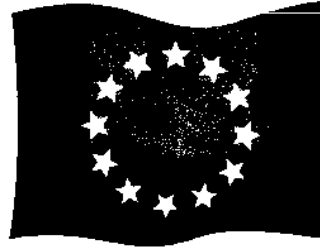


EUROPE AND US



NEW EUROPE FOR ME AS

CONSTRUCTION SME



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1. INTRODUCTION

This brochure was developed within the framework of the PHARE SME Fit programme. It contains basic information about the impact of the EU enlargement on the construction sector. This paper will put the main focus on the construction industry including carpenters and stonemasons especially in the sector of residential construction, which is dominated by SMEs.

Construction industries are based on a long lasting tradition in the EU-15 as well as in the new member states, although especially in the craft sector the main customer groups seem to be different: The residential construction sector has a larger share in the EU-15 than in the accession countries. Investment in private housing is considerably lower in the accession countries. Carpenters are enlarging their field of activity in building complete houses with up to four floors based on wooden materials, whereas the craft sector in the new member states is confronted with a considerably lower purchasing power and a narrow market in high value goods.

But enlarging the EU to a community of 378 Mio. inhabitants will boost the competitiveness and growth of all EU members, especially those at the borders between “old and new” member states. This large market will in the end be easily accessible for all enterprises removing the existing barriers to cross border activities. This represents chances and also risks for the sector and is a big challenge for the whole economy.

To outline the economic effects of the EU enlargement various interactions between industries have to be considered: The sector has to expect a considerable growth, although competition will be fierce.

2. THE FOUR FREEDOMS OF THE EUROPEAN UNION

The European Union (EU) originally arose in the 50s as a coming-together of six states. Since 1995 the EU counts 15 members. The European Union is guided by the principles of law and democracy. Its Member States transfer their sovereignty to the EU, which jointly represents their interests as a whole. There are only a few policy fields, which have not yet been based on a common treaty: So all decisions are based on the founding treaties ratified by the member states and the treaties of Maastricht and Nice. The Intergovernmental Conference, launched on Oct. 4th will try to harmonise and develop these treaties further on in order to make a Union of 25 member states workable. But this process will last longer than expected, because the European Council in December 2003 was not able to find a common position on the new “European Constitution”.

All EU citizens enjoy the “Four Freedoms”

- **Free movement of Persons:**
means that persons may move within the EU as freely as they could previously only within a national state – and without border controls. They may seek employment, go to school or university, reside or, of course, set up business anywhere. The setting up of businesses is already foreseen in the so-called Europe Agreements, whereas the freedom to seek employment is restricted by transition periods (especially for Austria and Germany)
- **Free movement of goods:**
means that goods may/can be exchanged as on a domestic market. There are no longer any border formalities or certificates of origin

- **Free movement of services:**

means that within the EU anyone may provide or take advantage of services (e.g. insurance, cross-border joinery work); also this freedom is restricted by transition periods (especially for Austria and Germany).

- **Free movement of capital:**

means, that anyone may, for example, open accounts, transfer or borrow money anywhere in the EU (*Freedom of movement of capital*).

A prerequisite for the smooth running of such a market is a framework of conditions allowing fair competition. Some of these conditions are:

- Easing of trade by the removal of technical barriers
- Harmonisation of indirect taxes (VAT, consumer taxes, etc.)
- Harmonisation and/or recognition of norms and certificates
- Recognition of professional qualifications
- EU-wide rules for the granting of public tenders
- Measures against unfair competition by large conglomerates
- Harmonisation of security policies (Schengen-Agreement) in order to jointly protect the external borders.

As there are various transition mechanisms and transition periods in place, not all of these freedoms will be fully in place as of May 1st, 2003:

Agriculture will not be fully liberalized, so remaining border controls for goods can be expected to be a hindrance to the freedom of movement of goods and possibly for the freedom to provide services. And the Schengen agreement will not set into force on May 1st, so border controls of persons will remain in place.

