



The European Union's Industrialised Countries Instrument (ICI)  
FWC COM 2011 - LOT 1 - For the European Commission

# Study of the EU Gateway to Japan and Korea Programme

## Final Report

*Final Version*



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## **Study of the EU Gateway to Japan and Korea Programme**

### **Final Report**

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*Final Version*

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## LIST OF ACRONYMS AND ABBREVIATIONS

ADS	Analysis of Similarities
AETS	Application Européenne de Technologies et de Services
CBT	Construction and Building Technology
CMU	Central Management Unit
CSS	Coaching Support System
DG Trade	Directorate General for Trade, European Commission
EBC	European Business Council
EC	European Commission
EEAS	European External Action Service
EET	Environment and Energy-related Technology
ETP	Executive Training Programme in Japan and Korea
EU	European Union
EUMS	European Union Member States
FD	Fashion Design
FPI	Foreign Policy Instrument, European Commission
FTA	Free Trade Agreement
GDP	Gross Domestic Product
HMT	Healthcare and Medical Technology
ICI	Industrialised Countries Instrument
ICT	Information and Communications Technology
ID	Interior Design
JETRO	Japan External Trade Organization
MS	Member States
NTB	Non Tariff Barrier
NTM	Non Tariff Measures
SME	Small and Middle Sized Enterprises
ToR	Terms of Reference
USD	United States of America Dollar

## 1. EXECUTIVE SUMMARY

Council regulation (EC) No 1934/2006 of 21 December 2006, also known as the 'Industrialised Countries Instrument (ICI)', promotes cooperation with industrialised and other high-income countries and territories in North-America, Asia-Pacific and in the Gulf Region. In the context of the Financial Perspectives 2007-2013 and the Economic partnership and business cooperation part of the ICI, the EU Gateway Programme was designed to contribute to improve the competitiveness of European companies and strengthen their presence on key markets. The EU Gateway to Japan and Korea started in March 2008 and by its termination in July 2014, will have implemented 5 cycles of business missions in technology and design sectors.

### Global Objective & Methodology

- The global objective of this study was (1) to make an independent assessment of the past performances of the EU Gateway to Japan and Korea Programme, and study the criteria on relevance, effectiveness, impact, EU added value, and complementarities and coherence of the Programme; (2) to identify key lessons and propose recommendations to future policy strategies in the area of business cooperation ; and (3) to advise on this type of intervention as a complement to EU bilateral Free Trade Agreements.
- The methodology applied includes the review of existing documents and surveys, observing the EU Gateway Programme in practice in Belgium, Japan and Korea, meetings and interviews with contractors and key stakeholders, relevant official representatives of the European Commission and European Union Member States (EUMS) and private organizations in Japan and Korea, and a quantitative analysis of the available databases.

### Past Performance

- The level of appreciation, both for first-times and repeaters, of the EU Gateway is on average high with only a very small number of companies being not satisfied. There are however differences in the level of satisfaction between the different missions, between Japan and Korea, and between the different EUMS.
- Almost 100% of the participating companies usually confirm their willingness to participate again in a future Gateway event. The percentage of repeaters is therefore very high (38% for Japan and 27% for Korea).
- The main motivation for participating are identifying new business partners, expand existing knowledge about the market and sell products, and to a lesser extent collect market information and get a first understanding of the market. Concluding a contract is not really a key objective for the participants.
- On overall, the total coaching support and the logistical organization of the business week is perceived as good or excellent. However, for some of the business activities the opinions are dispersed. This is especially true for the level of number and quality of pre-arranged meetings, the sector & market study and the study tour, where the opinions vary from poor to very good. Some companies stated that better use of their time could be made or that the business week could be shortened. The observed networking event in Korea was excellent while the one in Japan was not up to EC standards.

- Some of the sectors are no longer a reflection of the current situation of the EU and Korean/Japan market conditions and market needs. Furthermore, several subsectors are combined in one mission, leading to a rather small number of participants for some subsectors which makes it difficult to attract enough local potential business partners and to give the Programme sufficient visibility.
- There are issues with the efficiency of the current split of responsibilities in the contracts as currently implemented. It also appears that in Japan the communication between the coaching network contractor and the operational unit contractor has been difficult. Moreover, and due to legal restrictions, there is no optimal use of the existing databases in Japan (particularly the list of local visitors).
- Being able to participate under the official EU banner brings a real added value to the Gateway, and this opinion is interestingly shared by EU companies and local visitors (in Japan and Korea). Individual Member States, particularly the small ones, would never be able to get the same level of visibility and efficiency on their own.

### Achievements & Key Findings

- About one third of the participants (both first-timers and repeaters) indicated that they were able to overcome the problems they encountered in Japan/Korea, while close to half didn't reply or said that they couldn't. The encountered problems are however different in Japan and Korea, and the ability to overcome them varies between the different missions.
- The participation quotas for the different missions to Japan/Korea (disregarding the start-up period for Korea), are fully reached and the level of eligible companies is stabilized since 2011. However, if the number of selected companies almost stabilized, the percentage of eligible companies that actually applied has decreased over the years. There is also a rather high average cancellation rate (usually around 20%), which varies between Japan and Korea (except for 2012) and the different missions.
- There is a clear interest for EU companies to participate to the EU Gateway and most EU Member States, except Malta and the Slovak Republic, have participated at least once to the programme and there is interestingly a clear statistical link between the number of selected companies in the programme and their GDP (as well as the number of active companies in the country), meaning that "big" countries tend to participate more than "small" countries, and confirming an equitable treatment of EU Member States.
- A round table and a survey are always conducted at the end of the business week. The statistical analysis of the responses to these questionnaires shows that a large share of participants said they had a better understanding of the market after the mission and that they were able or more prepared to make new business contacts.
- A second survey is also conducted one year after the business week. Beyond small differences between sectors, more than 60% of the companies indicated new business collaboration and 25% reported an increase between 1% and 10% on sales or exports. Close to half of the EU companies indicate that they will invest in the EU/Japan/Korea. However, regulatory issues remain a problem for about 70% of the participants.
- The Exit Polls (a survey that is conducted on Japanese and Korean visitors during the business week) show that visitors to the exhibitions in Japan and Korea are usually satisfied with the event (while not being "highly satisfied"). But a large share also says that the objective of their visit has not been achieved, even though about half of them say at the same time that they would visit again a future event.
- The attitude of the EU companies is perceived as very positive, and the event gives a good impression of the EU and it positively changed the visitor's perception of the EU. Even though

the EUMS have their own export promotion programs, many Trade Representatives expressed the opinion that the EU Gateway programme is complementary. However, more coherence could be achieved by involving the EUMS Trade Representatives in the follow-up.

- The Programme's website contains all necessary information in a comprehensive way but the press coverage could be improved (especially in Japan). Moreover, the EU Gateway Programme information does not seem to reach all eligible EU companies and the promotion in the EU could be improved (maybe in partnership with EU MS).
- Finally, two elements were mentioned as potential improvements. The first one being that more flexibility in the number of participating companies per mission would be appreciated as meeting the target is sometimes difficult for some sectors. The second issue came from EU participants. In fact, some of them would appreciate better follow-up support after the end of the business mission week.

### On the complementarity of EU Gateway type programmes to FTA's

- FTA processes and the EU Gateway Programme are complementary and together offer a wider scope of opportunities for EU companies to internationalise their business. Together they address tariff-barriers, non-tariff barriers and other barriers to trade.
- Synergies in terms of objectives and scope have been identified and form the basis for a number of policy recommendations detailed in section 6.1.
- Based on an analysis of the experience of the EU Gateway Programme in both Japan and Korea, it has been found that the EU Gateway Programme acts as an operational complement to FTA processes by further supporting SMEs in their internationalisation efforts on difficult markets.
- Non Tariff Barriers (NTBs) remain a key policy concern and should therefore be addressed in the design of a new Gateway-type Programme. Recommendations to address NTMs have been submitted towards increasing the efficiency of the Programme and the selection of sectors.
- A list of countries in which a Gateway-type Programme would be most efficient, if linked to an FTA (signed or negotiated) has been elaborated on the basis of relevant indicators. The list identifies the following countries in which an EU Gateway-type of programme could be successfully implemented as a complement to EU bilateral FTA's in order of ranking: China, Japan, South-Korea, Indonesia, Brazil, United Arab Emirates, Singapore, Qatar, Russia, India, Vietnam and Colombia.

### Recommendations

- **Continuation of the EU Gateway Programme.** The main recommendation of this report is the continuation of an EU Gateway-type programme in difficult key markets. The current design of the Programme has been improved over the years and is working well. It is recommended that the current EU Gateway is documented in detail as a bench mark for future EU Gateway-type programs and that the existing databases are safeguarded.
- **Rationalisation of the implementation structure.** For the current programme, targeting only 2 countries, it is recommended to simplify the current implementing structure of the Programme to 1 contractor for the recruitment in the EU and the entire mission business coaching and 1 contractor for the logistic operational work in the partner country. However it should be noted that if the Programme grows and is implemented in more countries with more than 1 contractor on the EU side, the need for a coordination unit (central management unit) might arise again in the future. There should be 1 contact point, a shared operation platform by the contractors, for the participating companies

- **Careful sector selection and flexibility in sector definition.** The sector selection is crucial and bringing the same sector over a period of several years is important to keep the momentum going. It is recommended that a market study, to determine the focus sectors, is implemented in both the EU and the key markets before the start of a new EU Gateway-type Programme. The sector definition should be kept flexible and regularly reviewed to allow for responsiveness to changing market conditions. Bringing together several subsectors within 1 mission should be carefully orchestrated and there should be enough participants for each subsector.
- **Flexibility in the number of participants and repeaters.** It is recommended that the number of participants is flexible and demand driven. Conform to the objectives of the Programme; most of the participating companies should be first-timers, with a number of seats for repeaters. Repeated participation should be limited to two times for creative sectors and three times for technology sectors.
- **The recruitment and assessment process.** Although the current recruitment system is working relatively well and promotion is already done through public and private business networks, it is recommended that a greater effort is done to promote the Programme by making use of existing databases within the different EUMS. Sector specialists should continue to be employed and their advice should be heard during the recruitment and assessment process. It is recommended that the selection and assessment process continues to be transparent and continues to make use of objective parameters tailored to the specific sector.
- **Customisation of the business missions.** The pre-departure meeting proves to be a very useful tool to prepare the participating companies. The format of the business mission week needs to be more flexible and customized to suit the different needs of the specific sectors and partner countries. The business week should be optimized as it is generally perceived as too long because it does not make good use of the participants' time. Depending on the sector and partner country, it should either be shortened or more business activities should be organized. An effort should be done to increase the number and quality of business meetings. The exhibition and networking event should be up to EC standards. It is recommended to provide one interpreter per participant during the exhibition, the business meetings and the networking event.
- **Development of customized services.** The current customized services are proven to be useful and should be continued. These services can be further expanded to better accommodate the different needs of first-timers and repeaters by providing specific business support and individualised coaching. The continuation of the current system of sponsoring part of the customized services up to a certain amount is advisable.
- **Rationalisation of the databases.** The Coaching Support System needs to be improved in order to be used as a primary source of information by the stakeholders and to facilitate monitoring. The different questionnaires and exit polls need to be homogenized and remodelled with clear parameters, to facilitate an automated statistical measurement of the Programme's success. Databases should be shared between the different stakeholders. A real time monitoring features of the different stages of the Programme could be added to the website to provide automatically produced statistics. A second follow-up survey of the companies after 3 years is advised.
- **More visibility and enhanced communication through use of networks and modern communication technologies.** The promotion of an EU Gateway-type Programme both within the EU and the partner country is directly linked to its success. The current communication presentation towards the outside world is clear and should be continued. However, the general visibility of the EU Gateway Programme, as well as reaching a more targeted public can probably be improved by making more use of private and public business



networks and information brokers. It is also advisable that the implementing structure is reformed to facilitate a more efficient internal communication between the stakeholders, the contractors and the participating companies.

## 2. PURPOSE AND SCOPE OF THE STUDY

### 2.1. Objectives of the Study

According to the Terms of Reference (ToR) of the assignment, the global objectives of the study are to:

- Make an independent assessment of the past performances of the EU Gateway to Japan and Korea Programme;
- Identify key lessons and propose recommendations to future policy strategies in the area of business cooperation ;
- Advise on this type of intervention as a complement to EU bilateral Free Trade Agreements.

In order to achieve the objectives, the study will make an assessment of the relevance, effectiveness, impact, EU added value and complementarities & coherence of the EU Gateway Programme. Rather than an evaluation of the EU Gateway to Japan and Korea Programme, this assignment should be understood as a prospective study aiming to provide recommendations for a potential future EU Gateway-type programme towards business cooperation with emerging and industrialised countries.

### 2.2. Description of the Assignment and Outputs

The assignment can be characterized as a final review and is expected to advise the European Commission (EC) on the achievements of the EU Gateway to Japan and Korea Programme so far and to identify the key factors for an EU Gateway-type Programme to be successful. Furthermore, the study should advise the European Commission on this type of intervention as a complement to EU bilateral Free Trade Agreements (FTAs) and it should cover all the implemented business missions to Japan and Korea.

The beneficiaries of the assignment will be the European Commission, the EU Delegations to Japan and Korea and the current contractors involved in the implementation of the EU Gateway to Japan and Korea Programme.

In order to achieve the objectives as described in Paragraph 2.1., the study team is required to assess the EU Gateway to Japan and Korea Programme, using the following 5 evaluation criteria on relevance, effectiveness, impact, added value and complementarities and coherence. When addressing those issues, the following questions will have been analysed, based on the available information.

- **RELEVANCE:** Is the EU Gateway Programme to Japan and Korea, as implemented, consistent with and supportive of the European Union (EU) policy objectives as outlined in the Industrialised Countries Instrument (ICI) regulation? Are the selected sectors relevant to globalization of EU companies? Are promotion and recruitment reaching out to potential European companies in a strategic way? How well is the Programme responding to key difficulties encountered by European Union (EU) companies on the Japanese and Korean markets?
- **EFFECTIVENESS:** Is the Programme, as it is implemented (the recruiting & promotion, the use of the databases, the coaching, the actual mission, the follow-up, etc), responding in an effective way to its primary objectives? To what extent are the objectives met and what are the factors that

facilitate its realization? Are there major differences in the effectiveness between Japan and Korea? How do the participants perceive the effectiveness of the Programme?

- **IMPACT:** Has the EU Gateway Programme generated impact on the participating companies? What type of impact can be recorded? Is this impact sustainable? Is there an impact on trade and investment at the macroeconomic or sector level? Has the Programme generated impact on the image/visibility of the EU in the sectors in Japan/Korea?
- **EU ADDED VALUE:** What specific added value does the Programme offer for the EU as a global player? What specific added value does the Programme offer for the European Union Member States (EUMS) (in comparison to national investment promotion agencies for example)? Is the EU Gateway Programme complementary with EU policy on Free Trade Agreements (FTAs)? Does the Programme have a potential to be replicated in other markets, and if so, what would be the key elements that can be reused and what would be the key elements that require redesign?
- **COMPLEMENTARITIES AND COHERENCE:** Which types of programs to stimulate investment/business in Japan and Korea are already being run by the EUMS national investment promotion agencies? Are these EUMS programs complementary with the EU Gateway to Japan and Korea Programme or not? Which other programs to stimulate investment/business in Japan and Korea are already being run by the European Commission (EC)?

The deliverables for the study are:

- (1) Study plan report by February 1, 2013, including the logical framework (see Annex 5);
- (2) Intermediary report by April 19, 2013, including draft of quantitative analysis of the available data ;
- (3) Power Point presentation of the draft of the final report (18 June and 4 July, 2013);
- (4) Final report by July 15, 2013, including quantitative analysis of the available data;

Application Européenne de Technologies et de Services (AETS) consortium was selected for the EU Gateway to Japan and Korea Programme prospective study through the EC framework contracting tendering process, with a team consisting of the team leader (business cooperation expert), the senior expert 1 (trade policy expert) and the senior expert 2 (data analysis expert).

## 3. Context and Methodology

### 3.1. Context of the EU Gateway to Japan and Korea Programme

Over the years, the European Union (EU) has consistently strengthened its bilateral relations with a broad range of industrialised and high-income countries and territories across different regions in the world. By doing so, the EU consolidates its role and place in the world and contributes to the balance and development of the world economy and the international system. It is in this perspective and in order to facilitate commercial relations that Council regulation (EC) No 1934/2006 of 21 December 2006 was adopted, establishing a financing instrument for cooperation between the European Union and industrialised and other high-income countries and territories, the 'Industrialised Countries Instrument (ICI)', which promotes cooperation with industrialised countries and territories in North America, Asia-Pacific and in the Gulf Region (see Annex 6 for the list of the original 17 countries and territories).

The EU Gateway Programme was designed to contribute to improve the competitiveness of European companies, including small and medium-sized enterprises (SMEs) and to strengthen their presence on key markets. Considering the success of the previous Gateway to Japan Programme, the business potential of the Japanese and Korean markets and the difficulties companies encounter when prospecting these markets, specific business cooperation actions, such as the EU Gateway Programme and the Executive Training Programme (ETP), were set out to support the broader EU Strategy to develop trade and investment with Japan and Korea.

For the EU Gateway in particular, targeted support to companies in technology and design sectors was to complement the efforts made to remove regulatory obstacles in the context of the regulatory reform dialogue, including Free Trade Agreements (FTA), with Japan and Korea. At the EU-Japan summit that took place in May 2011, both sides made commitments to strengthen business links by launching 'pre-negotiations' in view of signing a Free Trade Agreement (FTA). In November 2011, the Commission has decided to recommend to the Council the start of negotiations with a view to conclude an agreement covering political, global and sectoral cooperation as well as an FTA, between the European Union and Japan. The first round of negotiations was held in Brussels on 15-19 April 2013. For Korea, a FTA entered into force in July 2011. Hence the EU Gateway to Korea Programme was very timely initiated in 2008 to complement the EU-South Korean Free Trade Agreement.

The European Commission is currently in the process of designing a new Partnership Instrument for cooperation with third countries. Hence this study report will provide a timely opportunity to feed into this process.

### 3.2. Study Methodology

The methodology used by the team includes the review of existing documents and surveys, observing the EU Gateway Programme during sector missions in Japan and Korea, meetings and interviews with key stakeholders, relevant official representatives of the European Commission and European Union Member States (EUMS) and private organizations in Japan and Korea, as well as quantitative analysis of the available databases.

The study was carried out in three phases.

- PHASE I: The first phase was primarily intended to allow the team to get a clear understanding of the EU Gateway to Japan and Korea Programme, its background, its objectives and the role of the various stakeholders. It has been carried out as a mix of desk research and meetings held during the kick-off week from 7-10 January 2013. During the kick-off meeting with the European Commission, the team of experts received most of the necessary information to carry out their mission, in the form of a wide range of EU Gateway Programme reports and surveys. Furthermore, the experts had meetings with the stakeholders in Belgium, namely the Central Management Unit (CMU-lot 1) and the Coaching Network (lot 2). The CMU provided the data analyst expert with access to the coaching support system (CSS). Based on the information collected from these initial meetings and the desk study of the available documentation, a study plan including a reconstructed logical framework was prepared and submitted to the European Commission. The purpose of the study plan was to guide the assessment process and plan the assessment activities for the prospective study.
  
- PHASE II: The second phase of the assignment was the field phase, devoted to the actual observation of the EU Gateway Programme in Belgium, Japan and Korea, further meetings with stakeholders and additional data/information collection. In Belgium, the team attended the pre-departure meeting on Interior Design Business Meeting for Japan (31 January 2013). The team also accompanied and observed some business missions in Japan and Korea. In Japan, the team of experts observed the full Environment and Energy-related Technologies Mission held in Tokyo from 4-8 February 2013 and the exhibition and fashion show of the Fashion Design Mission in Tokyo on 28 March 2013. In Korea, the team accompanied and observed the Healthcare and Medical Technologies Mission held in Seoul from 18-22 March 2013. The observed business missions included a number of activities such as briefings, a networking event, the business exhibition and the de-briefing. The detailed schedule of the observed missions can be found in Annex 3. Furthermore, interviews were done with the Coaching Unit in Japan and Korea (lot 2), the Operational Unit Japan (lot 3) and the Operational Unit Korea (lot 4), during which the team was provided access to the databases under their respective management. In Belgium, a meeting was set up with the Directorate General for Trade of the European Commission (DG Trade) in order to receive information on future EU Trade Policy objectives and to understand whether or not this type of programme can act as a complement to bilateral FTAs. Interviews were arranged with the relevant departments of the European Delegation in Japan and Korea, to provide the experts with an insight in the European Trade Policy for the respective countries, a better understanding of the possible complementary role of EU Gateway Programme to the EU policy in Japan and Korea, etc. Meetings with a limited number of European Union Member States (EUMS) Trade Representatives were organised in order to get a better insight in a wide range of aspects, such as for example: what do the EUMS feel are the strong points and challenges of the EU Gateway Programme?, Is the EU Gateway Programme complementary to EUMS national business programs?, etc. A meeting was held with the Japan External Trade Organization (JETRO) in order to receive information about support provided by the Japanese government to European companies prospecting on the Japanese market and the eventual complementarities between these programs and the EU Gateway Programme. And finally, private business associations were also contacted in Japan and Korea, to get a better insight in the local business culture and (non-)existing trade barriers. Details on the interviewed parties can be found in Annex 2.

*It should be noted that, together with the analytical data analysis, the feed-back and comments obtained during the interviews were very useful to the study team. These comments and feed-backs were digested by the team and are reflected in the findings and lessons learnt.*

- PHASE III: The third phase was carried out mostly as desk analysis and was intended to lead to the compilation of the key outputs of the study. It was partly run in parallel with the second phase and was dedicated to the analysis of the data, the synthesis of the findings (lessons learnt and recommendations). The following sources of data were used as primary input for the quantitative analysis: debriefing post-event questionnaire and “Tour de Table”, Coaching Support System (CSS), databases of lot 3 and lot 4, exit poll of the Japanese and Korean visitors to the exhibition days and other databases (Eurostat, IMF International Financial Statistics, World Bank World Development Indicators).

## 4. ACHIEVEMENTS OF THE EU GATEWAY PROGRAMME

The analysis provided in this chapter is based on direct observation by the team, quantitative analysis of surveys (debriefing and follow-up questionnaires), and the annual reports of the contractors. The chapter is structured as follows. The first section, that is mostly based on the Debriefing Questionnaire that is conducted at the end of the mission week in Japan/Korea, describes past performance and achievement of the EU Gateway Programme since 2009 (overall satisfaction, satisfaction by year, by sector, by cluster, country, etc..., as well as the Campaign's services). The second section is focusing more on the relevance, the effectiveness, the impact, EU added-value and complementarities and coherence of the EU Gateway Programme.

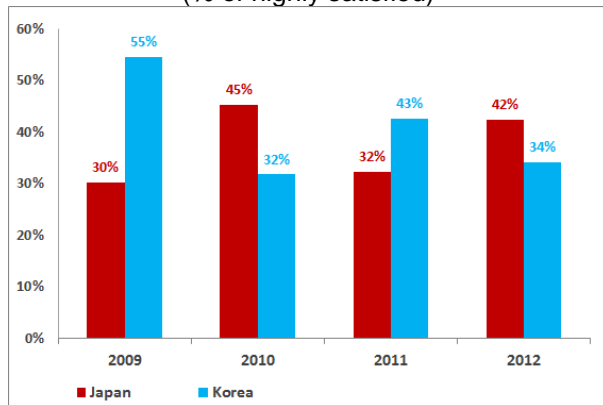
### 4.1. Past Performance and Achievements

The objective of the EU Gateway to Japan and Korea Programme is to assist European Union companies in a pro-active manner in their attempts to get a strong foothold on the Japanese and Korean market. The Gateway will help European businesses to succeed in Japan and Korea by providing support at the crucial early stages of their market penetration strategy. It will thereby aim at supporting company executives with the exceptional business customs of two of the most difficult economies in the world to access. The Programme's main characteristics are awareness-building and market-access facilitation for EU companies.

Analysis of the available data of past Programme cycles and observation of the Programme in Japan and Korea, show that the level of appreciation of the EU Gateway is, on average, high for the majority of selected companies: 93% of companies being satisfied or highly satisfied in Japan and 89% in Korea (in 2012). It is commonly agreed that the EU Gateway Programme facilitates access to a market that, especially for SMEs, would otherwise be difficult to penetrate. It does so by providing hands-on support and comprehensive services such as logistical assistance, business advice and making of business contacts.

