

## **The European Parliament reiterates its support to ECCIA**

Flagships of the European economy, the cultural and creative industries (CCIs) presented the manifesto: *'Securing the leadership of the European cultural and creative industries in the digital era'* during a roundtable held on 8 November at the European Parliament. Organized by Pervenche Berès and Christian Ehler, co-chairs of the Intergroup Cultural and Creative Industries, and Guillaume de Seynes, Chairman of the European Cultural and Creative Industries Alliance (ECCIA), this roundtable offered the opportunity of an exchange with MEPs on the specificities and new challenges that the high-end and luxury industries are facing. In this context, the debates were enriched by the expertise of Lionel Fontagné, Professor of Economics at the University Paris 1 Panthéon Sorbonne and Associate Chair at the Paris School of Economics, whose work on high-end and luxury has highlighted the specificities of their unique business model that constitutes the source of their economic success.

The European high-end and luxury sector is a major asset of the European economy and contributes to the international influence of Europe in the world. Throughout the years, it has succeeded in combining a strong heritage of historical know-hows with leading innovation to answer the challenges of an increasingly globalized and digitalized world. In the age of the Internet, the sector has emerged as a major player in the integration of online and offline environments, while maintaining the singularity of its business model. However, this success, which benefits the entire EU - in terms of jobs, tourism attractiveness, foreign investment or exports - must be protected by a robust European regulatory framework, able to preserve sustainability and growth of the high-end luxury industry in the European Union.

While many sectors are currently facing a crisis, the roundtable highlighted the strengths and singularity of the business model of the high-end and luxury industries which has allowed them to play a major role in the growth of the European economy.

### **A sector that combines economic and cultural values**

The luxury and high-end industries combine creativity and innovation with a European cultural and craft heritage, thus creating more than mere tangible products. They communicate values, a reputation, a history, intangible components of exceptional objects only protected by intellectual property rights. Deeply rooted in European regions, the sector preserves and creates sustainable jobs based on exceptional craftsmanship skills.

Moreover, through its link with European culture, the sector contributes to the promotion and development of a heritage that is known around the world thus strengthening the cultural influence of the EU. It was therefore with great delight that the sector, highly committed to the protection of creativity and cultural diversity in the EU, welcomed the proclamation of 2018 as European Year of Cultural Heritage.

This close relationship between industry and culture is a source of strong attractiveness worldwide and contributes to making the EU the world's leading tourist destination.

In this context, the ECCIA stressed the importance of implementing policies to promote European creativity, particularly through training courses in design schools to improve the relationship between companies and education. The valorization of European excellence know-how has also been mentioned in order to attract young people to sustainable jobs and this goes through a better recognition of trades and craftsmen.

Christian Ehler said:

*“the high-end and luxury CCIs are strong providers of sustainable jobs in Europe. The rewarding careers the CCIs offer should be publicized as the sector currently faces a challenge to preserve its traditional craftsmanships.*

*The development of dedicated policies towards the youth promoting European excellence craftsmen and the jobs opportunities in the sector must be considered as an EU priority. The collaborations set up by ECCIA members regarding the teaching of skills are inspiring and these best practices should be promoted at EU level. “*

### **A European export champion**

While the EU has seen its share in the international trade reduced dramatically in the last decade, MEPs have witnessed the dynamism and the virtues of the business model of luxury and high-end industries, the only sector for which the EU is the undisputed leader in terms of exports: in 2013, 75% of global exports come from Europe, representing 62% of the sector's turnover.

Lionel Fontagné explained that:

*“the high-end and luxury sector challenges the conventional wisdoms of economic and business models applied to other industrial sectors.*

*Thanks to a subtle combination of tangible (high-quality products) and intangible (cultural heritage, powerful brands, aura) assets, the sector has outperformed many other economic sectors in Europe. It sells a greater variety of products to a wider range of countries and to more distant destinations than other exporters, even in sectors which face stiff competition from low cost producers.*

*This outstanding performance is linked to the unique characteristics of the European high-end and luxury business model and it offers the promise of favourable prospects as more and more emerging nations integrate into the global economy.”*

However, to support this export performance, the intervention of competent public authorities is crucial to facilitate a fair access to third markets, notably through the implementation of trade agreements with third countries to reduce customs duties and fight against non-tariff barriers, while guaranteeing strong provisions for the protection of intellectual property rights.

### **A major digital player**

The high-end and luxury industries have been able to take full advantage of the opportunities created by the development of the digital economy. Each brand has appropriated the online environment by adapting its image and communication, and reinvented itself to meet the high-expectations of consumers. At the service of the singularity of each brand, social networks have become the new vectors of the intangible values of the sector. Digital has also become an ally of high-end and luxury companies' creativity as new technologies have enabled the sector to expand its horizons in terms of design, materials, quality and sales experience.

However, this new environment has brought new challenges. In order to ensure the competitiveness of the sector, its players must be able to freely control their reputation and distribution channels, in particular by preserving selective distribution systems. The fight against counterfeiting also remains a crucial issue, especially on the Internet. While the European Commission's communication of 28 September underlined the need to step up the fight against illegal online content by recognizing the active role that intermediaries must play,

the ECCIA nonetheless recalled the importance of setting up an appropriate legal framework able to contain the spread of online counterfeiting and thereby protect European businesses and consumers.

Pervenche Berès recalled that:

*“the growing availability of counterfeit products online is a serious concern as it undermines the trust of European businesses and customers in the Digital Single Market and causes losses of income and jobs. The implementation of a strong, harmonised legal framework at the EU-level is therefore crucial in order to sustain the creativity and development of European CCIs. The Cultural & Creative Industries Intergroup is fully committed to ensure that all digital actors are truly and fully involved in the fight against illegal goods and contents online. “*

Guillaume de Seynes pointed out in conclusion:

*“The ECCIA welcomes these constructive discussions highlighting the unique characteristics of a deeply European and world-leading sector. We hope that the issues clearly expressed today, issues which concern not only our sector but Europe in general, will be taken into account by the European authorities for the implementation of an effective regulatory framework allowing the cultural and creative industries to continue their development for the benefit of employment and growth in Europe.”*

### **About ECCIA**

The European Cultural and Creative Industries Alliance (ECCIA) is composed of five European cultural and creative industries organisations: Altagamma (Italy), Circulo Fortuny (Spain), Comité Colbert (France), Meisterkreis (Germany) and Walpole (UK), who between them represent over 400 brands and cultural institutions.

Based on art, culture and creativity, our work is underpinned by continuous innovation, a relentless focus on quality, highly skilled employment and strong export abroad. Our members strive for the highest quality in all they do, from products and services all the way to the experience offered to consumers.

### **Contact**

For any further information, please contact [eccia@eccia.eu](mailto:eccia@eccia.eu)

The manifesto *Securing the leadership of the European Cultural and Creative Industries in the digital era* is available on [www.eccia.eu](http://www.eccia.eu)