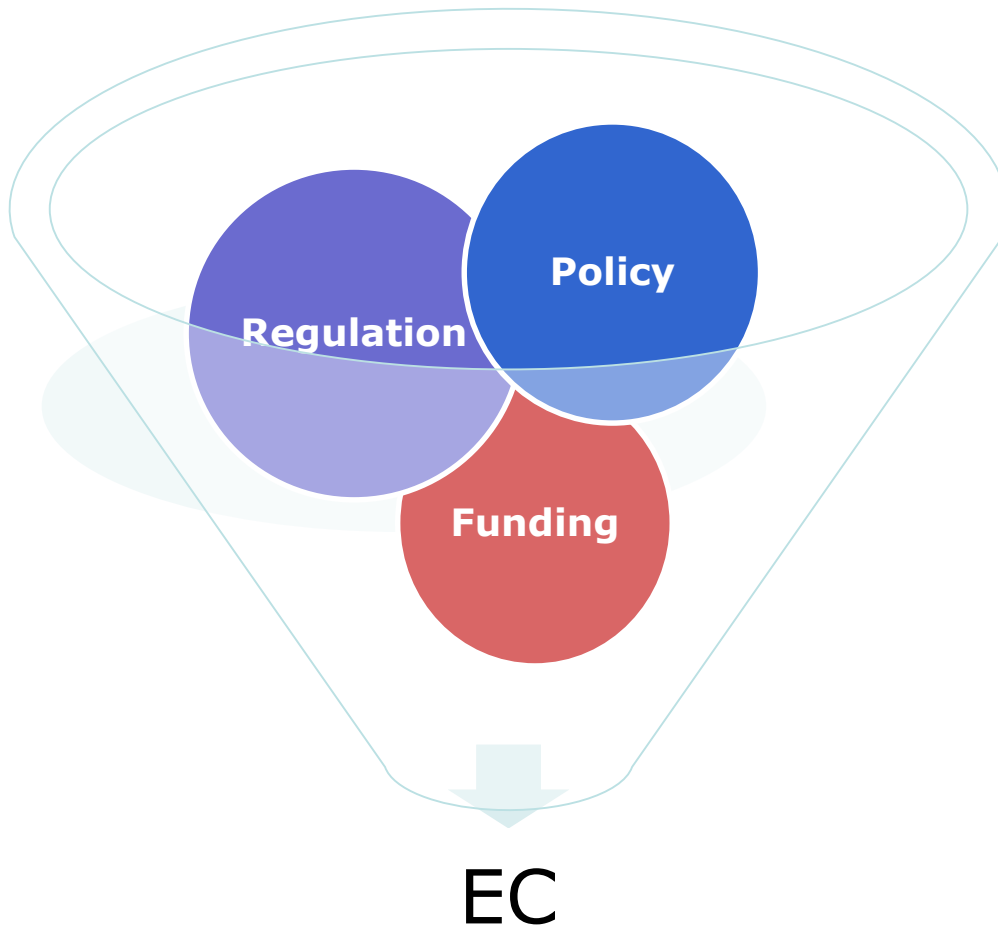European
Commission

EU policy for fashion and high-end industries

Antonio Cenini

DG Internal Market, Industry, Entrepreneurship and SMEs

European Commission: how it works?

Policy

Regulation

Funding

EC

Directorates General responsible for different portfolios: e.g. DG GROWTH – Internal Market, Industry, SMEs; DG EMPL - Employment, Social Affairs & Inclusion; DG EAC - Education and Culture...

European Parliament and Council

European Parliament

- legislation and supervision
- EP <u>Intergroup on creative industries</u>: informal body but with important power, across political groups and thematic committees

European Council

- Member States Ministers in different formations e.g. competitiveness, culture, environment, trade…
- Council conclusions: may call upon the Commission to act in different areas

Cultural and creative industries: economic impact

	Employment	Turnover
Content industries	7.3 million	€924 billion
Fashion industries	4.7 million	€577 billion
High-end industries	1.2 million	€547 billion

European high-end industry

Sub-sector	Value of sales € million	sales %	Share globally
High-end cars	268,000	48.9	84.3
Personal high-end goods	158,000	28.8	72.5
High-end hotels and leisure	42,000	7.7	30.4
High-end wines and spirits	36,000	6.6	65.5
High-end food	24,000	4.4	63.2
Design furniture	17,000	3.1	89.5
High-end yachts	3,000	0.5	42.9
High-end industries total	**547,000**	**100.0**	**69.1**