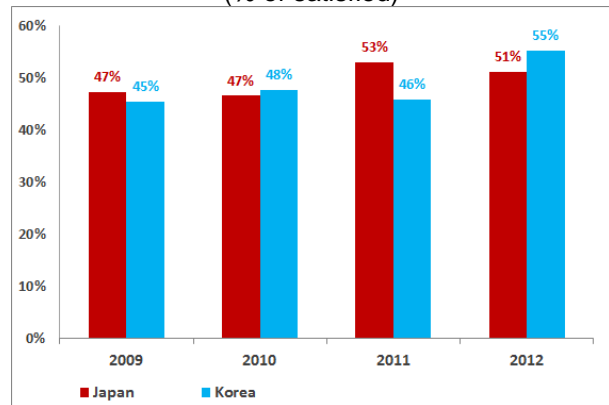
However, the following graphs clearly show that the percentage of companies highly satisfied is almost stable in Japan and more unstable in the case of Korea. Moreover, over the past years, in both cases (Japan and Korea), even if the overall satisfaction rate is high, the percentage of "satisfied" companies remains higher than the percentage of "highly satisfied" companies (55% vs 34% for Korea and 51% vs 42% for Japan in 2012).

**Overall Assessment of the Campaign**  
(% of highly satisfied)



Sources: Debriefing Questionnaire

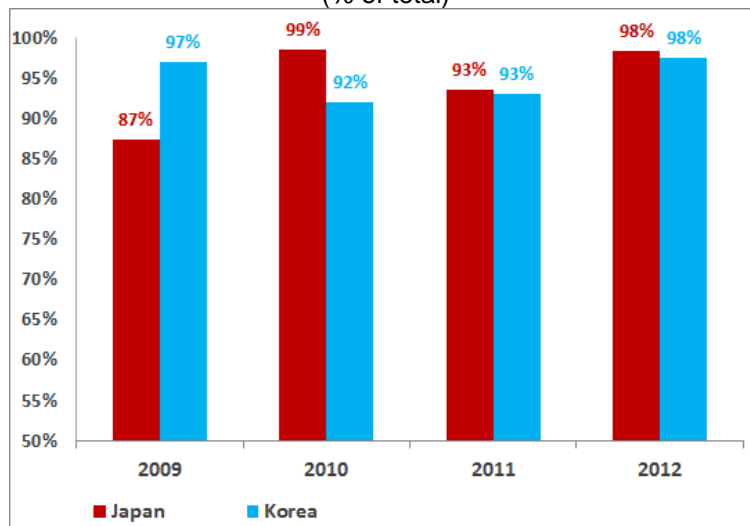
**Overall Assessment of the Campaign**  
(% of satisfied)



Sources: Debriefing Questionnaire

The Programme is considered to be well-designed and introduces the EU companies to the different business customs and trade barriers such as language barriers, specific regulations and regional competition, etc... By doing so the EU Gateway to Japan and Korea Programme helps the EU companies to check the feasibility of their business strategy and suitability of their product, and gives them the opportunity to understand where adjustments are needed based on the gained experience. Almost 100% of EU companies who participated in the programme in the past would participate in a future Gateway event, reflecting that the EU Gateway Programme offers real added-value to EU companies by giving them enhanced visibility and credibility through their appearance in the EU context.

**Number of companies that would participate in a future Gateway event**  
(% of total)



Sources: Debriefing Questionnaire

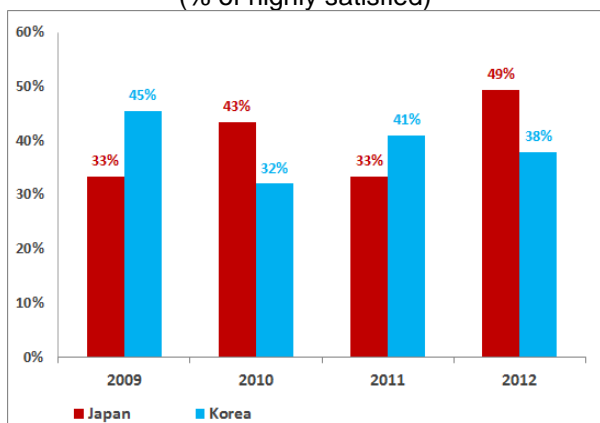
Companies can participate up to 3 times to the EU Gateway Programme, both in Japan and Korea. But the percentage of repeaters in the EU Gateway Programme is very high: 38% of companies participated more than once to the programme (either in Japan or Korea) and 27% more than once in the same country.

The number of repeaters has been increasing regularly since 2008. This trend can be largely explained by the satisfaction of the participants and the effective support by the Programme to the EU companies in their efforts to penetrate these difficult markets. But this trend also raises the issue of



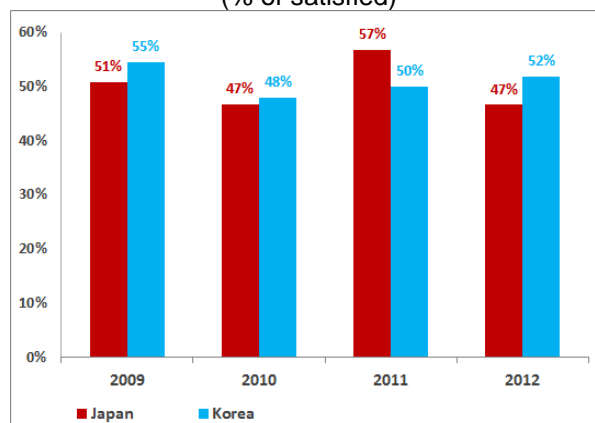
how the EU Gateway Programme should respond to the different expectations of participants at different stages of the business cycle. So far the EU Gateway Programme has been offering the same programme to both first-timers and repeaters, while first-timers and repeaters are at different stages of the business cycle and might therefore have different needs. But interestingly, the following graphs show that even if the programme is the same for those different stages, the overall satisfaction remains very high.

**Overall Assessment of the Campaign Repeaters**  
(% of highly satisfied)



Sources: Debriefing Questionnaire

**Overall Assessment of the Campaign Repeaters**  
(% of satisfied)



Sources: Debriefing Questionnaire

The number of repeaters can explain the shift in the key objectives of the participating companies. In fact, while for the first cycle of the programme (2009) the main motivation for participation were 'identifying new business partners' (92%) and 'collecting market information and getting an understanding of the market' (77%), the second cycle (2010) noted 'identifying new business partners' (81%) and 'meet and follow-up with existing business contact' (62%), while in the third cycle (2011), motivations were more diversified among the following key objectives.

**What were the key objectives for your company when it decided to apply for participation in the Business Mission?**  
(% of respondents to the follow-up questionnaire)

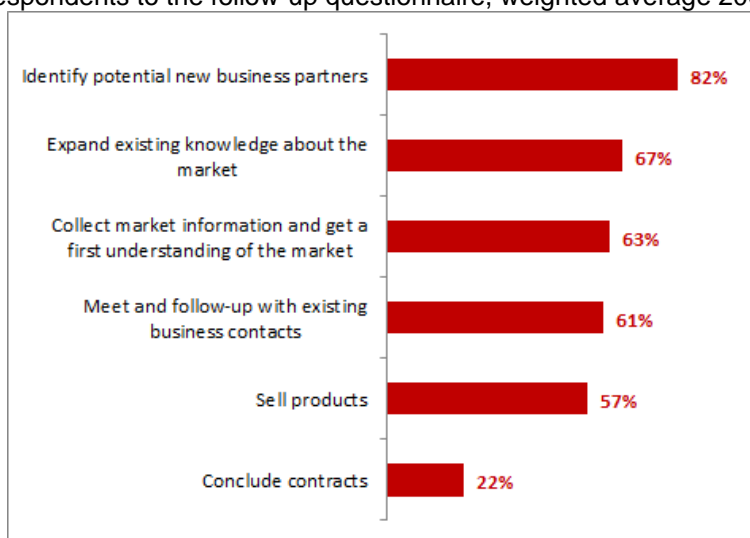
	2009	2010	2011
Collect market information and get a first understanding of the market	77%	48%	67%
Conclude contracts	35%	19%	13%
Expand existing knowledge about the market	74%	55%	72%
Identify potential new business partners	92%	81%	76%
Meet and follow-up with existing business contacts	66%	62%	56%
Sell products	55%	45%	70%

Sources: Follow-up Questionnaire

On overall, the main motivation for participating to the programme remains identifying new business partners for 82% of the respondents. Expanding knowledge about the market (67%), collecting

information (63%) and selling products (57%) are also key objectives for the majority of companies, while only 22% of them really expect to sign a contract during the Business Mission (13% in 2011).

**What were the key objectives for your company when it decided to apply for participation in the Business Mission?**  
 (% of respondents to the follow-up questionnaire, weighted average 2009-2011)



Sources: Follow-up Questionnaire

The EU Gateway to Japan and Korea Programme focuses on 4 technology sectors: Construction and Building Technology (CBT), Environment and Energy-related Technology (EET), Healthcare and Medical Technology (HMT), Information and Communications Technology (ICT) and on 2 design sectors: Interior Design (ID) and Fashion Design (FD). The following table illustrate the differences in satisfaction per sector, in Japan and Korea.

- Both in Japan and Korea, the average rate of satisfaction is usually high, with usually less than 20% of negative or neutral companies and less than 5% of companies not satisfied at all.
- In Japan, the satisfaction rate is particularly high for two sectors: Healthcare and Medical Technologies and Environment and Energy-related Technologies. But three sectors exhibit a satisfaction rate below the average: Construction and Building Technologies, Information and Communication Technology and Interior Design.
- A comparison with the satisfaction rate by sector in Korea reveals important differences. In fact, if the satisfaction rate on Healthcare and Medical Technologies is also high, almost 15% of companies in the sector Environment and Energy-related Technologies are moderately satisfied (3% in the case of Japan). On the opposite, the rate of “highly satisfied” companies is much higher than in Japan in the construction sector (41% in Korea vs 29% in Japan).

**Overall Gateway satisfaction: Japan Gateway**  
(% of satisfaction by sector)

	Highly Satisfied	Satisfied	Moderately	Not at all	NA	Number
Construction and Building Technologies	29%	53%	16%	1%	0%	79
Environment and Energy-related Technologies	43%	50%	3%	4%	1%	103
Fashion Design	41%	37%	16%	5%	0%	73
Healthcare and Medical Technologies	47%	49%	4%	0%	0%	90
Information and Communication Technology	33%	53%	12%	2%	0%	92
Interior Design	36%	52%	11%	0%	1%	119
<b>Weighted Average</b>	<b>38%</b>	<b>49%</b>	<b>11%</b>	<b>2%</b>	<b>0%</b>	<b>556</b>

Sources: Debriefing Questionnaire

**Overall Gateway satisfaction: Korea Gateway**  
(% of satisfaction by sector)

	Highly Satisfied	Satisfied	Moderately	Not at all	NA	Number
Construction and Building Technologies Business Mission	41%	47%	8%	4%	0%	49
Environment and Energy-related Technologies Business Mission	29%	53%	15%	3%	0%	68
Healthcare and Medical Technologies Business Mission	46%	46%	7%	0%	1%	87
<b>Weighted Average</b>	<b>39%</b>	<b>49%</b>	<b>10%</b>	<b>2%</b>	<b>0%</b>	<b>204</b>

Sources: Debriefing Questionnaire

When the same comparisons are conducted on EU Member States, we see again important differences.

- In both cases (Japan and Korea), companies recruited in Finland, Ireland, Sweden, UK or Austria, Denmark, Germany and Slovenia (less true for Korea) appear to be, on average, more satisfied than the ones recruited elsewhere in Europe.
- Both in Japan and Korea, companies recruited in Belgium, France, Luxembourg and The Netherlands are only moderately satisfied (15% in Korea and 17% in Japan), and 14% of companies recruited in Cyprus, Greece, Italy, Portugal and Greece for the mission in Japan.
- Moreover, 6% of companies recruited in Cyprus, Greece, Italy, Portugal and Greece for the mission in Japan (5% for the mission in Korea), are not satisfied at all (on a total of 65 companies since the beginning of the EU Gateway).
- In the case of Korea, companies recruited in Bulgaria, Czech. Rep., Estonia, Hungary, Latvia, Lithuania, Poland, Romania are usually satisfied, but there is at the same time a high rate of moderately satisfied companies in these countries. For this Gateway (Korea), only the companies recruited in Finland, Ireland, Sweden or UK exhibits a very low percentage of neutral or negative satisfaction rates.

**Overall Gateway satisfaction: Japan**  
(% by clusters)

	Highly Satisfied	Satisfied	Moderately	Not at all	NA	Nb.
Belgium, France, Luxembourg, Netherlands	33%	47%	17%	2%	1%	118
Austria, Denmark, Germany, Slovenia	43%	49%	7%	1%	1%	133
Finland, Ireland, Sweden, UK	48%	45%	7%	1%	0%	147
Cyprus, Greece, Italy, Portugal, Spain	28%	52%	14%	6%	0%	65
Bulgaria, Czech. Rep., Estonia, Hungary, Latvia, Lithuania, Poland, Romania	30%	58%	9%	3%	0%	93

Sources: Debriefing Questionnaire

**Overall Gateway satisfaction: Korea**  
(% by clusters)

	Highly Satisfied	Satisfied	Moderately	Not at all	NA	Nb.
Belgium, France, Luxembourg, Netherlands	34%	51%	15%	0%	0%	41
Austria, Denmark, Germany, Slovenia	37%	47%	12%	3%	2%	60
Finland, Ireland, Sweden, UK	55%	42%	3%	0%	0%	33
Cyprus, Greece, Italy, Portugal, Spain	26%	62%	8%	5%	0%	39
Bulgaria, Czech. Rep., Estonia, Hungary, Latvia, Lithuania, Poland, Romania	52%	39%	10%	0%	0%	31

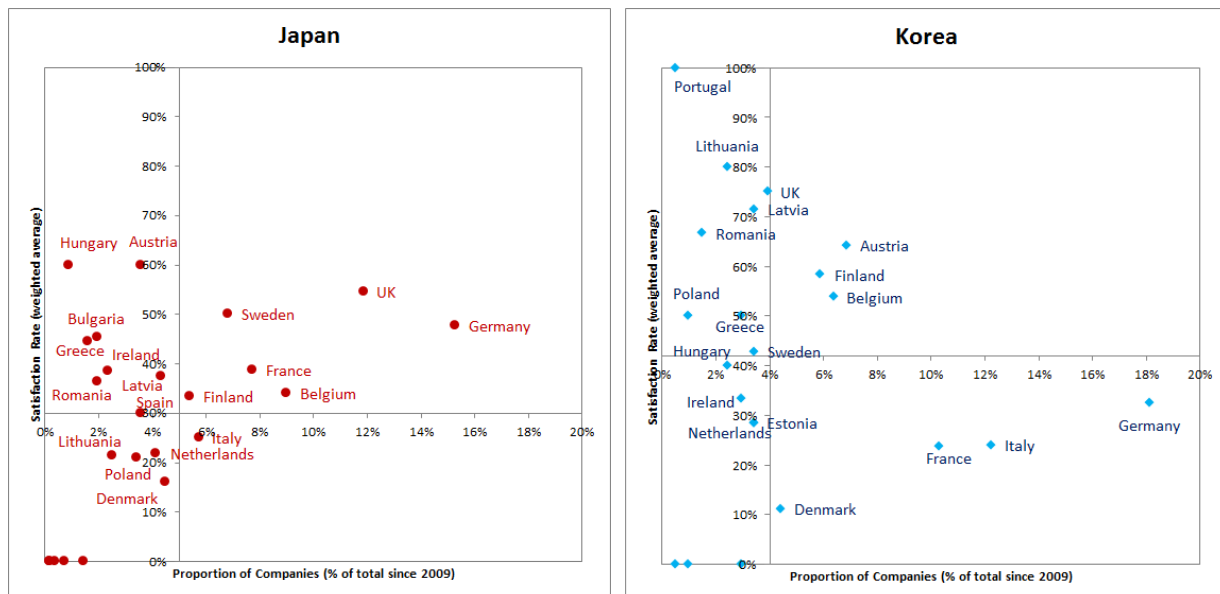
Sources: Debriefing Questionnaire

The average satisfaction rate by Member State (MS) was analysed, but in order to avoid a bias in the analysis, a scatter graph crossing the participation rate by MS with the average satisfaction rate (since 2009) was plotted.

- In Japan, it is obvious that the satisfaction rate of MS with the highest participation rate is usually high; and lying in the range 40% - 50% (Germany, UK, Sweden, Belgium and France).
- The satisfaction rate only falls for MS with a lower rate of participation to the Gateway. But interestingly, the satisfaction rate is not clearly correlated to the participation rate. In other terms, MS who participate less are not necessarily less satisfied than the others. In fact, if companies based in Poland, Lithuania, Netherlands or Denmark participate less to the programme and are less satisfied than the average, it is interesting to see that companies from Hungary, Austria, Bulgaria, Greece, Ireland, Romania, Latvia or Spain are more satisfied than the average, even if they participate less than the average.
- The picture is less clear on Korea, where the average satisfaction rate has a greater dispersion around the average. Except Austria, Finland and Belgium (group of MS who participate a lot and are usually satisfied) or Ireland, Netherlands and Estonia (group of MS who participate less and are usually less satisfied than the average), the correlation between the participation rate and the satisfaction rate is less clear. In fact, three countries who participate a lot to the programme and are less satisfied than the others (Germany, Italy and France) while most countries who participate less than the average exhibit a satisfaction rate that is clearly above the average (Portugal, Lithuania, Romania, Poland, Greece).

- These asymmetries might lead to a positive bias in the measurement of the average satisfaction rate in Japan and a negative one in Korea.

**Average Satisfaction & EU Member States Participation**  
(% of total in both cases)

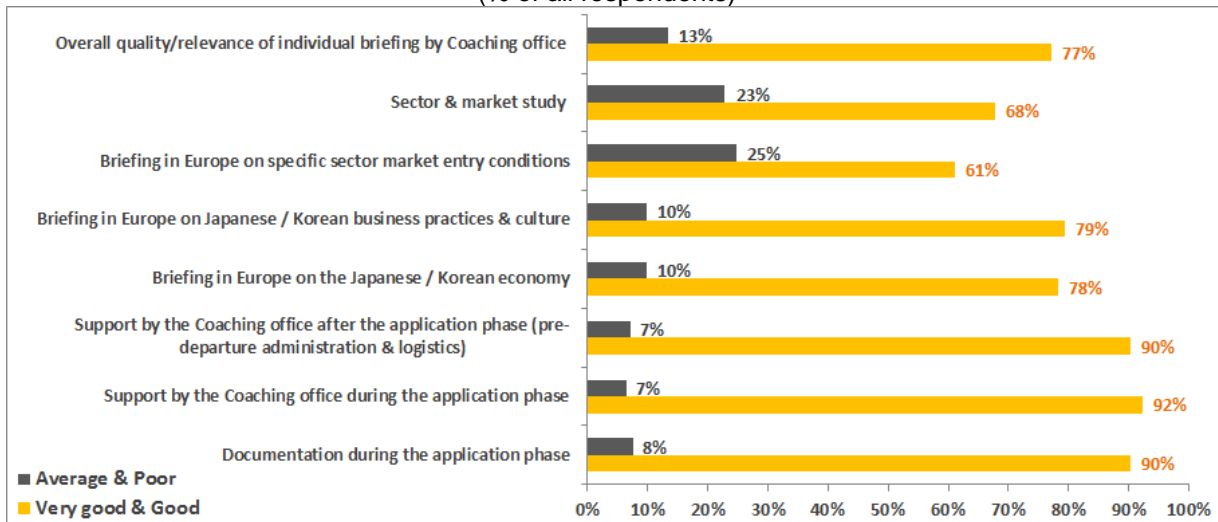


Sources: Debriefing Questionnaire

The logistical organization of the business week in Japan/Korea is generally perceived as good or excellent. But for the different activities the opinions of the participants are more dispersed.

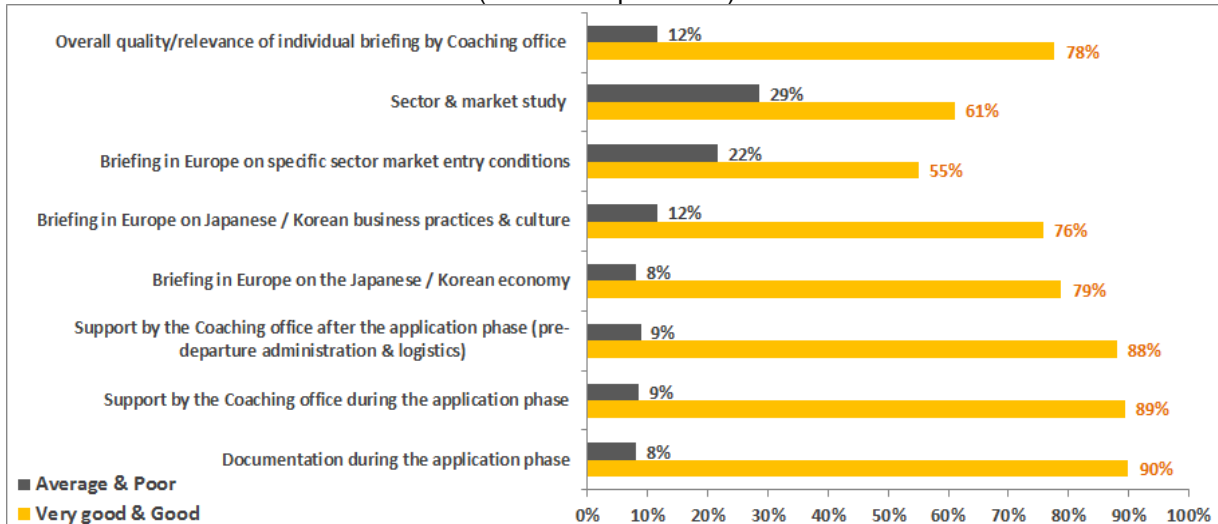
- On average, most companies are satisfied by the services provided by the EU Gateway. It is particularly true for the support by the coaching office after and during the application phase, and the documentation provided during the application (both in Japan and Korea).
- The perception of EU companies of the relevance of individual briefings by the Coaching office, or briefings in Europe on business practises and culture and on Japanese / Korean economy are on average good or very good for almost 80% of companies.
- The feedback is less positive on sector & market studies and briefings in Europe. In fact, the briefing in Europe is qualified as average or poor by 25% of respondents in Japan and 22% in Korea; while the sector and market study is qualified as average or poor by 23% of companies in Japan and 29% in Korea.

**Campaign's Services: Japan Gateway**  
(% of all respondents)



Sources: Debriefing Questionnaire

**Campaign's Services: Korea Gateway**  
(% of all respondents)



Sources: Debriefing Questionnaire

As a first step, a text/data mining analysis was conducted on the question related to the “improvement of the Gateway Campaign” in the follow-up questionnaire. Interestingly, the following “cloud of words”, where the size of words is correlated to their frequency in the text, shows that the most important key words used to answer this question are: companies, meetings, exhibition, events and participants. It interestingly confirms that participating companies have high expectations for the business exhibition days and individual business meetings, and that they are considered as key activities for a successful programme. The participants also express the added value of having the ability to do inter-company networking.





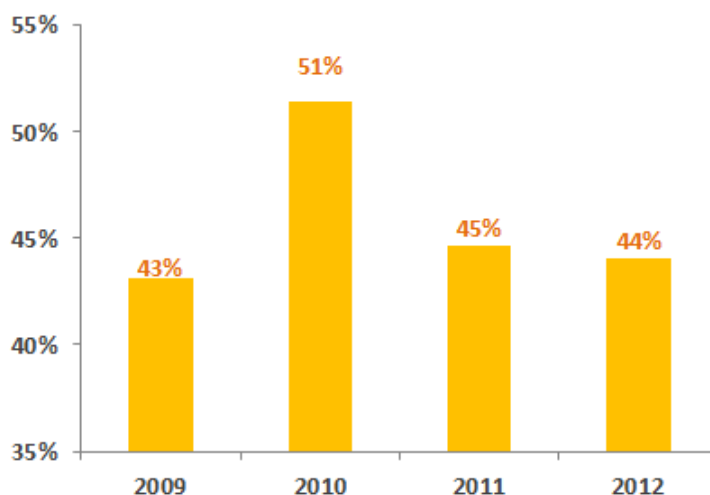


**Are you able to overcome the problems encountered in Japan or Korea?**

	All	Most	Some	None	NA
Construct. and Building Technologies	12%	25%	24%	7%	32%
Environment and Energy-related Technologies	9%	21%	15%	9%	47%
Fashion Design	24%	18%	10%	6%	43%
Healthcare and Medical Technologies	14%	23%	24%	7%	32%
Information and Comm. Technology	12%	19%	10%	7%	53%
Interior Design	27%	20%	9%	5%	40%

Sources: Debriefing Questionnaire

**Are you able to overcome the problems encountered in Japan or Korea?**  
(% of None and N/A in the total)



Sources: Debriefing Questionnaire

The following table splits and highlights the differences in point of view for first timers and repeaters. It is interesting to see that there is no clear difference between the two groups and that it is sometimes first timers that overcome the difficulties during the first visit (CBT, ICT or ID) and sometimes repeaters (EET, HMT, FD). And the split in these two categories show that the number of companies not answering the question is usually approximately the same for first timers or repeaters (except for ICT and ID).

