

TECHNOLOGY TRANSFER AND EXPORT PROMOTION

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The working responsibilities and objectives of the Technology Transfer and Export Promotion (TT&EP) initiative fall into two main areas:

- information services and technology transfer
- business development and export promotion.

Its purpose is to maximise the return on the country's investment in renewable energy R&D, whether this was carried out as part of the DTI's Sustainable Energy Technology Programme or undertaken by universities and other institutions. It also seeks, by co-operating closely with other stakeholders, to make maximum use of UK capabilities and business expertise in this field, so that benefits accrue both within the UK and overseas.

Specific objectives in the two main areas can be summarised as follows:

Information services and technology transfer

1. To disseminate to UK industry in a timely and appropriate manner the outputs of the DTI's Sustainable Energy Technology Programme, including the results of renewable energy research, development and demonstration projects, and other technical and market information available under the Programme.
2. To increase the general public's awareness of renewable energy and to achieve a continuing improvement in the wider public acceptance of renewable energy developments.
3. To provide a "one stop shop" signposting service for the UK's renewable energy industry. This will direct the industry to:
 - the policies and programmes of the Sustainable Energy Policy Unit (SEPU) of the DTI, including the support it provides for industry, and the technical and market information that arises out of its activities
 - the policies, programmes and points of contact for industry bodies and other government departments that are relevant to business in the UK renewable energy sector
 - the wider sources of support for the development of export business that are available to UK companies through the DTI's Trade Partners UK (TPUK) initiative.

Business development and export promotion

4. To promote the development of UK renewable energy products/services businesses in the international marketplace, thereby enhancing the UK's industrial strength in this sector.

5. To monitor the progress of UK industry within the international marketplace, thereby helping to determine the future direction of TT&EP activities. An appropriate monitoring system should be in place by April 2002.
6. To quantify both the market development opportunities that are available and the expected effects of R&D and trade promotion initiatives. A revised promotional programme with expected outcomes should be identified by April 2002.

PROGRESS ACHIEVED

In seeking to achieve these objectives, TT&EP:

- disseminates information on the results of R&D and on UK capabilities to UK industry
- promotes the development and application of UK capabilities, both in the UK and overseas
- provides UK companies with information about international markets, and follows this up with business introductions and international trade promotion, often in conjunction with other stakeholders and service providers.

The specific activities and services that have been developed, and the overall results achieved, are summarised below.

Information

The TT&EP initiative has introduced a range of information services, including:

- the published results of R&D and technical projects
- market and events news
- overseas market prospects and market intelligence
- UK sector capabilities
- company contacts.

An enquiry bureau fields general enquiries, and a web site contains an increasing amount of the published information.

Feedback from UK industry indicates that it would welcome:

- a more comprehensive information service that is easier to access
- further information on overseas country and market information
- further information on the positions of other government bodies and stakeholders (and any support services offered by them), as well as those of SEPU.

The TT&EP initiative's own experience in trade promotion also indicates the need for more comprehensive and accessible information about UK company capabilities.

Business development

The business development activities of the Programme include:

- the promotion of UK renewable energy goods and services at selected international industry events
- the appraisal of overseas markets and the preparation of prospects reviews
- responses to business and market enquiries
- leading further UK industry initiatives to develop target markets through industry events, and inward and outward trade missions.
- encouragement and support for the development of trade associations and export market networks.

Feedback from industry indicates that:

- the focused promotion of UK capabilities is particularly effective, whether as specific target market initiatives or international industry events
- further support would be welcomed in:
 - establishing reference projects
 - controlling the perceived risks associated with the financing of early projects.

Results

Progress is being made in a number of important areas:

- The UK has developed considerable strength in many aspects of renewable energy, including R&D, resource appraisal and commercial development, and technical and financial services.
- An increasing number of companies are making good progress in overseas markets.
- The UK has taken the lead in preparations for trading in emissions certificates.

However, there remain two areas where the UK is lagging behind some of its competitors:

- The UK's position as a manufacturer of nameplate renewable energy equipment is relatively weak.
- The installation rate for renewable energy capacity in the UK has been disappointingly low when compared with that for other countries, despite the operation of the NFFO system to promote market development and commercialisation.

BARRIERS ENCOUNTERED

A review of the feedback from industry, combined with the experience gained by the export promotion initiative, has identified a number of barriers to the UK's development in the renewable energy sector world-wide.

Sector-related issues that are common to the companies of most countries

- The immature and relatively unproved nature of many renewable energy technologies.
- The limited resources of the many small and medium-sized (often technology-focused) companies that still populate much of this sector.
- The fact that the markets in which companies are seeking to develop business are often unformed and immature.
- The difficulty of raising finance for projects that are subject to the risks associated not only with these sector-related issues but also with the local market-related issues summarised below.

Local market-related issues that are common to the companies of most countries

- The different and often difficult commercial conditions in a number of the countries in which UK and other foreign companies are seeking to develop business.
- The expense of overcoming such difficulties.

Knowledge-related issues

- The limited awareness that companies have of the resources, prospects and conditions in relevant markets, and of markets world-wide, and hence their limited ability to form practical business plans that reflect these.

UK-specific issues

- A comparatively weak domestic renewable energy market, widely interpreted as being the result of difficult planning permission conditions.
- Limited industry confidence in the future development of this market.
- A resulting shortage of reference projects.
- A corresponding shortage of applied specialised manufacturing capability in many areas.
- The mixture of strengths and weaknesses of the relevant trade associations.
- Rapid development and consolidation by UK competitors in overseas markets.

FUTURE DEVELOPMENT OF SERVICES

The activities developed by the TT&EP initiative to date are addressing a number of these barriers as well as ensuring business development opportunities. The effectiveness of these activities, and of others proposed as a result of industry consultation, will continue to be assessed or projected. The findings, together with those identified from other components of the Sustainable Energy Technology Programme – individual technology route maps, the quantification of market opportunities and the UK's position in the market – will be used to design future support programmes for UK companies in the renewable energy sector.