The transition periods with respect to the labour market:

Years after accession	Freedom to seek employment	Preconditions for keeping emergency clause
0 – 2 years after accession	None (national requirements remain in place)	Automatically
2 - 5 years after accession	Possible	Unilateral declaration to EU-Commission if and to what extent emergency clause will be upheld
5 - 7 years after accession	Probable	Unilateral declaration in case of serious disorder on the labour market

The transition periods with respect to the freedom to provide services (these transitory regulations are restricted to the following branches (or better sectors): Construction and related services, cleaning services, social and security services and landscape-gardening services):

Years after accession	Freedom to provide cross-border services	Preconditions for keeping emergency clause
0 – 2 years after accession	None	Automatically
2 - 5 years after accession	Possible	Unilateral declaration to EU-Commission if and to what extent emergency clause will be upheld
5 - 7 years after accession	Probable	Unilateral declaration in case of serious disorder on the labour market

As a result the labour market as well as the services market (cross-border services) for construction companies will be officially closed at least until May 2006 (minimum two year transition period – see above), if not longer (at least in Germany and Austria). Accession countries may retaliate with the same regulations in order to keep EU-15 companies from their market.

3. Facts and figures of the construction industry and its competitive environment

3.1 General Figures

Annual growth rates in % of GDP

	1999	2000	2001	2002	2003e	2004e
Austria	2,0	2,5	2,2	1,3	1,7	1,8
Slovenia	5,2	4,6	3,0	3,0	3,3	4,0
Hungary	4,2	5,2	3,7	3,3	3,8	4,0
Slovakia	1,3	2,2	3,3	4,2	3,5	4,5
Czech Rep.	0,5	3,3	3,3	2,6	2,8	3,3

Industry production growth in %

	1999	2000	2001	2002	2003e	2004e
Austria	4,0	2,5	2,8	0,5	1,0	1,5
Slovenia	-0,5	6,2	2,9	2,4	3,0	3,0
Hungary	10,4	18,1	3,6	2,6	7,0	9,0
Slovakia	-2,7	8,6	6,9	6,3	5,5	6,0
Czech Rep.	-3,1	5,4	6,5	4,6	4,7	6,0

Inflation rate in %

	1999	2000	2001	2002	2003e	2004e
Austria	1,7	1,5	1,0,	0,8	1,8	1,7
Slovenia	6,1	8,9	8,4	7,5	6,0	5,5
Hungary	10,0	9,8	9,2	5,3	5,3	5,0
Slovakia	10,6	12,0	7,1	3,3	7,0	7,0
Czech Rep.	2,1	3,9	4,7	1,8	1,6	2,0

Wage costs per hour in EUR

	1995	1996	1996	1998	1999	2000	2001
Austria	17,4	18,0	18,2	18,7	19,3	19,6	20,3
Slovenia	-	-	5,6	6,0	6,2	6,5	6,9
Hungary	2,1	2,2	2,5	2,6	2,8	3,0	3,7
Slovakia	1,7	2,1	2,5	2,6	2,5	2,7	2,9
Czech Rep.	2,1	2,5	2,5	2,7	2,8	3,1	3,5

Wage costs per unit, change in %

	1995	1996	1996	1998	1999	2000	2001
Austria	-0,6	-0,8	-4,4	-1,8	-1,5	-5,1	0,9
Slovenia	13,0	0,1	0,6	2,5	2,0	1,2	4,1
Hungary	-14,3	0,3	5,9	0,1	7,4	5,9	15,6
Slovakia	7,7	11,1	7,3	-0,2	-7,9	6,5	4,1
Czech Rep.	13,9	15,3	3,7	8,2	3,0	4,6	10,0

