

Summary

Heading out into the world – the State's initiatives for promoting export (RiR 2013:10)



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The National Audit Office has assessed the government initiatives to promote companies export abilities.

Assessment background

Reasons: Export is very important to the Swedish economy. According to the Riksdag and Government, small and medium-sized enterprises (SME) are an important target group for increasing Swedish export, which is why the Riksdag and Government have stated that there are grounds for public initiatives to promote the export capabilities of this targeted group. The Government's approach is that the export initiatives shall be based on the needs of the companies. Many different actors offer publically funded initiatives that aim to improve the export capabilities of small and medium-sized enterprises. Examples of this include basic export information, advisory services, information about tolls, VAT and regulations or through delegation visits to various foreign markets. Given the Government's ambitions, it is important to ensure that the government initiatives are of best use for small and medium-sized enterprises. The National Audit Office's preliminary audit shows that it is unclear if the initiatives correspond to the needs of the companies, how the various government initiatives relate to each other and what the results and effects of the initiatives are.

Aim: The aim of the assessment is to examine if the State's operations to improve the export capabilities of companies are effective and organised in accordance with the companies' needs.

Implementation: The Swedish National Audit Office has examined state actors that have a mission from the Government to contribute to and help small and medium-sized enterprises in initiating or increasing their export. The actors included in the audit are the Swedish Trade Council (now Business Sweden), Tillväxtverket (The Swedish Agency for Economic and Regional Growth) including Enterprise Europe Network and Almi Företagspartner AB. The audit also includes the Government and the Government Offices. An online survey has been conducted among small and medium-sized enterprises. The aim has been to grasp the companies' needs and impediments when it comes to exporting, and their experiences of the Government's initiatives. The National Audit Office has also investigated the companies that between 2006 and 2011 took part in an initiative by the audited actors, aimed at improving their export capabilities and capacity. The aim has been to determine the characteristics of the companies that have taken part in one or



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more of the state actor's initiatives. To highlight the interplay between state actors abroad, a questionnaire has been sent to the foreign government agencies and export council offices that represent Sweden's 14 biggest export markets. Document studies and interviews have been conducted with relevant representatives of the operations. Finally, the Swedish National Audit Office has conducted a case study of Stockholm County to exemplify how initiatives to promote companies' export capabilities can be coordinated and implemented in a region.

Assessment results

The initiatives need to be more clearly adapted to the companies' demands

Of the companies that have answered the Swedish National Audit Office's questionnaire, the majority, 70 per cent, have not been involved in an initiative to initiate or expand their export. These companies state that the reason they have not been involved in an initiative is mainly low familiarity with the actors and their initiatives, or that they feel that they themselves can handle their export affairs sufficiently. Despite having the greatest needs and experiencing the most impediments, small companies have less knowledge of the offered services and the actors, and have to a lesser extent participated in state initiatives. There are many indications that companies often experience the actor's initiatives to be inflexible and not sufficiently adapted to the company's real circumstances. The companies are instead requesting initiatives that are more pragmatic, in order to increase the impact of the initiative.

The Government Offices' work can be synchronised further

The State's initiatives to increase companies' export abilities are not being managed in a coordinated way although the work of the Ministry of Foreign Affairs and the Ministry of Enterprise, Energy and Communications intersect at several points. Work with promoting companies' exports is often conducted based on joint aims but without coordination regarding how the initiatives are designed and implemented. The steering then risks being fragmented and it is hard to gain an overview of the area as the objectives are set based on the prioritisations of several different areas. Furthermore, none of the government actors in the assessment have formulated objectives that take the quality or macroeconomic effect of the initiatives into consideration.

The preconditions for effective coordination are lacking

The Swedish National Audit Office notes that the preconditions for coordination are lacking and that multiple actors conduct operations in the field. It is not always clear how and why the actors should collaborate. The Government does not require actors to submit reports regarding their collaboration and has not defined what constitutes satisfactory collaboration. The Government still express that the collaboration between the actors has improved.



Furthermore, private actors feel that the Swedish Trade Council's commercial operations can have a dampening effect on the market for export services and that the Trade Council gains market advantages through its double role as both a private and a state actor.

There is insufficient knowledge of the results and effects of the operations

The Swedish National Audit Office notes that there is insufficient knowledge about both the targeted companies' results after participating in an initiative, but also the overall macroeconomic effects stemming from initiatives. The government actors often measure what is easily measured instead of how the initiatives have affected the companies' export capabilities and capacity. There has been no unified follow-up of the export-promoting initiatives. There is therefore no collected knowledge about the overall effects of the initiatives. The audit also shows that the actors in their annual reports primarily present the positive effects of the initiatives. The Government then uses these results in their reporting to the Riksdag.

There is therefore a risk that the Riksdag does not receive a nuanced picture of the results of the operations. This, combined with the lack of joint data about effects, inhibits the Riksdag's ability to make well-aimed decisions regarding future initiatives.

The Swedish National Audit Office's recommendations

To the Government

- The Government should analyse how well the export-promoting initiatives offered by the State match the companies' needs and adapt the range of initiatives so that companies' demands are met.
- The Government should coordinate the tasks given to state actors in the area so that they complement each other, and provide a unified range of initiatives that reach out to companies and meet their demands. The Government should in this context consider whether the Swedish Trade Council's (now Business Sweden) government operations should be further specified in relation to its commercial operations.
- The Government should clarify the demands made to state actors to continuously follow up on initiatives and carry out qualified assessments of the results and effects of the initiatives and operations.

To the state actors

- The state actors should review and improve their follow-up and assessment procedures and analyse if the initiatives have the right content and design, and lead to the desired result among companies.