Luxury industry: key challenges

Continuous growth but a recent slowdown *(real growth 1-2%)*

Counterfeiting and other infringements *e.g. fashion and luxury goods = more than 50% of all goods stopped at customs*

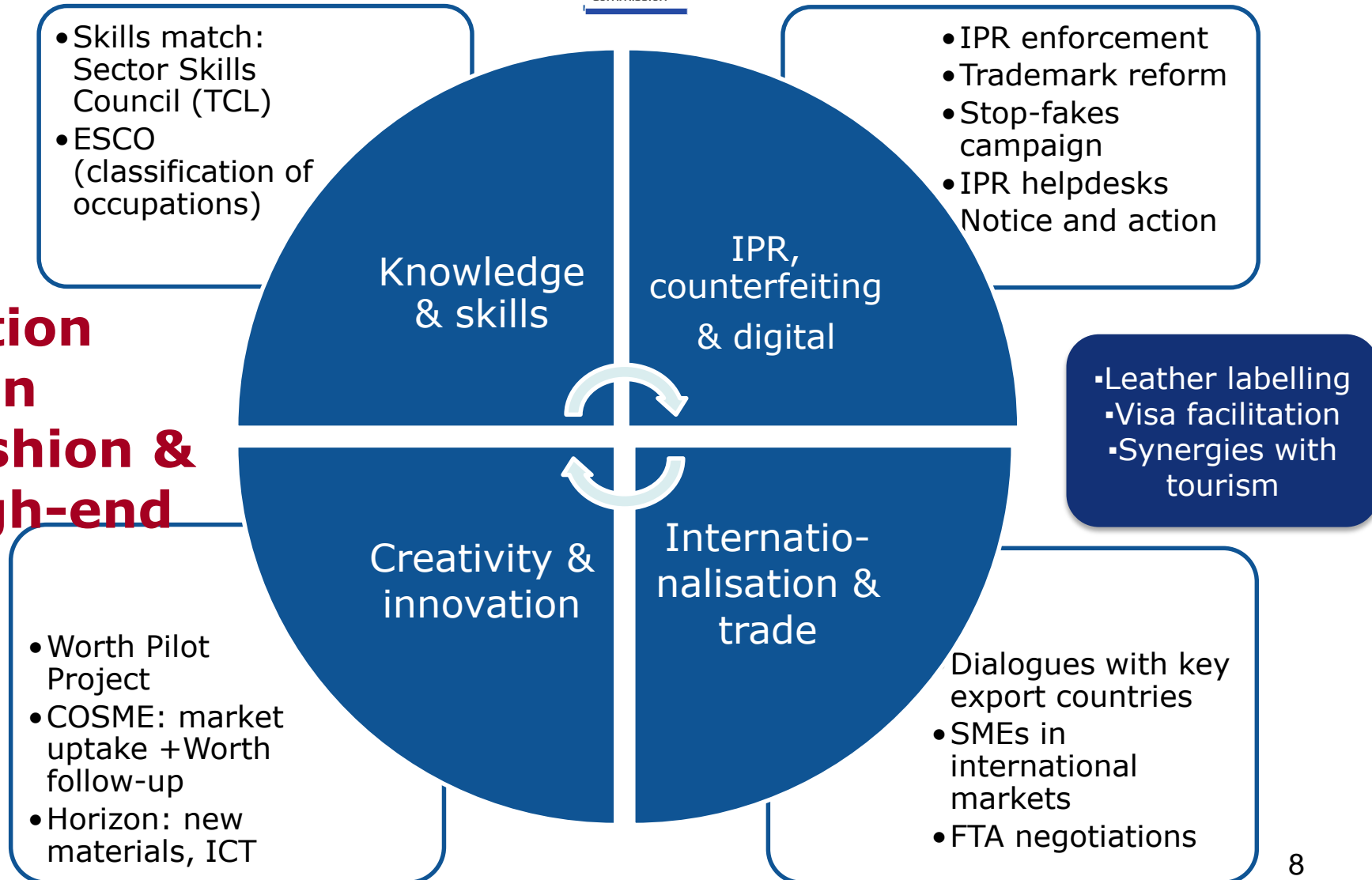**Digital environment: platforms and intermediaries**

Barriers in trade with 3rd countries

Vertical agreements vs selective distribution

Lack of specialised skills

What does the EU do?