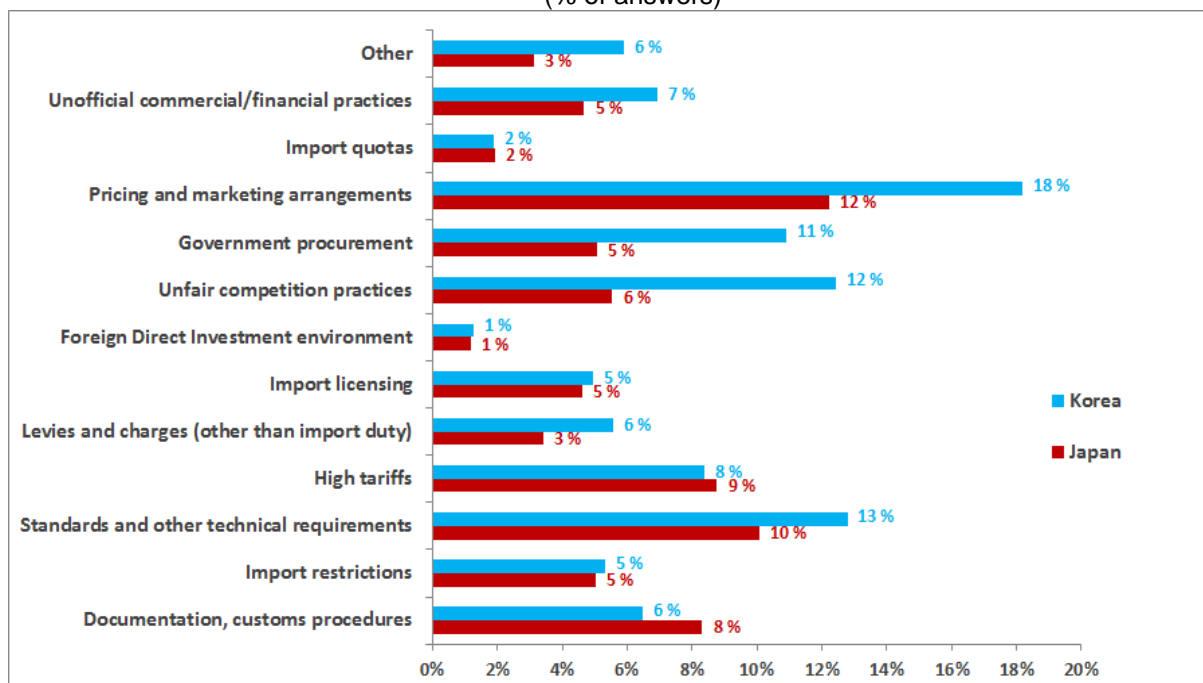
**Are you able to overcome the problems encountered in Japan or Korea?  
First Timers & Repeaters**

		All	Most	Some	None	NA
Construct. and Building Technologies	First Timers	14%	25%	27%	2%	33%
	Repeaters	7%	26%	19%	19%	30%
Environment and Energy-related Technologies	First Timers	8%	16%	16%	13%	47%
	Repeaters	11%	29%	13%	0%	47%
Fashion Design	First Timers	23%	18%	8%	8%	45%
	Repeaters	27%	18%	18%	0%	36%
Healthcare and Medical Technologies	First Timers	10%	24%	27%	8%	31%
	Repeaters	26%	19%	15%	4%	37%
Information and Comm. Technology	First Timers	15%	23%	10%	8%	45%
	Repeaters	5%	11%	11%	5%	68%
Interior Design	First Timers	29%	24%	7%	5%	36%
	Repeaters	23%	9%	14%	5%	50%

Sources: Debriefing Questionnaire

On the graph plotted below, we see that problems encountered by EU companies in Korea are particularly concentrated on pricing and marketing arrangements, government procurement, unfair competition practices and standards and other technical requirements. In Japan, problems are less obvious, and more concentrated on pricing and marketing arrangements, standards and technical requirements, high tariffs and documentation and custom procedures.

**Problems encountered by companies in different areas  
(% of answers)**



Sources: Debriefing Questionnaire

If the analysis of problems encountered by companies in different areas is done at the sector level, we see that:

- Pricing and marketing arrangements are a major problem for most sectors, but mostly for companies in construction: for 16% of them in Japan and 28% in Korea.
- In Japan, a majority of companies in healthcare encounter problems on import restrictions (14%), while this is not true in Korea (only 1.2% of them).
- Standards and other technical requirements are a major problem for companies in the construction sector (19.7% in Japan and 17.4% in Korea), environment and energy (11% in Japan and 16.7% in Korea) and interior design (11.4% in Japan).
- Companies in the fashion sector complain about high tariffs (15% of them Japan) as well as companies in energy and environment in Korea. A lot of companies in Japan also complain about levies and charges other than import duty (8%).
- Import licensing is clearly a problem for many companies in healthcare in Japan (16%).
- The foreign direct investment environment and import quotas do not appear to be a major problem for EU companies in Japan and Korea (except maybe for companies in CBT in Korea).
- Unfair competition, commercial and financial practices are raised as a major issue, particularly for companies in the construction and energy and environment sector (particularly in Korea). Interior design and ICT are less concerned than other sectors by this question.
- Companies in the construction sector complain about problems in government procurement (15% in Japan and 16.7% in Korea) as well as companies in energy and environment in Korea (19%).

**Problems encountered by companies in different areas and by sector/Gateway**  
(% of answers)

	CBT		EET		FD	HMT		ICT	ID
	Japan	Korea	Japan	Korea	Japan	Japan	Korea	Japan	Japan
Documentation, customs procedures	10.1%	6.4%	9.0%	7.7%	9.7%	10.2%	6.0%	3.4%	8.0%
Import restrictions	4.0%	8.9%	3.0%	10.0%	1.4%	13.6%	1.2%	1.2%	6.1%
Standards and other technical requirements	19.7%	17.4%	11.0%	16.7%	1.4%	9.1%	8.3%	7.1%	11.4%
High tariffs	6.6%	6.8%	8.0%	12.8%	15.1%	9.2%	7.1%	4.7%	9.7%
Levies and charges (other than import duty)	4.1%	6.7%	2.0%	2.9%	8.3%	2.3%	6.1%	1.2%	3.5%
Import licensing	2.7%	2.2%	2.0%	2.9%	4.3%	15.7%	7.3%	2.4%	1.8%
Foreign Direct Investment environment	1.4%	4.6%	2.1%	0.0%	0.0%	2.4%	0.0%	1.2%	0.0%
Unfair competition practices	10.5%	11.6%	6.4%	21.6%	2.9%	8.5%	8.6%	4.7%	1.7%
Government procurement	15.1%	16.7%	4.3%	18.9%	0.0%	10.8%	3.9%	2.4%	0.0%
Pricing and marketing arrangements	15.8%	28.3%	11.6%	10.5%	11.9%	10.7%	16.1%	10.3%	13.0%

	CBT		EET		FD	HMT		ICT	ID
	Japan	Korea	Japan	Korea	Japan	Japan	Korea	Japan	Japan
Import quotas	2.7%	2.2%	2.1%	2.9%	1.5%	2.4%	1.3%	0.0%	2.6%
Unofficial commercial/financial practices	4.2%	11.4%	8.5%	8.3%	1.5%	3.6%	3.8%	7.2%	2.6%
Other	1.5%	5.9%	3.4%	9.1%	1.6%	7.8%	4.4%	2.5%	1.9%

Sources: Debriefing Questionnaire

## 4.2.2. Effectiveness

The following analysis is mostly based on the Coaching Support System (CSS) database, available online on the EU Gateway web portal. It needs to be mentioned however that sometimes the CMU Annual Report or the number of companies who answered the Debriefing questionnaire were used for complementing the data. In fact, if the CSS is a real useful tool to share information between the different stakeholders, the website and the database are not really designed to facilitate a statistical analysis and sometimes there are discrepancies between the annual reports and the data provided on the website.

The original programme objective was to support 40 EU companies to Japan each year in each sector. However, the 2012 ICT Japan mission was postponed. For Korea the objective was to support 30 companies each year in 3 sectors (EET, HMT and CBT), but in 2011, it was decided to reorganize the missions to Korea (the CBT was stopped) and to increase the number of participants to 40. The Programme runs over six years from 2008 until mid-2014 but it should be noted that at the time of writing the study, there were only intermediary data available (up to the first quarter of 2013).

### Targets per Business Mission (number of EU companies)

	Applications	Pre-Selected	Waiting List	Selected
Japan	120	80	10	40
Korea	100	70	8	30 and 40

Sources: CMU Annual Reports

As shown in the following table, there was an increase in the average number of participants per cycle/sector over the years, but the numbers stabilised when the quotas were being reached. Some sectors were discontinued, such as Information and Communication Technology (ICT) in Japan in 2012 or Construction and Building Technology (CBT) in Korea in 2012, leading to a decrease in the number of participants for 2012. The decrease in numbers for 2012 for Japan can be attributed to the after-effect of the earthquake/tsunami, the postponement of the ICT mission and a more targeted recruiting. For Korea, it should be noted that there is a considerable increase in the number of applications and participations from 2009 to 2010.

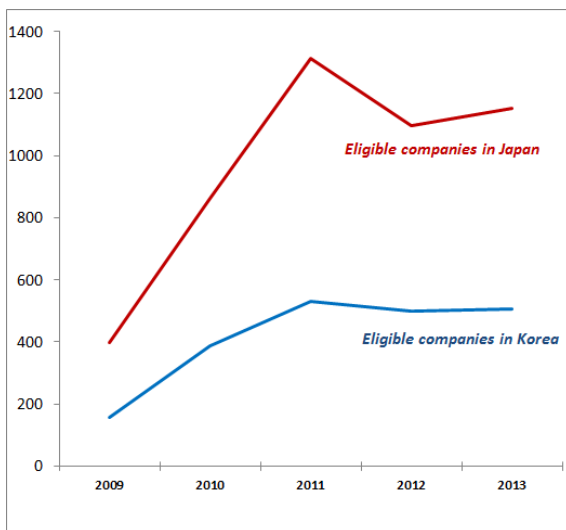
**Number of Companies by Sector**  
(companies marked as “selected” or “cancelled” in the system)

Japan	2009	2010	2011	2012
Construction and Building Technologies	25	30	44	41
Environment and Energy-related Technologies	27	21	40	46
Fashion Design	40	49	44	44
Healthcare and Medical Technologies	41	51	50	50
Information and Communication Technology	41	50	47	0
Interior Design	45	48	45	45
<b>Total number of companies</b>	<b>219</b>	<b>249</b>	<b>270</b>	<b>226</b>
<b>Average number of companies per sector</b>	<b>37</b>	<b>42</b>	<b>45</b>	<b>45</b>
Korea	2009	2010	2011	2012
Construction and Building Technologies	24	40	34	0
Environment and Energy-related Technologies	24	36	36	45
Healthcare and Medical Technologies	28	39	49	44
<b>Total number of companies</b>	<b>76</b>	<b>115</b>	<b>119</b>	<b>89</b>
<b>Average number of companies per sector</b>	<b>25</b>	<b>38</b>	<b>40</b>	<b>45</b>

Sources: Coaching Support System

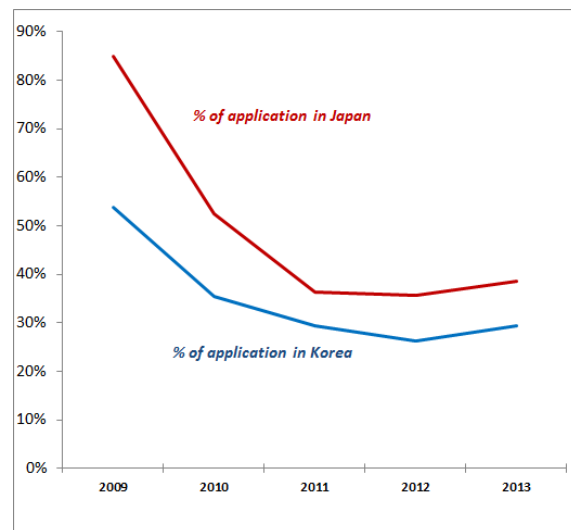
In term of number of applications, the table summarizing the selection process confirms the growing numbers, except for 2012, but keeping in mind the two sectors discontinued. However, the graph on the total number of eligible companies (number of applications plus number of companies marked as eligible but who finally did not apply) shows that the trend has stabilized since 2011, both in Japan and Korea, and despite the discontinued sectors (we would have expected a decline). However, when analysing the percentage of application (over the total number of eligible companies), we see that the success rate of the expression of interest has declined since the beginning of the programme.

**Number of Eligible Companies by Gateway**  
(eligible + applications)



Sources: Coaching Support System

**Percentage of Applications**  
(eligible / eligible + applications)



Sources: Coaching Support System

On average, the selection rate is clearly less favourable in Japan (close to 50%-60%) than in Korea (around 70%) for EU companies. This important difference between the two target countries can be explained by the fact that if quotas are the same (or almost the same), the attractiveness is clearly not equivalent for European companies: as a reminder, the GDP in Japan is more than 5 times the GDP in Korea (in current USD).

**Applications, Selections and Cancellation Rates**

<b>Japan</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Applications (*)	337	452	478	390
Selected (**)	219	249	270	226
Waiting List (***)	1	27	32	23
Cancelled	46	57	66	50
Countries Represented	24	24	23	25
<b>Cancellation Rate (% of selected)</b>	<b>21%</b>	<b>23%</b>	<b>24%</b>	<b>22%</b>
<b>Selection Rate (% of applications)</b>	<b>65%</b>	<b>55%</b>	<b>56%</b>	<b>58%</b>
<b>Countries Represented (% of MS)</b>	<b>89%</b>	<b>89%</b>	<b>85%</b>	<b>93%</b>
<b>Korea</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Applications	85	138	156	131
Selected	76	115	119	89
Waiting List	0	10	17	0
Cancelled	29	26	32	18
Countries Represented	20	22	22	21
<b>Cancellation Rate (% of selected)</b>	<b>38%</b>	<b>23%</b>	<b>27%</b>	<b>20%</b>
<b>Selection Rate (% of applications)</b>	<b>89%</b>	<b>83%</b>	<b>76%</b>	<b>68%</b>
<b>Countries Represented (% of MS)</b>	<b>74%</b>	<b>81%</b>	<b>81%</b>	<b>78%</b>

(\*) Companies marked as cancelled, selected, not selected and waiting list, (\*\*) companies marked as selected or cancelled, number includes the 38 companies of the Fashion Mission Japan that was cancelled due to the natural disaster, (\*\*\*) figures taken in the CMU Annual Report

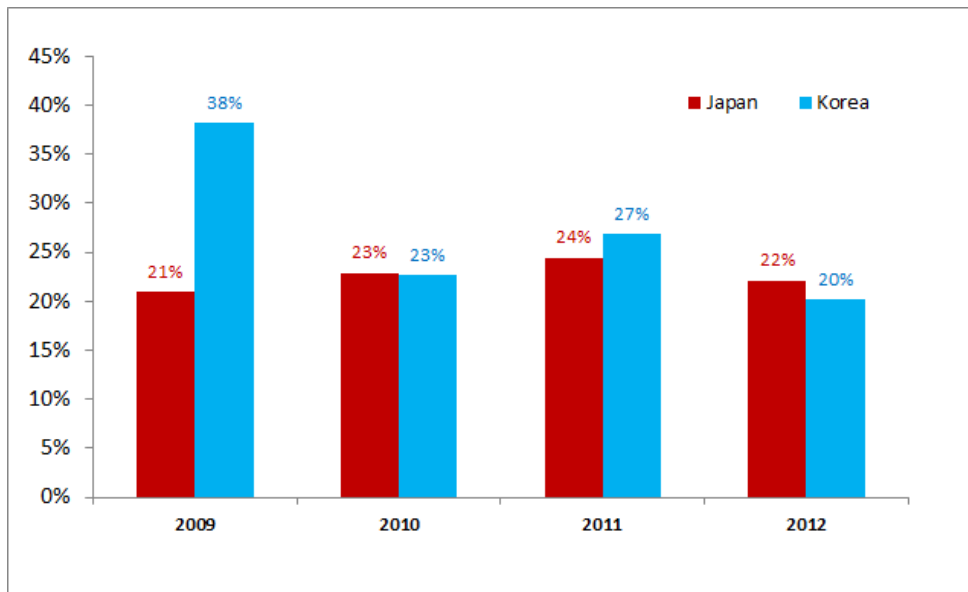
Sources: Coaching Support System, CMU Annual Reports

There are many ways to calculate a cancellation rate using the data provided on the CSS portal, but they both clearly confirm that there is a rather high and persistent cancellation rate by the participants. In fact, on most missions, more than 20% of selected companies cancel their participation (calculated here as a percentage of cancellations over selections plus cancellations). It seems however to be inherent to the programme and remains a continuous challenge. The only exception to this structural phenomena being the very high cancellation in 2011 for Japan for the HMT Mission which took place just 2 months after the Japanese earthquake.

The cancellation rate for Korean missions is on average higher than for Japanese mission (26% of Korea / 22% in Japan), keeping in mind that the Korean cancellation rate was very high in 2009 and that it has been converging to the Japanese rate since 2010. The most common reason usually cited by companies for cancellation being financial problems, organizational and strategic considerations.

### Cancellation Rates by Gateway

(companies marked as cancelled / companies marked as selected or cancelled)

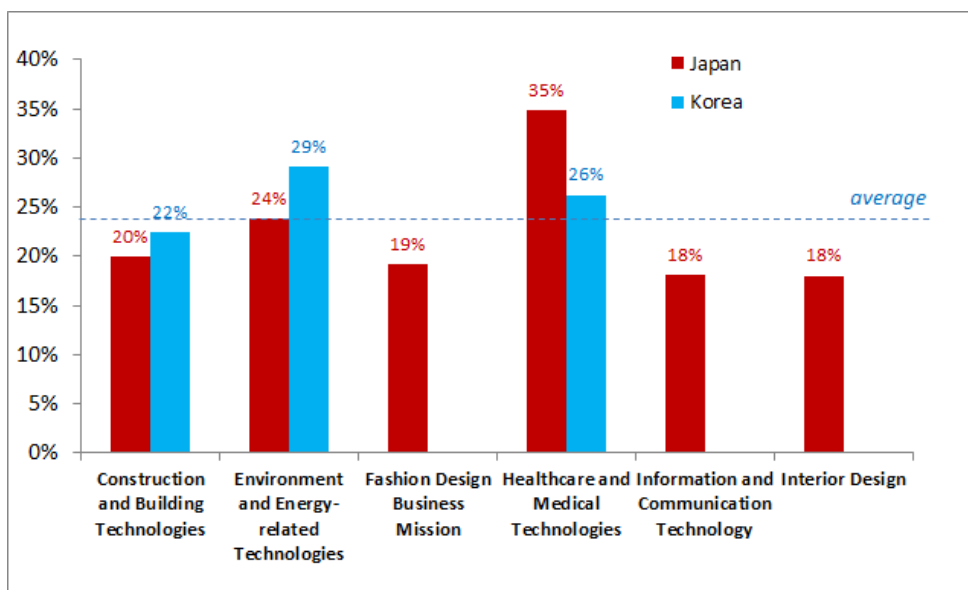


Sources: Coaching Support System

There is a persistent higher level of participation in the design missions in Japan, reflecting the high interest from European companies for the EU Gateway in Japan in these two sectors. On the opposite, HMT exhibits the highest cancellation rate in Japan, with average cancellation rates that are clearly above the average of 24% (keeping in mind that the first mission after the tsunami in Japan in 2011 was HMT, with 50% cancellation), while the same sector seems to be more attractive in Korea (with 26% of cancellations). In Korea, environment and energy related technologies is also a sector with a very high cancellation rate (29%), while the construction sector exhibit less differences between the two countries, but still with lower than average cancellation rates (usually in the range 20%-25%).

### Cancellation Rates by Sector

(companies marked as cancelled / companies marked as selected or cancelled)



Sources: Coaching Support System

It should be noticed however that most of the differences highlighted on the following graph are not confirmed in 2012, where we clearly see a convergence in the 'effective' cancellation rates towards 15% in Japan and between 15%-20% in Korea.

**Effective Cancellation Rates by Sector**

(companies marked as cancelled / companies marked as selected or cancelled)

Japan	2009	2010	2011	2012
Construction and Building Technologies	16%	23%	20%	20%
Environment and Energy-related Technologies	37%	19%	15%	26%
Fashion Design	23%	29%	14%	11%
Healthcare and Medical Technologies	22%	29%	54%	32%
Information and Communication Technology	17%	14%	23%	n.a.
Interior Design	16%	21%	16%	20%
<b>Average</b>	<b>22%</b>	<b>23%</b>	<b>24%</b>	<b>22%</b>
Korea	2009	2010	2011	2012
Construction and Building Technologies	21%	28%	18%	n.a.
Environment and Energy-related Technologies	38%	22%	39%	22%
Healthcare and Medical Technologies	54%	18%	24%	18%
<b>Average</b>	<b>37%</b>	<b>23%</b>	<b>27%</b>	<b>20%</b>

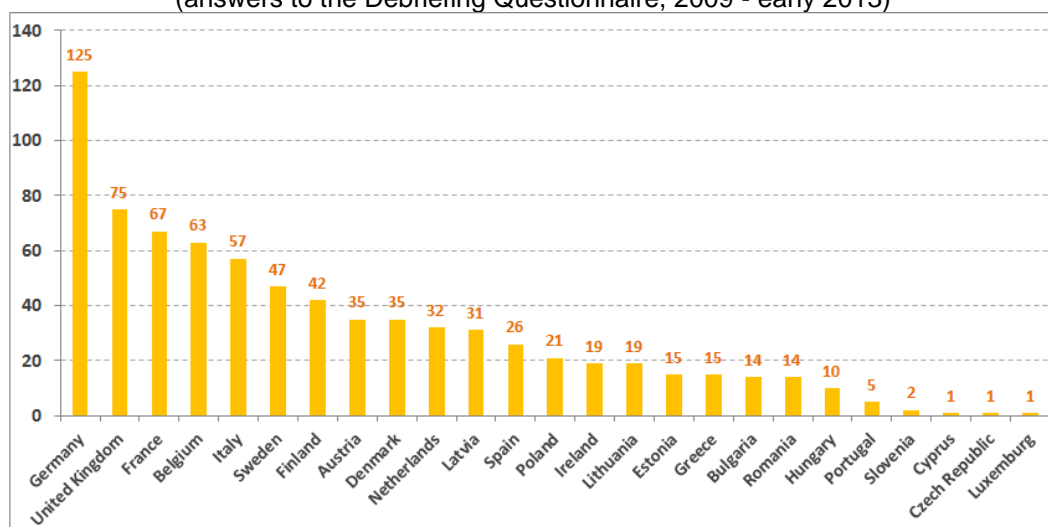
Sources: Coaching Support System

Most EU countries are represented in the Gateway (usually more than 80% of EU Member States). We do not have any Debriefing Questionnaire for Malta and the Slovak Republic and we therefore suppose that these countries have not participated to the EU Gateway Programme, and Cyprus, Czech Republic and Luxembourg only participated once.

The graph below shows that if 5 countries concentrate 50% of the selected companies since 2008, namely Germany (with 125 companies), UK (75), France (67), Belgium (63) and Italy (57), the classification of countries in terms of number of companies is smooth, and there is no sudden drop in the ranking.

