

**Instituto Español  
de Comercio Exterior**  
*Spanish Institute for Foreign  
Trade*



# EXPORT CONSORTIA

Sardegna, 22-24 September 2005



- ↖ Export Consortia are based upon the companies need to cooperate in order to develop new projects and strategic alliances.
- ↖ Alliances focused on foreign markets mean remarkable advantages:
  - Helping companies to jump over new handicaps.
  - Minimizing risks and costs.
  - Boosting international operations.



## Export Consortia

- According to consortia location:
  - ✓ Origin Consortia
  - ✓ Destination Consortia
- According to consortia business:
  - ✓ Promotion consortia
  - ✓ Sales consortia
- According to sector:
  - ✓ Multisectorial
  - ✓ Unisectorial

## ICEX EXPORT CONSORTIA PROGRAMME

**Description**

Support to SMEs alliances to promote jointly products & services in foreign markets  
(Consortia in origin)

Supports to SMEs joint implantation activities in foreign markets  
(Consortia in destination)

**Targeted to** Spanish SMEs - Consortium: 3 companies minimum (consortium in origin) or 4 companies minimum (consortium in destination)

**Financing**

50% out of eligible expenses  
45% out of eligible expenses  
40% out of eligible expenses

**Maximun financial aid** 180.000 euros/year & consortium

**Eligible expenses**

In-company expenses: viability survey, set up expenses, headcount expenses, leasing expenses, office hardware, communications, supplies, insurance, external advisors, services.

Foreing promotion expenses: marketing research, promotion materials, advertising, promotion activities, public relations, showrooms, business trips

**Duration** Three years



## ICEX SUPPORT TO EXPORT CONSORTIA (1985-1996)

### 1985-1996: Consortia supported

	Number	Percentage
Industrial products	52	26
Capital goods	31	15
Fresh Food	27	13
Produced Food	27	13
Home Furnishings	27	13
Others	42	20
<b>Total</b>	<b>206</b>	<b>100</b>

## ICEX SUPPORT TO EXPORT CONSORTIA (1985-1996)

### 1985-1996: Consortia supported in Spanish Regions

	Percentage
Basque Country	26
Valencia	19
Cataluña	12
Madrid	9
Others	30
<b>Total</b>	<b>100</b>



## ICEX SUPPORT TO EXPORT CONSORTIA (1985- 2001)

### 1985-2001: Consortia supported

	Number	Percentage
Industrial products	68	26
Capital goods	41	15
Fresh Food	38	14
Produced Food	35	13
Home Furnishings	30	11
	212	79
Others	118	21
Total	330	100



## 1985-2001: CONSORTIA PROGRAMME – SUMMARY

- 2 out of 3 consortia: an average of 4,4 member companies.
- 90% consortia: Capital Expenditure in equitable parts.
- 83% consortia: complementary products.
- Consortia are mainly created in food industry, industrial products and consumer goods.
- Only 18% consortia mean the shareholders' mainstream export operations.
- Shareholders look at consortia as a complementary way to foreign trade.
- 50% consortia are not promoted by shareholders but by an external agent/promotor.



## SPAIN EXPORT CONSORTIA

---



- 50% of consortia are run under a free management scheme.
- European Union and Latinamerica were the target areas.
- Consortia in destination: experienced big companies in international operations joined a consortium to enter & market other countries.
- Consortia arised to seize business opportunities in countries where public financial support is critical.
- In 2001, remained 90 out of 330 consortia.

	1985-2004: Consortia supported							
	2001		2002		2003		2004	
Fresh & Produced Food	21	28%	18	26%	16	29%	17	29%
Capital goods	14	18%	16	23%	11	20%	13	22%
Industrial products & technology	37	49%	30	43%	23	41%	19	32%
Services & multisectors	4	5%	5	7%	6	11%	10	17%
<b>Total</b>	<b>76</b>	<b>100%</b>	<b>69</b>	<b>100%</b>	<b>56</b>	<b>100%</b>	<b>59</b>	<b>100%</b>

## 2004: Consortia supported in Spanish Regions

	Percentage
Cataluña	14
Valencia	14
Madrid	13
Basque Country	12
Others	47
<b>Total</b>	<b>100</b>



## ↳ 2001- 2004: CONSORTIA PROGRAMME – SUMMARY

- Consortia were best supported by public institutions, above all in regions where public support was not usually given.
- Geographical proximity of institutions is critical for consortia building.
- In 2001-2005, despite of reducing the number of consortia investment figures remained balanced: that is why consortia size was greater and promotion expenses were increased.
- New consortia in new sectors (logistics, transportation, services...) and new consortia offering higher added value products & services.