Source: *WIIW*

All these figures show that there is still a considerable difference in economic performance, although the new member states are catching up. Due to higher inflation rates and a reluctant development in labour-productivity the comparative advantage is diminishing as shown by the wage costs per unit, although especially in the services sectors this advantage will dominate economic decisions for many years. Studies show also some slowing down in the growth of productivity of the services sectors in the accession countries. Due also to the relatively high inflation rates and to the lacking track record of SMEs in relation to banks these figures hint at problems especially for micro-enterprises of getting enough finance from banks. These small enterprises will be hampered in their attempts to invest in the upgrading of their machines in order to regain their productivity losses of the recent years. In the end there will be a different development within the various sectors of economy: Smaller companies will not have the same chances as larger ones, and those, which gained foreign direct investment and could invest in their future, will lead the market.

3.2 Figures concerning the construction market

(Sources: *Euroconstruct 2003 and DB Research*)

In 2002 economic growth in Europe has developed weaker than expected and the construction industry declined. The correlation of GDP and construction output in all Euroconstruct regions showed that both GDP and construction output was revised downward. In the 19 Euroconstruct countries the construction sector is growing at a slower rate than the economy as a whole due to the poor performance of residential construction.

The European construction markets shrank by 0.2 percent in 2002. A stagnation of the construction industry is expected for 2003 (+0.2%). The forecasts show a slight growth in the construction sector in 2004 (+0.6%) and in 2005 (+1.8%).

The main reasons for the delayed recovery are:

- the flattening of world economic development,
- the budget consolidation process all over Europe,
- threatening unemployment growth,
- pessimistic business expectations and consumer confidence.

In residential construction the decline is slowing down to 2004. A recovery of this market segment is expected in 2005 (+1.0%). Nevertheless, residential construction shows the least favourable development among the construction sectors up to 2005. Non-residential construction responded to the changing global macroeconomic situation very sharply, mainly due to the downward adjustment in industrial facilities. Only in civil engineering a positive development can be observed. This sub-sector will rise by 2% percent in 2003, due to the growth in new transport infrastructure.

The structure of the construction sector is in Western Europe completely different compared to Eastern Europe. The construction industry in Western Europe mainly suffered from the weak development in residential construction with a share of about 45% of the whole construction sector. In Eastern Europe the construction industry is influenced by non-residential construction with a share 45%. Residential construction in the Eastern European Countries only amounts about 23%, which shows the big potential in this construction area.

Demographic Reference Numbers

By 1.000	Austria	Slovenia	Hungary	Czech Rep	Slovakia
Population	8.110	1.988	9.927	10.222	5.377
Below 15	16,8	16,1	17,1	16,6	19,8
15 – 29	19,1	22,0	22,6	23,5	24,9
30 – 44	25,0	23,3	20,2	20,1	21,8
45 – 59	18,8	19,6	19,7	18,2	15,4
60 +	20,4	19,0	19,7	18,2	15,4

Source: WIIW

Structure of the European Construction Market

In %	Residential construction	Non-residential construction	Civil engineering
Austria	46	31	23
Spain	46	23	31
Ireland	57	23	20
Finland	36	45	19
Poland	23	45	32
Czech Republic	14	48	38
Hungary	32	41	27

Construction Volume per GDP

in %	2001	2003	2005
Austria	12,2	12,0	12,1
Spain	11,3	12,0	12,1
Ireland	17,0	14,1	12,5
Finland	14,1	13,5	13,7
Poland	12,5	11,2	12,3
Czech Republic	10,7	10,9	11,0
Hungary	11,3	12,4	13,5

Source: db-research

Number of flats finished, floor area per flat

	Flats finished 2001/2000	m² per flat (living space)	m² per flat (total floor area)
Germany	316.197		
Austria	45.850		91,9 (average)
Czech Rep.	24.759	45,2	96,3 (2000)
Slovakia	12.931	82,5	135,0 (2000)

Source: Österr. Kontrollbank AG, Zentralverband Deutsches Baugewerbe

Figures are not available for all countries, the following main trends can be summarized: The floor area per flat is growing in all the accession countries and also in Austria, but at a very different speed. The trend in Slovakia for instance can be explained by a growth in numbers of one or two family houses. This is also valid for rural areas in other countries. The area per flat remains stable at a low level in large cities. Figures for Germany show another considerable decline in 2002 with 289.601 flats finished (-11,2 %).