**Number of Surveyed Companies, by Member State**

(answers to the Debriefing Questionnaire, 2009 - early 2013)

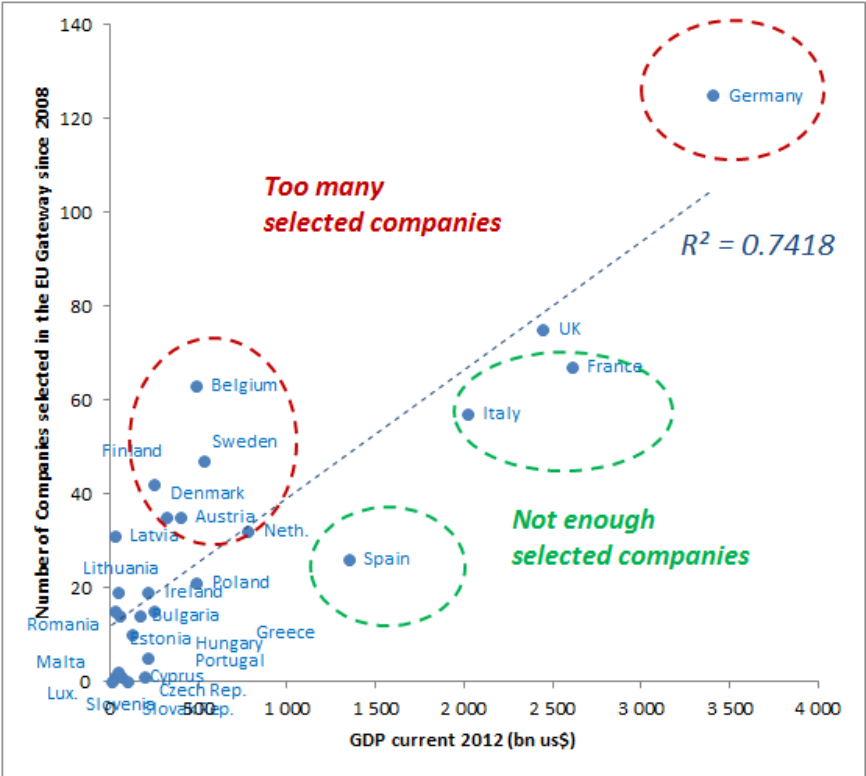


Sources: Debriefing Questionnaire



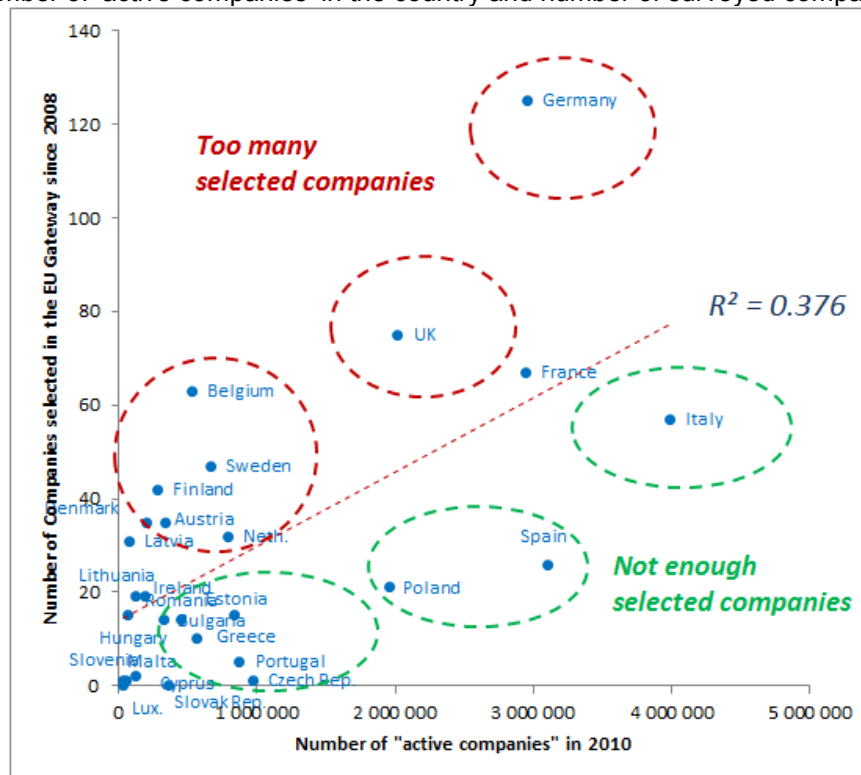
Interestingly, when the number of selected companies by Member State is compared to their current GDP (in nominal terms), we clearly see a strong link between the two variables. In fact, the number of selected companies is clearly correlated to the size of the economy of Member States (with a correlation coefficient of 74%). Moreover, when the same analysis is conducted using the number of “active companies” in the country (versus the number of selected companies in the EU Gateway), the link is less obvious but the link is still there (a correlation of 38%). This analysis also suggests that even if checking regularly the representativeness of Member States in the EU Gateway is good, the choice of the criteria used in the analysis is key, and therefore, a quota of companies by Member State would be difficult to implement in the EU Gateway Programme.

**Representativeness of Member State**  
(current GDP and number of surveyed companies)



Sources: Debriefing Questionnaire

**Representativeness of Member State**  
(number of 'active companies' in the country and number of surveyed companies)



Sources: Debriefing Questionnaire

Overall, the numbers illustrate the success of the Programme and confirm the strong interest from the EU companies to participate. In this sense the EU Gateway to Japan and Korea Programme is fulfilling its objective to support European businesses and facilitate trade and cooperation between the EU and Japan/Korea.

#### 4.2.3. Impact

It is interesting to notice that, although most companies are relatively satisfied with the overall EU Gateway Programme, less than 10% of them signed a contract or did a business transaction (both in Japan and Korea) and less than 7% have realized that these markets are not for their company. This is not a real problem as concluding a business deal is not part of the Programme objectives. However, it is more surprising to see that only half of all participants really expect to receive orders after the business week.

Most respondents are strongly or substantially satisfied by a better understanding of the market and a better assessment of the local market potential. Most of them developed new interesting business contacts and a large share of participants say that the mission helped them to overcome cultural differences. However, regulatory issues remain a problem for almost 70% of the participants (in Japan and Korea), suggesting that EU companies would need more information on this topic and that providing support on regulatory issues through the customized services would surely benefit the programme.

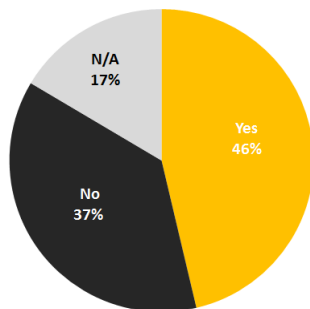
**Results of the participation: Strongly and Substantially**  
(% of all respondents)



Sources: Debriefing Questionnaire

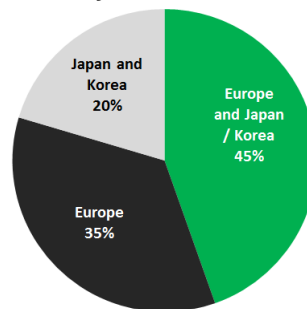
Using again the Debriefing Questionnaire, we see that only 46% of companies who attended the business mission in Korea or Japan say that they will invest as a result of the mission in these countries, and almost 1 out of 5 do not answer this question. For those who answered, interestingly, 35% plan to invest in Europe, and the rest in Japan, Korea or in both countries/regions. Most of them (almost 100%) also plan to follow-up by inviting contacts to Europe, sending more information and samples and visiting the target country again.

**Invest as a result of business?**

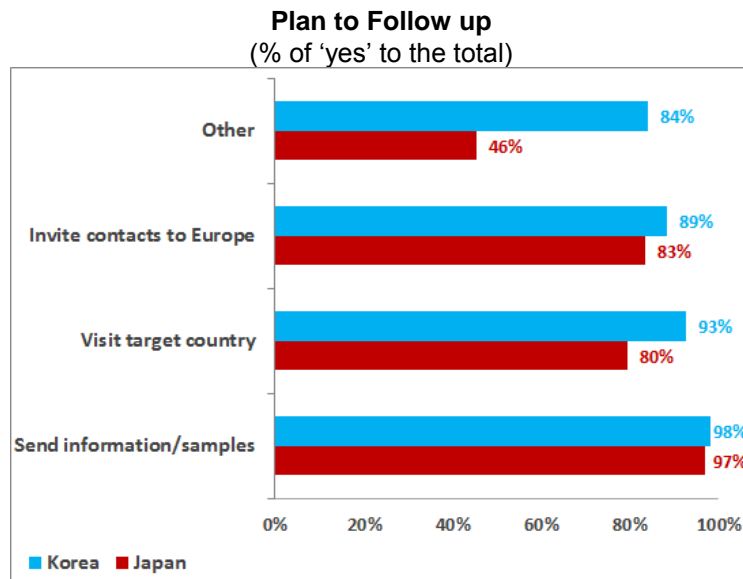


Sources: Debriefing Questionnaire

**If yes, where?**

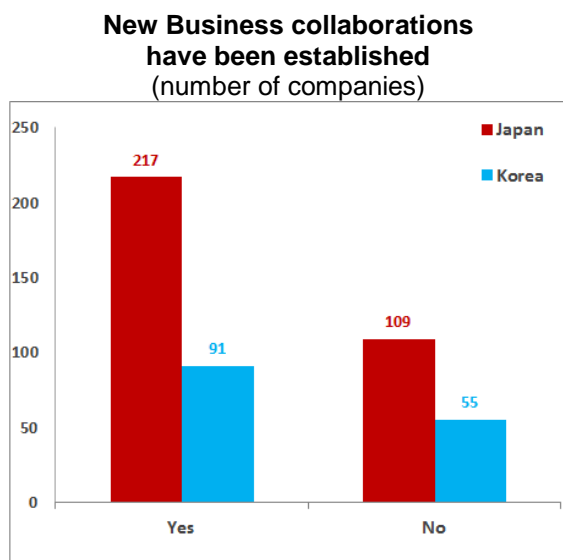


Sources: Debriefing Questionnaire

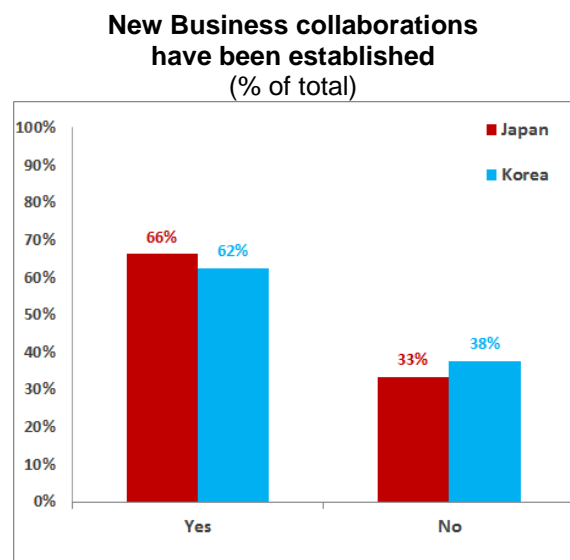


Sources: Debriefing Questionnaire

On the basis of the Follow-up Questionnaire, which is conducted one year after the end of the mission to the target country, we see that most companies established new business collaborations after the mission in the target country (66% in Japan and 62% in Korea).



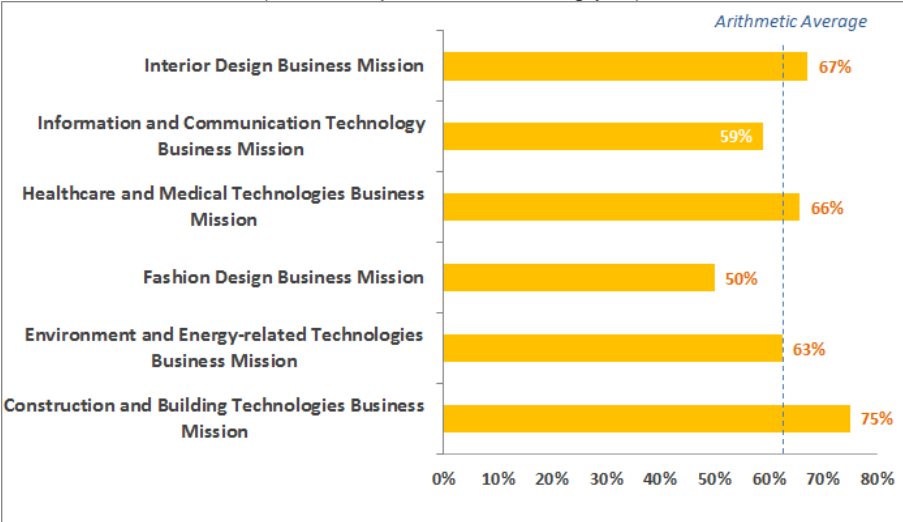
Sources: Follow-up Questionnaire



Sources: Follow-up Questionnaire

The same analysis, conducted at the sector level, shows that the establishment of new business collaborations is not homogeneous by sector. In fact, the fashion sector appears to encounter more difficulties than others as well as companies in information and communication technology, while in the construction and building technologies sector, 75% of companies have established new business collaborations, 67% for interior design and 66% for healthcare and medical technologies.

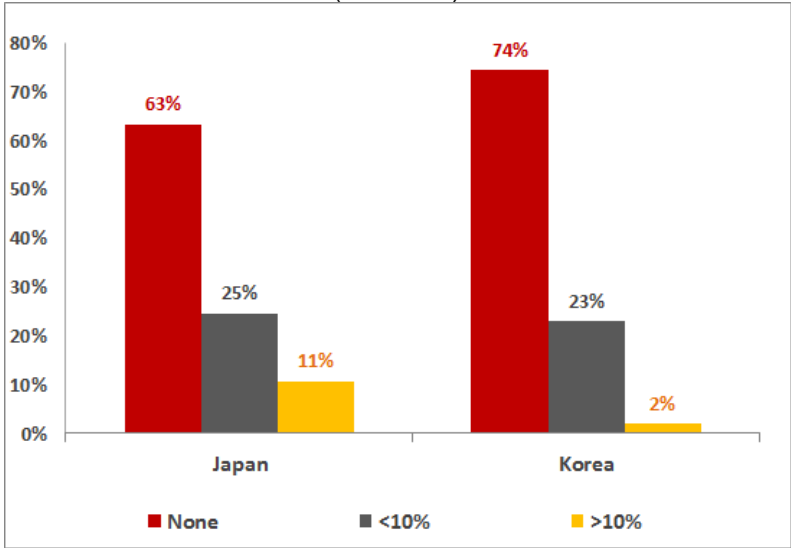
**New Business collaborations have been established**  
(% of companies answering yes)



Sources: Follow-up Questionnaire

When analysing again the impact, but this time on export sales (only depending on the EU Gateway mission), we see that if most companies say that one year after the mission they don't see any impact on sale and/or exports, it is interesting to see that almost 25% of them (both in Japan and Korea) see an impact between 1% and 10% on exports, and an impact of 10% or more for 11% in Japan (only 2% in Korea).

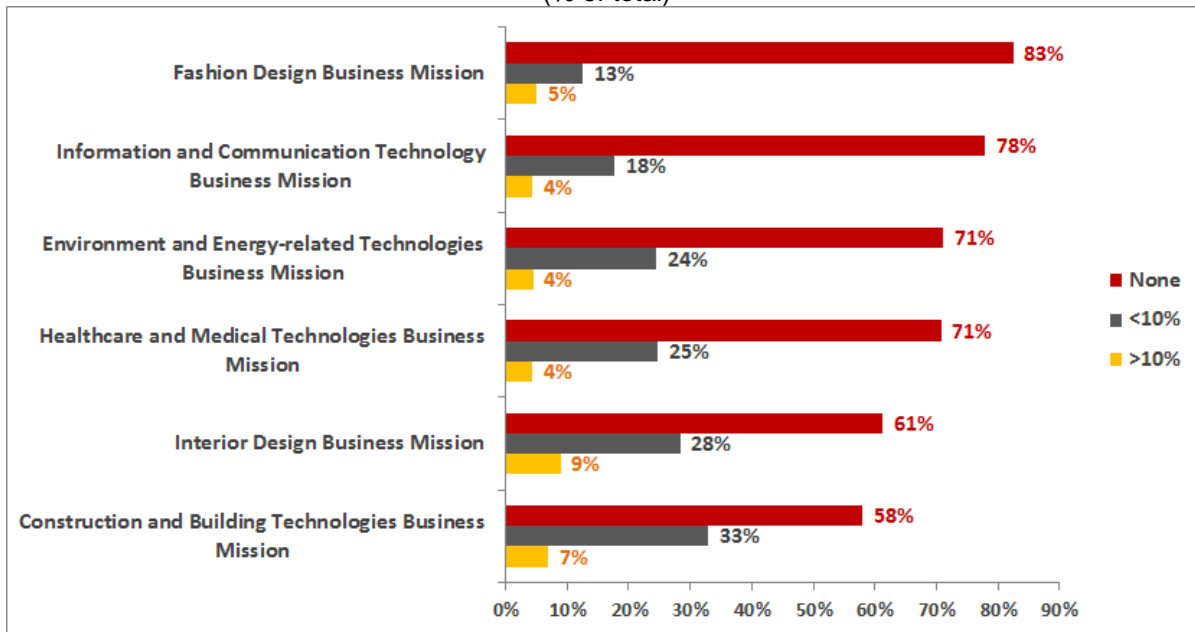
**Increased revenues from exports sales only depending on the mission**  
(% of total)



Sources: Follow-up Questionnaire

An analysis of the same data at the sector level reveals a lot of differences between sectors. The following graphs shows that the number of companies who saw a major increase in their exports sales (>10%) only because of the EU Gateway mission, is most of the time around 5%. However, two sectors stand-out as being clearly more impacted than the others, namely interior design and construction. The graph also reveals that the impact on exports is clearly much lower on the fashion design sector than on the others.

**Increased revenues from exports sales only depending on the mission at the sector level  
(% of total)**



Sources: Follow-up Questionnaire

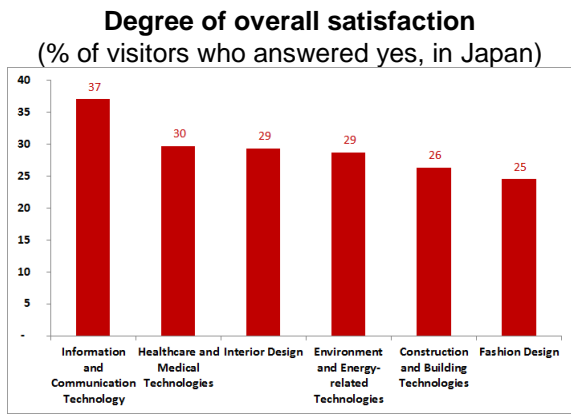
#### 4.2.4. EU added value

This analysis of the EU added value provided in this sub-section is done by compiling the Exit Poll Satisfaction Results reports provided by sector, both for Japan and Korea, as well as a more qualitative assessment, made by the team of experts. It needs to be mentioned however that the lack of homogeneity of questionnaires between the two Gateways (Japan and Korea) limited the analysis and the possible comparisons between the two Gateways.

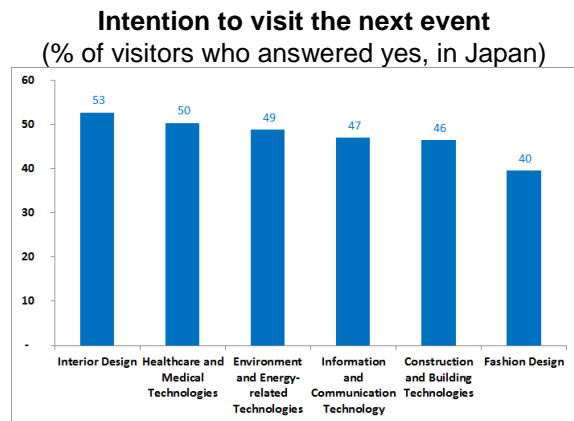
The review of the analyses of some of the Exit Polls shows that the overall degree of satisfaction of participants can be qualified positive in both Gateway: “moderate” or “moderately good” in Japan (often >80% of participants over the recent period), and “positive” in Korea (again >80%, but with no breakdown between “moderate” and “moderately good”). We remain however cautious on the possible comparisons between the two countries, because the questionnaires are different and differences in local cultures might have unexpected implications on the perceived satisfaction.

If on average, only a small portion of visitors are strongly satisfied with the meetings or the visit (ex: in Japan, usually less than 30% of respondent are really satisfied with the visit, while the rest is only ‘somewhat’ or ‘not really’ satisfied), almost 50% of respondents say that they will come again. There are therefore more and more repeaters coming to the exhibition (79% of visitors of HMT in 2012 already visited the event in 2011).

In terms of objective, most visitors usually come to collect information, to look for product and technologies and are interested in trading or doing business with the exhibiting companies (in this sense, they share the same objective than EU companies). However, a large share of visitors, usually more than 70%, says that they have usually not achieved the objective of their visit, suggesting that improving the business meetings or helping them to achieve more precisely the purpose of their visit would be appreciated.

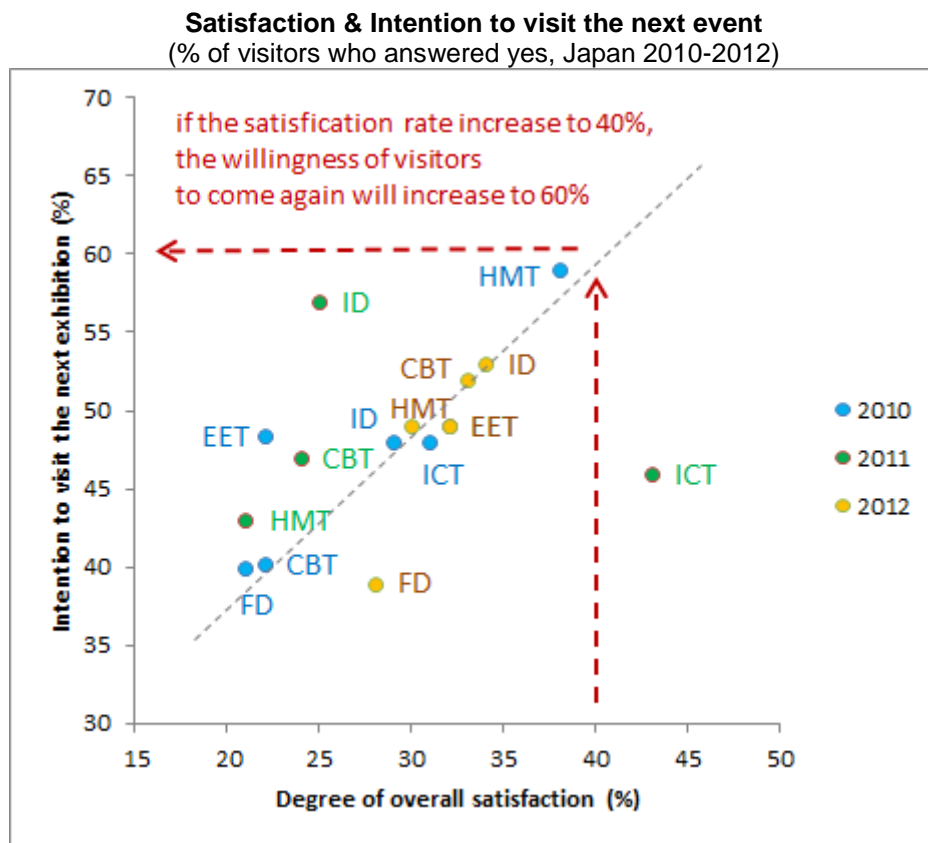


Sources: Exit Poll Satisfaction Results



Sources: Exit Poll Satisfaction Results

In Japan, the satisfaction rate is particularly high in ICT, while being more moderate in CBT and Fashion Design. Moreover, the willingness to come to the next event is depending on the satisfaction rate (the more visitors are satisfied, the more they plan to come again). We see that from the point of view of visitors, HMT was a great success in Japan in 2010 and almost 60% of visitors planned to come again. It is more surprising to see that more than 55% of visitors to the event on Interior Design in 2011 planned to come again, while not being really satisfied with the event. Symmetrically, only a small share of visitors to the ICT event in 2011 planned to come again (45%) while the event was a great success.



Sources: Exit Poll Satisfaction Results

In terms of perception, the attitude of EU companies is usually perceived as very positive, both in Japan and Korea, and the event usually gives a very good impression of the EU. In fact, a very large share of participants says that it changed their perception of EU companies. For example, more than

80% of visitors said that the HMT event in Korea in 2012 positively changed their perception of the EU. If, from their point of view, more involvement of EUMS would have been desirable, the EU Gateway programme helps them to discover new suppliers, gives them opportunities to discover new companies and learn about EU technologies. Moreover, EU companies and products are usually perceived as good and high quality products, unique, innovative and practical, while not being competitive or reliable.

#### 4.2.5. Complementarities and Coherence

The EUMS, through their national investment promotion agencies, have their own 'export promotion programs' for Japan and Korea. These programmes, with or without budget allocation, can be differentiated into 2 categories (1) sectoral export missions, which are well-structured and often with a similar concept as the EU Gateway and (2) individual export programmes, which usually provide personalized business support services. Even so, most of the EUMS trade representatives expressed the opinion that the EU Gateway is complimentary to their own national programs, because, the smaller EUMS don't have the means to provide the same level of service and business support, the EU Gateway's substantial financial support, the added visibility under the EU banner, the equal opportunity offered to small and bigger companies, the business support provided throughout the different steps, the momentum and the access to a network built up over several years,.... Two larger EUMS commented that the Gateway Programme should be designed in such a way that it is not competitive with the services offered by the national trade promotion agencies. In order to make the EU Gateway more coherent with the EUMS export promotion activities, some of the Trade Representatives requested to be more closely involved in the follow-up after the business week in Japan and Korea.

