of an SME. The EU could support existing structures, e.g. by using its capacity to speak with a single strong voice, for instance by doing advocacy.

3.1.3 European value added

As long as there is no single vision behind European Economic Diplomacy, EU action risks engendering an inconsistent patchwork of activities. EU initiatives are legitimate only if they represent a European value added, following the principle of subsidiarity. It is therefore essential to develop **criteria for determining the 'European value added'**, such as:

- Bringing in the European dimension to activities ensures a higher level of visibility and helps to profile the EU as well as European companies.
- Advocacy activities at European level achieve a deeper and wider impact (on market access issues for example) when the EU business community speaks with a single voice.
- Those Member States which do not have sufficient national support systems in third countries can be supported in the form of capacity building and funds by the EU.

3.1.4 EU action must be demand-driven

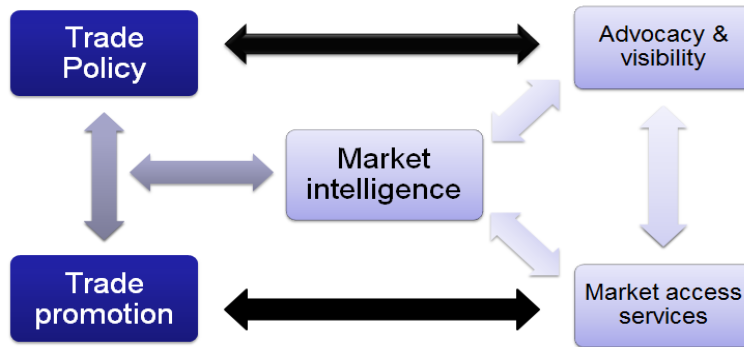
Any EU action must clearly be **demand-driven**. Internationalisation is a process which starts in the EU and ends abroad. EU resources must therefore not merely focus on a target country but be distributed at the beginning of the chain, **at home**.

3.2 FOCUS AREAS & DIVISION OF TASKS

When Chambers were also polled in the 2014 survey concerning the **question "What should be the EU's role and objectives in facilitating the internationalisation of SMEs?"**, it was found that European Economic Diplomacy should be based not only on clearly defined principles but also be composed of the following **areas of business support**:

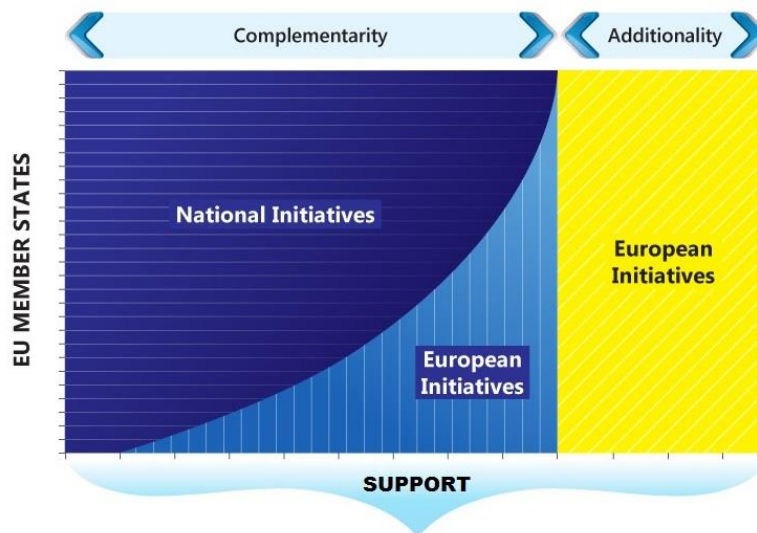
1. *Advocacy & Visibility*: stronger promotion of the European interests and brand
2. *Market intelligence*: gathering and disseminating market information to facilitate trade
3. *Market access services*: support to European businesses in accessing third markets

A robust European Economic Diplomacy should be geared towards strengthening the links between trade policy and trade promotion, between the European Commission and the Member States and between the private and public sector. The accompanying figure spells out the logic of the interaction. The boxes in dark blue represent the competences which are to be considered as two sides of the same coin while the boxes in light blue represent the focus areas of business support organisations.