Whereas in the EU-15 countries there is a balance between the construction of new flats and the renovation of older ones, the situation in the accession countries is different:

In Hungary for instance more than 31 % of all flats are older than 50 years, and one third of the newer buildings are prefabricated apartment buildings, which require renovation as well. Still 25 % of all buildings are made of loam. These figures indicate that the construction market is not really soaring at the moment, but in the future – with increasing living standards – the construction market can expect a dynamic development.

Concerning the investment possibilities it might be useful to consider, who is owning the flats:

International comparison of flats 1999:

	Freehold flats	Privately rented flats	Rented flats in publicly assisted house-building	All rented flats
Austria	56 %	22 %	19 %	41 %
Slovenia	88 %			12 %
Hungary	92 %	3 %	5 %	8 %
Slovakia	78 %			5 %
Czech Rep.	49 %	7 %	24 %	31 %

Source: European Housing Statistics (Ministry of Environment, Finland) 2001

3.3 Current development trends in construction in various European countries

The current development trends in the three construction sectors (residential construction, non-residential construction and civil engineering) are very different in the countries covered by db-research. As they cannot be summarised by simple tables, the following paragraphs try to give a picture by country

Germany

The construction market is in a crisis: Investments are declining since many years, accompanied by a reduction in the workforce. Employment declined in the western countries by 35 % since 1995 (121.000 jobless, 2nd quarter 2003) and in the eastern countries by 50 % (153.000 jobless, 2nd quarter 2003). The construction of residential buildings has been shrinking by more than 50 % in the western countries and by more than 75 % in the eastern countries (since 1997). This resulted also in declining prices and in a contracting market for construction materials. Construction permits hint at a further shrinking market in the residential sector: Construction permits in the year 2002 were down by 5,8% (western countries – 3,7 %, eastern countries 16,0 %); 1-family houses showed a plus of 0,3 %, 2-family houses a minus of 2,8 %, and more-family houses a minus of 15,2 %.

Austria

After several years of recession the construction market is now slowly growing, the residential building sector still being considerably weak. The ongoing discussion about the volume of construction allowances in Austria and the reduction of these allowances in Germany suggest a further negative impact on the residential construction market in the near future.

Spain

The dynamic development has shifted from the residential sector to the civil engineering sector, partly caused by co-financing measures of the EU in the framework of the Structural Funds.

Ireland

Due to a growing population the residential construction sector has a market share of about 57 %. But since 2001 all sectors are declining.

Finland

Civil engineering and residential construction returned to growth in 2002, in 2004 non-residential construction will follow. Expectations are good in all sectors.

Poland

The residential sector has only a market share of 23 %. A strong but volatile growth is expected in all sectors. The civil engineering sector will be strongly subsidised by EU-Funds (TINA).

Czech Republic

The residential sector has a market share of only 14 %, whereas the non-residential sector still has a growing market share (48 %). Expectations are good, although investments in private construction will only grow if there is a sound economic growth.

Hungary

The residential sector is stronger than in Poland or the Czech Republic (32 %). Expectations are good, especially in civil engineering and residential construction.

All these trends lead to a European construction market, which is characterised by fierce competition, stagnating or declining prices, especially in the residential construction sector. The situation is even worse considering the high share of shadow economy in the sector. So it is very difficult to predict shifts in cross border market share (size and growth rate). At present construction exports or imports EU-15 to accession countries and vice versa are rather low, so there might be a considerable market potential for cross border activities not only for companies from accession countries, but also from EU-15 countries (high quality sector).