There are several initiatives that support the general objective of the EU to facilitate the access of European companies to the Japanese and Korean markets and they can be divided in two main categories, namely the negotiations on market access and regulatory dialogues (for example FTA negotiations) and the specific programmes supporting European companies. Programmes that fall under the second category of initiatives are:

- The EU Gateway to Japan and Korea Programme, which is a business facilitating program.
- The Executive Training Programme (ETP) in Japan and Korea which is a one year human resources development program, targeted at executives from European companies that want to develop business with Japan or Korea. The ETP provides EU companies with knowledge on Japanese or Korean markets and teaches participants to communicate and understand the local business culture.
- The EU-Japan Centre for Industrial Cooperation which is a joint venture between the EC and the Japanese government. It is a non-profit organization and aims at promoting all forms of industrial, trade and investment cooperation between the EU and Japan and at improving EU and Japanese companies' competitiveness and cooperation by facilitating exchanges of experience and know-how between EU and Japanese businesses.

For the ETP, being a human resources development programme, and the EU Gateway being a business facilitating programme, there are complementarities and coherence, but no real synergy.

The EU-Japan Centre for Industrial Cooperation has a wide range of activities such as policy analysis and studies, services to business projects, and research and development projects. Within the service to business projects, there have been cluster support missions targeted on clean technologies (2012) and biotechnologies (2013) accessible for both European cluster and SMEs. The programme design and content of the EU-Japan Centre's cluster support missions are similar to the EU Gateway namely orientation seminars, company visit, participating to a trade fair and business matchmaking and there is financial support. In comparison, the EU Gateway Programme has only business facilitating



missions but they are organized in a much wider range of sectors both in Japan and Korea and the Programme focuses solely on SMEs. So although there is a minor overlap in objectives and activities, this is clearly overshadowed by the complementarities and coherence between both programs. Furthermore, there is a clear synergy as the EU Japan centre for industrial cooperation also has policy analysis studies and support for research and development, providing the EU companies with opportunities and information that might further facilitate their Japanese market entry.

## 5. PROGRAMME KEY POINTS

The study team has summarized the following key points about the design and implementation of the EU Gateway to Japan and Korea Programme, based on the analysis of the Programme's periodic reports, interviews with the stakeholders and the actual observation of business missions in Japan and Korea. The Programme key points are presented below in two sections, one section for general key points, and another section presenting country-specific key points.

### 5.1. General Key Points

#### 5.1.1. Programme design

##### Services to Companies

- Most participants expressed their general satisfaction and agreed that the Programme gives them the opportunity to test the potential of their product on the target markets and sound out business opportunities. The Programme provides a good introduction to markets that would be otherwise difficult for companies to prospect by themselves.
- Most participating companies are generally satisfied with the services provided, as well as with the logistical and financial support.
- The participants all agree on the excellent work of the interpreters during the exhibition and the business meetings.
- Participants appear generally satisfied with the pre-departure meeting whilst some comment that presentations for first-timers and repeaters should be differentiated. Some companies mentioned that the pre-departure meeting should allow for more informal interaction between the companies. It could also be used for 1 to 1 information exchange (between the participants and contractors) on product & technology and targeted business partners in order to further facilitate match making for the business mission week.
- Opinions vary on the quality of the pre-arranged meetings, going from very bad to very good. The quality and number of arranged meetings is insufficient for a considerable number of the participants. In this respect, most of the EUMS Trade Representatives mentioned that they could provide support for the matchmaking when needed, although this is paid service for some EUMS. Another remark is that more advance information is needed on the local companies the participants will meet (as the participants can't read the non-English local website).
- Some first-timers are insufficiently prepared for the actual business week and need to be more pro-active in their preparation and not solely rely on the EU Gateway Programme services.
- Due to the complexity (several contractors) of the EU Gateway Programme set-up, getting through the paperwork, understanding what to send to which contractor and providing reportedly similar information to the different contractors is perceived as a rather demanding task for the EU companies.
- For some participating companies there is a gap between what they expect and what the Programme actually offers.

- Contractor (lot 2) mentioned that some participants provide insufficient information, such as technical information of the product and targeted sectors, which prohibits them from fulfilling their match-making task properly.

### **Organization of the business mission week**

- A number of participants reported that the activities on Monday (practical organization of the week session, presentations by local experts and study tour) are not the best use of their companies' time, especially for repeaters. Some missions have no choice of presentations, while other missions offer a choice of specialized presentations for the different subsectors. It was also mentioned that some of the presentations were a repetition of the pre-departure meeting or that the information should be provided during the pre-departure meeting.
- A number of participants expressed their satisfaction with the study tour, while others said it was not really necessary. Most agreed that it could be skipped in priority should the duration of the week be shortened, a common desire for the vast majority of participants.
- Most participants agreed that, unless more business meetings can be pre-arranged, 1 day (instead of 2 days) for individual meetings after the exhibition would be enough.
- Most companies and stakeholders expressed the opinion that a full week is too long. Furthermore, because the travel is done in the weekend, the participants have to spend 2 weekends away from home.
- Most of the EUMS Trade Representatives are in favour of the EU Gateway Programme and feel it is complementary to the service and programs they are offering. Especially the smaller member states lack the means or visibility to organize an event on this scale.
- Both the participants and the EUMS Trade Representatives felt that the Programme would benefit from a higher number of participants in terms of receiving better visibility and having more participants per subsector.
- The companies expressed the desire for more inter-company networking. The informal networking on Sunday evening was well attended by the participants.

### **Follow up**

- Some kind of follow-up support would be appreciated, especially in respect to the language barrier and in keeping contact with potential partners after the business mission.
- Some EUMS Trade Representatives mentioned that they can provide business support for the follow-up.

### **5.1.2. Sectors**

- Several subsectors are combined in 1 mission, leading to a rather small number of participants for some subsectors which makes it difficult to attract enough local potential business partners and give the Programme sufficient visibility. This is valid for most missions.
- The use of the sector specialist is rather limited and not used to its full potential for the sector selection.
- Some sectors are combined into 1 mission without having a joined platform. For example the Environmental and Energy Related Technologies mission.

### **5.1.3. Recruitment and assessment**

- The EU Gateway Programme information is not reaching all eligible EU companies. In this respect, most of the EUMS Trade Representatives mentioned that they could provide support for the promotion and recruitment if needed.
- EUMS (Trade Sections) are not clear on which base the companies are actually recruited and selected; making them wonder why for some missions they have none or only 1 participant from their home country. They also would appreciate being more actively involved in the recruitment and selection as they often have a database and/or active network in their own home country.
- The cancellation rate is high and it is hard to identify a clear reason for this or find a pattern. The 'waiting list' helps mitigate this problem in terms of reaching the participation quota.

### **5.1.4. Visibility, press and promotion**

- Being able to participate under the official EU banner brings added value. The individual EUMS would never be able to get the same level of visibility and efficiency by coming to these countries on their own.
- There are some articles on the EU Gateway exhibition, both in the general and specialized press. However generally speaking, the press covering can be improved, especially in Japan.
- Some participants and EUMS Trade Representatives expressed the opinion that the EU and EUMS should be more visible during the exhibition and the networking event.
- The EU Delegation could also provide further support during the year by promoting the Programme to local official government representatives and relevant associations.
- The EU Gateway Programme's website contains all necessary information in a clear and comprehensive way.

## **5.2. Japan**

In Japan, the full mission of the Environmental and Energy Related Technologies Mission, running 3-8 February, 2013, and 1 exhibition day including the fashion show of the Fashion Design Mission, running 25-29 March, 2013, were observed.

### **5.2.1. Programme design**

#### **Organization of the business mission week**

- Companies are very satisfied with the professionalism of the logistic organization and set-up of the exhibition.
- The observed networking event was not really up to EC standards, being held in a cramped space in the corner of the exhibition room and serving only finger food. There was some attendance of EUMS Trade Representatives but only a limited number of Japanese business men. A formal opening of the networking event was lacking. Also the interpreters should join the networking event to facilitate communication.
- The Fashion Design week has a fashion show during the second day of the exhibition. This is clearly the highlight of the business week and attracts a good public of buyers and press. The fashion show itself is professionally organized.

- There are issues as to the efficiency of the current split of responsibilities in the contracts as currently implemented. It appears that communication between the coaching network contractor (lot2) and operational unit contractor (lot3) is difficult, including not optimal use of the existing databases. Lot 2 and lot 3 manage separate databases and don't share all of the information which results in loss of efficiency at project management level. Furthermore, efficiency is questioned, too many contractors are involved. Most contractors have commented that the current split between 4 lots could be rationalised.
- Japan has more than 1 regional business area so the business week mission should also be organised in cities other than Tokyo, in particular if they are more relevant for the sector in question. For some missions, the exhibition could be held in more than 1 city.
- The timing of the business mission week is not always optimal. For the technical sector it would be more efficient if there is a same sector local trade fair back-to-back which the participants could visit. For the Fashion Design Mission, the business week should preferably be organized within the 'buying' months. For all the sectors, there should be no overlap with famous non-Japanese trade shows abroad, as this leads to difficulties in recruiting EU companies and attracting Japanese visitors.
- The informal networking on Sunday evening was well attended by the participants but cut short by the 1 hour time limitation.

### **5.2.2. Sectors**

- Some of the current sectors and sector definition, selected and defined at the beginning of the EU Gateway Programme, are no longer a reflection of the current situation of the EU and Japan market conditions and market needs. The Construction and Building Technologies Mission has been proven difficult from the start as it was focusing on the private housing market which, in Japan, has a completely different building technology and tradition than in Europe. Since this mission has been refocused on commercial bigger buildings, it has proven to be more successful. However, the recruitment in the European Union continues to be a challenging task. The Information and Communication Technology mission has been difficult from the beginning due to the available advanced technology on the Japanese market and too many subsectors combined in 1 mission.
- The sector definition is too rigid to adapt to changing market conditions and follow new trends. .
- The creative missions, together with the Environmental Technology Mission and Healthcare and Medical Devices Technology Mission, have proven to be successful.

### **5.2.3. Recruitment and assessment**

- There is a persistent higher level of participation in the design missions compared to the technology missions, reflecting the high interest from European companies for the Interior Design and Fashion Design Mission. Especially the CBT mission encounters difficulties to recruit sufficient eligible companies.

### **5.2.4. Visibility, press and promotion**

- The EU Gateway Programme's local website contains all necessary information in a clear and comprehensive way.

- It should be noted that in Japan since 2005, the Protection of Japanese Personal Information Act 2003 came into effect, severely limiting the use of personal data, including data on business. Whether or not the Act can be interpreted to the extent that lot 3 is applying it may be questionable though, as it appears illogical that it should lead to information being retained within the same Programme as the participants and exhibition visitors share their information in the context of the EU Gateway rather than with respect to one of the contractors. This should be further examined.

## 5.3. Korea

In Korea, the Healthcare and Medical Technologies, running 18-22 March, 2013, was observed.

### 5.3.1 Programme Design

#### Organization of the business mission week

- Companies are extremely satisfied with the professionalism of the logistic organization and set-up of the exhibition
- The networking event was lively with a good mix of participants, Korean business men and EUMS representatives. The logistic organization, including the reception part (drinks & food) was impeccable. A formal opening of the net working event was lacking. Also the interpreters should join the networking event to facilitate communication.
- The back-to-back organization of the EU Gateway Programme with a local trade fair is highly appreciated by most participants because it gives them the opportunity to check out the competition, to get an idea on the local supply/demand and technical level and to make more business contacts. However, some companies expressed the opinion that the local trade fair was not interesting because it was a different (sub) sector. Other companies suggested that the EU Gateway exhibition could be held within the local trade fair, giving the Programme more visibility and probably more business contacts.
- The opportunity to make a company presentation (seminar) at the local trade fair was well received by the participants. Although the audience was rather small for most presentations, it allowed the EU companies to present themselves for a wider public as well as, in some cases, to consolidate relations with companies that visited their booth during the EU Gateway exhibition the previous days.
- The companies seemed to be networking among themselves in a natural way. It was expressed by several participants that this inter-company networking is important.
- The communication between lot 2 and lot 4 seems not to be an issue, including the sharing of the data-base. However, efficiency can still be questioned.
- The country's business centre is Seoul, no real need to organize a sub-event in other cities.
- EUMS Trade Representatives have no access to the database of the Korean visitors. It would be interesting for further follow-up and networking to know which Korean companies are looking towards the EU for business development.
- EU Gateway Korea could take a quick start because it could implement the lessons learnt in Japan.

### **5.3.2. Sectors**

- The back-to-back set up with a local trade fair during the observed Healthcare and Medical Technologies Mission was not interesting for some participants because it was a different business sector.
- Currently only 2 missions, Environment and Energy-related Technologies and Healthcare and Medical Technologies, are being implemented in Korea and they seem to be a good choice. Different business sectors should be taken into consideration.

### **5.3.3. Recruitment and assessment**

- Being in its fifth year, the recruitment for Korea is improving and the quotas are being reached. In the first year it was difficult to find enough interested eligible companies.
- There is a high cancellation rate in Korea and it is hard to determine the reason for this or find a pattern. There is a 'waitlist' so usually cancellation does not form a problem for reaching participation quota.

### **5.3.4. Visibility, press and promotion**

- Some EUMS Trade Representatives mentioned that they would like to get more information on the different missions and actual full schedule well in advance.
- The EU Gateway local website contains all necessary information in a clear and comprehensive way.

## 6. RECOMMENDATIONS FOR FUTURE POLICY STRATEGIES

### 6.1. The EU Gateway Programme as a complement to EU bilateral FTA's

This section is intended to provide answers to the following two questions:

1. Would the EU Gateway Programme work as a useful complement to bilateral FTA processes?
2. And if so, in which countries?

To answer these questions, the team looked into the country experience of the EU Gateway Programme in both Japan and Korea in order to identify existing and potential synergies between bilateral FTA processes and the Programme. The analysis herein aims to show that the EU Gateway programme acts as an operational complement to FTA processes by supporting SMEs in their internationalisation processes on difficult markets.

#### 6.1.1. Trade policy and the EU Gateway programme: identifying synergies.

Synergies in terms of objectives and scope have been identified and form the basis for a number of policy recommendations presented below. Subsection 6.1.4 identifies a list of preferred countries in which a Gateway-type programme could be implemented based on a set of relevant criteria and indicators.

Both FTA processes and the Gateway Programme **share the common objective of** addressing key market access issues for EU companies. The first synergy observed is that both initiatives work towards similar objectives and therefore could potentially benefit from each other. In terms of scope, the synergy analysis led to the conclusion that **the respective scopes of both the Gateway Programme and FTA processes are complementary and that together, they offer a broader scope of support to EU companies' internationalisation than each alone.** This complementarity means that together their scope covers tariff barriers, non-tariff barriers and other barriers to trade.

FTA Processes		EU Gateway	
Tariff barriers	Non-tariff barriers		Other barriers

Whereas FTAs will help reduce some barriers to trade in particular tariff-related barriers, FTAs are not alone able to reduce all barriers to trade. The EU gateway Programme is specifically targeted to help EU companies access difficult markets and as such provides additional support when dealing with other barriers to trade such as language, and distance of the market. Companies participating in an EU-Gateway Programme should therefore benefit from more favourable conditions where an FTA is either negotiated or being negotiated.

This section will look into the potential to replicate the EU Gateway experience beyond Japan and Korea and in particular, it will analyse the elements which may lead the EU Gateway Programme to act as a useful complement to FTAs in other countries. So, how can they best work together?



The experience from which the analysis is drawn covers the two countries in which the EU Gateway has been implemented so far, namely Japan where the programme has been running for approximately 20 years and Korea with around 5 years' existence.

Both Japan and Korea are relatively closed and difficult markets to penetrate. Cultural, linguistic and regulatory differences hinder market penetration and limit the potential for business cooperation between local and foreign businesses. In this context, the Gateway Programme aims to help European SMEs to overcome such obstacles.

## **Japan**

Japan was the first country in which a Gateway Programme was implemented. The decision to launch a Gateway programme was triggered partly because of the trade imbalance between the EU and Japan and partly because EU companies were facing important difficulties entering the Japanese market which the EU wanted to address. The EU Gateway Programme to Japan came to light in the early 80s in the framework of the EU-Japan cooperation agreement with the ambition of contributing to restoring the trade imbalance and providing support to EU companies to deal with the barriers they faced in penetrating the Japanese market such as the language barrier and the distance from the EU market. The presumption of sustainable business opportunity for EU companies was an additional element to justify launching a Gateway Programme.

Japan is perceived by EU exporters as a difficult market to penetrate and generally, import penetration in Japan is relatively low, despite its potential on key indicators and its already low tariffs. There are various factors which can explain this low import penetration amongst which the relative distance of the market, the language barrier, but also the high level of non-tariff measures and in particular, the regulatory environment related to standards and conformity assessments.

Standards and conformity assessments imposed by importing countries are a key concern for exporters. Although the Japan FTA will seek to address non-tariff barriers as part of the agreement, an additional difficulty is that in some cases, NTMs may be linked to non-trade policy issues such as consumer protection or the environment. Although it is difficult to measure precisely, it is believed that the reduction or elimination of import tariffs linked to the negotiation of trade agreements may in fact lead to an increase of NTMs in some sectors with the effect of restricting international trade.

According to IMF figures, with a nominal GDP of almost USD 6tr in 2012, Japan is the third largest economy in the world (after the USA and China), while with a GDP of USD 16tr in 2012, the EU would be first if it was on the list (as the EU is usually not counted as a single country in these lists). Together the EU and Japan account for more than a third of world GDP. Although Japan has recently been losing importance as destination for EU exports, it remains one of its key trading partners and vice-versa.

In its conclusions of 7-8 February 2013, the European Council underlined the importance of further developing bilateral trade relations and pursuing comprehensive trade agreements with key partners including with Japan. Through further developing its trade agenda, the EU aims to enhance sustainable growth and jobs for the EU in a spirit of reciprocity and mutual benefit. The conclusions refer to the importance of fighting all forms of protectionism, including as regards to non-tariff trade barriers, ensure better market access and promote better investment conditions.

This reference to non-tariff barriers bears witness to the fact that the impact of non-tariff barriers is increasingly at the forefront of global policy concerns as there is a general belief that the use of non-tariff barriers, in particular in the form of standards and regulations, is proliferating. As trade liberalisation to the reduction of tariff barriers, non-tariff barriers are becoming an increasingly

important channel through which trade is being blocked. This point is further developed in section 6.1.2 below.

On 25 March 2013, the EU and Japan officially launched the negotiations for a Free Trade Agreement. The negotiations with Japan will address a number of EU concerns, including non-tariff barriers and the further opening of the public procurement market. The first round of negotiations was held in Brussels on 15-19 April 2013.

Although the EU-Japan FTA is only at the early stages of the negotiations process, the analysis and interviews held show that the EU Gateway Programme acts as a useful tool to raise EU companies' awareness of the specificities of the Japanese market with the confidence that the ongoing negotiations will lead to facilitated market access in due course.

In Japan, tariffs are already relatively low, although this is not the case for all sectors (cf. Ch. 4.2.1. for details per sector covered under the Gateway programme). Consequently, the effects that the FTA will have in terms of tariff reduction in some sectors are expected to be limited. However, one of the expected consequences of tariff reduction is that it allows for comparative advantage to reveal itself. This point is all the more important on the Japanese market where the success of bringing new EU products on the market depends to a large extent on their comparative advantage. There may be a potential synergy to explore on this particular point between the schedule of the FTA negotiations and the choice of the sectors for the upcoming cycles of the programme.

## **Korea**

The EU and South Korea are important trading partners. South-Korea is the EU's tenth largest trading partner and the EU is South Korea's fourth export destination after China, Japan and the US. European companies are the largest investors in South-Korea.

Like Japan, South-Korea is also perceived by EU companies as a relatively closed market to penetrate partly due to cultural, linguistic and regulatory differences that limit the potential for business cooperation. However, unlike Japan, the EU Gateway Programme was launched at a time where the EU-South Korea negotiations for a Free Trade Agreement were underway since 2007. During the FTA negotiation period, EU exports to South-Korea enjoyed an annual average growth rate of 7%. A redress of the trade balance in favour of the EU has been recorded since the entry into force of the agreement.

The agreement came into force in July 2011 therefore reducing a number of key barriers to trade for EU companies. The FTA also provides for the removal of non-tariff barriers to trade, especially in the automotive sector as some evidence suggests that certain sectors in Korea are highly protected by non-tariff barriers and that in some of these sectors such as automotives, non-tariff barriers are more important than tariffs. Accordingly, important additional gains can come from the removal of non-tariff barriers. Generally speaking, the more barriers to trade are removed, the higher the gains from liberalization stand to be.

The early positive results in terms of the redress of the trade balance in favour of the EU since the EU-Korea Free Trade Agreement has entered into force on the one hand and the importance of tackling non-tariff and other barriers to trade on the other directly feed into the arguments in favour of complementarity of both the FTA and the Programme. Together, these initiatives prove to be complementary in supporting EU companies in their internationalisation efforts and share the common objective of facilitating access for EU companies to the South-Korean market.

This finding was further corroborated by the evidence drawn from interviews in Korea and in Brussels. In South-Korea, officials from the EU, companies, EU Member States' representatives and their respective trade and export promotion agencies were met with. The vast majority of the respondents

found a positive and complementary link between the Gateway Programme and an FTA process, thus providing a complementary window of opportunity for EU companies.

Whereas it is not clear from the data available whether complementarity is more optimal in the event of a negotiated agreement as is the case in Korea or an agreement to be negotiated as is the case in Japan, it remains clear that both initiatives work in parallel towards the same objective and therefore offer accrued opportunities for EU companies. Furthermore, given the importance of non-tariff barriers in both Japan and Korea, it appears crucial that the programme should address NTMs, if it is to be an effective complementary tool to FTAs for EU companies.

### 6.1.2. Non-tariff measures

Non Tariff Barriers (NTBs) or what is now more commonly referred to as Non Tariff Measures (NTMs) can act as specific limitations to trade and therefore deserve to be taken into consideration in the complementarity analysis as they may present important obstacles for EU companies even in countries where an FTA is in force as illustrated in the country examples above. Interestingly enough, the data in tables of section 4.2.1 show that non-tariff barriers, and more specifically standards, are the single most important obstacle faced by companies participating to the EU Gateway, 19,7% in Japan and 17,4% in Korea as opposed to only 6.6% and 6.8% respectively for high tariffs. In emerging economies in particular, a proliferation of NTBs is recorded and new regulations are increasingly perceived as “creeping protectionism”. 50% of all new regulations today originate in emerging countries, in particular in China, Indonesia, Russia, Brazil and Argentina. The other 50% is grossly accounted for by the US and the EU.

Non-tariff barriers remain a key policy concern. And among them, standards, technical regulations and conformity assessment procedures can be said to be the single more important type of NTMs. They increase the uncertainty and complexity of doing business and generate extra, often unforeseeable costs for companies. In practice, many of the NTMs that are imposed by governments have a regulatory objective of one kind or another such as the protection of public health or the environment, national security, consumer protection, some of which fall outside trade policy. Although such objectives may all present legitimate reasons, from a trade perspective, the challenge is to identify how they can be pursued in a way that minimises adverse effects on the ability of companies to access the markets concerned. In some cases however, technical regulations are used as instrument of commercial policy with the effect of protecting rather than opening trade.

*“A troubling phenomenon is occurring in developed and large, emerging economies: governments, skittish about global economic trends, are introducing new regulations to limit imports and exports. Recent World Bank analysis (Hoekman et al, 2011) documents a trend of creeping protectionism in countries as diverse as Argentina, Brazil and Indonesia. Instead of tariffs, other, more indirect policies are used to hinder imports. The World Bank’s analysis, based on World Trade Organization (WTO) monitoring reports and data from the Global Trade Alert, a network of think tanks around the globe, shows a rising trend in the number of non-tariff barriers (NTBs) in the first two years post-2008 followed by a sharp spike in 2011. India, China, Indonesia, Argentina, Russia and Brazil together accounted for almost half of all the new NTBs imposed by countries worldwide, with the EU and US accounting for the remainder.” (A Fresh Look at Trade Policy’s New Frontier, World Bank, 2012).*

This rising phenomenon should not go unnoticed in the design of a new Gateway-type programme, in particular in the light of its complementarity with FTA processes. This raises this question of the role which the EU Gateway Programme could have in addressing NTMs. Given that the EU Gateway Programme strategy aims to develop trade and investment and facilitate the access of European companies to difficult markets in sectors which are difficult to penetrate, in particular in highly regulated sectors, a **recommendation here could be to introduce information sessions on the**

**FTA process and on NTMs in the design of a revised Gateway Programme.** More specifically, these information sessions could focus on problematic sectors where NTMs are numerous and create specific difficulties for EU companies. Partnering with the relevant organisations in each country such as the European Business Council in Japan or the Korean Importers' Association in Korea would be an asset. The Market Access database, freely accessible for all EU users and managed by DG Trade also provides valuable information on tariff and non-tariff barriers per country and per sector.