The European Commission should not expand its activity in the area of trade promotion and the provision of market access services. However, the EU (consisting of the European Commission and the Member States) should ensure that **all areas of business support are strengthened and coordinated with smooth communication between all stakeholders so as to realise optimal results for trade policy as well as trade promotion purposes**. The reality is namely that a myriad of actors is involved in these three focus areas in different ways in different countries and would benefit from a comprehensive strategy on European Economic Diplomacy considering that these three focus areas operate as communicating vessels. In practice, business support organisations providing services to businesses gain an entire range of market intelligence, especially concerning barriers to trade which SMEs are facing. When these are effectively voiced and advocated by the business community, a reduction in trade barriers can be achieved by the European Commission. This would in turn lead to an increased number of SMEs wishing to enter and flourish in a foreign market which then avail of more market access services.

Taking into account the principles of European Economic Diplomacy outlined earlier, the below figure hints that the **EU should focus on those areas in which it can provide a European value added and complement or support the existing entities** instead of duplicating them. In this figure, the EU Member States are ranked according to the magnitude of the national business support initiatives that are available for their companies. When visualising the principles of complementarity and additionality for European initiatives, the end result is that any given European company enjoys a greater range of support.



European initiatives complementing national initiatives could for instance entail capacity-building and training 'at home' (in Europe) while IPR and standards-related initiatives add to existing efforts, making in a cost-efficient way more support available to European companies who internationalise. The EU can help to strengthen capacities of business support organisations and national service providers, facilitate information exchange, pool resources and ensure EU-wide access and coverage.

The following table provides an **overview of several tasks in the three focus areas** which are taken on by different types of business support organisations with a view to helping more European businesses to expand in foreign markets. The table below does not stipulate which actor should foresee in the delivery of a certain area considering that the situation on the ground is different per country:

Advocacy & visibility	Market intelligence	Market access services
<ul style="list-style-type: none"> - Developing contacts and relationships with third country officials for lobbying purposes to improve market conditions and effectively address barriers to foreign trade and investment. - Organising business Summits back-to-back with political Summits and high-level conferences as well as holding interventions at other events or conferences. - Gaining media visibility via issuing publications, Position Papers, Open Letters, testimonies, speeches, op-eds, etc. - Better promotion of the brand 'European Union' as one entity standing for certain core principles like open but fair trade and investment relations which are embedded in a broader cooperation between the EU and the partner country. 	<ul style="list-style-type: none"> - Doing market research, gathering and disseminating commercial information e.g. marketing data and market analyses for the European business community at large. - Channelling data and information on IPR, standards, measurements and tools. - Compiling reports/studies which are identifying trade and non-trade barriers for systematic reporting to EU authorities (EU Delegations and DG Trade). - Engaging in frequent coordination meetings with Market Access Teams of the EU Delegation so that private and public sector representatives can exchange information in the mutual interest. 	<ul style="list-style-type: none"> - Organising business delegations, match-making (B2Bs), sector-specific events on business opportunities and participation in trade fairs. - Providing information on project and partner opportunities to European SMEs, including the search for partners (research organisations, producers, distributors, investors, lawyers, etc.) - Tailored consultancy on business strategies, adaptation/localisation of products and technologies, IPR protection, legal contracts, business practices, cultural values, etc.

The European public sector, particularly the **European Commission and the EU Delegations**, should not engage in the provision of market access services where these are provided by other actors. Instead, it should:

- Regularly and systematically invite and meet with representatives of the European business community to receive their inputs for policy purposes.
- Monitor political and policy processes as well as the evolution of the local business environment, foreign access to public procurement and political and regulatory developments affecting EU companies in order to:
 - Feed this information pro-actively to the European business community.
 - Undertake demarches to persuade authorities of third countries to reduce measures harming foreign (European) businesses, open up procurement markets, not impose new trade restrictive policies and address common challenges faced with national and local market regulators as well as the issuance of business visas.
 - Address systematic problems in bilateral trade meetings and via FTA negotiations.