Action Plan Fashion & High-end

- Skills match: Sector Skills Council (TCL)
- ESCO (classification of occupations)

Knowledge & skills

- IPR enforcement
- Trademark reform
- Stop-fakes campaign
- IPR helpdesks Notice and action

IPR, counterfeiting & digital

▪ Leather labelling
▪ Visa facilitation
▪ Synergies with tourism

- Worth Pilot Project
- COSME: market uptake +Worth follow-up
- Horizon: new materials, ICT

Creativity & innovation

Internatio-nalisation & trade

Dialogues with key export countries
- SMEs in international markets
- FTA negotiations

8

Intellectual property

- ✓ EU-wide system: patents, trademarks, designs, copyright, trade secrets
  - Ongoing work on non-agricultural geographical indications

- ✓ Voluntary agreements: Memorandum of Understanding on the sale of counterfeit goods on the internet: 'follow the money' approach
  - signatories: eBay, Amazon, Burberry, LVMH, Microsoft, Nike….

- ✓ IP support for SMEs: Helpdesks in different countries

- ✓ Monitoring and studies: European Observatory of IPR Infringements

Stop fakes campaign

Leaflet and movie:

- **Need to change the consumers' perception**
- **Counterfeit goods can be dangerous**
- **Criminal activity linked to other crimes**
- **Losses for economy, companies and jobs: trade in fake goods = € 200 billion = trade in illegal drugs**
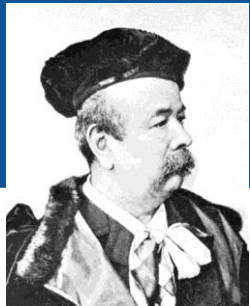
International trade

Chinese consumers play a primary role in the growth of luxury spending worldwide. They account for the largest portion of global purchases (31%), followed by Americans (24%) and Europeans (18%).

✓ Market access group: Commission + industry to tackle trade barriers

✓ Regulatory dialogues e.g. with China, Russia

✓ Free Trade Agreements e.g. TTIP, Vietnam
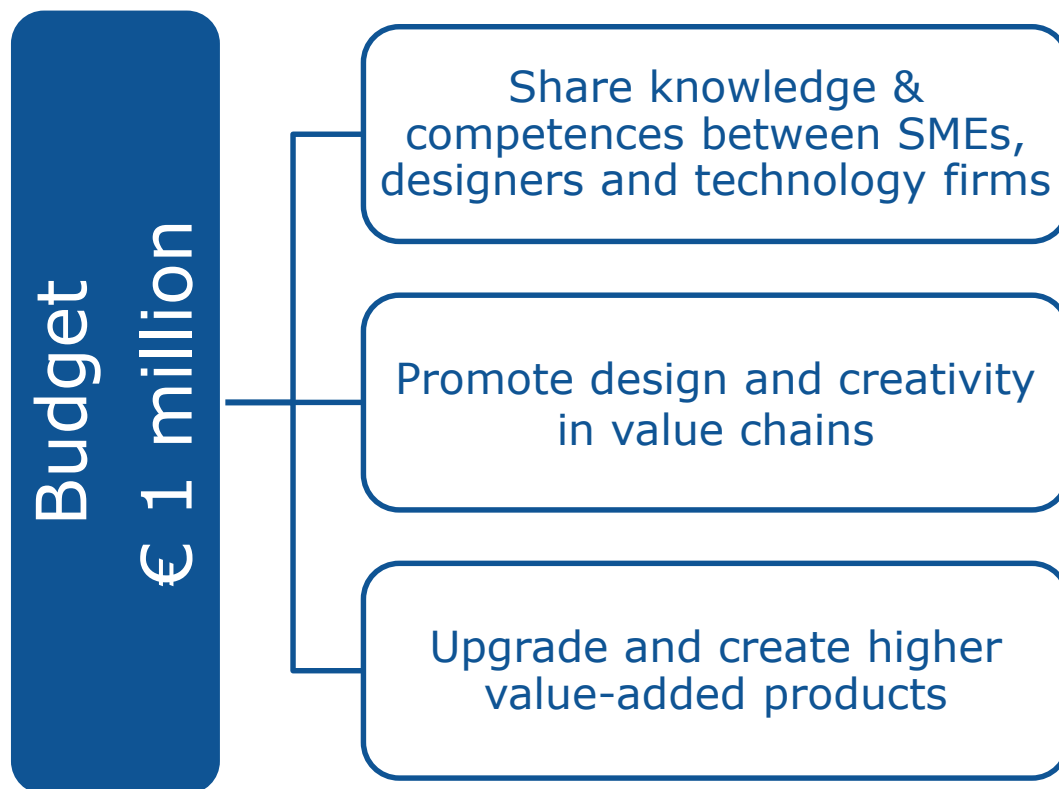
✓ Helping SMEs go international