Future outlook

The sector will see an increase in the production of modular systems (automation), and an increase in e-commerce. The volume of possible cost-reductions might reach 15 to 25 %. Renovation will get a bigger market share, taking into account the necessary renovation work caused by the Kyoto-treaty (reduction of carbon-dioxide), leading to investment in new heating systems and in better insulation of buildings. The privately financed share of civil engineering will increase, and competition especially in the craft sector will become fiercer because of the EU-enlargement. The demographic development will cause a further downturn in the residential construction sector.

3.4 Public tenders

The internationalisation of the public orders might have an effect on bigger construction enterprises, because they are stronger in price competition than small enterprises and they meet capacity requirements better.

The directive on public tenders, particularly relevant for large orders, will change previous tender practice. The thresholds will have to be adapted to respective EUR-values.

Information about published calls for tenders (which have to be publicly announced) can be found in:

- the EU data bank TED (Tender Electronic Daily) [Internet address:
- the Official Journal of the EU, Supplement S
- Advance notices about Call for tenders by EU
- in national or regional media

The aims of the directive are:

- Obligation of contracting authority to inform in advance about all planned supply contracts exceeding the thresholds.
- Obligation to give the reasons for every call for tenders
- Obligation of the contracting authority to strengthen the application of European standards
- Orders above the threshold values must be tendered in the EU-25
- Legal means against any discrimination of bidders

Eligibility criteria

- Exclusively the criterion of the lowest price
- Economically most advantageous offer due to different terms (price, delivery deadline, running costs, profitability, quality, design, advisability, technical value, customer service and technical help). These criteria are usually ordered according to importance.

4. THE FREE MOVEMENT OF GOODS

Upon entry into the EU, there is an end to all borders, border controls and rules on certificates of origin. This means that goods can be supplied and sold without any trade barriers, duties or other restrictions such as waiting at borders (see transition mechanisms above).

4.1 Tax Harmonisation¹

Correct application of EU tax rules is a prerequisite for the functioning of the Single Market. The EU Treaty prohibits any tax discrimination, which would – directly or indirectly – give an advantage to national products over products from other Member States. It calls for harmonisation of turnover taxes, exercise duties and other forms of indirect tax. VAT (Value Added Tax) was the first tax to be harmonised.

The single European market was completed on 1 January 1993. From this date goods, persons, services and capital may be moved freely within the EU. The main VAT-arrangements applicable after this date are:

- For private persons buying goods in another member state VAT is levied in the country in which the goods are bought (the principle of the country of origin). They can then return home with their purchases without being taxed again.
- For trade in goods between businesses in member states VAT is levied in the member state to which the goods are transported (the principle of the country of destination) at the rates and under the terms of that member state.
The business supplying the goods applies the zero rate.
The business receiving the goods submits a tax return with regard to the goods purchased in another member state. The formerly applicable import VAT will be replaced by acquisition tax within the European Union. Exports will continue to be exempt from tax in the country of origin. The acquisition tax is to be paid to the revenue authorities in the country of destination. The acquisition tax must be paid by the purchaser and can be declared as input VAT from the point at which the tax is due, enabling the importer to receive a refund of input VAT in the VAT prepayment period including tax on imports and acquisition.
- The minimum standard VAT rate is set at 15%. Member States have, however, the option of applying one or two reduced rates, equal to or greater than 5%, to a limited list of categories of goods and services.

¹For further information :
http://europa.eu.int/comm/taxation_customs/publications/info_doc/taxation/tva/taux_tva-2003-5-1_en.pdf

For private individuals the origin-based taxation remains as a basic principle of the common VAT system, for trade in goods between businesses in Member States it is the principle of the country of destination. One condition for a tax-free intra-community supply is the VAT identification number.

The Value added tax identification number aims to ensure that VAT regulations concerning goods supplied and transported within the European Union are correctly applied. The VAT identification number of the supplier must be included on all invoices. The revenue authorities are responsible for assigning VAT numbers.