In addition to the recommendation on the introduction of specific information sessions on NTMs and the FTA, this study recommends that NTMs are taken into consideration in the identification of the sectors to be covered by the Gateway Programme in each country. The sector analysis should look into whether there is a potential for EU companies per country (e.g., attractiveness of EU SMEs for the destination country) and per sector (e.g., which sectors present a comparative advantage on the destination market and will benefit from the Programme to penetrate the market etc.). In both Korea and Japan, the EU is perceived as attractive for its luxury goods, its innovation and Green technology for example. Luxury and fashion could present an interesting potential for SMEs on top of being sectors which are attractive on those markets. The food sector was not very successful in Japan, probably due to standards and custom procedures, although the potential is likely to grow with the signature of the FTA agreement and there appears to be consensus that organic food presents a special niche.

The rationale for sector selection will not be the same in emerging countries as it is for more developed markets such as Japan or South-Korea. Opportunities in emerging countries in terms of the choices will be larger whereas in markets such as Japan and South-Korea, the analysis and interviews have shown that the choice of sectors should clearly focus on niche markets where the EU has a comparative advantage. A possible methodology for selecting potentially successful sectors could be to look at what the important sectors are in EU and the destination countries, cross that information with the growth prospects in those sectors both in EU and destination countries and finally look at competitive advantage the EU can have in those sectors.

NTMs can be particularly relevant in determining which sector the Programme should focus on in a specific country. The type and importance of each NTM can vary depending on the sector. For perishable goods, border procedures will be of key importance whereas pricing and reimbursement rules will be key for the medical devices sector. Therefore, this study recommends that an analysis of NTMs is carried out for each target country to help contribute to the impact of the programme on EU companies.

The rationale here is that it is important to avoid that EU companies get in the catch 22 situation of receiving support from the EU gateway Programme to explore the market but then face NTMs that make their internationalisation efforts fail. This situation could also negatively impact on the programme achieving its objectives.

### **6.1.3. Recommendations for policy decisions.**

In both countries, according to the research and interviews carried out, the EU gateway Programme and the FTA process are believed to act as complementary initiatives to each other. In addition to reducing barriers to trade, the FTA process creates interest and momentum which may impact positively on the level of participation of genuinely interested companies and hence impact on the success of the Gateway Programme. On the other hand, the EU Gateway programme can help SME expansion in the country covered by an FTA agreement by dealing with additional barriers as well as familiarise SMEs with the rules of the FTA.

In this light, this study recommends the following:

- Inclusion of information sessions on the FTA process and related opportunities for EU companies to help them fully understand the benefits offered to them. These information sessions could be added to the pre-departure sessions, in the Business missions themselves or as part of the customised services;
- NTMs to be taken into consideration in the identification of sectors to be covered by the Gateway Programme as the type and importance of NTMs can vary depending on the sector<sup>1</sup>. In the event of FTAs being negotiated, a link to the scheduling of the negotiations could be made to increase efficiency of results for both the Programme and its beneficiary EU companies;
- Systematic and regular collection of data from EU companies on NTMs they have been faced with and sharing of this data with officials from DG Trade to help upstream information reach FTA policy makers ;
- Signposting EU companies to relevant organisations which may help them access more information on NTMs in the relevant sectors and countries and help address the difficulties they face.

The EU Gateway programme provides a unique link between both the EU and its Member States' competences by supporting business cooperation at EU level, raising awareness and helping EU companies understand business opportunities in difficult markets. As such, the EU Gateway programme acts as an all-EU umbrella programme to support business cooperation between EU companies and target countries' companies and in sectors specifically targeted toward generating EU-wide growth and employment in line with the Europe 2020 policy Agenda.

EU Trade policy and EU investment policy are exclusive powers of the EU whereas trade promotion and investment promotion lie primarily within the competence of the EU Member States. As such, only the EU is authorised to conclude trade agreements on behalf of the EU such as bilateral Free Trade Agreements whereas Trade Promotion and Investment Initiatives, namely initiatives intended to support EU companies access new markets are generally dealt with at national level.

By linking the EU Gateway Programme to the FTA process, a new dimension emerges **broadening the scope of the EU Gateway Programme from business cooperation to aspects of trade policy**. By doing so, the scope of support to EU companies is broadened and strengthened. With this new trade policy dimension, the Programme will also steer away from the longstanding debate concerning the grey areas between business cooperation and trade promotion.

#### 6.1.4. Preferred countries for a Gateway-type programme.

The terms of reference of the study requested that the Team should advise the European Commission on countries in which a Gateway-type programme may be more successful as a complement to EU bilateral FTAs. Towards this end, an indicative list of countries was shared with the Team during the

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<sup>1</sup> For perishable goods, border procedures may be more crucial whereas for medical devices for example, pricing and reimbursement may be the key issues.

briefing session. It is on the basis of this list and other relevant criteria identified by the Team in its research and analysis that the final list of potential countries in which an EU Gateway-type action could be successfully implemented has been elaborated and is presented below.

The identification of the list of potential countries is based on a clear and transparent methodology for the selection of these countries. This methodology is based on simple indicators taken from official and publicly available sources of information. It should be noted that the analysis in this section is based on EU27 as Croatia became the 28<sup>th</sup> country to join the EU only on July 1, 2013.

The analysis carried out by the Team resulted in the identification of a number of criteria and indicators that are considered to be key in identifying a list of potential countries in which to implement a Gateway-type programme. These criteria and indicators can be classified into the four following categories:

<b><u>Potential:</u></b>	Is this country a large market, is it a major market for EU27 and are the economic growth forecasts optimistic over the medium term?
<b><u>Difficulty:</u></b>	Is it a difficult market for EU companies? What is the percentage of English speakers, ease of doing business, geographical distance from the EU?
<b><u>Opportunity:</u></b>	Is there (or do we expect soon) an opportunity for EU companies to enter this market? FTA (signed or forthcoming negotiations), regional business hub, large ports in the country.
<b><u>Policy:</u></b>	Is the identified country covered by the relevant Financing agreement/policy instrument? Is there a trade deficit with this country? Are EU exports below their potential (regarding the size of the country).

The analysis is based on the list of 100 most important EU27 markets outside EU and for each indicator, a country is 'ticked' if it is in the top 30% in the list (top 30% of most important markets for EU27, top 30% of most important expected economic growth up to 2017, etc...) or if the indicator is 'ticked' if the variable is Boolean (FTA negotiation, English is the native language,...).

### Indicators used

The table below shows the indicators used, their unit of measurement, the source of the information and the category in which each indicator have been classified for the purpose of the analysis.

Indicator	Unit	Source	Category
EU27 exports 2012	Th. €	Eurostat	Potential
GDP 2012	Current \$	IMF/WEO	Potential
Growth Forecasts 2013/17	Annual %	IMF/WEO	Potential
Critical % of Non-English Speakers	% of population	Wikipedia/CIA World Factbook	Difficulty
No English Native	Boolean	CEPII database for gravity models	Difficulty
Ease of Doing Business	Rank	World Bank	Difficulty
Distance from Brussels	miles	CEPII database from gravity models	Difficulty

		(Mayer & Zignago indicator)	
FTA Finished or In Force	Boolean	EU	Opportunity
FTA Negotiations	Boolean	EU	Opportunity
Regional Business Hub	Boolean	EU Gateway Study Team	Opportunity
Large Ports	Boolean	List of most important ports	Opportunity
EU Trade Deficit	% of exports	Eurostat	Policy
Market Gap Index	% of exports	EU Gateway Study Team (gap between EU exports and the GDP of listed countries)	Policy

The indicators used in the analysis have been classified among potential, difficulty, opportunity and policy. These indicators are intended to reflect the objectives, spirit and legal basis of the EU Gateway programme.

In terms of potential, the focus has been set on identifying countries where EU exports have sufficient “room” to develop such as destination countries where the GDP is high and showing good growth prospects over the medium-term.

The “difficulty” indicator focuses, inter alia, on countries where the Programme could help address the language and cultural barriers as well as countries at a relatively long distance from Brussels (measured as the geographical centre of Europe for EU businesses).

The “opportunity” classification identifies countries where an FTA is either in force or at the negotiation stage, as well as countries that are recognized as regional business hubs or that host large ports as these elements may bring increased opportunity or help facilitate trade. The study identifies FTA processes as an opportunity based on the experience of the Programme in Korea as well as the research carried out through interviews<sup>2</sup> and academic readings<sup>3</sup>.

The indicator “non English Speakers” for example, is an indicator of the difficulty to enter the market and hence the relevance to implement an EU Gateway-type programme in that country.

The “EU trade deficit” indicator identifies the trade balance in a given country as an EU Gateway programme will be more relevant and in line with EU policy, where it can help transform a trade deficit into a positive trade balance in favour of the EU. In South-Korea, according to the latest statistics available, the trade balance previously in favour of South Korea has been reversed in favour of the EU with a potential causality link to the FTA.

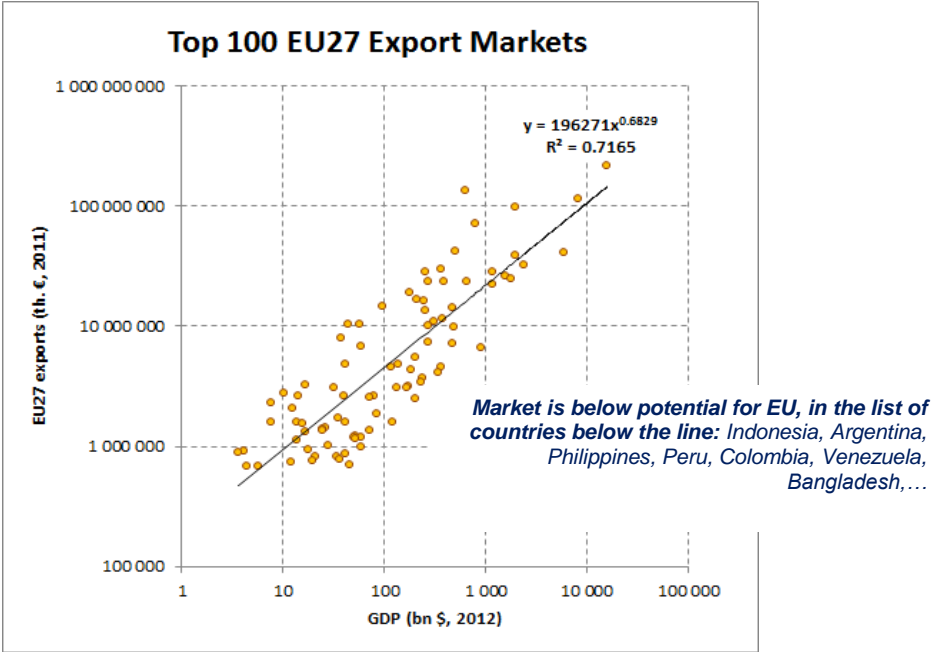
The “market gap index” is estimated on the basis of the link between GDP and EU27 exports to the top 100 markets for EU27. It shows countries where there is potential in the form of a bigger market with export potential for EU companies. For all the countries below the black line (see the two graphs below) is an ordinary least square estimate on the link between the two indicators (in logs), and the estimated equation is the following ( $R^2$  is 0.72):

<sup>2</sup> Interviews and questionnaires with EU officials in DG Trade and EU Delegations.

<sup>3</sup> Impact Assessment report on EU-Japan Trade Relations, Commission Staff Working Document 18.07.2012; Delivering Trade Potential, the ECB Report on the Japanese Business Environment (EBC, 2012); Economic Impact of a Potential Free Trade Agreement between the European Union and South Korea (Prof. J. F. François); Trade Sustainability Impact Assessment of the FTA between the EU and ASEAN, Trade07/c1/c01-Lot2; Quantifying the Impact of Technical Barriers to Trade (The World Bank, Dec. 2000);

$$XO = 196271 * GDP^{0.6829}$$

Where XO are an indicator of “equilibrium” or “optimal” exports in our calculation.



Countries that are below this black line have therefore a greater potential than countries above the line, and it precisely what the Market Gap Index measures: the gap between current and potential exports (large index = big potential).

$$MarketGapIndex = 100 * (XO - X) / X \quad (\text{Where } X \text{ are EU27 exports to the designated countries}).$$



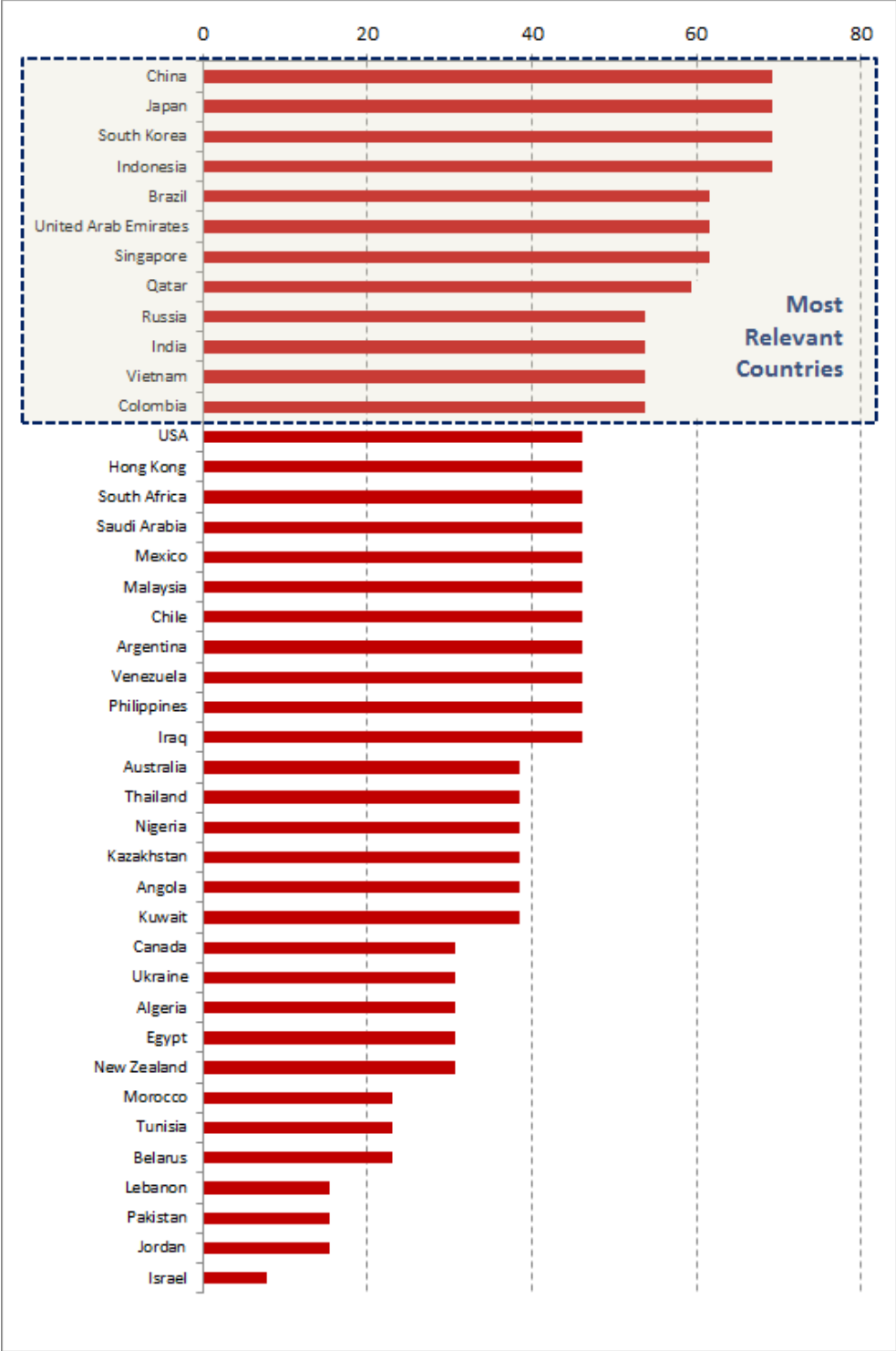
## Detailed values of the indicators used in the analysis

	Potential			Difficulty				Opportunity					Policy			
	EU27 Exports 2011 (th. €)	GDP 2012 (bn \$)	Growth Forecast 2013/17	Critical % of Non English Speakers	No Native English	Ease of Doing Business 2012	Mayer & Zignano Geo. Distance	FTA Finished or In Force	FTA Negotiations	Regional Business Hub	Large Ports	EU Trade Balance (% of exports)	Market Gap Index	Covered by Council Regulation	Potentially Covered by PPI	
USA	216 230 318	15 653	3.0	-	-	4	7 097				1	1	24	-34	1	1
China	114 349 674	8 250	8.5	1	1	91	8 347				1	1	-153	-19		1
Russia	97 936 079	1 954	3.8	1	1	112	2 695				1		-89	-65		1
Japan	41 316 851	5 984	1.1	1	1	24	9 368		1				-54	80		1
India	38 811 084	1 947	6.6	1	-	132	6 917		1				1	-11		1
Brazil	32 187 884	2 425	4.1	1	1	130	8 977		1		1		-16	25		1
United Arab E	29 881 262	362	3.2	1	1	26	5 173		1		1	1	73	-63	1	1
South Korea	28 627 318	1 151	3.9	1	1	8	8 815	1	1				-17	-16	1	1
Hong Kong	28 386 390	258	4.2	-	-	2	9 396				1	1	64	-69	1	1
Australia	26 351 500	1 542	3.2	-	-	10	16 277						45	12	1	1
Canada	24 948 839	1 770	2.3	-	-	17	6 167						-14	30	1	1
South Africa	23 615 335	391	3.9	-	-	39	9 160	1	1		1		14	-51		1
Singapore	23 459 839	268	3.6	-	-	1	10 571	1	1		1	1	23	-62	1	1
Saudi Arabia	23 404 286	657	4.1	1	1	22	4 492		1				-18	-30	1	1
Mexico	22 571 980	1 163	3.4	1	1	48	9 157	1	1				28	8		1
Ukraine	19 208 346	180	3.5	1	1	137	2 030						29	-65		1
Algeria	16 753 435	207	3.6	1	1	152	1 666						-28	-55		1
Israel	16 319 567	247	3.6	-	-	38	3 260						30	-48		1
Morocco	14 786 142	97	5.5	-	1	97	2 118						42	-70		1
Egypt	13 451 580	255	5.3	-	1	109	3 200				1		29	-36		1
Thailand	11 435 445	377	5.0	-	1	18	9 264				1		-50	-1		1
Malaysia	10 797 150	307	4.9	-	1	12	10 365		1			1	-91	-9		1
Tunisia	10 429 691	45	4.8	1	1	50	1 719						10	-75		1
Nigeria	10 222 664	273	6.7	-	-	131	4 759				1		-138	-12		1
Chile	7 413 978	268	4.6	1	1	37	11 889	1	1				-49	21		1
Argentina	7 217 868	475	3.8	-	1	124	11 298		1				-40	83		1
Belarus	6 790 003	58	3.9	1	1	58	1 620						42	-54		1
Indonesia	6 578 938	895	6.6	1	1	128	11 394						-137	209		1
Kazakhstan	5 578 710	201	6.1	-	1	49	4 625						-284	31		1
Lebanon	4 881 644	42	3.7	-	1	115	3 152						92	-49		1
Vietnam	4 812 125	138	6.8	1	1	99	9 627		1				-163	18		1
Angola	4 562 059	115	5.3	1	1	172	6 810						-44	10		1
Colombia	4 546 092	365	4.5	1	1	45	8 742	1	1				-52	143		1
Qatar	4 299 511	185	6.0	1	1	40	4 892		1				-211	61	1	1
Venezuela	4 146 161	338	3.0	1	1	180	7 895		1				2	152		1
Philippines	3 717 447	241	5.0	-	-	138	10 668						-66	123		1
Pakistan	3 437 157	231	3.5	-	-	107	5 931						-31	135		1
Kuwait	3 154 645	175	3.4	1	1	82	4 338						-23	111	1	1
Jordan	3 075 408	31	4.2	-	1	106	3 331						90	-33		1
Iraq	3 069 151	131	10.9	-	1	165	3 781						-183	78		1
New Zealand	3 045 275	167	2.6	-	-	3	18 523						0	112	1	1
<b>Average</b>	<b>22 987 539</b>	<b>1 171</b>	<b>4</b>			<b>78</b>	<b>6 903</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>-32</b>	<b>11</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Std. Dev</b>	<b>37 119 111</b>	<b>2 706</b>	<b>2</b>			<b>55</b>	<b>3 856</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>81</b>	<b>73</b>	<b>0</b>	<b>0</b>	<b>0</b>
Threshold at	23 426 507	478	5.0	1	1	119	9 158	1	1	1	1	17	31	1	1	1
Threshold at	5 090 764	189	3.6	0	0	38	4 206	0	0	0	0	-51	-45	0	0	0

Sources : Eurostat, IMF, World Bank, CEPII, Team of Experts

The table below lists the countries in which a Gateway-type programme is recommended to be implemented, in order of priority based on the criteria and appurtenant weighting used in the analysis.

**EU Gateway Country Scores**  
(list of most relevant countries using the methodology)



Sources : Team of Experts

Among the countries identified as ‘Most relevant countries’, some may also act as a door to other countries. Singapore for example, could act as a door to Malaysia and Vietnam. Brazil may act as a door to Argentina and Chile. Another element which could be taken into consideration in refining the

selection is that of the type of trading foreseen through the partnership such as the importance of trade in services for the EU with ASEAN, for example.

Another important factor may be the importance of the relations with the destination country. China, for example, is a country where launching a Gateway Programme raises the debate of whether this may be a good idea for the type of companies supported by the programme as the risks are numerous. However, ruling China out on the basis of risk assessment may not take sufficient heed of the importance of the country in terms of growth prospects and in terms of the importance of its relations with the EU.

Among the countries identified in the list, some have been removed for reasons such as the fact that they are not relevant to the programme's objectives such as Croatia because it became part of the EU on July 1, 2013, or Iran because there is a trade embargo, or Syria because of the political situation. Please note that it is not within the reach of this study to examine all aspects of relevance for each of the countries listed so that there may be other criteria which, according to the European Commission may lead to the removal of other countries in the list.

## **6.2. Key Factors for an EU Gateway type action to be successful**

The EU Gateway to Japan and Korea Programme was designed to assist European Union companies in a pro-active manner in their attempts to prospect the Japanese and Korean markets. The Programme's main characteristics are awareness-building and market access facilitation and not the actual conclusion of sales agreements. Based on the analysis of the available data and reports, the interviews with the stakeholders and the lessons learnt from observing an actual mission both in Japan and Korea, the following section provides key recommendations for improvement of a future EU Gateway-type Programme. Given the fact that the European Commission is currently in the process of designing a new 'Partnership Instrument for cooperation with Third countries', the recommendations are summarized to provide some ideas and advice which might be taken into consideration. However it is not the intention of the team to draft a future EU Gateway-type programme design which is beyond the scope of this study report.

### **→ Recommendation 1: Continuation of the EU Gateway Programme**

The majority of participating companies, stakeholders and EUMS Trade Representatives strongly recommend a renewal of the Programme. Most of the participating SMEs would not be able to start to prospect the Japanese/Korean market without some help, be it the EU Gateway Programme or some other EUMS similar initiative. Besides offering important logistic, financial and business support, the Programme, being under the EU banner, brings status and momentum that could not be achieved by the SMEs or even the EUMS on their own. It should also be noted that some of the EUMS don't have the necessary institutional structures in the partner country to provide the same level of services to the participating companies. The Programme clearly fulfils its main objective to help EU business to succeed in Japan and Korea by providing support at the crucial early stages of their market penetration strategy. Overall, the EU Gateway Programme is well perceived in Japan and Korea by the local business community. Hence, the continuation of an EU Gateway type programme in difficult key markets is recommended, keeping in mind that business cooperation programmes should be of sufficiently high quality and lead to sustainable cooperation agreements generating new business and investment in the European Union. The current design of the Programme has been improved over the years and is working well. It should be documented in detail as a bench mark for future EU Gateway-type programs in order to keep the accumulated knowledge on 'best practice' in house. The existing databases should be safeguarded.

→ **Recommendation 2: Rationalisation of the implementation structure**

There should be a single contact point for the participating companies in order to streamline the communication between the participants and the different contractors. This shared platform should contain all the company and product information, the market entry strategy, requests for individual services, etc.

For the current Programme, targeting only 2 countries, it is recommended to simplify the current implementing structure of the programme to 1 contractor for the recruitment in the EU and the entire mission business coaching and 1 contractor for the logistic operational work in the partner country. The recruitment and coaching network contractor could be based in Europe with offices in the partner country, and be responsible for the development of operational tools and procedures, the promotion in the EU, recruitment and pre-selection of EU companies, the business coaching during the entire business mission period and the set-up of business leads for the participating companies. The logistic operational contractor in the partner country could be responsible for the general promotion to potential business visitors and the coordination and logistic organization of the business week. If the contracting company does not have all the needed expertise in-house, some of the task could be outsourced under their supervision. It should be noted that the professionalism, flexibility and ability of the contractors to adapt to changing requirements and conditions for each mission will have an influence on the success of the Program. Cooperation and effective knowledge exchange should be encouraged between the contractors to enhance the efficiency of the Programme. However it should be noted that if the Programme grows and is implemented in several countries and with more than 1 contractor on the EU side, the need for a coordination unit (central management unit) might arise again in the future.

