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Policy Implications of the COMPETE Project

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- Trade
- Enterprise performance
- Market efficiencies and supply chain relationships
- Policy measures and governance

- Finding: Major export markets for EU agri-food exports are USA (↓), Russian Federation and China
- Policy implication 1.1 Link between competitiveness and political environment
- Policy implication 1.2 Importance of EU quality standards / Food Safety System

1. Trade

- Finding: EU MS compete both on price and quality – a reflection of the dual competitive strategies of the EU agri-food sector
- Policy implication 1.3 Policy framework in support of both price and quality competition

- Finding: Major agri-food exporters among EU MS: EU-15, while New Member States (NMS) lag behind
- Policy implication 1.4 A number of elements constrain NMS' export growth: infrastructure; farm structure; enterprise performance, policy environment, supply chain organisation.

2. Enterprise performance

- Finding: Trade openness is a main driver for productivity growth
- Policy implication 2.1 Strong support for the EU single market and continued efforts to sustain and improve the effectiveness of the single market

2. Enterprise performance

- Finding: Large disparities in agricultural productivity between member states and between worst and best performers in food processing. No evidence of convergence or catch-up.
- Policy implication 2.2 Assessment of the sustainability of this duality – and implications for rural development / viability of rural areas in case of unsustainability

2. Enterprise performance

- Finding: Innovation strategies depend on size of the company; level of indebtedness
- Policy implication 2.3 Crucial determinant of competitive advantage through innovation is access to financial resources

2. Enterprise performance

- Finding: Collaboration and openness in the innovation process are increasingly important for innovation activities in the agri-food sector.
- Policy implication 2.4 Stimulating openness through a framework and support for partnerships

3.a Market efficiency

- Finding: Asymmetric price transmission in EU MS but differently for upstream and downstream segments of the value chain
- Policy implication 3.1 Targeting asymmetric pricing needs to take into account the level of the value chain

- Finding: Market integration in the EU and convergence between EU-15 and NMS is still ongoing
- Policy implication 3.2 Improve the price discovery mechanism through price monitoring and a transparent dissemination system

3.a Market efficiency

- Finding: Relevant pricing information is difficult to access and to interpret
- Policy implication 3.3 Invest in the development and improved access to databases collecting regional prices

3.b Supply chain relations

- Finding: Effective coordination between downstream and upstream segments in agri-food supply chains is important to improve (i) quantity and quality of production and (ii) resilience of supply chain relations
- Policy implication 3.4 Create supportive environment for effective coordination: competition in buyers' markets; growth opportunities and support for organisation to reduce fragmentation

- Finding: Good governance and policy implementation are essential prerequisites for general competitiveness
- Policy implication 4.1 Policy focus on knowledge-based and innovation-driven competitiveness

- Finding: EU quality policy (organic, PDO, PGI, TSG) creates growth opportunities but suffers from a number of barriers
- Policy implication 4.2 Policy focus on reducing barriers:
(i) time-consuming and complex system of application and registration; (ii) credit constraints; (iii) low recognition of labels in buyers' markets