as credit unions, leasing companies, personal and family relations. Seed capital funds have been developed in many countries to provide projects involving high risk with capital and competence at an early stage.

To help bridge the innovation shortfall, governments have developed comprehensive programmes for improving SMEs' technology base and strengthening their innovation culture. Competent management skills are a prerequisite for the success of SMEs, and a large number fail because of management shortcomings. Rapid technological change in a globalised market and shortened product life cycles have enormous impacts on firm organisation and management. Therefore, promoting the acquisition of knowledge and competencies by SMEs is a goal of many government programmes.

Business incubators usually comprise an actual physical workspace combined with advisory services. Incubator schemes are established by public, private and non-profit actors and are funded by different government levels, research institutes, trade associations and the private sector. In addition to the valuable services they provide to local firms, by way of information, advice, training, marketing and financial support services, incubators can also have an important demonstration effect. The limited available evidence suggests that incubators have a positive impact in terms of improving rates of enterprise survival. Available assessments suggest that the cost of public support per job created in an incubator can compare favorably with other public job creation programmes.

SMALL BUSINESS IN THE UK

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There has been a resurgence of interest in the small business as an important factor in the national economy.

Until the 1970s there was a widespread belief that business would become increasingly concentrated in large units. It was thought that economic growth depended on mass production techniques. The economies of scale created by new technologies and global marketing would inevitable confine small firms to a peripheral role in support of larger units. Business research and education overlooked small business management which was regarded in a inferior light.

Today there is great interest in the fortunes of the small business sector with all party support for policies promoting the growth of small enterprises, in recognition of their importance to the health of the economy.

What is a small business?

The 1971 Bolton Report (the report of the "Committee of Inquiry on Small Firms") defined a small business by three essential characteristics:

1) Personalized management by its owner.

2) Small share of its market.

3) Independent ownership

It also used some specific measures depending on the industry, such as:

- Manufacturing: 200 employees or less;

- Retailing and miscellaneous services: 50,000 per annum or less (500,000 per at today's prices).

It is generally accepted that there is no uniform "small firm sector" designated by some simple size criteria.

Small enterprises are involved in such a huge range of activities, in widely differing environments that they don't lend themselves to generalized descriptions and suppositions.

The Bolton Report represented a turning point in perceptions of the small business. The committee thought that the small business sector would inevitably decline further and it needed deliberate support. Its principle recommendation, that a Small Firms Division should be established under a Minister for small firms, was implemented.

The Bolton report advocated support for the small business sector on the grounds that small firms have several special contributions to make as:

- an outlet for enterprising individuals who would not necessarily flourish in larger environments;
- the most efficient size of unit in some markets;
- specialist suppliers or sub-contractors to larger companies;
- suppliers to specialized markets, too small for larger companies;
- competition to prevent monopolies;
- innovations of products and services;
- a breeding ground for new industries;
- the "seedbed" for tomorrow's large companies and their leaders.

Now I would like to speak on the role of competition in development of small business in the United Kingdom of Great Britain by the example of the "Mars" company.

A new student of economics must realize that microeconomics is all about how market mechanisms work to achieve resource allocation. At the heart of this is the need to understand that competitive markets are generally seen as an ideal outcome. Understanding this subject matter is essential, because it helps to explore the impact of a new product and new supplier in a competitive market.

Returning to one of the two industries – the market for impulse ice cream – I'll try to show the dynamic nature of entry as a vital part of what constitutes competitiveness in an industry. The market for ice cream purchased for immediate consumption arguably provides a better documented portrait of the difficulties of new entrants than any other consumer good market. This is because the Competition Commission has reported three times on this industry since 1994.

When Mars launched Ice cream "Mars" in 1989, it was competing with two established national suppliers. These were Birds Eye Walls (BEW) and J. Lyons (Lyons). BEW was at that time the clear market leader accounting for about 50 % of sales of impulse ice cream. Lyons Maid accounted for about 39%, but this figure had been falling from a position of almost equal parity with BEW 10 years earlier. Mars was entering a market dominated by two seemingly well- entrenched companies. But Mars believed it could apply its expertise as a manufacturer of impulse confectionery products by extending these brands into ice cream products. It quickly found the grocery sector supportive of its new product, made with real chocolate and dairy ice cream, but found penetration of the impulse market much more difficult. Here, it encountered the problem that retailers were precluded from stocking Ice Cream "Mars" in the freezers supplied by BEW or Lyons. Mars clearly felt frustrated by the difficulties it encountered in the early 1990s.

Mars was prepared to offer strong marketing support for its new product and to present a genuine national challenge to its two established rivals. In 1989 mars was the supplier of four of the confectionery industry's top five best-selling brands.

Mars launched its new brand at a premium price of 60 p – a price significantly above that of most other impulse products. Thus Mars didn't just compete on price with the two established national firms of BEW and Lyons. Mars was, in effect, challenging then accepted views of its rivals that consumers would not pay for premium product price to reflect higher-quality ingredients.

I paid your attention at new entry with reference to some UK industries. I tried to question the assumptions that new entry is by new firms who only enter expanding markets, and that new entrants compete on price so as to eliminate excess profits. I consider that entry should be seen in a broader light. Entry can be by established firms and made into a declining industry. To sum it up I'd like to say that the new entrant may well introduce a new product and stimulate competition in product variety rather than price. It this way, a market can be expanded through successful marketing activity which goes much wider than the relevance of price.

LES SERVICES PUBLICS FAVORISANT L'ACCES DES ENTROPRISES FRANÇAISES AUX MARCHES ETRANGERS

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Les enterprises françaises désireuses d'aborder pour la première fois les marchés étrangers, ou d'y développer leur presence, disposent d'une gamme étendue d'appuis, parmi lesquels les services publics jouent un role important sans toutefois etre exclusif.

La Direction des relations économiques extérieures (DREE)