3.3 SUPPORTING THE NEGOTIATION AND IMPLEMENTATION OF FTAS

To tap the full potential which third country markets offer, European companies need a reliable and predictable framework. The EU can help to reduce the costs and risks of cross-border transactions and to spread the use of internationally accepted standards. **The EU can do so via bilateral meetings of trade officials as well as the negotiation of Free Trade Agreements (FTAs).**

With the current stalemate in the WTO and increasing protectionist tendencies all over the world, the EU should take the lead in negotiating ambitious and comprehensive trade agreements with key trading

partners, thus setting incentives for other governments to push forward liberalisation and to reform global trade rules.

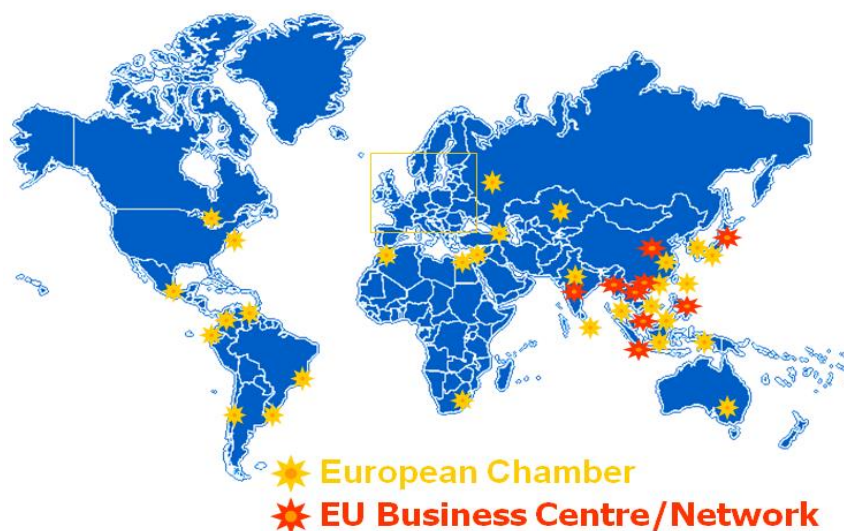
When negotiating with third countries, the European Union must **speak with one voice** and follow a coherent strategy. A close cooperation between the European Union and the European business community both in Europe and the partner country has to be assured in the run-up, during and after free trade negotiations. This needs to ensure, firstly, that agreements get concluded which deliver workable solutions and rules that address the real concerns of European business and, secondly, that agreements are smoothly implemented and European businesses are well-informed about the new opportunities and reduced obstacles to trade.

To these ends, it is important that information on trade barriers is collected and channeled in a systematic way to feed the negotiations of trade agreements with evidence-based information. The European business community has to be consulted in a permanent and structured way so that European businesses which are facing obstacles to trading get the opportunity to report on the barriers. Once an agreement enters into force, the business community should be involved in organising **awareness-raising campaigns so as to not only inform SMEs in an effective and targeted way but also encourage and train them to seize the opportunities in new markets abroad.**

3.4 COOPERATION BETWEEN BUSINESS ORGANISATIONS AT EU-LEVEL

Besides the EU co-funded business support initiatives, today, around **30 European Chambers** have been established around the globe by the bilateral chambers and/or European companies on the ground. Most of these European Chambers have a clear objective to defend and promote common European economic interests towards local authorities, and to create EU visibility. They are grouped together in the European Business Organisation Worldwide Network (EBO-WWN).

These European Chambers present in third countries generally epitomise the interests of companies which are already active in that market. They are quintessential for the European business community on the spot to speak with one voice in favour of the reduction of trade barriers.. As these European Chambers are generally not specialised in the internationalisation of SMEs as new entrants to the markets in which they operate, several EU Business Centres/Networks were launched in Asia since 2008.