## EXPORT CONSORTIA EFFECT

- In 2001, remained 90 out of 330 consortia.
- Institutions monitorise whether a consortium remains on duty after the period of public financial support.
- Taking into account that consortia play the role of “exporting schools” they are considered as a provisional tool.
- As soon as shareholders learn to export, consortia are expected to be dissolved within 3/5 years.
- However, a well-managed consortium could have a longer duration and reach ambitious targets.



## ↩ EXPORT CONSORTIA EFFECT

- As soon as 1<sup>st.</sup> phase ends and whether different market opportunities arise, the consortium could keep on business with new functions.
- Reasons for consortia lock out might be low sales figures or over expected success.



## ↩ EXPORT CONSORTIA EXAMPLES

- CALIDALIA: E-commerce on produced food.
- HORTIBERIA: Fresh Food.
- NORTECO MACHINERY: Public works & construction machinery.
- CHAMO / OFIDE: Office furnishing & hardware.
- ENTER: Logistics.
- GRUPO Pi: Audiovisual industry.



## ↩ CALIDALIA: E-commerce on produced food.

- 21 member companies in the produced food industry (300 trademarks and 40 products).
- The consortium launched an E-commerce website with operations at the moment in 130 countries.
- Three different areas: B2B, B2C and B2E.
  - ✓ B2B: targeted to ease the buying decision process improving relations with suppliers.
  - ✓ B2C: a double communication way between company and consumers.
- 12 CALIDALIA member companies started up CalidaliaBaltic España, with main office in Tallin, Estonia.





## ↩ HORTIBERIA:

- 9 member companies in the fresh food business (fruits, citrics and vegetables).
- A wide range of complementary products (30), a close negotiation with suppliers & farmers, an offer all year long and products trazability as well as other international quality requirements.
- The consortium manager is a well known executive in the spanish fresh food business.
- Negotiation with great customers obliges to open local offices in Germany, Eastern Europe, United Kingdom and France.



## ↳ NORTECO MACHINERY:

- 5 member companies in the Public works & construction business started up the consortium in order to market Baltic countries and Russia.
- The consortium manager played a key role to start as well as to boost the consortium operations.
- Norteco Machinery's products & services offer is a fully complementary offer.
- At the moment the consortium is in a preliminary phase.

## ↩ CHAMO / OFIDE:

- 5 member companies in the Office furnishing & hardware business targeted to the Arab Gulf countries.
- After several internal changes and with the 3 years ICEX financial support, 2 showrooms were opened in Dubai and Qatar.
- The consortium is still in progress and trademark has been consolidated.



### OFIDE QATAR

#### A NEW SHOWROOM IN DOHA

IN JULY, OFIDE OPENS ITS DOORS IN THE PEARL OF THE GULF  
YOU ARE INVITED TO VISIT US AT SALWA RD., P.O. BOX 24352, DOHA  
SPANISH WAY OF WORKING, SPANISH WAY OF LIVING  
DESIGNED AND CREATED IN SPAIN

ofide  BARCELONA | DUBAI | DOHA  
[www.ofidespain.com](http://www.ofidespain.com)



## ↖ ENTER:

- Enter is a consortium focused on the Russian market targeted to control the member companies' logistic operations in Russia.
- Besides the shareholders, other new customers are European companies that assure their logistics in Russia.
- A logistic yard and a local office have been opened for serving customers' operations.



## ↳ GRUPO PI:

- 4 member companies launched the consortium with a wide product portfolio in order to improve their international sales outlook.
- Results were to become an international distributor and also to make stronger their negotiation positions with international customers.
- On the medium term, the consortium targets are to offer tailored products on rankings and audiences surveys.
- On the long term, the target is to become the spanish audiovisual business meeting point.

**Instituto Español  
de Comercio Exterior**  
*Spanish Institute for Foreign  
Trade*



# EXPORT CONSORTIA

Sardegna, 22-24 September 2005