For exporters, exports to another EU Member State will only be tax-exempt, if the purchaser quotes his VAT identification number. The validity of the VAT identification number of the purchaser has to be checked by the supplier.

The supply of goods by a VAT-registered trader in one EU Member State to a VAT-registered trader in another EU Member State will normally qualify as an intra-Community supply. A VAT-registered trader may zero rate the supply of goods to a customer in another EU Member State if

- the customer is registered for VAT in an other EU Member State,
- the customer's VAT registration number is obtained and retained in the supplier's records
- the supplier must note on the invoice „zero-rated intra-Community supply“
- the goods are dispatched or transported to that other EU Member State
- the supplier must quote his customers' VAT registration number on the sales invoice.

In the construction sector these regulations will have to be applied if a company is importing/exporting construction materials. The construction work itself is taxed in the country of destination.

4.2 European standardisation

The aim behind European standardisation is the harmonisation of norms throughout Europe to ease the exchange of goods and services by the removal of trade barriers that can arise from differing technical requirements. CEN, Europe's multi-sector standardisation organisation, has the task of working out norms that conform to the basic safety requirements in the respective directives: For instance, the directive on construction material sets down the basic safety requirements, and the norms define the technical way how to achieve the safety requirements.

If a respective product fulfils the requirements set out in a norm, the entrepreneur can obtain a CE-mark for this special product (after having passed a certification procedure), and then the product can be placed on the EU-market. Mind that there might be national requirements on the allowed use of these products.

Whoever merely claims conformity and affixes a CE Mark without preparing the technical documentation or without adhering to the directive in every aspect, risks a fine, a ban on selling his product, or even a recall of a product already delivered.

History

- 1971 Publication of the “Council Directive concerning the co-ordination of procedures for the award of public works contracts“ (Public Works Directive)
- 1988 Publication of the “Council Directive on the approximation of laws, regulations and administrative provisions of the Member States relating to construction products” (Construction Products Directive)
- 1990 Mandate to CEN to issue EUROCODES as pre standards (ENV)
- 1998 Start on the conversion of the pre standards into final norms

Current breakdown

- EUROCODE 0 Principles of planning structures
- EUROCODE 1 Actions on structures
- EUROCODE 2 Design of concrete structures
- EUROCODE 3 Design of steel structures
- EUROCODE 4 Design of composite steel and concrete structures
- EUROCODE 5 Design of timber structures
- EUROCODE 6 Design of masonry structures
- EUROCODE 7 Geotechnical design
- EUROCODE 8 Design provisions for earthquake resistance of structures

Address of the national standardisation institute including the person responsible for the construction sector.

5 FREE MOVEMENT OF PERSONS

Free choice of working location

The principle of the free movement of people enables every employee who is a citizen of an EU Member State the free choice of working location in any Member State in accordance with the principle of equal treatment. The aim is the creation of a cross-border labor market. EU citizens may now work in any Member State without a working permit. Wages and other working conditions must be the same for all employees. Social security regulations ensure that employees working in another EU Member State can add together entitlements built up there and not lose any. See transition periods.

Setting up an enterprise

The freedom to set up an enterprise gives those pursuing a trade and self employed the opportunity to be commercially active throughout the whole area of the EU. The citizen of another EU Member State has to be treated in the same way as a citizen of the home country. There are already now no restrictions between the EU-15 and the accession countries.

The systems of professional qualifications vary from Member State to Member State. Recognition of professional qualifications/certificates of competence is consequently a significant prerequisite for the free movement of people. For many professions the recognition of professional qualifications is regulated in directives. Normally a person having been an entrepreneur or directing an enterprise for a period of at least 6 years qualifies for home treatment in any EU country without having to pass national master exams. (In Austria the Ministry of Economy and Labour is dealing with these issues). Information about the registration of an enterprise can be obtained in the above mentioned ministry or at all regional economic chambers in Austria or at the crafts chambers in Germany. In Germany, the precondition for running an own craft enterprise has been a registration before the start-up: Responsible for registration is the craft chamber in the district where the profession will be carried out for the first time or constantly. The EU-Court has just recently decided that this registration is not in line with the regulation of the Single Market. Additionally there are registration requirements with the tax and social insurance authorities.