In order to bring all relevant stakeholders together and stimulate more exchanges, the new **Coordination Platform for SME Internationalisation towards Asia**, which is co-implemented by EUROCHAMBRES, will reinforce the bridge between economic actors on both continents and feed with relevant market information policy processes more systematically, in Brussels as well as locally. It will therefore constitute a concrete tool for the implementation of a single strategy concerning European Economic Diplomacy that could be further expanded in the future to encompass also other regions.

4 Chambers' commitment

Chambers serve as a **one stop shop for companies which want to go international**. Chambers have developed relevant intelligence and act as a reference point for companies, understanding the needs of SMEs and the potential in third countries. They have developed tailored activities, tools and services to SMEs to support the process of internationalisation.

Chambers all over Europe have a privileged connection to the bilateral Chambers of Commerce in third markets. They are the natural link between SMEs active in target markets as well as SMEs in the home market who have potential to internationalise. The combined capacity of these networks offers tremendous opportunities to develop a common European strategy and to guarantee the effectiveness as well as the sustainability of such initiatives.

Hosting nearly 50% of the Europe Enterprise Network (EEN), Chambers of Commerce are the largest 'shareholder' of the EEN. Promotion of internationalisation is an activity where the added value of the network is widely recognised. Furthermore, EUROCHAMBRES as well as several national Chambers in Europe and bilateral Chambers in third markets are actively involved in the management and implementation of several EU business support initiatives.

5 Recommendations for policy-makers

5.1 DEVELOP A SINGLE VISION ON EUROPEAN ECONOMIC DIPLOMACY

1. **The European Commission and EU Member States should initiate an intensive common reflection on European Economic Diplomacy. The new policy framework should spell out the overarching strategy on European Economic Diplomacy.** It should not lead to an expansion of the European Commission's activity in the fields of competence of EU Member States but it should spark, firstly, more coordination between the different actors involved in trade policy and trade promotion and, secondly, more coherence of concrete EU initiatives.
2. The Vice-President of the European Commission / High Representative of the Union for Foreign Affairs and Security Policy should appoint a **senior member of its services as coordinator for economic diplomacy**. His/her task should be to ensure a systemic link between EU foreign affairs and economic diplomacy, and to improve coherence across all EU actions. Intensive coordination with the different Commission DGs (in particular DG Growth, DG Trade and DG Devco), EU Member States and bodies such as the European Investment Bank are essential.
3. The Commissioner for Internal Market, Industry, Entrepreneurship and SMEs should be included in the project team of the Vice-President of the European Commission and High Representative of the Union for Foreign Affairs and Security Policy, to ensure that the **external dimension of the portfolios of 'Entrepreneurship and SMEs' are incorporated into wider EU foreign policy**.
4. Frequent **structured dialogues should be organised between EU diplomats and other officials working on foreign affairs issues on the one hand and business intermediary organisations on the other hand**, both in third countries and in Brussels. Considering their proximity to SMEs, Chambers should be invited by EU Institutions to discuss the evaluation of approaches to internationalisation and the planning of future initiatives. Chambers in particular have access to information and boast capacities to organise activities which add value to the policy work of diplomats and officials.
5. Invite **representatives of EUROCHAMBRES as well as Chambers of Commerce active in third markets to deliver briefings to and interventions** for the EU Heads of Delegation, EU Special Representatives and Chargés d'Affaires, including at the annual EU Ambassadors conference in Brussels. Also, EU policy makers and diplomats are encouraged to advocate, including in European and international media, on core values of European Economic Diplomacy.
6. **Expand the Coordination Platform for SME Internationalisation towards Asia to other regions** to forge ever more bridges between the European Chambers represented in the EBO network and business intermediary organisations by providing support for benchmarking and streamlining in order to shape closer organisational linkages and more coherence in the use of different names and governance structures currently being used (EuroCham, EBC, EBG, AEB,...). In the longer run, the objective must be to have an **efficient and capable network of "EuroChams"**.