Support for SMEs: boosting their competitiveness

Worth Pilot Project: background

- SMEs' barriers to innovation: lack of funding, lack of internal capacity, knowledge, ideas

- Designers and creative people have fresh ideas, are close to market and customers, are more flexible and more likely to experiment

- Manufacturing and design are two different fields, know little of the know-how involved, skills, organisation and existing possibilities

- Companies realise the potential of collaborative innovation but need incentives and guidance to engage in them
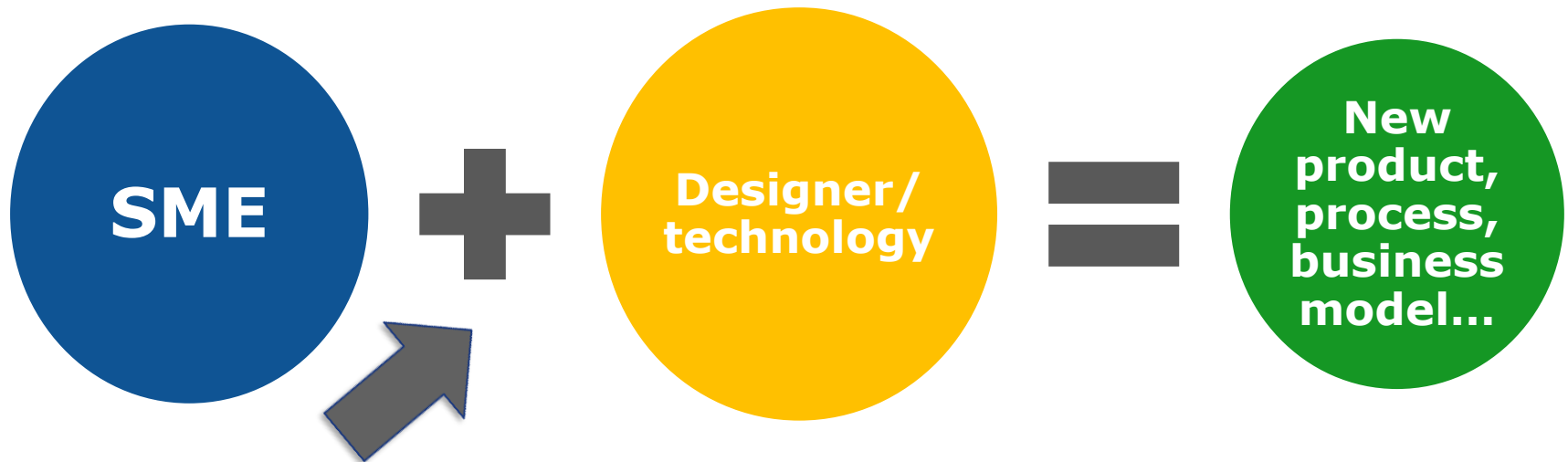
WORTH Pilot Project (CIP)

Budget € 1 million

- Share knowledge & competences between SMEs, designers and technology firms

- Promote design and creativity in value chains

- Upgrade and create higher value-added products

Launched end 2013

Duration 2 years

Evaluation 2015

PLATFORM

SME

Funding
Coaching
IPR

+

Designer/ technology

=

New product, process, business model…

34 trans-national partnerships

Role of the platform:

- Creating a website: www.worth-project.eu
- Selection of applicants, forming partnerships
- Contracts between participants, intellectual property (IP) agreements
- Coaching through the duration of the projects (refining the idea, execution, marketing strategy…)
- Showcasing results (at exhibitions, fairs)
- Sharing good practice

34 finalised partnerships

- Manufacturer-led: 13 projects
- Designer-led: 13 projects
- Technology- oriented: 8

12 Member States covered

Over 60 industry and cluster organisations contacted

Success stories

Samuel Gassman & Nuovi Gioielli: 3D printed ring:

- ✓ **Rings featured in Vogue, Elle**
- ✓ **Designer reached new markets (Hong Kong)**
- ✓ **Triggered new ideas for the future**
- ✓ **Effect of publicity: sales of his main product (cufflinks) went up**

Kokoon & Prisca Vilsbol: sleep enhancing headphones

- ✓ **US Venture Capital funded Kokoon's participation in an acceleration scheme**
- ✓ **USD 2 million collected on kick-starter**
- ✓ **Foreseen product sales USD 1 million**

Worth Partnership Project 2016

- Partnerships between manufacturing SMEs, designers, technology firms

- Worth as a collaborative innovation platform: create links, facilitate networking, finding the right partner, examples and success stories…

- More publicity, introduction to financial intermediaries

- Call for tender, €5.5 million, duration 4 years.

Thank you

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