→ **Recommendation 3: Careful sector selection and flexibility in sector definition**

The selection of the sectors is crucial for a successful EU Gateway Programme and the rationale for sector selection will not be the same in emerging countries as it is for more developed markets such as Japan or South-Korea. It should also be noted that bringing the same sector over a period of several years is important to keep the momentum going and to provide continuity for both the participating companies and the partner country business leads. Hence it is recommended that before the start of a new EU Gateway-type Programme, a market study is implemented in both the EU and the key markets, to determine which sectors should be selected. The sector selection should be business driven, based on market demand in the selected key markets and it should also take into account the partner country's official government policy on 'priority sectors'. The sector specialists, together with publicly available statistics and market reports, could play an important role in steering this process. A possible methodology for selecting potentially successful sectors could be to look at what the important sectors are in EU and the destination countries, cross that information with the growth prospects in those sectors both in EU and destination countries and finally look at competitive advantage the EU can have in those sectors.

Furthermore and as done in the past, the sector definition should be kept flexible and regularly reviewed to allow for responsiveness to changing market conditions. This is especially valid for the creative sectors where trends are changing rapidly. The key to having a successful mission is bringing innovation. Generally speaking, the least attractive (sub) sectors are the one's where the selected key markets are more advanced than the EU market or where the key market's tradition, product specification or used technologies are too different to be complementary.

If several subsectors are combined within 1 mission, there should be a joined platform. Too many different subsectors with only a few participants per subsector, has been proven to obstruct attracting enough visitors to the exhibition and getting enough visibility for the mission. Hence it should be carefully studied which sub-sectors will be combined and how to promote this towards the market.

→ **Recommendation 4: More flexibility in the number of participants and repeaters**

In order to respond to the popularity of some sectors, the growing number of countries within the EU and the issue of several subsectors within one mission, the number of participating companies should be flexible and demand driven. More participants to a mission will offer more companies the chance to participate, reduce the relative overhead costs, have more companies for each subsector, attract more visitors to the exhibition and improve general visibility. Under the current design and considering logistic issues, a maximum of 60 participants is recommended but this is not a target neither a quota. Depending on the built-up phase of a new sector/new partner country, the sector and the actual demand, missions with fewer participants should also be possible.

As the EU Gateway Programme's focuses on difficult markets, several participations might be needed before the participating company can get a foothold on the market. The number of repeated participations should be kept flexible and might differ per sector/destination country as there are discrepancies in market and product approval regulations and sales cycles per sector/destination countries. As a guideline, for the creative sectors a maximum of 2 participations and for the technology sectors a maximum of 3 participations are advisable.

→ **Recommendation 5: The recruitment and assessment processes**

Currently the promotion of the EU Gateway Programme and the recruitment of the EU companies are done through 5 clusters, defined on a geographical base. The actual recruitment, which has been improved over the years, is working relatively well, as the system has been refined over the years and as a database has been built-up. Even though, the team has noted that, not all eligible companies are reached by the current recruitment method, the efficiency of the recruiting clusters is not homogeneous (both in terms of geographical regions and sectors) and that for some missions there are difficulties to reach the quotas. Hence, although the current recruitment system includes already some promotion through private and public professional business networks, it is recommended that still a greater effort is done to promote the Programme through existing databases and business networks within the different EUMS and that the number of participants can differ per mission, reflecting market demand.

The assessment and selection of suitable participants is a complex process in which various criteria have to be taken into account by an experienced and neutral body, including a sector specialist, who should check whether the applying company is economically fit and has products / technologies that match the target market. To ensure that the assessors can make an informed decision, applications need to be detailed and complete in terms of company, products/services information and market entry strategy. With so many players involved, a transparent assessment and selection process, based on objective parameters tailored to the specific sector, needs to be continued to be utilized and for the non-selected companies, feedback on the reasons for refusal needs to be provided.

→ **Recommendation 6: Customisation of the business missions**

The pre-departure meeting in Brussels is a useful tool to prepare the participating companies for the actual business mission week and should be maintained. The current content has been fine-tuned over the years and only a few minor changes are being recommended. Besides having a general cultural and business manner introduction seminar, there should be power briefings on the specific subsectors as each sector has its own specific trends, market issues and regulations. This focused information will help the companies to better prepare for the actual business mission week and cut down the time to market. Insufficient preparation by the participation companies exposes them to extended delays in getting product approval and eventually to costly adaptations to their product specifications. The pre-departure meeting should provide a different programme tailored to the different needs of first-timers and repeaters. For the technology sectors, the pre-departure meeting

could also be utilized for a one-to-one briefing with the coaching network on the technical aspects of the product/service and the type of companies that need to be targeted in the partner country.

A general remark by the participants is that the business mission week in its current format is too long for the provided content and that a more efficient use of their time is possible. There are 2 options to make better use of the participants' time. (1) The week can be shortened by for example eliminating the seminar (which is already done for the Fashion mission in Japan) and/or reducing 1 individual business meeting day. (2) Provide all the participating companies with a full business schedule through for example more individual meetings, organizing 2 exhibitions at 2 different locations, organizing the business mission week back-to-back with existing local trade fair, etc. Whether option (1) or (2) is more suitable will differ with the sector and the partner country and it is recommended that this is studied in more depth.

Except for the Fashion Mission, the business mission week has currently the same format for all the missions both in Korea and Japan. It is recommended that each mission has the business week tailored to the market specifications of the specific sector and partner country and that some creativity is applied in how to add that extra that gives the event more visibility. Some examples. For Japan, missions might benefit from having an exhibition at 2 different locations. For some sectors, more visibility can be obtained by organizing a group stand within an existing trade fair. The fashion mission should continue to have a fashion show. The timing of the business week can be planned back-to-back with an existing trade fair, offering the participating companies the opportunity to view the trends on the local market. A seminar by a prominent speaker, presenting for example new technologies or regulations in the EU or the partner country, can be organized in order to attract more press and visitors to the exhibition. Etc....It is recommended that a more in-depth study is done with the sector specialist in the partner countries on how to optimize the business week further.

As language is usually an existing barrier to communication, it is recommended to provide one interpreter per participant during the exhibition, the networking event and the business meetings for all the missions. It is advised that the networking event with the local business community and EUMS Trade Representatives is up to EC quality standards and that the Programme facilitates informal networking between the participating companies.

More effort should be put in increasing the number and quality of the individual business meetings. Hence, when not yet implemented, it is advised to complement the current system with the network of the EUMS Trade Representatives in the partner country, to involve the sector specialists and professional sector associations more strongly and to invest more time in this match-making process. The participating company should be informed well in advance of their business meeting schedule and receive detailed information in English about the companies they will meet.

→ **Recommendation 7: Development of customised services**

The current customized services, translation and printing, interpretation and importing services, are proven to be useful and should be maintained. In addition, customized services can be further expanded to better accommodate the different needs of first-comers and repeaters by providing specific support such as in-depth (sub)sectoral market surveys, business strategy coaching, legal support for regulatory issues, follow-up support after the business week (for example translation of communication with potential partner), briefing on how to market and promote your company, detailed company information on the potential business partners, information on NTBs applied to the specific product, ....

The participating companies would benefit from individualised expert coaching to fine-tune their business strategy. This approach would guide them through the process of developing a strategy upfront, checking the feasibility of their approach during the business-to-business meetings with local

companies and adjusting their strategy whenever necessary based on the gained experience. The Programme should not only be a 'business week organizer' programme but also put more efforts in expert-assisted business facilitation and awareness-building, and in the process help promising high-end EU companies find their way to potential interesting markets.

To ensure long term success for participating companies, it is recommended that the Programme facilitates follow-up support. This can be done through the EUMS Trade Sections or other appropriate support organizations for example Chambers of Commerce or local government organizations, such as JETRO for Japan and KOTRA for Korea, etc . Further study is needed to determine the most efficient way and whether or not this kind of follow-up support would fall under the objectives of a future EU Gateway type program. The continuation of the current system of sponsoring part of the customized services up to certain amount is advisable.

→ **Recommendation 8: Rationalisation of the databases**

The Coaching Support System (CSS) is a web platform that is used by stakeholders to share information collected at different stages of the EU Gateway process (recruitment, selection, mission, feedback,...). However, although the website is heavily used for data management and although it already contains a lot of information, it is not the primary source of information for all stakeholders (in Europe as well as in Japan and Korea) and it is used below its potential in terms of reporting or monitoring. We therefore suggest the following improvements.

The CSS is really useful, but after many years of use, it might need to be "refreshed". In its actual version, the page "business mission" of the website is the most important, while the rest is sparsely used. We therefore suggest a reorganisation of the menu, as well as some improvement and simplification, for something more "user-friendly" that would facilitate the navigation (for the layman) and the monitoring/reporting.

The Debriefing Questionnaire as well as the Follow-up Questionnaire needs to be adjusted/revise, keeping in mind that there should be a methodology with clear parameters to measure the success of the Programme by an independent company. The indicators have to be set at the beginning of the programme and the questionnaire designed accordingly (example: numbers of useful business contacts, numbers of orders, increased turn over, investment, employment of EU participants...).

The way questionnaires are filled-out on the website could be improved (numbers are not always number, the name of sectors are not always the same,..), and the questionnaires should be somewhat revised (with the help of a statistician). The Exit Poll could also be improved in at least two ways: increasing the homogeneity between the two surveys in Korea and Japan and storing the answers on the CSS website, to facilitate a further development of an automated statistical analysis of answers.

The different stakeholders, particularly in Japan and Korea, do not share their databases with other stakeholders, and developed a proprietary and independent system that they use internally. It is a particularly inefficient process. In fact, stakeholders sometimes need to find some information that is already in the database of someone else, but in a database on which they do not have an access. This difficulty is particularly true for the databases of contacts. Moreover, as this key information is not in a database that is directly accessible by the EU (the list of contact in Japan and Korea), it raises questions about the property rights of its content.

The extraction of information contained in the different database of the CSS should be simplified, in order to facilitate an independent control of the program.

The website is mostly used for storing information but these data are not monitored in "real-time". An important improvement would be to add a menu that would be dedicated to the monitoring/reporting of the different stages of the Gateway: by Gateway, by year, by sector, by Member State, ... This new

page would provide automatically statistics (mostly tables and graphs) on the selection process, cancellation rates, number of companies, percentage of repeaters, average number of meetings per company, satisfaction and feedback from EU companies, exit poll, etc...

The survey of the companies after one year is not sufficient, particularly in Japan that is a difficult market where they might need more than one year to evaluate the impact of the EU Gateway. Have another survey after for example 3 years would be helpful.

→ **Recommendation 9: More visibility and enhanced communication through use of networks and modern communication technologies**

The promotion of an EU Gateway-type of Programme both within the EU and the partner country is directly linked to its success. The current website, promotional leaflets, programme brochures and other modern communication tools promoting the EU Gateway Programme, both in the EU and the partner country, are providing complete and comprehensive information. A minor suggestion is that the participating company/product introduction in the mission company brochure should also be provided in English. It should also be noted that the promotion material needs to be tailored to the specific sector needs, which are different for the technology and design sectors.

The general visibility of the EU Gateway Programme, as well as reaching a more targeted public can be improved by making more use of private and public business networks and information brokers both in the EU and the partner country. In Japan, an extra effort should be done to promote the event outside the Kanto (=big Tokyo) region by making more use of regional business support networks. Most of the persons interviewed, commented that for Japan the press segment needs to be reviewed.

It is recommended that the implementing structure facilitates efficient internal communication and cooperation between the different contractors and stakeholders, including sharing of all available databases and effective knowledge. A special effort should be done to inform the EUMS Trade Representatives in the host countries about the upcoming missions, the participating companies, the results of the missions and the local business interest for the mission. It is also recommended to stimulate inter-company communication and networking during the business week.



## 7. ANNEXES

**Annex 1**-Terms of Reference of the Study

**Annex 2**-Chronological list of meetings held during field visit to Belgium, Japan and Korea

**Annex 3**-Programme schedule of the missions in Japan and Korea

**Annex 4**-Documents, Publications, Websites and Databases consulted and reviewed

**Annex 5**-Logical Framework Matrix

**Annex 6**-List of countries and territories covered by the council regulation (EC) No 1934/2006 of December 2006

## Annex 1: Terms of Reference of the Study

### Study of EU Gateway to Japan and Korea Funded by the Industrialised Countries Instrument (ICI) FWC COM 2011 - LOT 1

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## BACKGROUND

Council regulation (EC) n° 1934/2006 of 21 December 2006, also known as the 'Industrialised Countries Instrument (ICI)', promotes cooperation with 17 industrialised and other high-income countries and territories in North America, Asia-Pacific and in the Gulf Region.

The actions provided for under the aegis of the ICI support the strategic objectives of the European Union external action in relation to industrialised countries:

- advancing EU interests with main industrialised partners on (a) key foreign policy, security and development issues; (b) economic integration, including promoting growth, trade, investment and jobs; and (c) global issues such as energy security and climate change;
- managing the existing frameworks for bilateral relations with the EU's main industrialised and high-income partners and developing these frameworks in support of EU objectives;
- advancing networking and awareness of the EU, by facilitating people-to-people exchanges and educational, scientific and academic contacts.

Specific cooperation activities have been so far organized around three main priority areas:

- (1) Public diplomacy and outreach.
- (2) Economic partnership and business cooperation.

The cooperation activities contribute to the strategic objective of strengthening the presence of European companies in key markets. In particular, they should facilitate market access for European companies, including small and medium-sized enterprises.

- (3) People-to-people links.

In the context of the Financial Perspectives 2007-2013 and the Economic partnership and business cooperation part of the ICI, the EU Gateway Programme was designed to contribute to improve the competitiveness of European companies and strengthen their presence on key markets. Specific business cooperation actions were set out to support the broader European Union strategy to develop trade and investment with Japan and Korea. The strategy to enhance business cooperation aims at facilitating the access of European companies to the Japanese and Korean markets in sectors which are difficult to penetrate, in particular highly regulated technological sectors.

In particular, targeted support to companies active in technology and design sectors were to complement the efforts made to remove obstacles in the context of the regulatory reform dialogue with Japan. The EU-Japan summit that took place in May 2011 reiterated both sides' wish to strengthen business links by deepening negotiations for a Free Trade Agreement between the EU and Japan. One year on, the Commission has decided to recommend to the Council the start of negotiations with a view to conclude an agreement covering political, global and sectorial cooperation and an FTA.

The EU Gateway to Korea was very timely initiated in 2008/9 to complement the EU-South Korea Free Trade Agreement. The FTA entered into force in July 2011 and one year on, the first figures available are promising with EU exports to Korea increasing by 20% in the 2nd semester of 2011.

### **EU Gateway to Japan and Korea**

The EU Gateway to Japan and Korea started in March 2008, with an inception period to i) develop the basic practical and functional elements (tools and procedures) for the programme; ii) set-up the operational structures to effectively start the programme; and iii) promote of the programme among economic operators followed by the gradual build-up of the cooperation activities.

Following the inception period, the programme has implemented 4 cycles of business cooperation missions to Japan and Korea during 2009, 2010, 2011 and 2012 with a total of 34 (9+9+9+7) missions. These missions are in the following sectors:

Japan:

- Environmental and Energy-related technology,
- Information and Communication technology,
- Healthcare and Medical technology
- Construction and Building technology
- Fashion Design
- Interior Design

Korea:

- Environmental and Energy-related technology
- Healthcare and Medical technology
- Construction and Building technology

Each mission can accommodate for up to 40 EU companies and over the four cycles the participation rate has increased to reach the maximum during 2012. Therefore a total of around 1000 EU companies from all 27 Member States have participated to the EU Gateway to Japan and/or Korea by end 2012.

**The four EU Gateway implementing contractors**

EU Gateway is being implemented through four distinct service contracts operating in a synchronised and cooperative manner.

1. A Central Management Unit based in Brussels, responsible for the development of management tools and procedures, for the overall coordination of the programme and for the centralised management tasks;
2. A Coaching Network based in Europe and with offices in Japan and in Korea, responsible for the development of operational tools and procedures, for expert assistance (including promotion, recruitment and pre-selection), coaching and mentoring of European companies as well as promotion and recruitment of visitors in Japan and Korea;
3. An Operational Unit in Japan, responsible for the coordination and logistics of activities in Japan;
4. An Operational Unit in Korea, responsible for the coordination and logistics of activities in Korea.

Each contractor reports on a regular basis to the European Commission, i.e. quarterly reports, annual reports, business mission reports, impact assessment. Each business mission has an extensive debriefing by the participating EU companies as well as an exit poll among the Japanese/Korean visitors to the Gateway event. All these reports and debriefings will be made available for the purpose of this study.

## MANDATE AND OBJECTIVES

The ICI annual action plan 2011 foresees to undertake studies in view of the future of EU-Japan relationships as part of the follow-up to the Action Plan for EU-Japan cooperation. Similarly, for Korea, it foresees to undertake targeted research on different aspects of the free trade agreement signed in 2011.

This study will cover both Japan and Korea with the objective to

- make an overall independent assessment of the past performance of the programme;
- identify key lessons and propose recommendations to future policy strategies in the area of business cooperation.

## Issues to be studied

By end 2012, the EU Gateway programme will have completed 2/3 of its implementation. This perspective study should analyse and assess in details the issues below, taking into account the evaluation criteria on relevance, effectiveness and impact, as well as on the coherence and added value of the programme in strengthening the presence of EU companies in Japan and Korea.

In particular, the study should make an assessment of the following five aspects,

Relevance – is the programme, as implemented, consistent with and supportive of the objectives as outlined in the ICI regulation; are technology and design sectors clearly identified and relevant to globalisation of EU companies; are promotion and recruitment reaching out to potential EU companies in a strategic way; is the programme responding to concrete problems encountered by EU companies on the Japan/Korea markets – i.e. to what extent is the programme demand driven?

Effectiveness - can the EU claim return on investment at macro level, i.e. does the programme contribute to the policy objectives of the EU; are the various activities/expenses pertinent for the purpose of the programme?

Impact – has the programme generated impact both for the individual EU companies selected and the sector as such in Japan/Korea, as well as for the image/visibility of the EU in these two perceived difficult markets? What type of impact can be recorded, and does the action have a potential to be sustainable in some aspects (the EU Gateway programme is not expected to run without EU funding)? In addition, the programme measurement indicators should be judged with regard to depth and quality.

EU added value – what specific added value does the programme offer for the EU as a global player, and specifically in view of complementing the EU policy on FTAs?

Does the programme have a potential to be replicated in other markets, and if so what would be the key elements which require redesign?

Complementarities and coherence – is the programme de facto playing a role of being complementary to the EU policy vis-à-vis Japan/Korea. Is the programme operating in a complementary way vis-à-vis EU Member State trade promotion actions?

## DESCRIPTION OF THE ASSIGNMENT

### Beneficiary

The beneficiary of this assignment will be the European Commission, the EU Delegations to Japan and Korea, the current contactors involved in implementation of the EU Gateway programme.

### Scope of the study

This study can be characterised as an in-between mid-term and a final review. The study is expected to advice the European Commission on the achievements of EU Gateway based on a 2/3 implementation completed. Furthermore, the study should advice the European Commission on this type of intervention as a complement to EU bilateral FTAs (at the briefing session, an indicative list of countries for which the review should be related will be discussed and agreed upon). The study should identify the key factors for an EU Gateway type action to be successful.

The study must cover the 4 cycles of the EU Gateway programme, both Japan and Korea, and all business missions (see description under 'Background').

## Requested services, including suggested methodology

The study should be carried out mainly as a desk analysis of the existing documentation and data. The experts should assist to one business mission in Japan and Korea respectively to have an understanding of the local implementation of the programme, and to meet with the contractors' and stakeholders in Japan and Korea respectively.

Interviews with various stakeholders should be proposed at the desk phase and carried out during the field phase and the analysis phase (see planning below). However surveys/questionnaires/interviews with EU companies should NOT be done, as there already exist extensive information in that respect. It is also considered that yet another actor on the programme might be overloading the EU companies.

The study should reconstruct the intervention logic of the EU Gateway programme, and use this as basis to focus the questions related to the specific objectives.

The EU Gateway programme holds a considerable amount of data which will be the base for the study undertaken under this contract. Data exists in database format, given details per applying company, status of their participation to the programme, feedback information in questionnaires (see also list of documentation in annex).

For understanding of the EU Gateway functioning, please find enclosed the original terms of reference for the four contracts of the programme, and please consult the dedicated website: [www.eu-gateway.eu](http://www.eu-gateway.eu).

The selected company for this assignment will be granted access to the data held in the Gateway programme database.

## Required outputs

The study should result in a short report of around 30-50 pages. This report should be based on findings and evidence gathered through the analysis done of the EU Gateway programme data, the field phase and the stakeholder interviews. In addition, an oral presentation accompanied by a slide presentation should be done. The European Commission will organise the logistics for this presentation (not to be foreseen under this assignment).

## EXPERTS PROFILE OR EXPERTISE

The team should comprise up to three experts, having considerable experience in assessing programmes in areas like market access, trade agreements (bilateral and multilateral), industrialised countries and emerging markets, business cooperation support to small and medium sized enterprises.

All experts should be broadly familiar with data analysis, project cycle management and the logical framework approach. Experience in business cooperation with Japan and Korea is requested.

	<b>Role</b>	<b>Number of days</b>
Senior Expert	Team leader, business cooperation expert	120
Senior Expert	Trade policy expert	50
Senior Expert	Data expert	50

## **Profile or expertise required**

### **Business cooperation expert, team leader (Cat. Senior)**

S/he will be a business cooperation expert with a full university degree in a related field. Extensive experience related to trade and business cooperation programmes is required, with at least 10 years' experience in designing/managing/supervising/advising trade/business cooperation projects. S/he should have experience of implementation of trade/business cooperation projects in Japan and/or Korea. In absence of a University degree, the professional experience related to the assignment must be of a minimum of 13 years.

Experience with economic performance assessment methodologies would be an advantage.

Excellence in writing/communicating in English, short and sharp as well as communicating in a simple and comprehensive way. The CV should make reference to pieces of written communication done by the expert.

S/he will have overall responsibility for the distribution of work within the team of experts and ensuring that all reports and documents produced by the mission are consistent with the mission objectives.

### **Expert in trade agreements and trade barriers (Cat. Senior)**

Full university degree in a related field or experience of minimum 13 years in the field related to the assignment. He/she should have knowledge of EU trade policy, experience from handling/analysing technical barriers to trade, as well as experience from EU member State trade promotion initiatives.

Experience from similar assignments would be an advantage.

### **Data analysis expert (Cat. Senior)**

Full university degree in statistics or related field or experience of minimum 13 years in the field related to the assignment. Significant experience and understanding of analysing existing data and reports. Knowledgeable of cross cultural differences, specifically business cooperation between the EU and East Asia. Ability to analyse data in an innovative manner and propose new angles for analysis. Experience from similar assignments should be proven in the CV.

## **Working language(s)**

The EU Gateway programme operates in English, including all documentation. The report should be prepared in English. Knowledge of Japanese and Korean would allow for the experts to understand the locally produced promotion material. Thus, knowledge of Japanese and Korean is an asset, however not a requirement.

## **LOCATION AND DURATION**

### **Starting period**

The study should start first half of January 2013.

## Foreseen finishing period or duration

The analysis and assessments must be carried out over a period of 4-6 months in calendar days (for the team leader to prepare a detailed plan and have it approved by the European Commission after the first month of desk analysis and kick-off).

In any event the draft report must be presented to the European Commission by June 2013, the latest.

## Planning

Phase	Activities	Responsible	Output
Preparation phase	Conclusion of FWC for the assignment Set up of Steering Committee (see description below)	FPI4	FWC signed
Desk phase (one month)	Start 6/1-2013 Baseline documents made available to experts. Kick-off meeting with FPI4 and meeting with European contractors for EU Gateway in Brussels	Team leader	Study plan, including timetable for EC approval
Field phase	Tokyo, Environment and Energy Technologies related business mission 4-8 February, 2013;  Seoul, Healthcare and Medical Technologies business mission 18-22 March 2013.  Interview stakeholders in Tokyo and Seoul.	Team leader	
Analysis phase	Analysis of data  Interview stakeholders  Synthesis of findings	Team leader	Draft report for comments by EC and steering committee
Report	Presentation of findings based on draft report  Finalisation of report	Team leader	Oral presentation by experts. Final report by June 2013

## Provisional maximum reimbursable costs per expert

International travel to Brussels	3
International travel to Tokyo	1
International travel to Seoul	1
Per diem in Brussels	15
Per diem in Tokyo	5
Per diem in Seoul	5



## **Location(s) of assignment**

The study should be carried out using the premises of the contractor. Three meetings with all three experts will be held with the European Commission in Brussels, as well as with two EU Gateway contractors also located in Brussels. All data will be made available either online or through electronic means.