5.2 PUT PRINCIPLES INTO PRACTICE WITH INSTRUMENTS OF SUPPORT

EUROCHAMBRES recommends the different Commission services dealing with aspects of European Economic Diplomacy to closely cooperate and regularly exchange, taking into account the following advice when developing EU initiatives:

7. Any EU initiatives should not be detached from the EU SMEs as end beneficiaries and the business support organisations which represent them. Any initiative has to be **demand-driven and should therefore ensure ownership by business intermediary organisations**. EU initiatives should take into account the existing landscape of support structures in a given market and **not duplicate** or create new structures which compete with the already existing structures. In line with the 'Small Business, Big World' Communication, "**EU action should serve to fill gaps or reinforce existing support services**".
8. **Training activities** in Europe, for representatives of business intermediary organisations as well as companies, are therefore a valuable and even necessary prerequisite for obtaining sustainable results. The internationalisation activities supported by the EU should not underestimate the **preparatory work which needs to be done in the EU**. Getting companies ready for international markets is the first step and is too often not addressed through the right policies. Internationalisation starts at home and sufficient support needs to be provided for business support organisations to not only reach out to SMEs and inform them but also to encourage them and guide them on the process of internationalisation. Successful SME internationalisation initiatives have to be considered as a long-term process, which starts locally within each Member State.
9. Ensure that feedback from the business community is included into agenda-setting and policy-making. The systematic and periodic **incorporation of input from the business community into bilateral trade meetings as well as trade negotiations** is vital. Also substantial follow-up and awareness-raising campaigns are required after the conclusion of trade agreements for their proper implementation. To these ends, roundtables can be organised in a structured way by business intermediary organisations in several European countries to obtain relevant information from SMEs or debrief SMEs on newly created opportunities. Also surveys regarding the obstacles for SME internationalisation can be organised on a EU-wide scale so as to take stock of concrete problems which SMEs are facing and support evidence-based policies.
10. **Missions for Growth** need to follow a streamlined format, have a clear focus on advocacy and should ideally contain a link with the negotiation of FTAs. EU Member States as well as business support organisation need to be thoroughly involved in all phases, including planning, organisation of B2B meetings and follow-up. Internationalisation is a **long-term process** and stand-alone or one-off missions which are organised on an ad hoc basis are insufficient to help entrepreneurs penetrating and flourishing in a foreign market. Companies need organised follow-up in their home base provided by Chambers of Commerce so as to prepare for the next steps and they need sustained and readily available support on the ground when entering the new market again.

6 Conclusion

The EU should not seek to take over the range of business support services provided by Member States and specialised private actors, however, **more EU-led teamwork by EU Delegations and European business organisations makes sense** in the wake of continuing intra-EU business integration and supporting the multifaceted and politically sensitive commercial relations with emerging economic powers. European Economic Diplomacy represents the natural outcome of growing perceptions of Europe as a unitary trade and investment actor by third countries. A more unified approach would serve the EU's overall economic and geopolitical interests as well as those of its member states.

So far, we have witnessed a lack of leadership and coherence in the 'external dimension' of European Economic Diplomacy, resulting in confusion and inefficiency. There is therefore an **urgent need for a common, clear and comprehensive vision** with regard to the increased footprint of the European business community abroad which will contribute to a growing market share for European companies and thus to increased growth and employment at home.

As European Economic Diplomacy leads to increased international trade flows between businesses, it will in turn **make European foreign policy more relevant and impactful** when EU political leaders and officials are meeting with their counterparts of third countries.

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EUROCHAMBRES – The Association of European Chambers of Commerce and Industry represents over 20 million enterprises in Europe – 98% of which are SMEs – through members in 43 countries and a European network of 1700 regional and local Chambers.

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