6 FREE MOVEMENT OF SERVICES

This freedom guarantees that all persons or enterprises are equally able to offer services inside one country and across borders. Every entrepreneur is entitled to send his workers and salaried employees to provide services in another Member State provided he respects the prevailing legal regulations in the host country (minimum wage, minimum holidays e.g.). But, in principle, entrepreneurs and their employees cannot be required to pay pension and social security contributions etc. twice. See transition periods.

Opportunities and threats for SMEs in the Construction sector (in the Accession Countries in an enlarged European Union):

The construction sector in the accession countries is facing extraordinary tasks in 2003:

- There is only one year for accelerated preparations until EU accession (modernisation of the Public Procurement Law, the modernisation of the Law of the Built Environment, the mastering of tender "skills" with the help of consulting services);
- From January 2004 on procurement procedure of acceding countries are fully open to EU member countries - the competition is getting fiercer;
- Problems concerning authorisation, regulation, administration and training in the construction sector must be solved;
- The market of engineering services (planning, construction, project management) has to be established;
- Developing new financing schemes such as Private Public Partnerships (PPP) demographic reference numbers

Small enterprises

Good local network, raise awareness level of customers	No sufficient awareness level
Emphasize quality and service	No sufficient performance profile
Specialisation	
Commercial expansion for enterprises close to borders	Competition form abroad from enterprises close to borders

Object specialists

Good contacts to foreign architects, construction related companies	Increased number of foreign companies in own area
Ensure information about tenders	Balanced employment
Reasonable market extension	Price pressure
Development of optimal cost structures	
Specialisation on types an sizes of objects	

7 QUESTIONS

To define chances and risks of the business and to draw from it the correct conclusions means, to answer as precise as possibly a multitude of questions, which refer:

- * to the analysis of an own enterprise and his position in the competitive environment,
- * to the developing goals
- * to the appropriate strategies and measures.

Appropriate questions for the enterprise or competition analysis can be, for example:

- * What kind of products / services do we offer?
- * What can we do we particularly well?
- * With what kind of products do we achieve what kind of results?
- * With what kind of customer groups will we handle?
- * By what kind of customer groups do we achieve what kind of results?
- * What is our market?
- * Why do we restrict our performance to this market?
- * Which kind of advantages and disadvantages does have our location?
- * Who are our strongest competitors, measured by the capital or sales?

- * Which of our competitors are the most innovative?
- * Which are our most important strengths and weaknesses?
- * Which planning and control instruments are available for us?
- * What accuracy has achieved our pre calculation in comparison with post calculation?

Questions to the developing goals can be for example:

- * What are our substantial strengths that we can sell to our customers particularly well and that can distinguish us clearly from our competitors?
- * Why would customer choose our product even if the distance would be bigger?
- * What chances do we have by export deliveries to the previous target groups?
- * What chances have we if we want to attend new export target groups or delivery chains?
- * Which additional costs appear, if we perform our services to the more distant customer?
- * Which target groups do we want to address more intensively / particularly / exclusively?
- * Which products or product groups should be further supported / launched?
- * Which service performances should we strengthen?
- * Which marketing activities can strongly influence our sales?

Questions to the definition of appropriate strategies and measures are, for example:

- * What do we have to do in order to achieve our goals in for example these areas?
 - Customer relations
 - Offered assortment
 - Service performance
 - Marketing and advertisement
 - Cost structure
 - Planning and control
 - Calculation
- * Who is responsible for the execution of the measures?
- * What deadlines do we have to pay attention to for the separate measures?
- * Who is responsible for coordination and control of the specified measures?

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