All three experts should foresee travel to Tokyo, Japan to attend the Environment and Energy Technologies related mission 4-8 February, 2013; and to Seoul, South Korea to attend the Healthcare and Medical Technologies mission 18-22 March 2013.

## **REPORTING**

### **Language**

All communication, reports and presentations must be done in English.

### **Submission/comments timing**

The contractor is expected to present an initial plan for carrying out the study after one month of work. The draft report and oral presentation of findings must be presented within 5 months from the start of work. The final report must be presented in June 2013.

See also above on planning.

### **Number of report(s) copies**

Reports should be submitted in electronic version plus paper version (5 copies).

## **MANAGEMENT AND STEERING OF THE EVALUATION**

### **Management**

The Service for Foreign Policy Instruments, section dealing with the Industrialised Countries Instrument (FPI4) is in charge of this study and will be the direct interface for the contractor for this assignment.

### **Steering Committee**

The steering committee for this study will support FPI4 in its management of this work. It has given input to the terms of reference; will give comments on the study findings which will be communicated to the team leader, and it will be present for the presentation of findings.

The steering committee is composed of 6 members representing DG Enterprise, the Delegations to Japan and to Korea, the Asia Desk at the European External Action Service (EEAS) and the Service for Foreign Policy Instruments (FPI4).

## **ADMINISTRATIVE INFORMATION**

### **Equipment**

No equipment is to be purchased on behalf of the Contracting Authority within the context of this Framework contract. Mission participants are advised to bring the equipment necessary to carry out their mission with them. Please note that specific IT norms and requirements apply for Japan and Korea, i.e. G4 mobile phones, etc.

### **Conflict of interest**

The contractor and the evaluation team must not have had a direct role in the implementation of the EU Gateway programme during its current implementation period, i.e. since 2008. In case of doubts, the contractor must inform the Contracting Authority as soon as possible of any risk of conflict of interest.

### **Important Remarks**

These Terms of Reference may be complemented at the kick-off meeting with the European Commission.

The team will have excellent writing and editing skills. If the team proves unable to meet the level of quality required for drafting the report, the consulting firm will provide, at no additional cost to the Commission, an immediate technical support to the team to meet the required standards.

### **VAT**

The framework contractors are invited to obtain information from the Contracting authority concerning reimbursement procedures or possible exemption from VAT.

## Annex 2: Chronological list of meetings held during field visit to Belgium, Japan and Korea

- 8 January 2013** Kick off meeting, Mrs. Ellen Pedersen - Programme Manager, Business Cooperation, Cooperation with Industrialised countries and Partnership Instrument, Service for Foreign Policy Instrument, European Commission, Brussels, Belgium
- 9 January 2013** Mr. Claus Frost-Hansen, Project Manager and Mrs. Esther Martin, Project Officer, Central Management Unit (lot1), Cardno Emerging Markets Belgium s.a., Brussels, Belgium
- 10 January 2013** Mr. Richard Doherty, Partner, Public Sector Services Leader Europe, Middle East & Africa and Mr. Paul Davies, Senior Consultant, Deloitte Belgium (lot2), Brussels, Belgium
- 10 January 2013** Kick off meeting, Mrs. Ellen Pedersen - Programme Manager, Business Cooperation, Cooperation with Industrialised countries and Partnership Instrument, Service for Foreign Policy Instrument, European Commission, Brussels, Belgium
- 31 January 2013** EU Gateway to Japan, Interior Design Business Mission to Japan, pre-departure meeting, Brussels, Belgium
- 3-8 February 2013** EU Gateway Mission, Environment and Energy-related Technologies Mission, Tokyo, Japan
- 4 February 2013** Briefing Sessions for participants
- 4 February 2013** Mrs. Reiko Kobayashi, Deputy Director, Invest Japan Business Support Center, Invest Japan Department and Mr. Kazuhide Kasahara, Invest Japan Business Support Center, Invest Japan Department, Japan External Trade Organization, Tokyo, Japan
- 5 February 2013** Mrs. Laura Rustico, Attaché, Economic and Commercial Affairs, Italian Embassy, Tokyo, Japan
- 5 February 2013** Mr Nonaka, Manager, Deloitte Tohmatsu Consulting Co.Ltd (Lot2), Tokyo, Japan
- 5 February 2013** Mr. Bernard Cendron, President, K.K. BCIL Japon, Sector Specialist Fashion, Tokyo
- 5 February 2013** Mrs. Aiko Nishiyama, Director and Mrs. Titanilla Mátrai, Project Manager, Witan Associates Limited (Lot3) - General Meeting, Tokyo, Japan
- 6 February 2013** Mr. Ulf Sormark, Minister Counsellor, Embassy of Sweden, Tokyo, Japan
- 6 February 2013** Mr. Georges Nagels, Trade Commissioner, Flanders Investment & Trade, Government of Flanders-Belgium, Tokyo, Japan
- 6 February 2013** Mr. Matthieu Branders, First Secretary, Embassy of the Kingdom of Belgium, Tokyo, Japan
- 6 February 2013** Mrs. Emilia Fabian, Second Secretary, Head of the Office of Economic Affairs and Mr. Attila Erdős, Counsellor, Science and Technology, Embassy of Hungary, Tokyo, Japan
- 7 February 2013** Mr. Eric Hamelinck, Second Secretary, Press, Public and Cultural Affairs Section, Second Secretary, Delegation of the European Union to Japan, Tokyo, Japan
- 7 February 2013** Mrs. Yuki Kobayashi, Programme Coordinator, Trade Section, Delegation of the European Union to Japan, Tokyo, Japan
- 7 February 2013** Mr. Nikolaos Zaimis, Minister-Counsellor, Head of Trade Section, Delegation of the European Union to Japan, Tokyo, Japan
- 7 February 2013** Mr. Axel Göhner, Counsellor, Economic Affairs, Mr. Ansgar Sickert, First Secretary, Industrial Policy, Mrs. Shikibu Oishi, Advisor, Economic Department, Embassy of the Federal Republic of Germany, Tokyo, Japan
- 8 February 2013** Mrs. Aiko Nishiyama, Director, Witan Associates Limited (Lot3) - Database Meeting, Tokyo, Japan

- 8 February 2013** Mr. Duco Delgorge, Chairman, European Business Council (EBC), Tokyo, Japan
- 8 February 2013** Debriefing meeting for participants
- 15 February 2013** Mrs. Merei Wagenaar, Counsellor, Economic Affairs, Embassy of the Kingdom of the Netherlands, Tokyo, Japan, by correspondence
- 28 February 2013** Mrs. Sabine Pick, Pick Consulting, EU sector specialist fashion and interior, Telephone interview.
- 8 March 2013** Ms. Jimin Kim, Trade Officer, Healthcare, Life Sciences, Cosmetics, UK Trade & Investment, Embassy of United Kingdom, Seoul, South-Korea , by correspondence
- 18-22 March 2013** EU Gateway, Healthcare and Medical Technologies Mission, Seoul, Korea
- 17 March 2013** Informative meeting of EU Gateway contractors
- 18 March 2013** Briefing Sessions for participants
- 18 March 2013** Mrs. Young Kim, President, Sector specialist, Medical Device Market, Synex Consulting
- 18 March 2013** Mrs. Younsil Huh, Senior Manager and Mr. Yunchul Shin, Consultant, Strategy and Operation Group Deloitte Korea,
- 19 March 2013** Business Exhibition Day 1
- 19 March 2013** Mr. Baudouin Lejeune, Senior Lead, Deloitte Belgium
- 19 March 2013** Mr. Dominique Boutter, Directeur de la Mission Economique, Ubifrance,
- 19 March 2013** Mr. Rybarski, Counselor and Deputy Head of Mission, Embassy of Poland,
- 20 March 2013** Business Exhibition Day 2
- 20 March 2013** Mr. Wolfgang Sabella, Commercial Attache, Commercial Section, Austrian Embassy
- 20 March 2013** Mr. Ari Virtanen, Head of Trade Section and Mrs. Salla Janhunen, Market Researcher, FINPRO, Embassy of Finland
- 20 March 2013** Mr. Tae-Geon Kang, Head/Senior Researcher and Mr. In-Beom Kim, Researcher, Department of R&D Policy, Korean Medical Device Industry Association (KMDIA),
- 20 March 2013** Mr. Simon Sanders, Liaison Manager and Mr. Taesung Kim, Project Director, Lot 4, EC21
- 21 March 2013** Mr. Xavier Coget, Counsellor and Mr. Borja Garcia Hidalgo, Trade Policy Officer Delegation of the European Union to the Republic of Korea,
- 22 March 2013** Seminar by 17 EU companies at the 'Korea international medical and hospital equipment show' (KIMES) -21-24 March 2013
- 22 March 2013** Mr. Wolfgang Slawinski, Secretary General and Mr. In-Seung Kay, Director, European Chamber of Commerce in Korea
- 22 March 2013** Mr. Sean Shin, Exhibition Marketing Department, KIMES Trade Show
- 22 March 2013** Debriefing meeting for participants
- 27 March 2013** European Commission Department, DG Trade ; Japan : Mr. Laurent Bardon and South Korea :Mrs. Justyne Lasik and/or Mrs. Marika Jakas
- 28 March 2013** EU Gateway to Japan, Fashion Design Mission, attend exhibition and fashion show, Tokyo, Japan
- 10 April 2013** Mr. Paul Davies, Senior Consultant, Deloitte Belgium (lot2), Brussels, Belgium
- 25-26 April 2013** Intermediary report meeting, Mrs. Ellen Pedersen - Programme Manager, Business Cooperation, Cooperation with Industrialised countries and Partnership Instrument, Service for Foreign Policy Instrument, European Commission, Brussels, Belgium
- 5 June 2013** EU Gateway to Japan, Design Mission, attend exhibition

## Annex 3: Programme schedule of the missions in Japan and Korea

### Programme schedule of the Environment and Energy-related Technology Mission, Tokyo, Japan, 4-8 February 2013

Monday, 4 February 2013

Briefing Session: logistics and sector specialist speakers  
Study Tour (optional)  
Help Desk

Tuesday, 5 February 2013

Business Exhibition Day  
Networking Event

Wednesday, 6 February 2013

Business Exhibition Day

Thursday, 7 February 2013

Individual Business Meetings

Friday, 8 February 2013

Individual Business Meetings

### Programme schedule of the Healthcare and Medical Technologies, Seoul Korea, 18-22 March 2013

Monday, 18 March 2013

Briefing Session: logistics and sector specialist speakers  
Study Tour (optional)  
Help Desk

Tuesday, 19 March 2013

Business Exhibition Day  
Networking Event

Wednesday, 20 March 2013

Business Exhibition Day

Thursday, 21 March 2013

Individual Business Meetings  
Korean International Medical & Hospital Equipment Show (KIMES) exhibition visit (optional)  
Korean International Medical & Hospital Equipment Show (KIMES) Reception (optional)

Friday, 8 February 2013

Individual Business Meetings  
Korean International Medical & Hospital Equipment Show (KIMES)-present seminar (optional)  
Debriefing Session

## Annex 4: Documents, Publications, Websites and Databases consulted and reviewed

### EU Gateway to Japan and Korea Study Report Documents

- Specific Terms of Reference

### EU Gateway to Japan and Korea Programme Documents and website

- Tender Specifications for the implementation of the EU Gateway Programme, an EU-Japan and EU-Korea Cooperation Initiative
- EU Gateway to Japan and Korea Programme website (<http://www.eu-gateway.eu/home>)

### EU Gateway to Japan and Korea Contractor documents and databases

- Quarterly reports-lot1
- Annual Team Meeting Report – lot1
- Annual Technical Report –lot1
- Quarterly (Technical) Report-lot2
- Cycle 1 and cycle 2 Review – lot 2
- Event Reports – lot3
- Quarterly reports-lot3
- Annual Reports – lot3
- Mission Event Reports-lot4
- Quarterly reports-lot4
- Annual Report-lot 4
- Sector Studies-lot1
- Doing Business in Japan-lot1
- Doing Business in Korea-lot1
- Market studies in the different sectors –lot1
- Survey : post -event questionnaire Japan and Korea (2008-March 2013)
- Survey : exit satisfaction poll for Japanese/Korean visitors (2008-March 2013)
- Survey : 1 year after survey
- Coaching Support system (CSS) database

### EC Regulation documents

- Council Regulation (EC) No 1934/2006 of 21 December 2006, establishing a financing instrument for cooperation with industrialized and other high-income countries and territories (Eu, 21 December 2006)
- Proposal for a regulation of the European Parliament and of the council establishing a Partnership Instrument for cooperation with Third countries (EC,7 December 2011)

### Other Reference documents and websites

- EC official website ([http://ec.europa.eu/index\\_en.htm](http://ec.europa.eu/index_en.htm));
- Executive summary of the impact assessment report on EU-Japan trade relations (EC, 18 July 2012);
- Intermediate Evaluation of the Executive Training Programme in Japan and Korea (Deloitte, 12 February 2010);
- Evaluation of the Executive Training Programme in Japan and Korea and of the third Gateway to Japan Campaign (Jitex, 23 July 2004);
- Impact Assessment report on EU-Japan Trade Relations, Commission Staff Working Document

- 18.07.2012;
- Economic Impact of a Potential Free Trade Agreement (FTA) Between the European Union and South Korea, Short study by Copenhagen Economics & Prof. J. F. Francois, March 2007;
  - Developing Country Trade Policies and Market Access Issues (2013);
  - Delivering Trade Potential, the ECB Report on the Japanese Business Environment (EBC, 2012);
  - Economic Impact of a Potential Free Trade Agreement between the European Union and South Korea(Prof. J. F. François);
  - Trade Sustainability Impact Assessment of the FTA between the EU and ASEAN, Trade07/c1/c01-Lot2;
  - Quantifying the Impact of Technical Barriers to Trade (The World Bank, Dec. 2000).

## Annex 5: Logical Framework Matrix

The Terms of Reference of the study include the reconstruction of a Logical Framework for the EU Gateway to Japan and Korea Programme which had not been previously included in the existing project documents. Financial and budget data has not been made available for the purposes of this study and is therefore not included in the Logical Framework presented here below:

	Intervention logic	Objectively verifiable indicators of achievement	Sources and means of verification	Assumptions and risks
<b>Overall objectives:</b>	<ul style="list-style-type: none"> <li>➤ Support trade and investment with Japan and Korea</li> <li>➤ Promote business cooperation between the EU, Japan and Korea</li> <li>➤ Contribute to improving the competitiveness of EU companies and strengthen their position on key markets</li> <li>➤ Complement the efforts made at regulatory dialogue level to remove regulatory obstacles and where applicable, complement FTA processes</li> <li>➤ Facilitate the access of EU companies to Japanese and Korean markets in specific sectors.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Increase in EU direct investment in Japan and Korea by the end of the programme;</li> <li>➤ Increase in EU trade in Japan and Korea by the end of the programme;</li> </ul>	<ul style="list-style-type: none"> <li>➤ Official statistics on trade and investment flows between EU and Japan and EU and Korea (Eurostat).</li> <li>➤ Relevance of sectors at the global level</li> <li>➤ Comparison with other countries, in the same region, on which no EU Gateway program has been implemented.</li> <li>➤ Independent sources of information and press coverage.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Political and economic stability in Europe, Japan and Korea</li> <li>➤ Continued trends in their relations.</li> <li>➤ The size of the EU Gateway program might be too small to see any impact at the macroeconomic level (on trade and investment).</li> </ul>
<b>Project purpose:</b>	<p>In specific / designated sectors:</p> <ul style="list-style-type: none"> <li>➤ Assist European companies in their attempts to get a strong foothold on the Japanese and Korean markets;</li> <li>➤ Help European businesses to succeed in</li> </ul>	<ul style="list-style-type: none"> <li>➤ Awareness of the opportunities in Japan and Korea for EU companies at large</li> <li>➤ Increase in awareness about the facilities offered by the EU Gateway programme at the sector level</li> </ul>	<ul style="list-style-type: none"> <li>➤ Total number of missions organized by EU Member States in Japan and Korea.</li> <li>➤ Number of visits or clicks on Japan and Korea on the Market</li> </ul>	<ul style="list-style-type: none"> <li>➤ Bias of “participating companies”.</li> </ul>



	<p>Japan by providing support at the crucial and early stages of their market penetration strategy;</p> <ul style="list-style-type: none"> <li>➤ Familiarise EU businesses with the business culture and environment of two of the most difficult economies to access in the world;</li> <li>➤ Build awareness and facilitate market access for EU companies.</li> <li>➤ Help European companies to develop their business in Japan and Korea by organising business missions in high technology and design sector;</li> <li>➤ To foster direct business co-operation between economic operators in the EU and Japan and Korea and unlock new trade and investment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>➤ Satisfaction with the EU Gateway Programme among economic operators.</li> <li>➤ International development of targeted companies and sectors (trade and investment, increased turnover and employment for the European participants).</li> </ul>	<p>Access Database.</p> <ul style="list-style-type: none"> <li>➤ Debriefings, tours de table, surveys 6 weeks after the end of the mission (analysis of the degree of satisfaction among participating businesses).</li> <li>➤ Surveys 12 months after the end of the mission (effectiveness of the business cooperation).</li> <li>➤ Previous programme evaluation;</li> </ul>	
<p><b>Expected Results:</b></p>	<ul style="list-style-type: none"> <li>➤ Growth in the number of direct business meetings and negotiations for partnership between EU, Japanese and Korean companies;</li> <li>➤ Enhanced networking between European, Japanese and Korean resulting in new trade and investment opportunities;</li> </ul>	<ul style="list-style-type: none"> <li>➤ 300-400 companies supported through the programme each year</li> <li>➤ 30-35 missions to Japan organised from 2008-2013</li> <li>➤ 15-20 missions to Korea organised from 2008-2013</li> <li>➤ 40 companies targeted per mission to Japan</li> <li>➤ 30 companies targeted per mission to Korea</li> <li>➤ 6 different industries targeted in Japan</li> <li>➤ 3 different industries targeted in Korea</li> <li>➤ Establishment of new business collaborations</li> <li>➤ Revenue growth of up to 10%</li> <li>➤ Strong increase in market understanding</li> </ul>	<ul style="list-style-type: none"> <li>➤ Number of missions, cycles, ...</li> <li>➤ Number of applications, participants, and cancellation rates: by EU MS, by year, by sector, by size, etc....</li> <li>➤ Efficiency of the promotion of the program in EU (by sector, EU Member State,...).</li> <li>➤ Analysis of survey among counterparts in Japan and Korea (ideas, suggestions, failures, difficulties,...).</li> <li>➤ Trade and investment flows by sector.</li> <li>➤ Company accounts (sales, turnover,...)</li> <li>➤ Programme databases (list of contacts in Japan and Korea);</li> <li>➤ Reports and questionnaires.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Japanese and Korean markets difficult to access for EU companies</li> <li>➤ Japanese and Korean interest for business cooperation with EU.</li> </ul>

<b><u>Activities and Programme Components</u></b> :	<b><u>Activities per Lot:</u></b>	<b><u>Specification of inputs</u></b>	<b><u>Specification of EC contribution</u></b>	
	<p><u>Lot 1 – Development of tools and procedures: coordination, planning, monitoring and evaluation of the programme</u></p> <ol style="list-style-type: none"> <li>1. Public relations and general promotion;</li> <li>2. Campaign website;</li> <li>3. Market and sector studies;</li> <li>4. Central data management;</li> <li>5. Validation of selections;</li> <li>6. Coordination meetings;</li> <li>7. Monitoring of individual missions;</li> <li>8. Reporting to the commission;</li> <li>9. Liaison with the Commission.</li> </ol>	<ol style="list-style-type: none"> <li>1. PR and general promotion strategy;</li> <li>2. Website in English, Japanese and Korean;</li> <li>3. Comprehensive and restricted surveys;</li> <li>4. Database;</li> <li>5. Selection committee meetings;</li> <li>6. Annual team meetings with Lot 2, 3 and 4;</li> <li>7. Processed feedback reports;</li> <li>8. Quarterly and annual activity reports;</li> <li>9. Regular management meetings.</li> </ol>	<p><i>Information not made available for the purposes of the study.</i></p>	
	<p><u>Lot 2 – Development of promotion tools and procedures – Information, recruitment, assessment, pre-departure preparation and coaching in the EU – Promotion, information, coaching and provision of customised services in Japan and Korea</u></p> <ol style="list-style-type: none"> <li>1. Promotion for sector events</li> <li>2. Recruitment method and assessment of applications</li> <li>3. Coaching package</li> <li>4. Information and promotion campaign</li> <li>5. Pro-active recruitment</li> <li>6. Screening of applications and pre-selection of candidate participants</li> <li>7. Strategic preparation of selected companies</li> <li>8. Registration of customised services</li> <li>9. Transfer of information</li> <li>10. Post-event debriefing and coaching</li> <li>11. Post-event follow up</li> <li>12. Data recording and data transfer</li> <li>13. Provision of standard services</li> <li>14. Stand-by assistance</li> <li>15. Provision of customised services</li> <li>16. Debriefing</li> </ol>	<ol style="list-style-type: none"> <li>1. Sector promotion strategy, promotion campaigns</li> <li>2. Recruitment/assessment system; evaluations of applications;</li> <li>3. 4-level coaching package;</li> <li>4. Information and promotion campaigns;</li> <li>5. Networks with sector organisations in Europe</li> <li>6. Product and technology opportunity checks of companies;</li> <li>7. Technical, logistical briefing/strategic coaching of the companies;</li> <li>8. Sub-contracting of customised services for companies;</li> <li>9. Company and business profiles (transfer to field);</li> <li>10. Post-mission debriefing and further coaching;</li> <li>11. Individual interviews, questionnaire and telephone follow-up;</li> </ol>		

	<p>17. Reporting</p>	<p>12. Application forms, evaluation forms, company/business profiles;          13. Market research, local company search, scheduling meetings;          14. Helpdesk, ad-hoc assistance;          15. Order form, cost-estimates;          16. Individual debriefing sessions;          17. Regular reports to Lot 2 Liaison officer in Brussels</p>		
	<p><u>Lot 3 – Coordination, planning and logistics of activities in Japan.</u></p> <ol style="list-style-type: none"> <li>1. Information and promotion campaign</li> <li>2. Campaign website</li> <li>3. Practical information for EU companies</li> <li>4. Upfront preparation of events</li> <li>5. Organisation of the events and logistic support</li> <li>6. Briefing speakers and interpreters</li> <li>7. Monitoring of expert-assistance and coaching</li> <li>8. Settling payments with the participants</li> <li>9. Performance of exit satisfaction toll</li> <li>10. Debriefing of the participants</li> <li>11. Reporting meeting and financial management.</li> </ol>	<ol style="list-style-type: none"> <li>1. General and sector-specific campaigns, brochure;</li> <li>2. Web site in EN, Japanese and Korean</li> <li>3. Online information folder</li> <li>4. Company brochures, event brochure;</li> <li>5. Hotel choice, logistical arrangements;</li> <li>6. Speakers, interpreters;</li> <li>7. Verification of customised services received;</li> <li>8. Cash transfers;</li> <li>9. Personal interviews</li> <li>10. Data collection</li> <li>11. Event, quarterly and final reports.</li> </ol>		
	<p><u>Lot 4 - Coordination, planning and logistics of activities in Korea.</u></p> <ol style="list-style-type: none"> <li>1. Information and promotion campaign</li> <li>2. Campaign website</li> <li>3. Practical information for EU companies</li> <li>4. Upfront preparation of events</li> <li>5. Organisation of the events and logistic support</li> <li>6. Briefing speakers and interpreters</li> <li>7. Monitoring of expert-assistance and coaching</li> <li>8. Settling payments with the participants</li> </ol>	<ol style="list-style-type: none"> <li>1. General and sector-specific campaigns, brochure;</li> <li>2. Web site in EN, Japanese and Korean</li> <li>3. Online information folder</li> <li>4. Company brochures, event brochure;</li> <li>5. Hotel choice, logistical arrangements;</li> <li>6. Speakers, interpreters;</li> <li>7. Verification of customised services received;</li> <li>8. Cash transfers;</li> <li>9. Personal interviews</li> </ol>		

	9. Performance of exit satisfaction toll 10. Debriefing of the participants; 11. Reporting meeting and financial management	10. Data collection 11. Event, quarterly and final reports.		
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## **Annex 6: List of countries and territories covered by the council regulation (EC) No 1934/2006 of December 2006**

- (1) Australia
- (2) Bahrain
- (3) Brunei
- (4) Canada
- (5) Chinese Taipei<sup>1</sup>
- (6) Hong-Kong
- (7) Japan
- (8) Republic of Korea
- (9) Kuwait
- (10) Macao
- (11) New Zealand
- (12) Oman
- (13) Qatar
- (14) Saudi Arabia
- (15) Singapore
- (16) United Arab Emirates
- (17) United States